

CALIFORNIA HORSE RACING BOARD
1010 HURLEY WAY, SUITE 300
SACRAMENTO, CA 95825
(916) 263-6000
FAX (916) 263-6042



REGULAR MEETING

of the California Horse Racing Board will be held on **Thursday, February 28, 2008**, commencing at **9:00 a.m.**, at the **Arcadia City Hall**, 240 West Huntington Drive, **Arcadia**, California. **The meeting will open at 9:00 a.m., then the Board will adjourn into Closed Session with the regular meeting commencing at approximately 10:00 a.m. or as soon as the Closed Session concludes.**

AGENDA

Action Items:

1. Approval of the **minutes of the regular meeting of January 16, 2008.**
2. Discussion and action by the Board regarding **reconsideration of its action to extend the license granted to the Sacramento Harness Association (H) at Cal-Expo to conduct a harness racing meeting** commencing January 24, 2008 through March 27, 2008, inclusive.
3. Discussion and action by the Board on the **Application to Conduct a Horse Racing Meeting of the California Exposition and State Fair (H) at Cal-Expo**, commencing March 6, 2008 through August 2, 2008, and September 11, 2008 through December 20, 2008 inclusive.
4. Discussion and action by the Board regarding **the request of the Los Angeles Turf Club for modifications of its racing days at the current December 26, 2007 through April 20, 2008 race meeting at Santa Anita.**
5. Public hearing and action by the Board on the adoption of the proposed amendment to **CHRB Rule 1420, Definitions**, to provide a definition of an alternative claiming race, and the proposed addition of **CHRB Rule 1634, Alternative Claiming Race**, to provide the conditions under which a horse may be entered in an alternative claiming race.
6. Public hearing and action by the Board on the adoption of the proposed amendment to **CHRB Rule 1844, Authorized Medication**, to establish levels and add stanazolol, nandrolone, boldenone and testosterone to the list of drug substances, one of which, may be permitted in the official urine test sample.
7. Public hearing and action by the Board on the adoption of the proposed amendment to **CHRB Rule 1849, Nerving**, to prohibit nerved horses from the grounds of the racing association; from entry in a race; or from being sold or offered for sale on the grounds of a facility under the jurisdiction of the Board; and the **proposed repeal of CHRB Rule 1850, Posterior Digital Neurectomy and CHRB Rule 1851, List of Nerved Horses.**

8. Public hearing and action by the Board on the adoption of the proposed amendment to **CHRB Rule 1865, Altering of Sex of Horse**, to provide that a horse shall be scratched if the true sex of the horse is not listed on its certificate of registration on file in the racing office by scratch time for the race in which the horse is entered.
9. Report and update from representatives of the **Pacific Coast Quarter Horse Racing Association regarding the status of the quarter horse toe grab study.**
10. Report of the **Pari-mutuel/ADW and Simulcast Committee Meeting.**
11. Discussion and action by the Board **regarding the proposed addition of rules to implement AB 241, Statutes of 2007**, which allows the addition of 15 minisatellite wagering facilities in each California racing zone.
12. Discussion and action by the Board **regarding CHRB Rule 1606, Coupling of Horses.**
13. Discussion and action by the Board **regarding the feasibility of adding a new wager sponsored by the World Poker Tour.**
14. Discussion and action by the Board **regarding a proposal for a future book wager for signature races held at each California race meeting.**
15. Report and update from the Thoroughbred Owners of California **regarding the status of the California Jockey Welfare Corporation and the new health insurance that has been implemented for eligible California jockeys.**
16. Discussion and action by the Board **regarding the proposal from the Thoroughbred Owners of California to transfer the financial administration of unclaimed refunds, used to provide health and welfare benefits to eligible California Jockeys pursuant to Business and Professions Code Section 19612.9, from the CHRB to the California Jockey Welfare Corporation.**
17. Report and presentation from representatives of the San Mateo County Event Center regarding their **preparations for opening a Satellite Wagering Facility.**
18. Discussion and action by the Board on the **distribution of race day charity proceeds of the Bay Meadows Racing Association in the amount of \$46,182 to four beneficiaries.**
19. Discussion and action by the Board regarding **the announcement of closed session Board action, and roll call vote thereon, to hire an Executive Director (if necessary).**
20. **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 presentation.

21. **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.
- A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," 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 applicants for, and action to appoint, an Executive Director for the California Horse Racing Board. Closed session authorized by Government Code section 11126, subdivision (a).

Additional information regarding this meeting may be obtained from the CHRB Administrative Office, 1010 Hurley Way, Suite 300, Sacramento, CA 95825; telephone (916) 263-6000; fax (916) 263-6042. This notice is located on the CHRB website at www.chrb.ca.gov. *Information for requesting disability related accommodation for persons with a disability who require aid or services in order to participate in this public meeting, should contact Jacqueline Wagner.

CALIFORNIA HORSE RACING BOARD

Richard B. Shapiro, Chairman
John C. Harris, Vice Chairman
John W. Amerman, Member
John Andreini, Member
Jesse H. Choper, Member
Marie G. Moretti, Member
Jerry Moss, Member
Richard Bon Smith, Acting Executive Director

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Arcadia City Hall**, 240 West Huntington Drive, Arcadia, California, on **January 16, 2008**.

Present: Richard B. Shapiro, Chairman
John C. Harris, Vice-Chairman
John W. Amerman, Member
John Andreini, Member
Jesse H. Choper, Member
Marie G. Moretti, Member
Jerry Moss, Member
Richard "Bon" Smith, Assistant Executive Director
Derry L. Knight, Deputy Attorney General

MINUTES

Chairman Shapiro asked for approval of the minutes of the Regular Meeting of November 29, 2007. Vice-Chairman Harris stated on page 12 of the minutes he was quoted as stating trainers should be notified of a proposed regulation so trainers could change their regiments two or three weeks out. He stated that should be two or three months out. Chairman Shapiro said the minutes would be amended to reflect Vice-Chairman Harris's correction. Commissioner Moretti **motioned** to approve the minutes of the regular meeting of November 29, 2007, as amended. Commissioner Amerman **seconded** the motion, which was **unanimously carried**. Chairman Shapiro asked for approval of the minutes of the regular meeting of December 14, 2007. Commissioner Choper **motioned** to approve the minutes of December 14, 2007. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE BAY MEADOWS RACING ASSOCIATION (T) AT BAY MEADOWS, COMMENCING FEBRUARY 4, 2008 THROUGH MAY 11, 2008, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said Bay Meadows Racing Association (BMRA) proposed to run 70 days, for a total of 593 races. BMRA proposed to run a Thursday through Monday race week to coincide with the Santa Anita race week, and Wednesday through Sunday during Hollywood Park's live meeting. The first post time would be 12:45 p.m., daily, and 7:20 p.m. on Fridays through May 9, 2008. The advance deposit wagering (ADW) providers would be TVG, YouBet, XpressBet and Twinspires. Ms. Wagner added the horsemen's agreement was completed. Chairman Shapiro said he understood the application matched BMRA's racing schedule with Southern California racing. He asked if BMRA would like the application to provide the flexibility to run Thursday through Monday during Hollywood Park's live meeting if it continued running concurrent with Santa Anita. Bernie Thurman of BMRA said her organization would like the flexibility to run whenever Southern California was running. Chairman Shapiro said the license would be amended to provide that BMRA could match the Southern California racing schedules. He noted BMRA would run ten races on four promotional days. Ms. Thurman said if the field sizes were sufficient, BMRA would run the El Camino Real Derby, Bay Meadows Handicap Day, Kentucky Derby and closing Saturday. Mike Ziegler of BMRA stated his organization was operating under the assumption that Bay Meadows was not closing; however, if BMRA were informed the racetrack would close, there would be a bit of entertainment to end the meeting. Commissioner Amerman stated he understood the proposed meeting would be the last at Bay Meadows. He asked what had changed. Mr. Ziegler stated nothing had changed, but he did not want to believe Bay

Meadows was closing until the bulldozers were there. Commissioner Amerman stated he was interested in BMRA's marketing plan, which seemed to remind fans that it was their last chance to go to the track. He asked why BMRA did not try a meeting with free attendance, so the industry could learn from the experience. Mr. Ziegler said every Sunday BMRA sent a thousand free Turf Club and food passes to its best customers. He added many of the customers probably never had an opportunity to try the turf club. Jack Liebau of BMRA said his organization tried "free days" many times, but he did not believe free admission was something special that attracted customers. He added BMRA was monitoring what was happening at Santa Anita with regards to Mondays, and it would expand on the idea if there were positive results. Chairman Shapiro asked if BMRA would use all the ADW providers that were licensed in California. Ms. Thurman said that was correct, and added TVG would provide exclusive television coverage. Chairman Shapiro asked if there was anything about the ADW agreements that could cause a problem with the operation of the meeting. Ms. Thurman stated she was not aware of anything that could cause a problem. Chairman Shapiro asked if the Thoroughbred Owners of California (TOC) had any issues with the horsemen's agreement. Drew Couto of TOC said there were no issues with the horsemen's agreement. Commissioner Moretti **motioned** to approve the application for license to conduct a horseracing meeting of BMRA. Vice-Chairman Harris **seconded** the motion. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding Bay Meadows. The motion was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE SACRAMENTO HARNESS ASSOCIATION (H) AT CAL-EXPO, COMMENCING JANUARY 24, 2008 THROUGH AUGUST 2, 2008, INCLUSIVE.

Chairman Shapiro said the Sacramento Harness Association (SHA) application was previously heard at the December 2007 Regular Board Meeting. The Board issued a license that would expire on January 20, 2008. At that time the Board determined which required items were missing from the application, and it expressed its concern regarding the financial condition of SHA. In the intervening period, SHA's landlord, Cal-Expo, reduced the rent it charged the association by \$30,000 a month. SHA also provided the Board with a letter that outlined other initiatives it would take to improve its financial structure. Chairman Shapiro stated he did not wish to see harness racing disappear in Sacramento, but SHA still had not complied with all the Board's conditions for license. SHA had not submitted an audited financial statement and there were other concerns. It appeared the current paymaster account was being used to fund operation of SHA, which raised questions regarding the ability of the association to continue operating if the horsemen withdrew their funds. Chairman Shapiro stated he thought the law intended that the funds were for those people that won purses and were entitled to the money. He added he learned that Rod Blonien had been retained by SHA as a lobbyist, and that Dr. Ed Allred of Los Alamitos was willing to provide the Board with a security deposit of up to \$500,000 for any issues or claims that could arise from a default by SHA. Dick Feinberg of SHA stated his organization secured a commitment from Dr. Allred for a \$400,000 letter of credit. The bank and Dr. Allred indicated the letter of credit could be structured so the Board would be the beneficiary. Chairman Shapiro asked if the rent adjustment required Cal-Expo would be first in priority if there were a claim against the security deposit. Mr. Feinberg

stated the Board could dictate to the bank how the letter of credit would be structured. He added the Cal-Expo rent reduction would result in a savings of approximately \$210,000 for the period of the SHA license. Mr. Feinberg said there had been some unusual activity in more than normal withdrawals from the purse pool. However, the California Harness Horsemen's Association (CHHA) indicated it would guarantee funding of any overpayment at the conclusion of the SHA meeting. The overpayment was currently as much as four hundred thousand dollars. At the end of 2006 the overpayment was \$1.2 million, so SHA had made significant progress in paying it down. Mr. Feinberg stated SHA also had a \$100,000 instrument of credit on file with the Board, so it felt it could cover any sudden withdrawals on the purse account. Chairman Shapiro asked if the paymaster could cover with withdrawals if every horseman were to close their accounts. Did SHA have enough cash on hand to meet such demands? Ivan Axelrod of SHA said he was not sure there was enough cash to cover the amount, which would be approximately \$350,000. However, SHA would make those payments to the horsemen by accelerating receivables that were 30 to 90 days out. Chairman Shapiro stated he did not have an updated balance sheet. He only had a profit and loss statement, which was a projection of January through July 2008, and the last balance sheet he received did not show sufficient liquidity. Mr. Axelrod said the horsemen left cash in their purse accounts so they could draw it out as needed. That meant the horsemen's purse accounts often held up to \$800,000. Chairman Shapiro stated his concern was that SHA had the financial wherewithal to meet all its obligations. He added the Board needed to adopt standards regarding the financial capabilities of racing associations in general, but his immediate concern was the monies in the purse accounts was not SHA's; it belonged to the

horsemen. Because of SHA's cash flow it was using the horsemen's monies to fund operations. The Board had to consider if that was right, and what would happen if, at a certain point, there were not enough cash on hand. The Board was obligated to ensure its licensees were sufficiently capitalized. Mr. Feinberg said if SHA did not have enough cash the CHHA would accelerate its payment. In addition, SHA owed the horsemen approximately the same amount it was overpaid in purses. Vice-Chairman Harris asked if the CHHA had sufficient capital to make such payments. Jim Perez of CHHA said he did not know if his organization has such funds available. He stated the CHHA board also expressed its concerns to the SHA regarding the racing association's finances. SHA responded that with deposits and the overpayment it could make everything whole. Vice-Chairman Harris asked if the CHHA had any assets such as a reserve account. Mr. Perez said CHHA had a workman's compensation account and a welfare fund, but no reserves. He stated CHHA probably had a little less than \$300,000 in its accounts. Chairman Shapiro said he spoke to Ben Kenny, the president of CHHA, who said there was far less than \$300,000 in the account. He stated the Board wanted to keep SHA viable, but even with Dr. Allred's letter of credit, and the Cal-Expo rent concession, SHA was still thinly capitalized. Mr. Feinberg said SHA was running on thin margins, but it believed it was sufficiently capitalized and could survive a run on the purse accounts. SHA could pay its bills and operate a race meeting for the period of the application, which ended August 2, 2008. Chairman Shapiro said SHA's projections for January through July 2008 showed a net income of \$7,000 through the end of that period. Mr. Feinberg said there were a number of cost-cutting measures that were not included in the projections, including cuts in payroll and operating expenses. He stated SHA believed the measures would

not affect revenue generation. Commissioner Andreini said he understood Cal-Expo wanted to be the beneficiary of Dr. Allred's letter of credit, rather than the Board. Mr. Feinberg said that was correct, but SHA informed Cal-Expo that it would not be acceptable to the Board. Commissioner Andreini asked if there was a way for SHA to combine forces with Cal-Expo. Mr. Feinberg said that was discussed, but would be difficult to accomplish before August 2008. Commissioner Choper asked if the Board could approve a license without possession of a current audited balance sheet. Chairman Shapiro said that was possible. He asked when SHA would provide an audited balance sheet. Mr. Feinberg stated SHA would have an audited balance sheet by March 1, 2008. Commissioner Choper asked to what extent did the \$400,000 letter of credit guarantee that cash would be available to cover any of SHA's unpaid expenses. Chairman Shapiro stated SHA had the letter of credit and \$100,000 in an account for the Board to draw upon for any SHA defaults or liabilities. Whether a half million dollars was sufficient was another issue to be considered. Vice-Chairman Harris said he was not happy with the Board being put in the position of a bankruptcy trustee. That was not the Board's function. If SHA were to default, it should go into Chapter 11 and get an administrator. Chairman Shapiro stated he thought the Board's role would be to hold the money and make it available for an administrator. The Board would not decide whom to pay; it would simply have the financial security on hand. Chairman Shapiro stated he questioned the prudence of licensing an association that did not have the financial ability to support a race meeting. Commissioner Choper asked what sort of reserve was needed for the payment of expenses. Chairman Shapiro stated the Board had never dealt with the issue. He said the Board required Hollywood Park to post a million dollar bond because it was a shell company

with no assets. However, the Board never resolved the issue so it could tell an association the minimum security it needed to operate a meeting. Commissioner Choper asked if that were the case, how would SHA know what it needed? Chairman Shapiro said when SHA was first licensed the Board required a half million dollars in security. At that time SHA was able to post the money. Now, however, SHA did not have the funds and it was working to put together the required security. Commissioner Choper stated it seemed the Board had relatively few choices, as it would be very hard to give assurances to anyone under the current circumstances. Commissioner Andreini asked if Cal-Expo running the meeting was a possibility. Chairman Shapiro said Cal-Expo had a lease with SHA and did not wish to interfere with an existing contractual relationship to where it could take on some legal liability. He stated he believed Cal-Expo wanted harness racing to continue, and he added he personally relayed to the parties that the best answer might be if Cal-Expo became the licensee and contracted with SHA to operate the meeting. Dave Elliott of Cal-Expo said his board understood it was not going to be the beneficiary of the \$400,000 letter of credit. Cal-Expo supported harness racing and it stood ready to support the industry. SHA did have some financial difficulties, but it was a good tenant, and Cal-Expo had confidence SHA would continue with its operations regardless of its bottom line in July 2008. The Cal-Expo board would remain constant in its support of the harness industry.

**DISCUSSION AND POSSIBLE ACTION BY THE BOARD OF OPTIONS TO CONDUCT
HARNESS RACING IN CALIFORNIA IN 2008.**

Chairman Shapiro said he understood Vallejo was no longer in the running to operate a harness meeting, so it appeared the only viable place was Cal-Expo. Ivan Axelrod of SHA stated at

the present time Cal-Expo was the facility that would house harness racing into the future. To SHA's knowledge there were no other racetracks that were viable. SHA was formed in 2005 as a not-for-profit organization with the goal of helping the harness industry. SHA's bylaws required that 100 percent of its profits would go to: 1) charities in the Sacramento area, 2) additional purse money for horsemen and 3) additional money for investment in the physical plant at Cal-Expo. That meant SHA would never accumulate more reserves than it had on its first day of operation. SHA expected to operate that way for three years, and Mr. Axelrod said he believed it could. However, such a structure was not practical if there were emergencies, so SHA needed to be recapitalized with an opportunity for persons who invested in such capitalization to receive a return. Additionally, under the correct conditions, Cal-Expo could become the operator. Mr. Axelrod commented if SHA received its license it would begin negotiating with Cal-Expo on how it would structure itself and deal with issues such as capitalization. Vice-Chairman Harris said he received feedback from Cal-Expo regarding the rent issue. He stated the Board did not care what rent SHA paid; instead, it wanted a viable racing association. Chairman Shapiro said he also heard about the rent. The Board was not trying to tell Cal-Expo what to do. It was looking for a solution to SHA's financial problems. The financials that SHA presented to the Board indicated rent was the largest line item. It did not appear SHA could afford the rent, and without some reduction in its operating expenses it was unclear if SHA could remain viable. However, the decision to reduce SHA's rent was entirely Cal-Expo's to make. Mr. Axelrod stated SHA responded to the Board's concerns by reducing its operating costs by another \$210,000, which included the rent reduction. SHA also obtained a \$400,000 letter of credit, and it was looking at further cost reductions by reducing

employee salaries for the next six months. SHA wanted to be fair and reasonable in its financial projections, and it believed it would make its payments and handle its operation through August 2008. Commissioner Moss asked what was the Board's liability if SHA failed. Deputy Attorney General (DAG) Derry Knight stated the Board was a licensing entity, and except for the letter of credit, it was not responsible for the debts of the operator. DAG Knight commented the Board needed to make it clear who the beneficiaries of the letter of credit was, as it would not be the Board. Presumably, the letter of credit would be used to pay any debts that were unsatisfied. Commissioner Moss asked what was the harm if, after clarifying who benefited from the letter of credit, the Board approved the license and later promulgated financial criteria for all applicants. Chairman Shapiro said he did not know if there was any harm, but did the Board want to license SHA knowing its financial situation? Commissioner Amerman said he understood an audited financial statement would be ready by March 1, 2008. Perhaps SHA could be licensed through March 2008, and the Board could revisit the issue. Commissioner Choper said he agreed. He stated he was interested in knowing what the results of the current operation would be, and to what extent the \$400,000 letter of credit would do to protect the operation until August 2008. Commissioner Amerman said he hoped the Board would receive projections based on what would happen in January, February and March 2008. He asked what programs SHA would have to change its structure. Dick Feinberg of SHA said SHA would not be able to perform with another 60-day extension. The horsemen were looking for a sign that they had a place to race for a finite period of time, and they would view an extension as a sign they needed to look for another place to race. There were numerous opportunities in slot-rich states. Mr. Axelrod said he agreed. The

financial statement SHA provided showed a slight profit from January 2007 through October 2007, and the last two months of 2007 were comparable. SHA also achieved rent relief and obtained a \$400,000 letter of credit. Mr. Axelrod said if SHA broke even in January and February 2008 he was not sure what SHA could show the Board in March 2008 that would give the Board any more confidence. Chairman Shapiro stated in pervious conversations he informed SHA it needed to provide the Board with a budget and a business plan that demonstrated SHA was viable, and what it intended to do in the future. What the Board received was a copy of a letter and a projection that was given to Cal-Expo, but did not address the Board's concerns. The Board had asked for audited statements for well over eight months, but only received a letter from SHA stating it had engaged an audit. Now SHA was telling the Board that all the horsemen would leave if the current license were extended by 60 days so SHA could provide the requested materials. Chairman Shapiro asked if SHA was telling the Board either do what SHA wanted or call it a day? Mr. Feinberg stated SHA told the Board in December 2007 it had contracted for audited financials. However, it was never clear that was sufficient. Chairman Shapiro asked if Mr. Feinberg thought the Board, at its December 2007 Regular Meeting and the eight proceeding months, was not clear in its insistence on receiving audited financials? Mr. Feinberg said "yes." Chairman Shapiro said SHA sent staff a letter by fax that stated SHA had contracted for audited financials. However, it still had not provided anything to the Board, other than what it provided Cal-Expo's board, and it was claiming if its license were not approved until August 2008 all the horsemen would leave. Mr. Axelrod said he believed SHA satisfied the Board's requirements, and it was possible the horsemen would leave. SHA was working on an audit. Mr. Feinberg said it was

not possible to have an audit only 15 days after the end of the calendar year. Chairman Shapiro stated SHA had not done an audit for 2006, let alone 2007. SHA could have given the Board an interim statement. Mr. Feinberg said he was only trying to be candid when he stated a 60-day extension would put SHA in jeopardy. Chairman Shapiro asked how many horses SHA lost due to its last extension, which was only one month. Mr. Feinberg said SHA probably lost a couple dozen horses. He added the prosperous stables would not stay if there were uncertainty, and the hand-to-mouth stables had nowhere else to go. Chairman Shapiro commented the future was uncertain no matter what the Board decided. Mr. Feinberg agreed, but he said at least the horsemen would know they had a season. Mr. Axelrod asked what the balance sheet would have to show for the Board to license SHA through August 2008. He warned there would be little equity as SHA was only slightly profitable and did not have a substantial net worth. Chairman Shapiro stated he did not think the balance sheet would show anything, but it would not impact the license. The issue was SHA's business plans for the future. The Board wanted to see that SHA was implementing some changes and putting a business plan together. Chairman Shapiro said the California Sires Stakes program offered the largest purses, but appeared to go to a small group of horsemen, as there were less than 100 standardbred horses born in California each year. Was it not possible to get rid of the program and redistribute the monies into overnight purses? Mr. Axelrod said that would take a change in the law, and the breeders would not be happy. Chairman Shapiro stated SHA had to put together a plan to show harness racing could be viable. Purses were part of the problem, and SHA had to do something to raise them to attract horsemen; otherwise, the Board was wasting its time. Commissioner Choper asked what SHA's bottom line was for the period September

through December 2007. Mr. Axelrod said there would be a slight profit. If December were not included, SHA probably made approximately \$200,000. Commissioner Choper asked if SHA believed the slight profit would continue. Mr. Axelrod said January through April were SHA's strong months. He added the average daily handle from all sources was \$750,000 a night. Commissioner Amerman said SHA was stating if the Board did not issue a license through August 2008 the meeting would suffer. The Board had indicated it wanted to see SHA's business plan going forward. The problem was an SHA management issue; not a CHRB issue. It was up to SHA to tell the Board what would be happening with its meeting in the long term. Mr. Feinberg said he agreed. SHA's plan was to survive until August 2008, and then regroup. Commissioner Amerman said he did not have confidence that SHA would survive until August 2008, so he would suggest the current license be extended for two months. Chairman Shapiro **motioned** to extend the current SHA license for a period of 60 days (through the end of March 2008) to be reheard to consider further licensing. And that as a condition of such licensing, there be at least \$500,000 in security in a form that is satisfactory to the Board. In the intervening period an audited balance sheet and income and profit and loss statement must be provided. In addition, SHA must provide the Board with an updated budget that included all SHA's cost savings. Chairman Shapiro commented the Board would also entertain the idea of another operator or plan that would provide more financial security. Commissioner Choper said if the license was extended for two months he would be willing for the Board to give assurance that the license would be extended to August 2008 if SHA continued to operate without a loss and there was up to \$500,000 in financial security. Chairman Shapiro said the Board had not seen numbers demonstrating the last four months

were profitable for SHA. However, he agreed with the sentiment and believed the Board wished to keep SHA in business. Hopefully, SHA would provide the information and a plan that would allow the Board to extend its license through August 2008. Commissioner Amerman **seconded** the motion. Vice-Chairman Harris said he was concerned about payments to horsemen who earned purses that were being held by the paymaster. Those funds did not really exist if there was a run on the bank. Was that a violation of horse racing law or the Board's regulations? DAG Knight said the segregation of funds was a issue that was not clear. Board Rule 1470, Accounting Practices and Responsibility, required every association to maintain, in an approved depository, amounts deducted from the pari-mutuel handle, which were retained for purposes including purses and breeder's awards. There was an issue if the funds were not retained. Mr. Feinberg said all SHA's obligations were covered. In December about a half dozen checks were covered the second time they were submitted for payment, but that was due to timing, as funds were received from one entity into the purse account during the holidays. Chairman Shapiro stated SHA should understand the Board was requiring it to adhere to Rule 1470(a). Dave Elliott of Cal-Expo stated his organization was ready to step in and support the harness industry until August 2008 if requested by SHA. Chairman Shapiro said the Board had serious concerns about the ongoing viability of SHA. It would make sense for Cal-Expo to talk to SHA and return to the Board with a plan that would keep harness running through August 2008. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding the SHA application. Chairman Shapiro restated the motion: the existing license would be extended through March 30, 2008. As a requirement, by March 1, 2008, SHA would provide the Board with an audited financial statement, and security of no less than

\$500,000 to the Board in a form that was satisfactory to the Board, to cover any debt. SHA would also provide the Board with a business plan, projections and the results for the period of January through February 2008, as well as results for September through December 2007. The motion was **unanimously carried**. Chairman Shapiro asked SHA to inform the horsemen that the Board wished to see harness racing continue.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED ADDITION OF CHRB RULE 1843.3, PENALTIES FOR MEDICATION VIOLATIONS AND THE PROPOSED AMENDMENT TO CHRB RULE 1843.2, CLASSIFICATION OF DRUG SUBSTANCES.

Jacqueline Wagner, CHRB staff, said in September 2007 the Board adopted the proposed rulemaking. The regulations were submitted to the Office of Administrative Law (OAL) for review, and on December 4, 2007, the OAL disapproved the rulemaking. Staff met with the OAL attorney to discuss the issues, and subsequently made adjustments to the texts of the regulations to address OAL's concerns. Ms. Wagner reviewed OAL's concerns with the proposed regulations, and the changes made by staff to address the concerns. She stated staff recommended the Board direct staff to initiate a 15-day public comment period, after which the rulemaking would return to the Board for adoption. Vice-Chairman Harris **motioned** to instruct staff to initiate a 15-day public comment period for the proposed amendment to Rule 1843.2 and the proposed addition of Rule 1843.3. Commissioner Andreini **seconded** the motion. Marsha Naify of Thoroughbred Owners of California (TOC) said her organization agreed with most of the changes. Drew Couto of TOC stated Business and Professions Code section 19517.5 stated with regards to class one, two and three violations, a hearing before the stewards or a hearing officer at the election of the respondent was required. The proposed

Rule 1843.2 and 1843.3 carried over the language regarding an administrative law judge. He stated that was no longer the case under Business and Professions Code section 19517.5. Deputy Attorney General (DAG) Derry Knight said under Business and Professions Code section 19715 there would still be the potential for the administrative law judge on appeal from the Board of Stewards. Chairman Shapiro suggested the phrase: "in the case of appeals only," could be inserted in the regulations after the administrative law judge. Guy Lamothe of TOC said in Rule 1843.3(a) the subsections referenced as (e) and (f) should be (d) and (e). Chairman Shapiro said the changes would be noted. Mr. Lamothe asked what the intention was in striking subsection 1843.3(d). Ms. Wagner stated that was done at the suggestion of the OAL attorney. Ms. Naify said under Penalty Class "A", trainer's second lifetime offense, the maximum fine was \$100,000. She stated she understood the change in the trainer's second and third lifetime offense was triggered by changes in the law; however, TOC believed the second lifetime offense should be not more than \$50,000. This was in keeping with the philosophy that the maximum fines should be incremental. Vice-Chairman Harris said he thought the Board should have the latitude to make the maximum fine \$100,000, as the issue was Class "A" violations with aggravating circumstances. Dr. Rick Arthur, Equine Medical Director, said the issue did not have a great deal of weight, as there were few such violations. To resolve the issue the Board could make the maximum fine \$50,000, as the second part of the fine, which was the purse, could take the penalty beyond the \$50,000. Ms. Naify reviewed three additional items: a typographical error; changing "may" to "shall" regarding a written warning for Category "D" penalties; and changing subparagraph 1843.3(j) to state the Board may refer a licensee to the appropriate law enforcement agency if it suspected such licensee

was in violation of State criminal statutes. DAG Knight stated he did not believe the last item needed to be in the regulation as the Board currently had the ability to refer a licensee to the appropriate law enforcement agency. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding the proposed regulations. The motion was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE FEASIBILITY OF AMENDING CHRB RULE 1606, COUPLING OF HORSES, TO ALLOW AN OWNER WITH PARTIAL INTEREST IN TWO HORSES WITH DIFFERENT PARTNERS, TO RUN UNCOUPLED IN THOROUGHBRED RACES IF THEY ARE TRAINED BY DIFFERENT TRAINERS.

Chairman Shapiro said under the proposal if horse "A" was owned by one set of persons, and horse "B" was owned by another group, with one owner in common, and the horses were trained by different trainers, the horses would not have to be coupled. Commissioner Moss asked if a single owner with two different trainers would have to couple his horses. Vice-Chairman Harris said the owner would have to couple his horses, but there were possible exceptions for stakes races. With the permission of the CHRB such horses could run uncoupled. Vice-Chairman Harris said there were a lot of partnerships, and though there was little tying such partnerships together, they still had to run coupled if there was an owner in common. Uncoupling in the case of such partnerships would provide more wagering interests. Vice-Chairman Harris **motioned** to instruct staff to initiate a 45-day public comment period on a proposed amendment to Rule 1606, Coupling of Horses. Commissioner Andreini **seconded** the motion, which was **unanimously carried**. Deputy Attorney General (DAG) Derry Knight suggested the item be referred to a committee to develop language for a rule. That would have the effect of focusing public comment on a specific proposal. Commissioner Moretti asked if

there was a specific percentage of ownership required for uncoupling. Jack Liebau said he did not think the proposal would be controversial because it would not be very helpful. He stated he did not think there would be an expansion of entries due to uncoupling partnerships. Mr. Liebau stated when Hollywood Park and Bay Meadows participated in the recent experiment in uncoupling horses there were no complaints, and he thought the experiment was a success. It certainly helped with field sizes in Northern California. Mr. Liebau said he thought there should be a lot more latitude in uncoupling entries. Vice-Chairman Harris said he favored uncoupling horses, and his proposal was better than the current rule. He commented Thoroughbred Owners of California (TOC) and California Thoroughbred Trainers opposed the earlier proposal to end coupling. Drew Couto of TOC stated the current TOC board would support the uncoupling of entries with common ownership – regardless of trainers. Chairman Shapiro said the item would be referred to the Pari-Mutuel/ADW and Simulcast Committee for further examination. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding uncoupling of horses.

DISCUSSION AND ACTION BY THE BOARD REGARDING MANDATING THE USE OF SAFETY REINS AT CALIFORNIA RACETRACKS.

Chairman Shapiro said the item was **deferred**.

REPORT AND UPDATE FROM THE JOCKEYS' GUILD REGARDING THE USE OF THE ALTERNATE WHIP.

Darrell Haire of the Jockeys' Guild said since the 2007 Del Mar meeting the alternate whip had been in use by a few jockeys. The problem with the whip was that only one person

manufactured them, so they were difficult to obtain. In addition, the whips were not durable and broke down easily in the sand and water. The manufacturer was attempting to develop whips using different materials. Chairman Shapiro stated he spoke with a few jockeys who were using the whips, and they seemed to like them. The whips seemed to be kinder to the horse and the Board hoped more jockeys would use them.

REPORT AND UPDATE FROM REPRESENTATIVES OF THE PACIFIC COAST QUARTER HORSE RACING ASSOCIATION AND THE UNIVERSITY OF CALIFORNIA AT DAVIS REGARDING THE STATUS OF THE QUARTER HORSE TOE GRAB STUDY.

Chairman Shapiro said the item was **deferred**.

REPORT AND UPDATE FROM SANTA ANITA REGARDING THE DRAINAGE ISSUE AT THE SANTA ANITA RACETRACK.

Ron Charles of Santa Anita Racetrack said his organization would work with Pro-Ride, a synthetic racing surface company, to repair the Santa Anita racetrack surface. Polymer and synthetic fibers would be added to the racetrack to solve the drainage problem and to create a safer and kinder racing surface. Mr. Charles explained the timeline for bringing in materials and applying them to the existing cushion track. Chairman Shapiro said he was invited to see the existing track and the track with the new materials mixed into the track. He stated he also attended some meetings with some notable trainers who were very pleased with the track. Chairman Shapiro said the recent difficulties at Santa Anita Racetrack were hard on the entire industry and he appreciated all the hard work that went into finding a solution. Commissioner Amerman asked how Santa Anita was doing with its rocks. Mr. Charles said Santa Anita

found a party that had the same problem, so a different maintenance program was used and he was confident the problem would be greatly reduced. Commissioner Amerman asked what caused the problem. Mr. Charles said some of the "rocks" were actually pieces of asphalt. When the cushion track was removed and the asphalt substructure was power washed, some of the asphalt broke up. The rocks actually worked their way up through the synthetic surface. Santa Anita was having a maintenance team handpick rocks on the track on a daily basis, and the trainers and jockeys were pleased.

DISCUSSION AND ACTION BY THE BOARD ON THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB IN THE AMOUNT OF \$181,380 TO 20 BENEFICIARIES.

Francisco Gonzalez, CHRB staff, said the Del Mar Thoroughbred Club was requesting to distribute race day charity proceeds in the amount of \$181,380 to 20 beneficiaries. Mr. Gonzalez noted 82 percent of the proceeds would go to horse racing related charities. He stated staff recommended the Board approve the request as presented. Commissioner Moretti **motioned** to approve the request by Del Mar Thoroughbred Club to distribute race day charity proceeds. Commissioner Amerman **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE HOLLYWOOD PARK RACING ASSOCIATION IN THE AMOUNT OF \$180,000 TO 21 BENEFICIARIES.

Francisco Gonzalez, CHRB staff, said the Hollywood Park Racing Association was requesting to distribute race day charity proceeds in the amount of \$180,000 to 21 beneficiaries. Mr. Gonzalez stated 59 percent of the proceeds would go to horse racing related charities. He

stated staff recommended the Board approve the request as presented. Commissioner Moretti **motioned** to approve the request by Hollywood Park Racing Association to distribute race day charity proceeds. Vice-Chairman Harris **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD TO GRANT CHRB STAFF PERSON(S) WITH AUTHORITY TO CARRY OUT AND EXECUTE THE DUTIES OF THE CHRB EXECUTIVE DIRECTOR UNTIL A REPLACEMENT EXECUTIVE DIRECTOR IS APPOINTED AND ASSUMES THE EXECUTIVE DIRECTOR POSITION.

Chairman Shapiro said the item would allow the Assistant Executive Director, Richard "Bon" Smith, to act in the capacity of Executive Director until an Executive Director could be hired. The item would also grant other staff authority until an Executive Director was named. Commissioner Choper **motioned** to grant CHRB staff person(s) authority to carry out and execute the duties of the CHRB executive Director until a replacement Executive Director was named. Vice-Chairman Harris **seconded** the motion, which was **unanimously carried**.

STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEETS:

BAY MEADOWS RACING ASSOCIATION AT BAY MEADOWS FROM FEBRUARY 14, 2007 THROUGH NOVEMBER 4, 2007.
OAK TREE RACING ASSOCIATION AT SANTA ANITA FROM SEPTEMBER 26, 2007 THROUGH NOVEMBER 4, 2007.
SACRAMENTO HARNESS ASSOCIATION AT CAL EXPO FROM DECEMBER 28, 2006 THROUGH JULY 28, 2007.

Chairman Shapiro said the item was **deferred**.

PUBLIC COMMENT

Cliff Goodrich of Fairplex Park Pomona spoke regarding the Board's leadership role in initiating the use of synthetic racing surfaces in California. He stated the recent problems at Santa Anita Racetrack could cause some industry observers to rush to judgment and indulge in Monday morning quarterbacking; however, there was no doubt the Board was attempting to act in the best interests of horseracing. Mr. Goodrich stated Fairplex Park Pomona saluted the Board and the industry for having the courage and staying power to work through the initial growing pains of the new technology. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding horse racing related issues. Richard Castro of the Pari-Mutuel Employee's Guild (Guild) spoke regarding the Guild's ongoing negotiations with various advance deposit wagering providers. Edward Halpern of California Thoroughbred Trainers (CTT) stated his organization agreed with the statements made by Cliff Goodrich. He added the CTT Board was unanimous in its support of synthetic racing surfaces. Commissioner Moss said the Board and the industry needed the technical support of the manufacturers of synthetic racing surfaces. He stated for some reason that support did not seem to be present. Regardless of the Board's and the industry's intentions, if the technical support was lacking, the experiment with synthetic racing surfaces might not work as expected, which was something the Board may have to consider in the future. Dr. Rick Arthur, Equine Medical Director, stated the synthetic racing surfaces reduced racing fatalities on the main tracks by about 60 percent. He stated if one looked at 2004 there were approximately 3.1 fatalities per thousand starts. However, with approximately 13,000 starts on the new synthetic racing surfaces there were 1.24 fatalities per thousand starts. He stated that was certainly positive in terms of racing fatalities. Dr. Arthur

said he agreed with Commissioner Moss in that there were many issues to sort out, but the racing surfaces were a new technology that was very promising in the long-term health and safety of the horse. Chairman Shapiro thanked everyone for the comments. He stated there had been some problems with certain tracks, but the industry was learning and new principles and science would be applied and the tracks would improve. The Board was not committed to one type of track; it simply wanted to find racing surfaces that were the best for the horse and rider and the industry.

MEETING ADJOURNED AT 1:20 P.M.

A full and complete transcript of the aforesaid proceedings are on file at the office of the California Horse Racing Board, 1010 Hurley Way, Suite 300, Sacramento, California, and therefore made a part hereof.

Chairman

Executive Director

CALIFORNIA HORSE RACING BOARD

FEBRUARY 28, 2008
REGULAR BOARD MEETING

There is no board package material for item 2

ISSUE: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE CALIFORNIA EXPOSITION AND STATE FAIR MARCH 6, 2008 THROUGH AUGUST 2, 2008 AND SEPTEMBER 11, 2008 THROUGH DECEMBER 20, 2008.

The California Exposition and State Fair filed its application to conduct a harness horse racing meeting at Cal Expo:

- March 6, 2008 through August 2, 2008 and September 11, 2008 through December 20, 2008. The association proposes to race 109 nights with a minimum of 1,308 races. The (estimated) average daily purse for this meet is \$41,107. They did not conduct racing during the prior year timeframe.
- Sacramento Harness was allocated 145 race days for March through December 2008. The proposed race dates for Cal Expo deletes Sunday race days running 109 race days for 2008.

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						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	26	27	28	29
30	31					

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		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	26
27	28	29	30			

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				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	26	27	28	29	30	31

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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	26	27	28
29	30					

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4 H	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3 H	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			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
26	27	28	29	30	31	

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24	25	26	27	28	29

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	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	26	27
28	29	30	31			

- Racing Thursday through Saturday.
- Request permission to petition the CHRB for additional racing dates not to exceed 4 nights per week, should the harness industry improve increasing racing opportunities.

- First live post 6:10 p.m. Thursday through Saturday.
- Request permission to change daily post times through administrative process.
- Request Carl Sobey be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - Early wagering will start at 11:00 a.m.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

Specific information **still needed** to complete this application includes:

1. Horsemen's agreement.
2. Stake Schedule.

RECOMMENDATION:

Staff recommends the Board approve the application conditioned upon receiving the additional information necessary to conduct the racing meeting.

Application is hereby made to the California Horse Racing Board (CHRB) for a license to conduct a horse racing meeting in accordance with the California Business and Professions (B&P) Code, Chapter 4, Division 8, Horse Racing Law, and the California Code of Regulations, Title 4, Division 4, CHRB Rules and Regulations.

1. APPLICANT ASSOCIATION

A. Name, mailing address, telephone and fax numbers of association:

California Exposition & State Fair
1600 Exposition Blvd.
Sacramento, CA 95825
916-263-3000
Admin Fax- 916-263-3304
Racing Dept. Fax- 916-263-3230

B. Breed of horse: TB QH H

C. Racetrack name: **California Exposition & State Fair**

D. Attach a certified check payable to the Treasurer of the State of California in the amount of \$10,000 as deposit for license fees pursuant to B&P Code Section 19490.

NOTICE TO APPLICANT: Application must be filed not later than 90 days before the scheduled start date for the proposed meeting pursuant to CHRB Rule 1433.

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: **March 6-August 2, 2008**
September 11- December 20, 2008

B. Actual dates racing will be held:
March 6,7,8,13,14,15,20, 21,22, 27, 28, 29
April 3,4,5,10,11,12,17,18,19,24,25,26,
May 1,2,3,8,9,10,15,16,17,22,23,24,29,30,31
June 5,6,7,12,13,14,19,20,21,26,27,28
July 3,5,10,11,12,17,18,19,24,25,26,31
August 1,2
September 11,12,13,18,19,20,25,26,27,
October 2,3,4,9,10,11,16,17,18,23,24,25,30,31
November 1,6,7,8,13,14,15,20,21,22,28,29
December 4,5,6,11,12,13,18,19,20,

C. Total number of days or nights of racing: **109**

D. Days or nights of the week races will be held:
 Wed - Sun Tues - Sat Other- **Thurs-Sat**

CHRB CERTIFICATION

Application received: *2/18/08*
Deposit received: *\$10,000*
Reviewed: *[Signature]*

Hearing date: *2/28/08*
Approved date:
License number:

E. Number of days or nights of racing per week: **3 excluding Holiday weeks of Independence Day and Thanksgiving Day,**

We respectfully request the authorization to request administrative approval from the CHRB for additional racing dates (not to exceed 4 nights per week) and races should the harness industry health improve and demand an increase in the number of weekly racing opportunities.

3. RACING PROGRAM

A. Total number of races: **Approximately 1,308**

B. Number of races for each day or night: **Approximately 12 to 15 dependent upon herd availability**

C. Total number of stakes races: **52- California Sires Stakes**

D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses.

All stake races will be contested by California Bred horses eligible for the California Sire Stakes program. The actual dates and guaranteed purses for these races will be determined at a later date after discussions have taken place with the California Sires Stakes Committee and concurrence with the California Harness Horsemen's Association. We will provide a schedule of the sires stakes races to the CHRB with all requested information.

E. Will provisions be made for owners and trainers to use their own registered colors?

Yes No If no, what racing colors are to be used:

Drivers Colors

F. List all post times for the daily racing program: **Thursday through Saturday – 6:10 PM**
Respectfully request the approval to request a change in daily post times through the administrative process.

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813. For thoroughbred and quarter horse meetings, the total amount distributed for California-bred stakes races from the purse account, including overnight stakes, shall not be less than 10% of the total amount distributed for all stakes races pursuant to B&P Code Section 19568(b).

4. RACING ASSOCIATION

A. Association is a: Corporation (complete subsection C)
 LLC (complete subsection D)
 Other (specify, and complete subsection E)

B. Complete the applicable subsection and attached Addendum, Background Information and Ownership.

C. CORPORATION

1. Registered name of the corporation:

2. State where incorporated:
3. Registry or file number for the corporation:
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
6. Number of outstanding shares in the corporation:
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
10. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. The licensee may submit the audited consolidated annual financial statements of its parent owner if the parent owner is a publicly traded company and guarantees the obligations of the licensee.

D. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the California Corporations Commission.

E. OTHER- FAIR - CALIFORNIA EXPOSITION & STATE FAIR

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.

Board of Directors and Racing Committee members attached

F. Management and Staff

1. Name and title of the managing officer and/or general manager of the association and the name and title of all department managers and staff, other than those listed in 11B, who will be listed in the official program:



**California Exposition & State Fair
Board of Directors**

Director Marko C. Mlikotin, Chair

Director Amparo Pérez-Cook, Vice Chair

Director Kathy K. Nakase

Director Brenda Washington Davis

Director Marilyn Hendrickson

Director Rex S. Hime

Director Bert Johnson, M. D.

Director Stephen T. Beneto

Director Gilbert Albiani

Director Cornelius L. Gallagher

EX-OFFICIO MEMBERS

Senator Darrell Steinberg

Assembly Member Dave Jones

Racing Committee

Director Stephen Beneto- Chair

Director Gil Albiani

Director Bert Johnson, M.D

Norb Bartosik – General Manager
 David Elliott- Director of Racing
 Kate Snider- Racing Supervisor
 Chris Schick- Simulcast Coordinator
 Donna Newman- Paymaster of Purses
 Glen Harris- Mutuel Manager
 Scott Erlich- Announcer
 J.R. Williams- Track Superintendent

2. Name and title of the person(s) authorized to receive notices on behalf of the association and the mailing address of such person(s) if other than the mailing address of the association:

Norb Bartosik - General Manager
 David Elliott - Director of Racing

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:
 Current meet estimate: **\$3,586,000 (\$32,900 x 109 days)**
 Prior meet actual: **0**

Average Daily Purse (5A1 ÷ number of days):
 Current meet estimate: **\$35,000**
 Prior meet actual: **0**

2. Overnight stakes:
 Current meet estimate: **0**
 Prior meet actual: **0**

Average Daily Purse (5A2 ÷ number of days):
 Current meet estimate: **0**
 Prior meet actual: **0**

3. Non-overnight stakes: **0**
 Current meet estimate: **0**

Average Daily Purse (5A3 ÷ number of days):
 Current meet estimate:
 Prior meet actual:

B. Stakes races:

1. Purse distribution for all stakes races:
 Current meet estimate: **Approximately \$600,000**
 Prior meet actual: **\$0**

Average Daily Purse (5B1 ÷ number of days):
 Current meet estimate: **\$5,505**
 Prior meet actual: **0**

2. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races: **100%**
 Current meet estimate: **100%**
 Prior meet actual: **0**

Average Daily Purse (5B2 ÷ number of days): **N/A**

- C. Funds to be generated for all California-bred incentive awards:
 Current meet estimate: **\$65,720**
 Prior meet actual: **0**

- D. Payment to each recognized horsemen's organization contracting with the association and the name(s) of the organization(s):

Recognized Horsemen's Organization- California Harness Horsemen's Association
 Current meet estimate: **\$228,900** Prior meet actual: **0**

- E. Amount from all sources to be distributed in the form of purses or other benefits to horsemen (5A+5B+5C+5D):
 Current meet estimate: **\$4,480,620**
 Prior meet actual: **0**

Average Daily Purse (5E ÷ number of days):
 Current meet estimate: **\$41,107**
 Prior meet actual: **0**

- F. Purse funds to be generated from on-track handle and intrastate off-track handle:
 Current meet estimate: **\$4,211,783**
 Prior meet actual: **0**

Average Daily Purse (5F ÷ number of days):
 Current meet estimate: **\$38,640**
 Prior meet actual: **0**

- G. Purse funds to be generated from interstate handle:
 Current meet estimate: **\$268,837**
 Prior meet actual: **0**

Average Daily Purse (5G ÷ number of days):
 Current meet estimate: **\$2,466**
 Prior meet actual: **0**

- H. Bank and account number for the Paymaster of Purses' purse account:
On file

I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:

**Disher Accountancy Corporation, 1816 Maryal Drive, Sacramento, CA 95864
916-482-4224**

Page 3-9

NOTICE TO APPLICANT: All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, **shall not** be deemed as income to the association; **shall not** be transferred to a parent corporation outside the State of California; and **shall**, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from off-track simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards, shall also be deposited within 3 calendar days following receipt, into such liability account. In the event the association is obligated to the payment of purses prior to those obligated amounts being retained from pari-mutuel wagering for such purpose, or as a result of overpayment of earned purses at the conclusion of the meeting, the association shall transfer from its own funds such amounts as are necessary for the Paymaster of Purses to distribute to the horse owners statutorily or contractually entitled thereto. The association is entitled to recover such transferred funds from the Paymaster of Purses' account, and if insufficient funds remain in the account at the conclusion of the meeting, the association is entitled to carry forward the deficit to its next succeeding meeting as provided by B&P Code Section 19615(c) or (d). In the event of **underpayment** of purses which results in a balance remaining in the Paymaster of Purses' account at the conclusion of the meeting after distribution of amounts due to horsemen and breeders and horsemen's organizations, the association may carry forward the surplus amount to its next succeeding meeting; provided, however, that the amount so retained does not exceed an amount equivalent to the average daily distribution of purses and breeders' awards during the meeting. All amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: **1,024**
- B. Minimum number of stalls believed necessary for the meeting: **600**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **N/A**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: **N/A**
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. **N/A**

Complete subsections F through H if the association will request reimbursement for off-site stabling as provided by B&P Code Sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, skip to Section 7.

- F. Total number of usable stalls made available on-site for the **1986** meeting: **N/A**
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall: **N/A**
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: **N/A**

7. PARI-MUTUEL WAGERING PROGRAM

- A. Pursuant to B&P Code Section 19599, and with the approval of the CHRB, associations may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each: **Attached**

Item 7A
Pari Mutuel Wagering Program-

Proposed Wagering Format

The following CHRB wagering rules will be in affect during the 2008 Cal Expo Harness meeting.

Type		Rule Number
Exacta	(E)	1959
Trifecta	(TRI)	1979
Daily Double	(DD)	1957
Superfecta	(SF)	1979.1
PK 3		1977
PK 4	(PNP)	1976.9
PK 6		1976.

- Race 1: 1DD, 1 SF, 1E, 1 TRI
 Race 2: 1E, 1 TRI, 1SF, 1PK4
 Race 3: 1E, 1 TRI, 1SF,
 Race 4: 1E, 1 TRI, 1SF, 1 PK3
 Race 5: 1E, 1 TRI, 1SF, 1 PK3
 Race 6: 1E, 1 TRI, 1SF, 1 PK3
 Race 7: 1E, 1 TRI, 1SF, 1 PK3
 Race 8: 1E, 1 TRI, 1SF, 1 PK3
 Race 9: 1E, 1 TRI, 1SF, 1 PK4 on 12 race card
 Race 10: 1E, 1 TRI, 1SF, 1 PK4 on 13 race card
 Race 11: 1E, 1 TRI, 1SF, 1 PK4 on 14 race card
 Race 12: 1E, 1 TRI, 1SF, 1 PK4 on 15 race card
 Race 13: 1E, 1 TRI, 1SF,
 Race 14: 1E, 1 TRI, 1SF
 Race 15: 1E, 1 TRI, 1SF

Use DD for daily double, E for exacta (special quinella), PK3 for pick three, PK4 for select four, PNP for pick (n) pool, PPN for place pick (n), Q for quinella, SF for superfecta, TRI for trifecta, and US for unlimited sweepstakes (pick 9).

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$1 Double	CHRB #1959; RCI #VE

- B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **August 2, 2008 and December 20, 2008**
- C. List any options requested with regard to exotic wagering: **Respectfully request \$.10 cent minimum wager on all superfecta wagers.**
- D. Will "advance" or "early bird" wagering be offered? Yes No
If yes, when will such wagering begin: **11:00 AM to 5:00 PM daily**
- E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract: **Scientific Games, Inc., Terry McWilliams, equipment on file with CHRB, contract through 9/08.**

8. ADVANCE DEPOSIT WAGERING (ADW)

- A. Identify the ADW provider(s) to be used by the association for this race meeting:
TVG, YouBet, XpressBet, Twin Spires

9. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the association to conduct simulcast wagering:
SCOTWINC
- B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.
On file
- C. California simulcast facilities the association proposes to offer its live audiovisual signal:
All licensed California simulcast facilities, associations, fairs, and Indian gaming establishments
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
Attached
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
Attached
- F. For **THOROUGHBRED** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

NOTICE TO APPLICANT: B&P Code Section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being conducted in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or fair is conducting its racing meeting cannot exceed a combined daily total of 23 imported thoroughbred races statewide. The limitation of 23 imported thoroughbred races per day statewide does not apply to those races specified in B&P Code Section 19596.2(a)(1), (2), (3) and (4).

Schedule V

OUT OF STATE SIMULCAST WAGERING LOCATIONS

American Tab, Oregon	New Jersey Casinos, New Jersey
Atlantic City, New Jersey	New York City OTB, New York
Balmoral Park, Illinois	Northfield Park, Ohio
Capitol District OTB, New York	Northlands Park, BC, CAN
Catskill Region OTB, New York	Northville Downs, Michigan
Connecticut OTB, Connecticut	Ocean Downs, Maryland
Diaryland Greyhound, Wisconsin	Penn National Gaming, Pennsylvania
Downs at Albuquerque, New Mexico	Philadelphia Park, Pennsylvania
ExpressBet, California	Plainridge Racecourse, Massachusetts
Euro Off Track, NA	Pompano Park, Florida
European Wagering Services, LTD. Oregon	Racing Channel, Oregon
Fire Lake Casino, Oklahoma	Raceway Park, Ohio
Foxwoods Casino, Connecticut	Racing & Gaming Services, St. Kitts
Fraser Downs, BC, CAN	Rosecroft Raceway, Maryland
Freehold Raceway, New Jersey	Sam Houston Park, Texas
Harrington Raceway, Delaware	Saratoga Harness, New York
Hastings Park, BC, CAN	Scioto Downs, Ohio
Hawthorne Racecourse, Illinois	Southland Greyhound, Arkansas
Hazel Park, Indiana	Sports Creek Raceway, Michigan
Hippodrome de Montreal, QUE, CAN	Suffolk Downs, MA
Hoosier Park, Indiana	Suffolk Regional OTB, New York
Illinois OTB, Illinois	Sunland Park, New Mexico
Indianapolis Downs, Indiana	Television Games Network (TVG)
International Racing Group, Curacao	Thistledown, Ohio
Ladbrokes at Meadows, Pennsylvania	The Downs at Albuquerque, New Mexico
Las Vegas Dissemination, Nevada	The Red Mile, Kentucky
Les Bois Park, Idaho	Tri-State Greyhound, WV
Lone Star Park, Texas	Western Fair, ONT, CAN
Maywood Park, Illinois	Western Region OTB, New York
Meadowlands Race Track, New Jersey	Windsor Raceway, ONT, CAN
Mesquaki Casino, Iowa	Woodbine Entertainment. Group, ONT, CAN
Mohawk Racetrack, ONT, CAN	Yonkers Raceway, New York
Nassau Region OTB, New York	YouBet.com, Inc., California
Nevada Pari-mutuel Association, Nevada	YouBet, Oregon

ITEM 9E

**OUT OF STATE SIMULCAST WAGERING LOCATIONS THAT WILL COMBINE THEIR
POOLS WITH CAL EXPO.**

American Tab, Oregon	New Jersey Casinos, New Jersey
Atlantic City, New Jersey	New York City OTB, New York
Balmoral Park, Illinois	Northfield Park, Ohio
Capitol District OTB, New York	Northlands Park, BC, CAN
Catskill Region OTB, New York	Northville Downs, Michigan
Connecticut OTB, Connecticut	Ocean Downs, Maryland
Diaryland Greyhound, Wisconsin	Penn National Gaming, Pennsylvania
Downs at Albuquerque, New Mexico	Philadelphia Park, Pennsylvania
ExpressBet, California	Plainridge Racecourse, Massachusetts
Euro Off Track, NA	Pompano Park, Florida
European Wagering Services, LTD. Oregon	Racing Channel, Oregon
Fire Lake Casino, Oklahoma	Raceway Park, Ohio
Foxwoods Casino, Connecticut	Racing & Gaming Services, St. Kitts
Fraser Downs, BC, CAN	Rosecroft Raceway, Maryland
Freehold Raceway, New Jersey	Sam Houston Park, Texas
Harrington Raceway, Delaware	Saratoga Harness, New York
Hastings Park, BC, CAN	Scioto Downs, Ohio
Hawthorne Racecourse, Illinois	Southland Greyhound, Arkansas
Hazel Park, Indiana	Sports Creek Raceway, Michigan
Hippodrome de Montreal, QUE, CAN	Suffolk Downs, MA
Hoosier Park, Indiana	Suffolk Regional OTB, New York
Illinois OTB, Illinois	Sunland Park, New Mexico
Indianapolis Downs, Indiana	Television Games Network (TVG)
International Racing Group, Curacao	Thistledown, Ohio
Ladbrokes at Meadows, Pennsylvania	The Downs at Albuquerque, New Mexico
Las Vegas Dissemination, Nevada	The Red Mile, Kentucky
Les Bois Park, Idaho	Tri-State Greyhound, WV
Lone Star Park, Texas	Western Fair, ONT, CAN
Maywood Park, Illinois	Western Region OTB, New York
Meadowlands Race Track, New Jersey	Windsor Raceway, ONT, CAN
Mesquaki Casino, Iowa	Woodbine Entertainment. Group, ONT, CAN
Mohawk Racetrack, ONT, CAN	Yonkers Raceway, New York
Nassau Region OTB, New York	YouBet.com, Inc., California
Nevada Pari-mutuel Association, Nevada	YouBet, Oregon

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track Race Dates Full Card or Selected Feature and/or Stakes Races

- G. For **QUARTER HORSE** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country quarter horse races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes race":

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

Name of Host Track Race Dates Full Card or Selected Feature and/or Stakes Races

- H. For **STANDARD BRED** racing associations, list the host tracks from which the association proposes to import out-of-state and/or out-of-country harness races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

HARNESS SIMULCAST RACES TO BE IMPORTED

<u>Name of Host Track</u>	<u>Race Dates</u>	<u>Full Card or Selected Feature and/or Stakes Races</u>
Balmoral Park	3/6-12/20/2008	Selected Feature
Dover Downs	3/6-4/30/08	Selected Feature
Monticello Raceway	3/6-12/20/08	Selected Feature
The Meadowlands	3/6-12/20/08	Selected Feature
	7/19/2008	Full Card- Meadowlands Pace
	8/2/2008	Full Card- Hambletonian Day
	11/29/2008	Full Card- Breeders Crown
Mohawk Raceway	5/1-10/6/2008	Selected Feature
	6/14/2008	North American Cup
Northfield Park	3/6-12/20/2008	Selected Feature
Pompano Park	3/6-8/2/2008	Selected Feature
Maywood Park	3/6-12/20/2008	Selected Feature
The Meadows	3/6-12/20/2008	Selected Feature
Yonkers Raceway	3/6-12/20/2008	Selected Feature
Rosecroft Raceway	3/6-12/20/2008	Selected Feature
Pocono Downs	3/6-8/2/2008	Selected Feature
Hoosier Park	3/6-7/12/2008	Selected Feature
Harrington Raceway	3/6-10/23/2008	Selected Feature
Hawthorne Race Course	6/24-12/20/2008	Selected Feature

- I. For **ALL** racing associations, list imported simulcast races the association plans to receive which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track Breed of Horse Race Dates Number of Races to be Imported

- J. For **ALL** racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in B&P Code Sections 19596.2 and 19596.3, attach a copy showing the agreement by the appropriate racing association(s).

NOTICE TO APPLICANT: All interstate wagering to be conducted by an association is subject to the provisions of Title 15, United States Codes, which require specific written approval of the CHRB and of the racing commission having jurisdiction in the out-of-state venue. All international wagering to be conducted by an association is subject to the provision of B&P Code Sections 19596, 19596.1, 19596.2, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

Every association shall pay over to the simulcast organization within 3 calendar days following the closing of wagering for any day or night racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering, and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and vanning deductions. Every association shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each day or night racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 5.)

10. CHARITY RACING DAYS

- A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association: **Friends of the California State Fair**
- B. Names and addresses of the trustees or directors of the distributing agent:
Attached
- C. Dates the association will conduct races as charity racing days OR:
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)? Yes.

NOTICE TO APPLICANT: Net proceeds from charity racing days shall be paid to the designated and approved distributing agent within 180 days following the conclusion of the association's race meeting in accordance with the provisions of B&P Code Section 19555. Thereafter, the distributing agent shall distribute not less than 90% of the aggregate proceeds from such charity racing days within 12 calendar months after the last day of the meeting during which the charity racing days were conducted and shall distribute the remaining funds as soon thereafter as is practicable. At least 20% of the distribution shall be made to charities associated with the horse racing industry in accordance with the provisions of B&P Code Section 19556(b).

11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:
Association Veterinarian(s)- Dr. Henry Cook
Clerk of Scales- N/A
Clerk of the Course- Patricia Petersen
Film Specialist- Kathy Poor
Horse Identifier- Carl Sobey
Horseshoe Inspector- John Walker
Paddock Judge- Wayne Short
Patrol Judges- Bill Vallandingham
Placing Judges- Kathy Poor
Starter- Bill Vallandingham
Timer- Kathy Poor
- B. Management officials in the racing department:
Director of Racing- David Elliott
Racing Supervisor- Kate Snider
Racing Secretary- Joe Nefsky
Assistant Racing Secretary- Brent Bridges
Paymaster of Purses- Donna Newman
Others (identify by name and title)



Item 10-

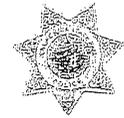
Friends of the California State Fair
P.O. Box 15649
Sacramento, CA 95852

President	Joe Cruz
Vice President	Anne Jones
Treasurer	Mark Kramer
Secretary	Romaine Bubnes
Trustee	Joyce Evans
Trustee	Michael Evans
Trustee	Cindy Frazier
Trustee	Pamela Howard
Trustee	Marty Hull
Trustee	Carla Knee
Past President/Trustee	Harry Moos

- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: **Esther Schwartz, Capitol Reporters, 1300 Ethan Way, Suite 225, Sacramento, Ca 95825, 916-923-5447**
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract: **Plusmic Corp USA-CDV-210 System- Bill O'Brien- contract through 8/08**
- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks. - **Pegasus Communications- Jim Porep, President. Contract through 8/08. Cameras (7)- Upper Pan, Lower Pan, 1/8 Pole Tower Head On, 5/8 Pole Tower Head On, Infield Warm Up, Paddock, Winners Circle/Finish Line Ground level.**
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract: **In house owned electronic timing device maintained and serviced by Pegasus Communications.**

12. SECURITY CONTROLS

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers. **Chief Robert Craft**
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: **18**
1. Attach a written plan for enhanced security for graded/stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns. **N/A**
 2. Detention Barns: **Plan Attached**
 - A. Attach a plan for use of graded stakes or overnight races. **N/A**
 - B. Number of security guards in the detention barn area during a 24-hour period.
 - C. Describe number and location of surveillance cameras in detention barn area.
 3. TCO2 Testing:
 - A. Number of races to be tested, and number of horses entered in each race to be tested.
 - B. Plan for enhanced surveillance for trainers with high-test results.
 - C. Plan for detention barns for repeat offenders.
 - D. Number of security personnel assigned to the TCO2 program.
- C. Describe the electronic security system:

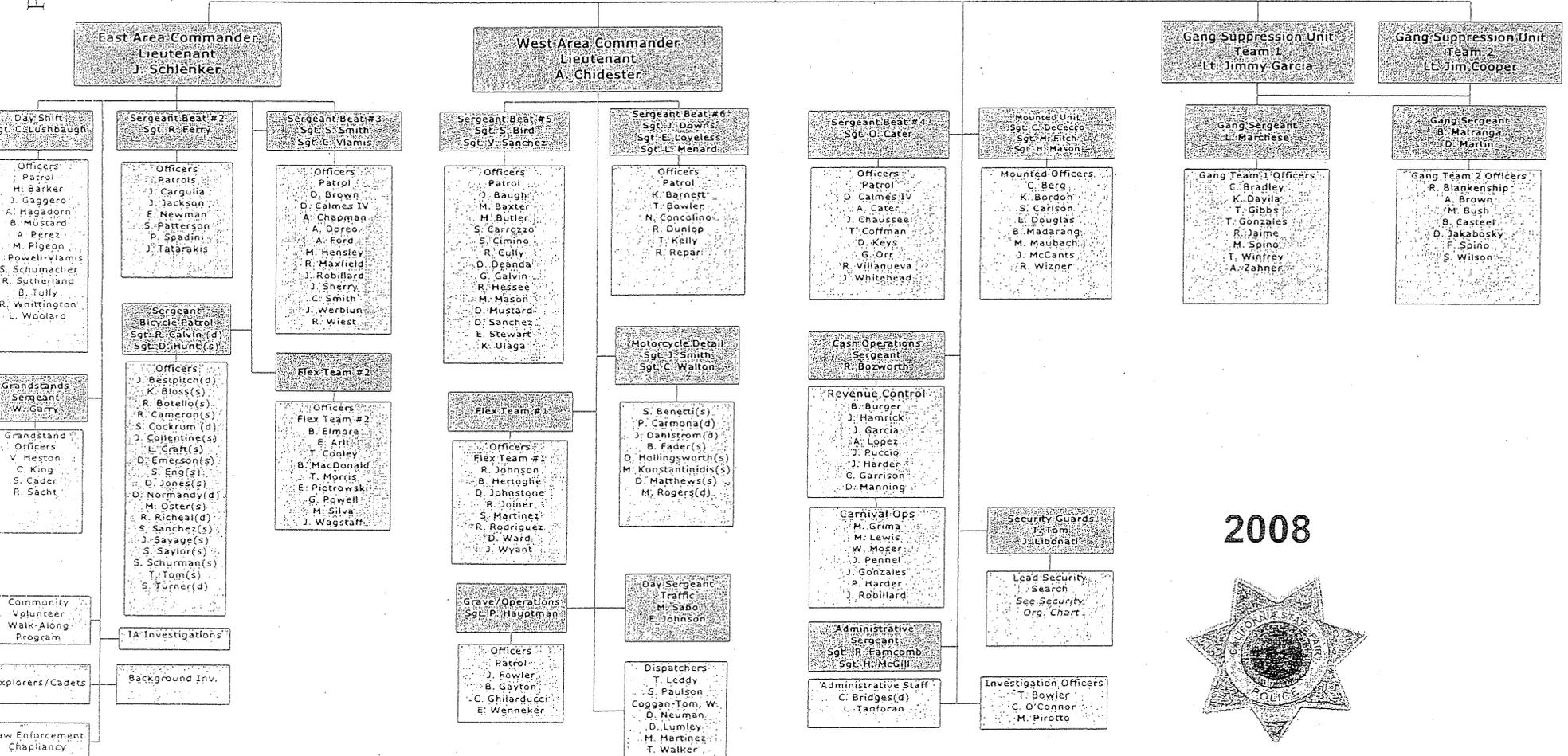


**General Manager
Norb Bartosik**

**Deputy General Manager
Brian May**

**Robert L. Craft
Chief of Police**

Cathy Purcell
Staff Services Analyst



2008



**California
Exposition & State Fair
Police Department**

Item 12 (2)- Detention Barns-

The Cal Expo detention barn is located adjacent to the Test Barn at the south end of the Cal Expo Barn area.

The detention barn will be used in the following events:

1. The stewards request that any trainers horses in to go be held in the detention barn
2. The association upon receiving findings of TCO₂ levels of 37 millimoles per liter of plasma or more, shall require all horses in to go trained by the offending trainer to be housed in the detention barn for a period of not less than 8 hours prior to post time of each horse.

The detention barn will have one security officer assigned whenever the detention barn is being utilized. The security officer will be on duty before any horse arrives to serve detention and will not be relieved from duty until all horses have left the detention barn.

There will be two surveillance cameras installed at the entrance/exit of the detention barn. The monitor will be placed in the guard shack adjacent to the entrance of the detention barn.

1. Location and number of video surveillance cameras for the detention barn and stable gate.

D. For night racing associations. Describe emergency lighting system: Generator lights placed in strategic locations around racetrack and starting gate car lights will be used for the safe exit of all racing participants should a power outage occur.

13. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races: **American Medical Response, 1779 Tribute Rd., Sacramento, CA 95815 916-563-0600**

B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: **N/A**

C. Describe the on-track first aid facility, including equipment and medical staffing: **Mobile on track first aid facility staffed by two Emergency Medical Technicians.**

D. Name and emergency telephone number of the licensed physician on duty during the race meeting: **(If quarter horse racing association see D(1):**

1. Name address and emergency telephone number of hospital located within 1.5 miles of the racetrack, which whom an agreement is in place to provide emergency medical services:

E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey: **Attached**

F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey: **Attached**

G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B& P Code 19481.3(d): **David Elliott and Kate Snider**

H. Attach a fire clearance from the fire authority having jurisdiction over the premises. **Attached**

I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **Self-insured through California Fair Services Authority.**

J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation. **Attached**

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall pursuant to B&P Code 19481.3 maintain, staff, and supply an on-track first aid facility, that may be either permanent or mobile, and which shall be staffed and equipped as directed by the board. A qualified and licensed physician shall be on duty at all times during live racing, except that this provision shall not apply to any quarter horse racing at the racetrack if there is a hospital situated no more than 1.5 miles from the racetrack and the racetrack has an agreement with the hospital to provide emergency medical services to jockeys and riders. An ambulance licensed to operate on public highways provided by the track shall be available at all times during live racing and shall be staffed by two emergency medical technicians licensed in accordance with Division 2.5 (commencing with Section 1797) of the Health and Safety Code, one of whom may be an Emergency Medical Technician Paramedic, as defined in Section 1797.84 of the Health and Safety Code. (b) Each racing association and racing fair shall adopt and maintain an emergency medical plan detailing the procedures that shall be used in the event of an on-track injury. The plan shall be posted in each jockey room in English and

Item 13E-

Emergency Services-

American Medical Response is the ambulance service contracted by Cal Expo for its racing meeting.

The protocol for determining which hospital would be best suited to transport an injured participant is patient request if the request is appropriate as determined by the attending EMT on duty and secondarily, the EMT on duty will determine which medical facility is best suited to attend to the participant based upon a medical evaluation by the EMT.

There are 4 major hospitals within a 3 mile radius of Cal Expo.

Those hospitals and their specialties are:

UC Davis Medical Trauma Center-
2730 Stockton Blvd., Sacramento
Specializing as a Level 1 Trauma Center
916-734-2011
3 Miles

Sutter Memorial Hospital-
5151 F Street, Sacramento
Specializing in cardiac treatment
916-733-1000
1 ½ miles

Kaiser Permanente Hospital-
2025 Morse Ave., Sacramento
Specializing in orthopedic and cardiac treatment
916-973-6600
2 Miles

Mercy General Hospital-
4001 J. Street, Sacramento
Specializing in cardiac treatment
916-453-4428
1 ½ Miles



CAL EXPO

PRECUDIOS DE EMERGENCIA PARA MANEJADORES

“PRIMERA RESPUESTA”

- En caso de un accidente, respondera la ambulancia, el poniador, o, el carrode comensar.
- La Ambulancia respondera par aver lo necesario.
- La Ambulancia tiene el equipo necesario para accidentes.
- Se hara una evaluacion de acuerdo al accidente.

“EVALUACIO AL INSTANTE”

- Basandose al (EMT) Emergencia Medica Responsable. Que es la ambulancia. Ellos Aran Una evaluacion al instante. Para ver si se puede tartar al momento o ser transportado, al hospital.

“ATENCION AL ACSIDENTADO”

- El accidentado sera tratado de inmediato por (EMT).
- Sies demaciado grave el accidente sera transportado por ambulancia al hospital.

En caso de algun corredor accidentado se hara un reporte complete por los encargados del tracke.

CALIFORNIA EXPOSITION & STATE FAIR

P.O. Box 15649 • Sacramento, CA 95852-1649 State of California • Arnold Schwarzenegger, Governor



CAL EXPO

EMERGENCY MEDICAL PROCEDURES
FOR ON TRACK INJURY TO DRIVERS

“FIRST RESPONSE”

- In the event of an accident, the Starter; Outrider, and/or Ambulance shall respond immediately
- The American Medical Response Ambulance will stop on the track and assess the driver’s(s) need.
- The attending medical professionals shall be equipped with advanced cardiac life support (ACLS) and other necessary acute medical treatment equipment and supplies.
- An “on site evaluation” of injuries to the driver(s) shall be made.

“ON SITE EVALUATION”

- Based on the Emergency Medical Response (EMT) team on the American Medical Response Ambulance an on site evaluation of injuries, a decision shall be made to either treat the injured driver(s) on site or to request emergency medical transport for off site treatment at a hospital trauma center.
- If on site treatment is deemed sufficient, the American Medical Response shall treat the injured drivers(s); or,
- If off site treatment is deemed necessary, a back up ambulance from American Medical Response will be summoned to take over the duties at the track and the original ambulance will transport the injured driver(s).

“INJURY TREATMENT”

- If the injured driver(s) is treated by the EMT on the American Medical Response Ambulance, they will be the primary care provider.
- If a back up ambulance is requested, the injured driver(s) shall be transported to the local hospital.

Office of State Fire Marshal



REINSPECTION REPORT

File No.: 04--34--04

0001--024--1--1

Name of Facility: CAL EXPO

Name of Building: BARNS A THROUGH Z

Address: 1400 EXPOSITION BLVD. SACRAMENTO, CA. 95815

Contact Person: DAVE EDDY Telephone No.: (916) 263-3124

Discussed with: DAVE EDDY Title: FLEET SERVICES MGR.

Accompanied by: SAME AND WAYNE SHORT Title: SAME BARN MANAGER

Fire Safety Deficiencies Numbered 1-b, c; 2-a; 2-b, 2-c, 3-a; AND 5 noted on the letter

Fire Safety Correction Notice (EN-11) dated 03/04/07 have been corrected.

Uncorrected Deficiencies Numbered NONE were re-issued as shown on the Fire Safety Correction Notice dated 5, which is attached to and made a part of this Report.

In addition, NO new deficiencies were identified at the time of this re-inspection, and are shown as Items on the attached Fire Safety Correction Notice.

Fire Clearance Instructions: All deficiencies have been corrected. Fire clearance granted from 1 year from today's date of 02/06/08.

FIRE CLEARANCE GRANTED <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		RE-INSPECTION DATE <u>02/06/08</u>	NEXT RE-INSPECTION DATE <u> </u>
DEPUTY STATE FIRE MARSHAL <u>C. Jordan, DSPM</u>		PRINT NAME <u>C. D. JORDAN</u>	TELEPHONE NO. <u>(530) 478-1694</u>



February 7, 2008

To: California Horse Racing Board (CHRB)
Attn: Andrea Ogdén
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Re: California Exposition & State Fair
1600 Exposition Blvd
Sacramento, CA 95815

Please be advised that the California Exposition & State Fair is a member of the California Fair Services Authority (CFS A), and participates in the following self-insurance and loss pooling programs which are administered by CFS A:

II. WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

- A. Primary Coverage: \$500,000 self-insured retention California Fair Services Authority. Coverage continuous until cancelled
- B. Excess Coverage:
 - (a) Workers' Compensation: \$299,500,000 in excess of \$500,000
 - (b) Employers' Liability: \$4,500,000 in excess of \$500,000
 Coverage provided by CSAC Excess Insurance Authority
Term: 07/01/2007 to 07/01/2008

CFS A represents to CHRB that within the above limits, terms and provisions of the coverage stated, to the extent provided by law, CFS A will provide defense, payment, and indemnification on loss funding in accordance with the terms of the contractual assumption of the California Exposition & State Fair as set forth in CHRB's "Insurance Requirements".

You will be given at least thirty (30) days notice of any change in the foregoing information. We trust that this commitment will satisfy your insurance requirements.

Please feel free to contact this office on all matters including possible claims.

Sincerely,

Lianne Lewellen
Risk Analyst

Spanish. (c) Prior to every race meeting, the racing association or racing fair shall contact area hospitals to coordinate procedures for the rapid admittance and treatment of emergency injuries. (d) Each racing association or racing fair shall designate a health and safety manager and assistant manager, who shall be responsible for compliance with the provisions of this section and one of whom shall be on duty at all times when live racing is conducted. The health and safety manager may, at the discretion of the racing association, be the person designated to perform risk management duties on behalf of the association.

14. CONCESSIONAIRES AND SERVICE CONTRACTORS

Names and addresses of all persons to whom a concession or service contract has been given, **other than those already identified**, and the goods and/or services to be provided by each: **All contractors have been previously identified by the CHRB.**

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

Local reach out to new on track customers through specific media buys. We will offer up cash giveaways on specific nights each week. We have food and drink specials each racing night with \$1 nights on Saturday nights. We will reach out to all California satellite facilities and offer up cash prizes and giveaways to support handicapping contests on a weekly basis.

B. Number of hosts and hostesses employed for meeting: **3**

C. Describe facilities set aside for new fans: **Guest information and racing education center**

D. Describe any improvements to the physical facility in advance of the meeting that directly benefit:

- 1. Horsemen- Drivers Lounge, Backstretch Laundromat, track lighting, chaplaincy trailer**
- 2. Fans- \$1 Million satellite wagering renovation including 300 televisions (Plasma and LCD)**
- 3. Facilities in the restricted areas- Newly constructed detention barn, new racetrack ingress/egress ramp.**

16. SCHEDULE OF CHARGES

A. Proposed charges, note any changes from the previous year:

Admission (general)- \$4.00

Admission (clubhouse)- Free

Reserved seating (general)- N/A

Reserved seating (clubhouse) - N/A

Parking (general)- Free

Parking (preferred)- Free

Parking (valet)- N/A

Programs (on-track) - \$3.50

(off-track)- \$4.00

B. Describe any "Season Boxes" and "Turf Club Membership" fees: **None**

C. Describe any "package" plans such as combined parking, admission and program: **None**

17. JOCKEYS/DRIVERS' QUARTERS

A. Check the applicable amenities available in the jockeys/drivers' quarters:

Corners (lockers and cubicles) How many

Showers Steam room, sauna or steam cabinets Lounge area

Masseur

Food/beverage service

Certified platform scale

B. Describe the quarters to be used for female jockeys/drivers: **Same Type/Separated quarters**

18. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing was completed by **Martin Snezak on February 20, 2008**.

B. Number of rooms used for housing on the backstretch of the racetrack: **104**

C. Number of restrooms available on the backstretch of the racetrack: **8**

D. Estimated ratio of restroom facilities to the number of backstretch personnel: **1/50**

19. TRACK SAFETY

A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: **5,280 feet**.

B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course. **Inner rail is replaced by pylons; outer rail is a Steriline Aluminum Racing Safety Rail in full compliance with CHRB regulations**

C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **David Elliott**

D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On file**

E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing.

Padded 18'6" pole inside the pylon line (finish line).

Insurance Certificate attached

Hold Harmless Agreement will be submitted within five days of Board conditional approval.

20. DECLARATIONS

A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): **No Exceptions**

B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. **In negotiation**

C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). **N/A**

D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):

No Exceptions

E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state):

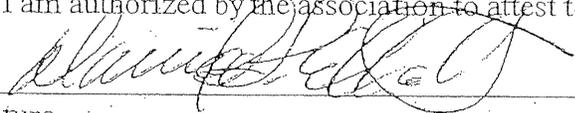
No Exceptions

NOTICE TO APPLICANT: Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

21. CERTIFICATION BY APPLICANT

I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the association to attest to this application on its behalf.

DAVID ELLIOTT
Print Name


Signature

DIRECTOR of RACING
Print Title

2/5/08
Date

CALIFORNIA HORSE RACING BOARD

FEBRUARY 28, 2008
REGULAR BOARD MEETING

There is no board package material for item 4

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1420, DEFINITIONS
AND THE PROPOSED ADDITION OF
RULE 1634, ALTERNATIVE CLAIMING RACES

Regular Board Meeting
February 28, 2008

BACKGROUND

Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include, but not be limited to, adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 states the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in this State. Business and Professions Code section 19408.2 defines a claiming race as a race in which any horse entered therein may be claimed in conformity with the rules established by the Board.

At its October 2007 Regular Meeting, the Board heard a Thoroughbred Owners of California (TOC) proposal to add a rule that would allow an owner to enter a horse in a claiming race with a declaration that such horse was ineligible to be claimed if the horse was returning from a lay-off of at least 180 days, and was entered for a claiming price equal to or greater than the price at which it last started. TOC stated many horse owners wished to give their horses time to rest, but they ran the risk of losing such horses as soon as they returned to racing. The TOC believed that horse owners who made an investment in their horses' health deserved a limited, optional protection from being claimed. One problem with this approach is that under California law, and the Board's Regulations, a claiming race is defined as a race in which any horse entered in such race is subject to being claimed. At the October 2007 discussion the Deputy Attorney General (DAG) stated the Board faced a nomenclature issue. If horses were entered in a claiming race they could not be declared ineligible for claiming, as Business and Professions Code section 19408.2 provided a definition of a claiming race, which stated that any horse entered may be claimed in conformity with rules established by the Board. If the race were named something other than a "claiming race" the issue may "possibly" be solved. The Board directed staff to work with TOC and the DAG to develop a rule to implement TOC's proposal. A proposal to add Rule 1634, Alternative Claiming Races, was subsequently noticed for a 45-day public comment period.

ANALYSIS

The proposed addition of Rule 1634 would allow racing associations to write alternative claiming races. An alternative claiming race is essentially a claiming race that has been renamed. Such races would allow any horse entered to be claimed, except if the owner declared his horse ineligible for claiming at time of entry. To qualify as ineligible for claiming in an alternative claiming race, a horse must not have started for a minimum of 180 days since its last race. Additionally, the horse may not be entered for a claiming price equal to or

greater than the price at which it last started. The owner or trainer must declare the horse ineligible for claiming at time or entry, as the rule states failure to make such a declaration may not be remedied. A horse may enter an alternative claiming race only once after returning from a layoff. The addition of Rule 1634 necessitates the amendment of Rule 1420, Definitions, as the rule provides definitions of the various types of races authorized by the Board.

On February 5, 2008, staff received a letter from TOC, which stated the proposed addition of Rule 1634 was "...counterproductive and entirely inconsistent with what TOC originally proposed. As is, TOC could not support the rule as drafted." Further, the letter stated "...the intention of the [TOC] rule proposal was NOT to create a separate category, as there would rarely be enough horses in a given category coming back at any given time to write/offer a race limited to such horses."

In response to the comment received from TOC, staff, the DAG and TOC representatives discussed the issue and agreed to go forward with the hearing on the proposed addition of Rule 1634 as presented. After consultation with the DAG, staff believes it is necessary to create a new category of race if the race, as proposed by TOC, is one in which not all horses are subject to being claimed. This is driven by Horse Racing Law, which defines "claiming Race" as "...a race in which any horse entered therein may be claimed in conformity with the rules established by the Board." (Business and Professions Code section 19408.2). This statute does not, in our view, allow for a claiming race in which only certain horses are subject to being claimed.

Recognizing the proposed regulation would create a new category of race that may be difficult to fill, and therefore may not fulfill what TOC is attempting to accomplish, staff proposes that the Board moves forward with the addition of Rule 1634. If the Board adopts the proposal as presented, the tracks would be able to determine if Alternative Claiming Races work to address the underlying concern about horses coming back off a layoff. TOC has indicated its board may discuss the potential for seeking a statutory amendment that would allow certain non-claimable horses in all claiming races.

RECOMMENDATION

One comment was received during the 45-day public comment period. This item is presented for Board consideration and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 7. CLAIMING RACES
PROPOSED ADDITION OF
RULE 1634. ALTERNATIVE CLAIMING RACE

Regular Board Meeting
February 28, 2008

1634. Alternative Claiming Race.

(a) At the time of entry into an alternative claiming race, the owner may opt to declare a horse ineligible to be claimed provided:

(1) The horse has been laid off and has not started for a minimum of 180 days since its last race, and

(2) The horse is entered for a claiming price equal to or greater than the price at which it last started.

(b) Failure to declare the horse ineligible at the time of entry may not be remedied.

(c) Ineligibility shall apply only to the first start following each such layoff.

Authority: Sections 19420 and 19440,
Business and Professions Code.

Reference: Sections 19408.2 and 19562,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 2. DEFINITIONS
RULE 1420. DEFINITIONS

Regular Board Meeting
February 28, 2008

1420. Definitions.

As used in these rules:

(a) "Chairman" means the member elected by the Board to be Chairman of the Board and its presiding member.

(b) "Commissioner" means a member of the Board.

(c) "Age of Horse" means the age as reckoned beginning on the first day of January of the year in which the horse was foaled.

(d) "Authorized Agent" means an agent appointed by a written document which is signed by the owner and filed with the Board.

(e) "Breeder" means the owner of the dam at the time of foaling.

(f) "Conviction" includes a plea of guilty, forfeiture of bail, a judgment or verdict of guilty, or a conviction following a plea of nolo contendere, whether or not the conviction is later set aside pursuant to the provisions of Section 1203.4 of the Penal Code.

(g) "Driver" means one who drives and controls the horse from a seated position on a two-wheel vehicle.

(h) "Horse" means an equine and includes a stallion, gelding, mare, colt, filly or ridgling and includes mule, jack, jenny, ginnet, and hinney.

(i) "Jockey" means a race rider.

(j) "Licensee" means a licensee of the California Horse Racing Board.

(k) "Maiden" means a horse ~~which~~ that has never won a race on the flat in a state or country where the races are covered by the Daily Racing Form or other similar authorized publication. A maiden ~~who~~ that has been disqualified after finishing first is still a maiden. Conditions referring to maidens apply to the status at the time of starting.

(l) "Nominator" means a person in whose name a horse is entered to race.

(m) "Objection" means a formal complaint filed before a race with the stewards or the Board objecting to the eligibility of any horse to compete in the race or the right of any person to participate in the race.

(n) "Owner" includes the owner, part owner and lessee of any horse. An interest only in the earnings of a horse does not constitute ownership. If husband and wife, it is presumed that joint ownership exists.

(o) "Post" means the place on the race course from which a start is made.

(p) "Post Time" means the definite time for the start of a race, and is indicated by a clock device set up as directed by the Board.

(q) "Premises" means the inclosure and all other areas collectively utilized by an association in connection with its conduct of a licensed race meeting, including parking lots, auxiliary stabling areas, public inclosure and restricted areas, whether or not the areas are adjacent to the inclosure.

(r) "Protest" means a formal complaint filed after a race with the stewards or the Board protesting the right of any horse to a place, purse or award in the race, or protesting any

decision of the stewards relating to the eligibility, participation or placing of any horse in a race.

(s) "Race" means a contest among horses for a purse, stake or reward, contested at an authorized race meeting. "Race" includes but is not limited to:

(1) Purse Race. A race for money or any other prize to which the owners of the horses engaged do not contribute.

(2) Stake Race. A race for which owners of horses entered or engaged for the race contribute to a purse for which money or any other prize may be added, nominations to which close 72 hours or more before starting.

(3) Claiming Race. A race in which any horse entered therein may be claimed in conformity with the rules established by the Board.

(4) Alternative Claiming Race. A race in which any horse entered may be claimed, except if the horse has been declared ineligible for claiming under Rule 1634 of this division.

(45) Handicap Race. A race in which the weights to be carried by the entered horses are adjusted by a handicapper, board of handicappers or the racing secretary, to equalize their respective chances of winning.

(56) Overnight Race. A race in which entries close 72 hours or less, excluding Sundays, in advance of the first race of the day on which the race is to be run.

(67) Walkover. A stake race in which only one horse starts or in which all the starters are owned by the same interest.

(78) Invitational Stake Race. An invitational stake race or an invitational handicap race for which owners do not contribute to the purse, but which is advertised in the regular stakes program, shall also be considered a stake race.

(89) Non-wagering Race. A race contested without pari-mutuel wagering on its results including a race upon which pari-mutuel wagering is canceled.

(910) Match Race. A race contested between two horses under conditions of the contest agreed to by their owners.

(4011) "Special Racing Event". A race of unique interest, magnitude or fame. "Special racing event" shall also mean an exhibition race when approved by the Board.

(4112) "Exhibition Race". A race contested under conditions established by the association as a promotional event or to provide a special racing opportunity to a particular horse or class of horse or class of participants and to which the association contributes the purse or awards for the contest. No pari-mutuel wagering may be conducted on the results of an exhibition race.

(t) "Race on the Flat" means a race run over a course on which no jumps or other obstacles are placed.

(u) "Recognized Meeting," "Race Meeting," or "Authorized Meeting" means the entire period under the conduct of an association within the inclosure of the designated grounds, and for which the Board has granted a license. ~~has been granted by the Board.~~ When the context in the rules applies, it may include a meeting conducted by an association in some other jurisdiction recognized by the Board.

(v) "Restricted Area" means those areas within the inclosure where admission can be obtained only upon presentation of authorized credentials, proper license or visitor's pass, including those areas designated as the stable area, receiving or detention barn, jockey room, saddling paddock, race course and pari-mutuel department.

(w) "Rules" means the Rules and Regulations of the California Horse Racing Board and the orders of the Board.

(x) "Starter" means a horse when it is in the starting gate stall, and, when the starter dispatches the field ~~is dispatched by the starter~~, the stall gate in front of the horse is opened.

(y) "Sulky" means a dual wheel racing vehicle with dual shafts not exceeding the height of the horses withers. Shafts must be hooked separately on each side.

(z) "Time of Race Meeting" means that period of time commencing at 12:01 A.M. on the first day of racing at a recognized meeting and concluding at 12:00 midnight after the final race of the last day of racing as allocated and licensed by the Board.

(aa) "Weight for Age" means the standard weight to be carried by a horse according to the scale established by the rules, and remains such though there be penalties or allowances.

Authority: Sections 19440, and 19562 ~~and~~ 19563,
Business and Professions Code.

Reference: Sections 19401(e) and 19420,
Business and Professions Code.

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1844. AUTHORIZED MEDICATION

Regular Board Meeting
February 28, 2008

BACKGROUND

Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 states the Board may prescribe rules, regulations and conditions under which all horse races with wagering on their results shall be conducted in California. Business and Professions Code section 19580 requires the Board to adopt regulations to establish policies, guidelines, and penalties relating to equine medication to preserve and enhance the integrity of horse racing in California. Business and Professions Code section 19581 provides that no substance of any kind shall be administered by any means to a horse after it has been entered to race, unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof. Board Rule 1844, Authorized Medication, names drug substances and medications authorized by the Board that may be administered to safeguard the health of the horse entered to race. The rule lists the drug substances that may be found in official test samples and the level at which such drugs may occur. At the November 2007 Regular Board Meeting staff was directed to notice for public comment a proposed amendment to Rule 1844 that would provide levels for anabolic steroids.

ANALYSIS

The proposed amendment to Rule 1844 would establish levels at which certain anabolic steroids may be in the official urine test sample. The anabolic steroids and permitted levels are: Stanazolol at 1 nanograms per milliliter; Nandrolone at 1 nanograms per milliliter for geldings, fillies and mares, 45 nanograms for males other than geldings; Boldenone at 15 nanograms per milliliter in males other than geldings; Testosterone at 20 nanograms per milliliter in geldings and Testosterone at 55 nanograms per milliliter in fillies or mares. Testosterone would be permitted at any level in males. The proposed levels are based on the Racing Medication Testing Consortium and the Racing Commissioner International anabolic steroid model rules.

RECOMMENDATION

Staff Recommends the Board adopt the proposed amendment as presented. No comments were received during the 45-day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1844. AUTHORIZED MEDICATION

Regular Board Meeting
February 28, 2008

1844. Authorized Medication.

Consistent with the intent of these rules, drug substances and medications authorized by the Board for use may be administered to safeguard the health of the horse entered to race provided that:

(a) No person shall administer a drug substance to any horse entered to race except upon authorization of the official veterinarian in conformance with these rules.

(b) No drug substance, other than authorized bleeder medication, shall be administered to a horse entered to race within 24 hours of the race in which entered.

(c) Not more than one approved non-steroidal anti-inflammatory drug substance (NSAID) may be administered to a horse that is entered to race and shall be only one of the following authorized drug substances:

(1) Phenylbutazone in a dosage amount that the test sample shall contain not more than 5 micrograms of the drug substance per milliliter of blood plasma or serum.

(2) Flunixin in a dosage amount that the test sample shall contain not more than 50 nanograms of the drug substance per milliliter of blood plasma or serum.

(3) Ketoprofen in a dosage amount that the test sample shall contain not more than 10 nanograms of the drug substance per milliliter of blood plasma or serum.

(4) Metabolites or analogues of approved NSAIDs may be present in post race test samples.

(d) If the official chemist reports that a blood test sample contains an authorized NSAID in excess of the limit for that drug substance under this rule, the official veterinarian shall, in conjunction with the veterinarian who administered or prescribed the authorized drug substance, establish a dosage amount or time of administration of the drug substance that will comply with the limits under this rule; or the official veterinarian may, if in his/her judgment no such reduced dosage amount or amendment to time of administration will result in a test sample level within the limits of this rule, withdraw authorization for the use of any one NSAID.

(e) Official urine test samples may contain one of the following drug substances, their metabolites or analogs, in an amount that does not exceed the specified levels:

- (1) Acepromazine; 25 nanograms per milliliter
- (2) Mepivacaine; 10 nanograms per milliliter
- (3) Promazine; 25 nanograms per milliliter
- (4) Albuterol; 1 nanograms per milliliter
- (5) Atropine; 10 nanograms per milliliter
- (6) Benzocaine; 50 nanograms per milliliter
- (7) Procaine; 10 nanograms per milliliter
- (8) Salicylates; 750 micrograms per milliliter
- (9) Clenbuterol; 5 nanograms per milliliter
- (10) Stanazolol; 1 nanograms per milliliter
- (11) Nandrolone; 1 nanograms per milliliter for geldings, fillies and mares; 45 nanograms for males other than geldings.
- (12) Boldenone; 15 nanograms per milliliter in males other than geldings
- (13) Testosterone; 20 nanograms per milliliter in geldings, 55 nanograms per milliliter in fillies or mares.

(A) Testosterone at any level in males other than geldings is not a violation of this regulation.

(14) Testosterone; 55 nanograms per milliliter in fillies or mares

(f) Official blood test samples may contain clenbuterol in an amount not to exceed 25 picograms per milliliter of serum or plasma.

(g) Official blood test samples shall not contain any of the drug substances, or their metabolites or analogs listed in subsection (e)(1)-(8), and (e)(10)-(14).

Authority: Sections 19440 and 19562,
Business and Professions Code.

Reference: Sections 19580 and 19581,
Business and Professions Code.

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1849. NERVING
AND
PROPOSED REPEAL OF
RULE 1851. LIST OF NERVED HORSES
RULE 1850, POSTERIOR DIGITAL NEURECTOMY

Regular Board Meeting
February 28, 2008

BACKGROUND

Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19580 states the Board shall adopt regulations to establish policies, guidelines, and penalties relating to equine medication to preserve and enhance the integrity of horse racing in California. Rule 1849, Nerving, states nerved horses may not be brought on the grounds of a racing association, nor entered in a race, or sold or offered for sale, except as provided under Article 15. Rule 1850, Posterior Digital Neurectomy, allows a horse that has been nerved or heel nerved to race provided the official veterinarian is satisfied the loss of sensation to the horse due to the posterior digital neurectomy will not endanger the safety of any horse or rider. Rule 1851, List of Nerved Horses, requires the racing secretary to maintain a list of nerved horses that are on the grounds of the association, and to make the list available for inspection by licensees participating in the meeting.

Heal nerving was discussed at the March 2007 Medication Committee meeting. The Medication Committee determined it would recommend the amendment of Rule 1849 and the repeal Rule 1850 and Rule 1851. At the March 2007 Regular Board Meeting staff was directed to initiate a 45-day public comment period regarding the proposed amendment of Rule 1849 and the repeal of Rule 1850 and Rule 1851. A hearing for the adoption of the proposal to amend Rule 1849 and repeal Rule 1850 and Rule 1851 was held at the July 2007 Regular Board Meeting. No action was taken, as the Board determined there needed to be more industry comment regarding the issue. The Board's Equine Medical Director offered to talk about heel nerving with the jockey colony and Thoroughbred Owners of California.

ANALYSIS

The proposed amendment of Rule 1849 would ban "nerved" horses from the grounds of the racing association; from entry in a race; or from being sold or offered for sale on the grounds of a facility under the jurisdiction of the Board. It would also render Rules 1850 and 1851 superfluous and necessitate their repeal. A posterior digital neurectomy, commonly known as

“nerving” or “heel nerves,” is a procedure where the posterior digital nerves of a horse’s hoof are transected with a scalpel, laser or other means to desensitize the posterior portion of the foot. In racehorses the procedure is primarily used for wing fractures of the coffin bone, navicular disease and other chronic conditions of the foot. A horse that has undergone a posterior digital neurectomy can feel its foot; it just cannot feel the heel of its foot. If the horse puts pressure on its foot it can feel where it is, or where it is running, and so it does not cause the horse to lose stability. However, the procedure is not common among California racehorses due to improved diagnostics, medications and therapeutic shoeing. In the spring of 2007, an informal survey of the Santa Anita race meeting revealed only two horses on the list of nerved horses (This list is a requirement of Rule 1851). At the March 2007 Regular Board meeting the Board determined that because the therapeutic value of posterior digital neurectomy is not vital to horse racing, and so few horses currently racing have undergone the procedure, heel nerved horses should no longer be allowed to run in California.

A survey of several racing jurisdictions revealed that out of seven racing states, only Arizona prohibited nerved horses from running. States that allow nerved horses to run include: New York; Illinois; Indiana; Ohio; Kentucky and Texas.

During the 45-day public comment period staff received comment from Dr. Rick Arthur, CHRB Equine Medical Director. Dr. Arthur stated he was opposed to the proposed amendment of Rule 1849, and the repeal of Rule 1850 and Rule 1851. He said there was no veterinary medical or safety justification for the proposed action. Dr. Arthur also expressed concern with the ability to regulate a prohibition of nerved horses, as rules without enforcement schemes were nonsensical. Dr. Arthur commented that the principle behind Rule 1850 and Rule 1851 was full disclosure. Allowing nerved horses to run with the consent of the official veterinarian removes the incentive for owners and trainers to hide the true condition of a horse.

Dr. Dennis Meagher, professor emeritus of equine surgery at University of California Davis, and former CHRB Equine Medical Director, has also stated his opposition to the proposed regulatory action.

RECOMMENDATION

There has been no additional comment regarding the proposal to amend Rule 1849 and repeal Rule 1850 and Rule 1851. This item is presented for discussion and action by the Board.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1849. NERVING.

Regular Board Meeting
February 28, 2008

1849. Nerving.

No person shall bring onto the grounds of a racing association, or enter or cause to be entered in any race, or sell, offer for sale, or act as a bloodstock agent in the sale of, any horse which has been "nerved" or has had any nerve removed from the leg of such horse, ~~except as provided in this article.~~

Authority: Sections 19420, 19440 and 19580,
Business and Professions Code.

Reference: Section 19580,
Business and Profession Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED REPEAL OF
RULE 1850. POSTERIOR DIGITAL NEURECTOMY

Regular Board Meeting
February 28, 2008

~~1850. Posterior Digital Neurectomy.~~

~~Notwithstanding the prohibition against "nerving", a horse upon which a posterior digital neurectomy has been performed, commonly known as "heel nerving" is not ineligible to race, not subject to the prohibitions in this article pertaining to nerving, provided that the official veterinarian is satisfied that the loss of sensation to such horse due to the posterior digital neurectomy will not endanger the safety of any horse or rider, that the prior approval of the official veterinarian has been obtained if the horse is on the grounds of a racing association, that the racing secretary is notified of such nerving at the time such horse is admitted to the grounds of a racing association and its registration or eligibility certificate marked to indicate such nerving.~~

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED REPEAL OF
RULE 1851. LIST OF NERVED HORSES

Regular Board Meeting
February 28, 2008

~~1851. List of Nerved Horses.~~

~~The racing secretary shall maintain a list of nerved horses which are on the grounds and shall make such list available for inspection by other licensees participating in the meeting.~~

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1865. ALTERING OF SEX OF HORSE

Regular Board Meeting
February 28, 2008

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). Business and Professions Code section 19440 states responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering, and the administration and enforcement of all laws, rules, and regulations affecting horse racing and pari-mutuel wagering. Business and Professions Code section 19460 provides that all licenses issued by the Board are subject to all rules, regulations, and conditions from time to time prescribed by the Board. Business and Professions Code section 19562 states the Board may prescribe rules, regulations, and conditions, consistent with the provisions of Business and Professions Code Chapter 4, under which all horse races with wagering on their results shall be conducted in California. Board Rule 1865, Altering of Sex of Horse, states that any alteration of the sex of a horse from the sex recorded on the certificate of foal registration or the eligibility certificate or other official registration certificate of the horse shall be reported to the racing secretary and the official horse identifier if the horse is entered to race at any race meeting.

During the 06/07 fiscal year the stewards issued 44 rulings against trainers who did not report the gelding of a horse by time of entry. The typical fine for each of those violations was \$300. The issue of failure to report, or untimely reporting of a first time gelding was discussed at the February 2007 Pari-Mutuel/ADW and Simulcast Committee (committee) meeting. The committee revisited the issue in July 2007 and considered possible sanctions for first time gelding reporting violations, including increasing the typical fine to \$1,000. At the Board's September 2007 Regular Meeting the issue of late or non-reporting of first time geldings was discussed. After hearing from interested parties, the Board directed staff to draft a regulation that would provide for scratching a horse entered to race if the trainer failed to report a first time gelding in a timely manner. At the November 2007 Regular Board Meeting staff was directed to initiate a 45-day public comment period regarding the proposed amendment of Rule 1865.

ANALYSIS

The proposed amendment to Board Rule 1865 adds a new Subsection 1865(d), which would make trainers responsible for reporting the true sex of horses they entered, or caused to be entered, if the true sex was different from that listed on the certificates of registration on file in

the racing office. Under a new Subsection 1865(d)(1), if the trainer fails to report the true sex of the horse by the scratch time for the race in which it is entered, the stewards shall declare the horse from the race. This sanction does not preclude the stewards from fining the trainer for a violation of first time gelding reporting requirements.

Staff received two letters from California stewards and a racing secretary regarding the proposed amendment to Rule 1865. The primary objection to the proposed amendment was subsection 1865(d)(1), which requires that the stewards scratch a horse if its true sex is not listed on its certificate of registration by "scratch time" of the race in which it is entered. The authors stated connecting the scratch to the horse's registration papers and not to the accuracy of the official program would not accomplish the goal of the amendment. The provision could allow a horse to run if its true sex is listed on its papers, but not on the program, and a late scratch potentially penalized bettors, horse owners, trainers, tracks and the State of California.

RECOMMENDATION

Two comments were received during the 45-day public comment period. This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1865. ALTERING OF SEX OF HORSE

Regular Board Meeting
February 28, 2008

1865. Altering of Sex of Horse.

Any alteration to the sex of a horse from the sex as recorded on the ~~Certificate of Foal Registration~~ certificate of foal registration or the ~~Eligibility Certificate~~ eligibility certificate or other official registration certificate of such the horse shall be reported to the ~~Racing Secretary~~ racing secretary and the ~~Official Horse Identifier~~ official horse identifier if such the horse is ~~registered~~ entered to race at any race meeting.

(a) ~~Should~~ If the gelding or castration of a ~~race horse~~ racehorse ~~be is~~ performed on the premises of a licensed racing association, or other facility under the jurisdiction of the Board, the trainer shall report the alteration ~~same~~ within 72 hours.

(b) ~~Should~~ If the gelding or castration of a ~~race horse~~ racehorse ~~is~~ performed off the premises of a licensed racing association, or other facility under the jurisdiction of the Board, and the horse has been previously ~~registered~~ entered to race at any race meeting in this State, the owner and/or trainer shall report the ~~same~~ alteration at the time the horse is next ~~registered~~ entered to race.

(c) ~~Any such~~ A report of gelding or castration will include the name of the veterinarian performing the alteration and the date of the alteration, and shall be recorded on the official

registration certificate and the ~~Official Horse Identification~~ official horse identification record of such the horse.

(d) Any trainer who enters a horse, or who causes a horse to be entered on his behalf, is responsible for ensuring that the true sex of the entered horse is listed on its certificate of registration on file in the racing office.

(1) If the true sex of a horse entered to race is not listed on its certificate of registration by the "scratch time" designated for the race in which the horse is entered, the stewards shall declare the horse from the race.

Authority: Sections 19420, 19440, ~~19460~~ and 19562,
Business and Professions Code.

Reference: Sections 19420 and 19562,
Business and Professions Code.

STAFF ANALYSIS
REPORT AND UPDATE FROM
PACIFIC COAST QUARTER HORSE RACING ASSOCIATION
REGARDING THE STATUS OF THE
QUARTER HORSE TOE GRAB STUDY

Regular Board Meeting
February 28, 2008

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings is vested in the California Horse Racing Board (Board). Business and Professions Code section 19562 states the Board may prescribe rules, regulations and conditions under which all horse races with wagering on their results shall be conducted in California. In 1996 The California Veterinary Diagnostic Laboratory System (CVDLS) at the University of California, Davis, concluded a three-year study of shoeing and catastrophic injury in racehorses. The study compared the shoes of injured horses to those of uninjured horses to identify types of shoes associated with increased risk of injury. The toe grab was the type of traction device found on 90% of the injured horses and 80% of uninjured horses while rim shoes were found on 12% of injured horses and 30% of uninjured horses. The conclusion was that there appeared to be an association between toe grabs and increased risk of catastrophic injury in thoroughbred racehorses. The higher the toe grabs – the greater the risk. The three-year study of shoeing and catastrophic injury released in 1996 was not considered conclusive, so a second study was initiated in late 1999. The study was not complete when the Board heard the issue of toe grabs at its January 2000 Regular Meeting. The result of the discussion was a third CVDLS study that would record the type of shoes worn during competition of all thoroughbred racehorses in California for the year 2000. The information would be correlated with injuries sustained to determine patterns related to shoe type. In addition, the CVDLS would collect data from foreign jurisdictions that race on dirt without toe grabs. Subsequent to its initiation, the study was extended for a second year, to be completed in the spring of 2002.

In February 2006 the Board added Rule 1690.1, Toe Grabs Prohibited, which prohibited the use of toe grabs over four millimeters in height on the front shoes of thoroughbreds while racing. However, the implementation of the regulation was delayed. At the February 2007 Regular Board Meeting the Board determined it would enforce the regulation, and that quarter horses should be added to the provisions of Rule 1690.1. The proposal was subsequently noticed for a 45-day public comment period.

The Board heard the proposal to amend Rule 1690.1 at its June 2007 Regular Meeting. After receiving testimony from interested parties the hearing was deferred until additional comment could be received from the quarter horse industry. In July 2007 the Pacific Coast Quarter

Horse Racing Association (PCQHRA) requested the proposed amendment to Rule 1690.1 be deferred for up to six months to allow for a completion of a study relative to the use of toe grabs greater than four millimeters on the front shoes of quarter horses while racing. The PCQHRA stated it would work with Dr. Sue Stover of University of California at Davis to conduct a study similar to the studies done on thoroughbred racehorses.

RECOMMENDATION

This item is presented for Board discussion.

CALIFORNIA HORSE RACING BOARD

FEBRUARY 28, 2008
REGULAR BOARD MEETING

There is no board package material for item 10

STAFF ANALYSIS
PROPOSED ADDITION OF
RULES TO IMPLEMENT
ASSEMBLY BILL 241, STATUTES OF 2007

Regular Board Meeting
February 28, 2008

BACKGROUND

Assembly Bill (AB) 241, Chapter 594, Statutes of 2007, provides that the Board may authorize up to 15 minisatellite wagering sites in each racing zone under specified conditions:

- No such minisatellite wagering site may be located within 20 miles of existing racetracks, satellite facilities or tribal casinos that have a satellite wagering facility, without the permission of the existing facility.
- Until January 2013, if the minisatellite wagering facility site is in the northern zone in a fair district where the fair has operated a satellite facility for the previous 5 years, approval of the fair must be obtained.
- An agreement between the parties must be executed and approved by the Board.
- The Board must approve the minisatellite wagering facility site.
- Wagers may be accepted only in areas not accessible to persons less than 21 years of age.
- The Board must approve the accommodation, and technology used in wagering and in transmitting odds.
- Pari-mutuel clerks must be available to service the tote machines and cash wagering vouchers on a regularly scheduled basis.

AB 241 calls for the Board to adopt emergency regulations to implement minisatellite wagering on or before April 1, 2008. However, the legislation did not declare an emergency, nor does the implementation of minisatellite wagering constitute an emergency as defined by the Administrative Procedures Act. Therefore, minisatellite wagering regulations must be implemented using the normal regulatory process. Staff is working to ensure the proposed regulations are completed in a timely manner.

The proposed addition of Article 27, Minisatellite Wagering will contain the following new regulations: Rule 2090, Minisatellite Wagering; Rule 2091, Definitions; Rule 2092 Application for License to Conduct Minisatellite Wagering. In addition a new Application for License to Operate A Minisatellite Wagering Facility has been developed, which will be used by applicants seeking approval for license to operate a minisatellite wagering facility. In developing the regulations staff worked with the industry and looked at other racing jurisdictions with similar off track wagering programs, particularly Arizona.

Minisatellite wagering regulations are the first step in implementing AB 241. The industry must also consider a rollout period for the technology required for such wagering. The Board may wish to hear from representatives of Southern California Off-Track Wagering, Inc. regarding such a testing period.

RECOMMENDATION

This item is presented for Board discussion and action.

Assembly Bill No. 241

CHAPTER 594

An act to amend Sections 19410 and 19605.51 of, and to add Sections 19410.7, 19605.25, and 19605.54 to, the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

[Approved by Governor October 13, 2007. Filed with
Secretary of State October 13, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AB 241, Price. Horse racing: satellite wagering.

Existing law generally regulates horse racing, including satellite wagering on horse races. Existing law authorizes the California Horse Racing Board to authorize certain fairs and racing associations to operate satellite wagering facilities.

This bill would authorize an additional 15 minisatellite wagering sites, as defined, in each zone under certain conditions. The bill would apply a specified provision requiring, as a condition of operating a minisatellite facility, the entity operating the facility must enter into a written contractual agreement with a bona fide labor organization, as defined. The bill would also require the board to adopt emergency regulations to implement the new facilities by April 1, 2008. The bill would authorize satellite wagering to continue to be conducted at certain racetracks that have closed, under certain conditions.

Existing law generally regulates horse racing and defines "inclosure" for purposes of wagering as all areas of the racing association's or fair's grounds and locations, as designated by the racing association or fair licensed to conduct a live racing meeting and approved by the board, excluding the public parking lot.

This bill would delete the parking lot exclusion from that definition.

Existing law authorizes any fair in San Joaquin, San Bernardino, Humboldt, or Fresno Counties, subject to certain conditions, to operate a satellite wagering facility, as specified.

This bill would remove the specified counties listed in that provision, so as to authorize any county to operate a satellite wagering facility under those conditions.

By expanding wagering on horse racing by authorizing additional satellite wagering facilities, this bill would increase the amount of continuously appropriated license fees, thereby making an appropriation.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares the following:

(a) Although there are over 18,000 lottery outlets, more than 90 gambling establishments, and more than 60 tribal casinos, there are only 33 places to make a wager on a horse race in the State of California. Yet horse racing employs over 45,000 people in the state.

(b) With a population of over 35,000,000 people, the horse racing industry needs many more wagering sites to adequately serve the people of the state.

(c) It is the intent of the Legislature, in enacting this measure, to make the sport of horse racing more accessible to the citizens of this state.

SEC. 2. Section 19410 of the Business and Professions Code is amended to read:

19410. "Inclosure" means all areas of the racing association's or fair's grounds and locations, as designated by the racing association or fair licensed to conduct a live racing meeting and approved by the board.

SEC. 3. Section 19410.7 is added to the Business and Professions Code, to read:

19410.7. "Minisatellite wagering site" means a location where satellite wagering may be conducted, with the approval of the board, provided that the wagering occurs in an area that is restricted to those who are 21 years of age or older.

SEC. 4. Section 19605.25 is added to the Business and Professions Code, to read:

19605.25. (a) The California Horse Racing Board may approve an additional 15 minisatellite wagering sites in each zone, if all of the following conditions are met:

(1) No site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. If the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the board.

(2) An agreement in accordance with subdivision (a) of Section 19605.3 has been executed and approved by the board. In addition to the requirements set forth in that provision, the agreement shall specify which components of its racing program, including live, out-of-zone, out-of-state, and out-of-country races, an association or fair will make available to the site. The terms and condition of the agreement, including all fees payable pursuant to paragraph (3) of that provision, a portion of which may be paid to horsemen in the form of purses, shall be subject to the approval of the horsemen's organization responsible for negotiating purse agreements with the association or fair.

(3) The site is approved by the board.

(4) The wagers are accepted in an area that is accessible only to those who are at least 21 years of age.

(5) The board has approved the accommodation, equipment used in conducting wagering at the site, communications system, technology, and

method used by the site to accept wagers and transmit odds, results, and other data related to wagering.

(b) Parimutuel clerks shall be available to service the self-service tote machines at these locations, and to cash wagering vouchers on a regularly scheduled basis.

(c) Until January 1, 2013, if the proposed minisatellite wagering site is in the northern zone in a fair district where the fair has operated a satellite wagering facility for the previous five years, the approval of the fair must be obtained even if the proposed location is more than 20 miles from the existing satellite wagering facility operated by the fair.

(d) For purposes of commissions, deductions, and distribution of handle, wagers placed at minisatellite sites shall be treated as if they were placed at satellite wagering facilities authorized under Section 19605, 19605.1, or 19605.2. Section 19608.4 shall apply to minisatellite wagering facilities.

(e) The written consent of the San Mateo County Fair shall be obtained prior to the approval of any minisatellite wagering site located within a 20-mile radius of its fairground.

(f) Minisatellite wagering facilities created pursuant to this section are not eligible for satellite wagering commission distributions pursuant to Section 19604.

(g) The board shall adopt emergency regulations to implement these new facilities on or before April 1, 2008. The board, in adopting these regulations, shall minimize the expense to both the operator of the minisatellite facility and the host racetrack.

(h) If there are more than 15 applications for minisatellite wagering facilities in any zone, the board shall determine which facilities will generate the largest handle, and give priority to the approval of those facilities. The board shall license a minisatellite facility for two years, and then review the operation and the size of the handle, and determine if it is in the best interest of horse racing to relicense the facility or, in the alternative, license another minisatellite facility that might generate a greater handle.

(i) Except as may be provided in the agreement required pursuant to paragraph (2) of subdivision (a), no association or fair shall be required to make all or part of its racing program available to a minisatellite wagering facility. Notwithstanding subdivision (e) of Section 19608.2, all costs incurred by the organization executing that agreement in excess of the amounts distributable to the organization from wagers placed at the site on that racing program, shall be borne by the minisatellite wagering facility.

SEC. 5. Section 19605.51 of the Business and Professions Code is amended to read:

19605.51. Notwithstanding subdivision (a) of Section 19605, and Section 19605.1, any fair that operated a satellite wagering facility on July 1, 2007, may, with the approval of the Department of Food and Agriculture and the authorization of the board, subject to the conditions specified in Section 19605.3, operate a satellite wagering facility on leased premises within the boundaries of that fair. Any fair that did not operate a satellite wagering facility on July 1, 2007, may, subject to Sections 19605 and 19605.1, operate

one satellite wagering facility either on the property of the fairgrounds, or on leased premises.

SEC. 6. Section 19605.54 is added to the Business and Professions Code, to read:

19605.54. Any racetrack in the central zone that conducted racing in 2007 but that has since closed may continue to conduct satellite wagering. If the racetrack site is no longer available for use as a satellite wagering facility, then the owner of the racetrack may conduct satellite racing at another location within that city, subject to approval by the board. If the owners of the racetrack which last conducted racing at that facility determine that they do not wish to operate a satellite wagering facility, then any other racetrack conducting racing in that zone may instead be authorized to open a satellite wagering facility. If there is no other racing association that wishes to operate a satellite wagering facility in that city, then any other person or entity may seek the approval of the board to operate a satellite wagering facility in that city. The board, prior to granting its approval, shall conduct a hearing on the issue, and afford parties the opportunity to be heard.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
PROPOSED ADDITION OF
ARTICLE 27. MINISATELLITE WAGERING
AND
RULE 2090. MINISATELLITE WAGERING RULE

Regular Board Meeting
February 28, 2008

2090. Minisatellite Wagering Rule.

The minisatellite wagering rules in this article shall apply to minisatellite wagering in addition to other rules in this division.

Authority: Section 19440 and 19605.25
Business and Professions Code

Reference: Sections 19440 and 19605.25
Business and Professions Code

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
PROPOSED ADDITION OF
ARTICLE 27. MINISATELLITE WAGERING
AND
RULE 2091 DEFINITIONS

Regular Board Meeting
February 28, 2008

2091. Definitions.

For purposes of this Article, in addition to the definitions in Article 24 of this division:

(a) "Minisatellite wagering facility," means the physical premises or structure that houses or provides the location for the offering of totalizator services, audio visual display and telecommunications for the conduct of minisatellite wagering. Minisatellite wagering facilities may be operated by an entity which includes any individual, partnership, corporation, limited liability corporation, association, fair, joint powers authority or organization which is entered into an operating agreement with the simulcast organization pursuant to Business and Professions code 19605.3 and is authorized and licensed by the Board to receive a host association's simulcast signal to operate a minisatellite wagering facility where simulcast wagering is offered on the host association's racing card.

(b) "Minisatellite wagering site" means a location within the minisatellite wagering facility where pari-mutuel wagering may be conducted, with the approval of the board, provided that the wagering occurs in a restricted area.

(1) For purposes of this regulation restricted area means an area assessable to those who are 21 years of age or older as defined in section 19410.7 of the Business and Profession Code. This area may be delineated by signage, roped off, or any other means as approved by the Board.

(c) "Minisatellite facility manager" means a person licensed by the Board who is in charge of the day to day operations of the minisatellite wagering facility.

(d) "Simulcast Organization" means an organization formed pursuant to Business and Professions Code section 19608.2.

Authority: Section 19420 and 19440
Business and Professions Code.

Reference: Section 19410.7 and 19605.25
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4 CALIFORNIA HORSE RACING BOARD
PROPOSED ADDITION OF
ARTICLE 27, MINISATELLITE WAGERING
AND
RULE 2092 APPLICATION FOR LICENSE
TO CONDUCT MINISATELLITE WAGERING

Regular Board Meeting
February 28, 2008

2092 Application for License to Conduct Minisatellite Wagering.

No person, which includes any individual, partnership, corporation, limited liability corporation, association, fair, joint powers authority or organization, shall operate a minisatellite wagering facility unless authorized and permitted to do so by the Board as follows:

(a) An applicant for a minisatellite wagering facility shall complete an Application for License to Operate a Minisatellite Wagering Facility (Form CHRB-xxx, New 3/08) which is hereby incorporated by reference. Form CHRB-xxx shall be available at the Board's administrative office. The application shall be filed with the Board at least ninety (90) days prior to the first proposed date of operation.

(1) In order to allow an evaluation of the competence, integrity, and character of the applicant to operate a minisatellite wagering facility, any person, corporation, trust association, partnership or joint venture shall submit with the application, a Personal History Record (Form CHRB-25A, Rev 3/08), which is hereby incorporated by reference, for the following:

(A) If the applicant for a minisatellite wagering facility is a corporation, the officers, directors, and each owner, directly or indirectly, of any equity, security or other ownership interest in the corporation. However, in the case of owners of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own five (5) percent or more of the publicly held securities need be disclosed.

(B) If the applicant for a minisatellite wagering facility is a trust, the trustee and all persons entitled to receive income or benefit from the trust.

(C) If the applicant for a minisatellite wagering facility is an, association, fair, or joint powers authority, the members, officers and directors.

(D) If the applicant for a minisatellite wagering facility is a subchapter S card club/gambling establishment licensed by the Gambling Control Commission the Board shall license the owner or chief executive officer. If the gambling establishment is a corporation, partnership, or limited liability company; however the Board reserves the right to call forward for purposes of suitability anyone who has financial interest in the establishment.

(E) If the applicant for a minisatellite wagering facility is a subsidiary, the officers, directors, and stockholders of the parent company thereof. However, in the case of owners of a publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own five (5) percent or more of the publicly held securities need be disclosed.

(F) If the applicant for a minisatellite wagering facility is a partnership, limited liability company, or joint venture, all of the general partners, limited partners, officers, owners, or joint ventures.

(G) If the parent company, general partner, limited partner, limited liability company, or joint venture of any minisatellite wagering facility applicant is itself a corporation, trust, association, subsidiary, partnership, limited liability company, or joint venture, then the disclosure of such information, shall be made, as necessary, to determine ultimate ownership. However, in the case of owners of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own five (5) percent or more of the publicly held securities need be disclosed.

(H) If the minisatellite wagering facility applicant employs a management company, disclosure shall apply to the management as set forth in subsections A through F as appropriate. The Board shall be notified of any changes in key personal as identified in subsection A through F.

(2) The minisatellite wagering facility applicant has executed an agreement with a simulcast organization for the conduct of simulcast wagering at its minisatellite wagering facility, the horsemen's organization responsibility for negotiating purse agreements with the host association or fair of which horse ace will be simulcast. A copy of each signed contract must accompany the application (Form CHR-B-xxx, Rev. 4/08).

(3) The minisatellite facility shall provide a minisatellite wagering site or sites for pari-mutuel wagering and the observation of the satellite or streaming video signal as received from the host association. The wagering site area shall be designated on the application by the applicant and shall be located in an area that is restricted to those who are 21 years or older, as defined in Business and Professions Code section 19410.7. All odds data made available to the guest facility by the host association shall be displayed at all times.

(4) All owners or management personnel, persons employed at any minisatellite wagering facility by any association, fair, joint powers of authority or host association, anyone who assists in facilitating the placement of a minisatellite wager, owners or management personnel of a minisatellite wagering facility who own 5% or more in a minisatellite facility, any individual employed by the applicant (minisatellite wagering facility) who has responsibility as manager of the facility during operation (racing) hours and any other person designated by the Board are required to be licensed pursuant to Rules 1440 and 1481 in this Division.

(5) Every guest facility shall provide security personnel to protect the public and maintain the peace within the minisatellite wagering facility. Additionally, the minisatellite wagering facility shall

maintain such security controls in the areas where uplink and downlink equipment is located, fencing, access gates, cables, wires and power lines and warning notifications where uplink and exterior equipment is located and the equipment room where inside downlink receiving components are located as the Board's Executive Director or his/her designee shall direct. Minisatellite wagering facilities shall also remove, deny access to, eject or exclude persons as provided by Rules 1980 and 1989 in this Division.

(6) No minisatellite facility shall conduct wagering on any race or races other than those authorized by agreement for simulcast by the simulcast organization and approved by the Board.

(7) Applications for minisatellite wagering facilities will be considered by the Board for approval at the next regularly scheduled meeting of the Board held within 45 working days of receipt of the unless the applicant requests and is granted additional time to supply information.

(a) If the Board denies approval of the mini-satellite facility application, the applicant has thirty (30) calendar days, from the receipt date of the Board's denial notification, to request a reconsideration of the Board's decision. This request must be in writing and sent to the Board's Administrative office. If reconsideration is denied, the applicant has thirty (30) days to file for Superior Court review in accordance with Section 19463 of the Business and Professions Code.

(b) The approval of the mini-satellite facility application by the Board shall constitute a license to operate as a mini-satellite wagering facility subject to the compliance provisions of Section 19605.25 of the Business and Professions Code. The length of the license shall not exceed two years.

Authority: Section 19440 and 19605.25
Business and Professions Code

Reference: Sections 19440 and 19605.25
Business and Professions Code

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD
APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY
 CHRB-XXXXXX (New. 3/08)

Application is hereby made to the California Horse Racing Board (CHRB) for authorization to operate a minisatellite wagering facility in accordance with the California Business and Professions Code (B&P), Chapter 4, Division 8 (Horse Racing Law) and the California Code of Regulations, Title 4, Division 4 (CHRB Rules and Regulations).

Application must be filed not later than 90 days in advance of the date scheduled to conduct minisatellite wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

All attachments should be clearly titled including the section name and question in which you are responding.

FACILITY INFORMATION (Section 1)

Name of applicant:

The applicant is:

Racing Association

Fair

Tribal Gaming Agency

Card Room/Gambling Establishment

Restaurant/Bar

Other Business Entity

Facility address:

Mailing address (if different from above):

E-mail address:

City:

State:

Zip Code:

Phone:

Fax:

Website:

County:

Zone Location:

North

South

Central

If proposed location is in a northern zone fair district that has operated a satellite wagering facility for the previous five years, attach written consent of the approval for the minisatellite wagering facility.

NOTICE TO APPLICANT: Until January 1, 2013, if the proposed minisatellite wagering site is in the northern zone in a fair district where the fair has operated a satellite wagering facility for the previous five years, the approval of the fair must be obtained even if the proposed location is more than 20 miles from the existing satellite wagering facility pursuant to Business and Professions Code Section 19605.25 (c).

Minisatellite Facility is: Owned Rented Leased

If rented or leased provide terms of lease, name of landlord and whether or not they have a financial interest in the gaming revenue.

Provide the name and address of the closest racetrack, satellite wagering facility or tribal casino that has a satellite wagering facility to the proposed minisatellite facility location.

CHRB CERTIFICATION

Application filed on:

Approved On:

Reviewed by:

License number issued:

Date of Hearing:

Date tribal compact approved:

CHRB-XXX (New. 3/08)

Is the racetrack, satellite wagering facility or tribal casino with a satellite wagering facility located within 20 miles of the proposed facility location? Yes No

How far is the nearest racetrack, satellite wagering facility or tribal casino that has a satellite wagering facility to proposed facility? Provide distance and methods used to determine the distance.

If the nearest satellite wagering facility or tribal casino with satellite wagering facility is located within 20 miles of proposed facility, include a copy of the written consent from each facility within the 20 mile radius.

NOTICE TO APPLICANT: No minisatellite wagering site may be located within 20 miles of a racetrack, satellite wagering facility, or a tribal casino that has a satellite wagering facility without the consent of such facility located within the 20-mile radius. pursuant to Business and Professions Code Section 19605.25 (a)(1).

Dates during which the applicant proposes to operate as a minisatellite wagering facility:

NOTICE TO APPLICANT: If approved for license, the term of license shall not exceed two years pursuant to Business and Professions Code Section 19605.25 (h).

Have you operated a licensed gaming operation before in California or any other state? Yes No

If yes, provide the following:

Facility name and address:

City:	State:	Zip Code:
-------	--------	-----------

County:

Timeframe operated:

Begin Date:

End Date:

Zone Location:

North South Central

Have you had a license gaming operation license that has been revoked or suspended.

CONTACT PERSON (Section 2)
(Authorized Representative)

Name and title of the contact person:

Business address:

Mailing address (if different from above):

City:	State:	Zip Code:
-------	--------	-----------

County:

Phone:

E-mail:

Fax:

BUSINESS STRUCTURE (Section 3)

<input type="checkbox"/> Corporation <input type="checkbox"/> Public <input type="checkbox"/> Private <input type="checkbox"/> Sub-S <input type="checkbox"/> Sub-C <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Partnership & Joint Venture <input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other If you have listed your company as other please identify your company structure:
---	--	--

Registered Business Name:

Fictitious Business Name:

Address:

E-mail Address:

City:

State:

Zip Code:

Phone:

Fax:

State where registered or

Articles of Organization are filed:

Registry or File number:

Name of all officers, directors, and managers.

For officers, directors, and managers that have no ownership, enter 0% in the ownership column. For members of a Limited Liability Company, list membership interest in ownership column. For partners, please note following the individual's name whether general or limited partners. (true names)

Entity/Individual Name and Title

Entity's Business Address/
Individual's Address of Record

Ownership %
(if any)

Compensation
Agreement

Are shares listed for public trade?

Yes No

If yes on what stock exchange?

If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity.

Attach the most recent annual financial statement for the applicant, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission.

MANAGEMENT AND STAFF (Section 4)

Name and title of the managing officer(s) and/or general manager(s) of the business.

Name and Title

CHRB License No. and Expiration Date

REVENUE (Section 5)

Projected Handle for Minisatellite Wagering Facility (current year) \$	Prior Actual Handle for Minisatellite Wagering Facility (prior year) \$
---	--

Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

D **NOTICE TO APPLICANT:** For purposes of commissions, deductions, and distribution of handle, wagers placed at minisatellite sites shall be treated as if they were placed at satellite wagering facilities authorized under Business and Professions Code Section 19605, 19605.1, or 19605.2. Business and Profession Code Section 19608.4 shall apply to minisatellite wagering facilities pursuant to Business and Professions Code Section 19605.25(d) Pursuant to Business and Professions Code Section 19605.25 (f) minisatellite wagering facilities created pursuant to this section are not eligible for satellite wagering commission distributions pursuant to Section 19604 of the Business and Professions Code.

ADVERTISING AND PATRON DEVELOPMENT (Section 6)

R Describe any advertising or promotional plans:

Describe any improvements to the facility that will directly benefit minisatellite wagering:

A **NOTICE TO APPLICANT:** Pursuant to Rule xxx all advertisement shall contain a statement that persons under 21 are not allowed to participate in minisatellite wagering. All advertisement shall contain contact information for a recognized problem-gambling support organization.

MINISATELLITE WAGERING SITE (Section 7)

F Attach a detailed scale plan of the facility indicating all points of access to facility, emergency exits, placement of offices, and food and beverage service location and detailing the location of the proposed minisatellite wagering site. Identify how the designated mini satellite wagering area will be restricted for 21 years and over patrons. Attach photos of the minisatellite wagering site.

T **NOTICE TO APPLICANT.** Pursuant to Business and Professions Code Section 19605.25 (4) wagers placed at a minisatellite site must be in an area that is restricted to those who are 21 years of age or older.

OPERATION OF THE MINISATELLITE WAGERING FACILITY (Section 8)

Hours for operation of the facility:

Hours for operation of the minisatellite wagering site:

Time periods during the calendar year the facility **will not** be utilized as a minisatellite wagering facility (Explain Why):

If approved, wagering will be offered on live race meetings being held or conducted by the following California racing association(s):

--	--	--

List the host track from which the minisatellite wagering facility proposes to import out-of-state and/or out-of-country races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

Estimated number of pari-mutuel terminals machines available?

CHRB-XXX (New. 3/08)

Attach a proposed staffing plan for the facility and/or minisatellite wagering site, to include the number of security personnel and the number of parimutuel clerks pursuant to Business and Professions Code section 19605.25 (5)(b).

Simulcast organization engaged by the association to conduct simulcast wagering:

Attach the agreement between the association and simulcast organization permitting the minisatellite wagering facility to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.

Submit a copy of each horsemen's written approvals.

FACILITY DESCRIPTION (Section 9)

Describe the food and beverage services to be offered (full meals served; cafeteria-style full meals; short-order counter service; pre-ordered prepared sandwiches and fast foods available; full bar services; or other description as appropriate):

The seating capacity in the minisatellite wagering facility is:

The number of tables in the mini satellite wagering area is:

Overall square footage in the minisatellite wagering area is:

Attach a photograph of the minisatellite wagering area.

Describe occupancy restrictions, if any, imposed by the fire authority having jurisdiction:

The total number of parking spaces available in the parking areas can accommodate (number of standard sized automobiles):

Describe any other activities to be scheduled on or near the facility premises that may have a negative impact on available parking:

ADMISSIONS, CHARGES AND SERVICE FEES (Section 10)

Complete if applicable and note N/A if not

Admissions charges, if any, are:

Parking Charges, if any, are:

Program charges, if any, are:

Seating charges, if any, are:

SUPERVISION, SECURITY AND FIRE PREVENTION (Section 11)

Changes to management personnel and Minisatellite Manager(s) must be immediately reported to the Board.

Name of Minisatellite Facility Manager and/or individual responsible for the day-to-day operation of the minisatellite facility:

Name and Title	CHRB License No. and Expiration Date

CHRB-XXX (New. 3/08)

Attach a certificate of insurance for workers' compensation coverage including carrier and the policy number securing the applicant's liability for payment of workers' compensation is (if self-insured, provide details):

Attach a fire clearance from the fire authority having jurisdiction.

Attach a security plan to include: the name, title and phone number of the person having responsibility for security controls, the number of security officers and/or guards and the police or sheriff's department having jurisdiction for criminal law enforcement over the premises of the facility.

Does the applicant propose to have emergency medical care available at the facility:

Yes No If yes, describe:

Is there a backup emergency plan for power failure? Yes No

If yes, describe.

EQUIPMENT PROVIDED BY THE MINISATILLITE WAGERING FACILITY (Section 12)

Describe the television equipment (satellite receivers, decoders, controls, monitors, etc.) to be utilized at the facility:

Describe the public address equipment (controls, microphones, speakers, etc.) to be utilized at the facility:

RENEWAL (Section 13)

Complete this section only if renewing your license.

Is this a renewal application: Yes No

Have there been any changes since the submission of your last application for Authorization to Operate a Mini Satellite Wagering Facility? Yes No

Have any changes occurred affecting ownership or controlling interest in your business structure or establishment since your last application? Yes No

If you have answered, "Yes", to any of the questions please attach a detailed statement describing the change.

How many years have you been an approved Minisatellite Wagering Facility?

AGREEMENTS

Attach a copy of the agreement between the applicant and the (simulcast) organizations(s) that sets forth therein the duties of the respective parties.

Attach a copy of the written consent of the horsemen's organization(s), if applicable, consenting to the acceptance of wagers at the facility.

Attach copies of all applicable county, city or agency agreements that may affect the minisatellite wagering facility.

NOTICES TO APPLICANT

Notice is given to the applicant that its application, if approved by the Board, authorizes the applicant to offer pari-mutuel wagering at its minisatellite wagering facility until notified otherwise.

Notice is also given that retention of and control over all moneys generated from pari-mutuel wagering held or conducted at the facility is the responsibility of the (simulcast organization(s) which contract(s) to provide the pari-mutuel equipment and pari-mutuel employees; and that such organization(s) is (are) responsible for its proper distribution in accordance with the law and the rules and regulation of the Board.

Notice is also given that CHRB Rules 1870 and 1871 require that the Board be given 15 days notice in writing of any intention to terminate operations, engagements, or services by any licensee, approved concessionaire, or approved service contractor.

DECLARATIONS

All labor agreements, concession contracts, service contracts, horsemen's agreements, lease agreements, agreements with the (simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility, lease or rental agreement with the facility landlord and all applicable county, city or agency agreements that may affect the minisatellite wagering facility have been finalized except as follows (if there are no exceptions, so state):

All service contractors and concessionaires have valid State, County or City licenses authorizing each to engage in the type of service to be provided and have valid labor agreements (when applicable) which remain in effect for the entire term of the approval except as follows (if there are no exceptions, so state):

Absent natural disasters or causes beyond the control of the applicant, its service contractors, concessionaires or employees engaged at the facility, no reasons are believed to exist that may result in a stoppage to the conduct of pari-mutuel wagering at the facility or the withholding of any vital service to the applicant except as follows (if there are no exceptions, so state):

By authority of Article 9.2, of the California B&P Code; and the Federal Indian Gaming Act; in order to allow an evaluation of the competence, integrity, and character of potential simulcast facility operators authorized by the CHRB, any person, corporation, trust association, partnership, joint venture, or management firm who submits an application for such authorization or who is named in such application and who is not a State or County entity, or has not previously completed such disclosure when filing for a horseracing application pursuant to Article 4, Section 19480 of the California B&P Code shall be required to complete and submit a full disclosure statement.

CERTIFICATION BY APPLICANT (Section 14)

I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the applicant to attest to this application on its behalf.

Print name of applicant:

Date:

Signature of applicant:

Date:

**Mail your completed application and bond to the California Horse Racing Board,
1010 Hurley Way, Suite 300, Sacramento, CA 95825.**

**PERSONAL HISTORY RECORD
 Form CHRB-25A**

GENERAL INSTRUCTIONS

This form is to be completed in conjunction with California Horse Racing Board (CHRB) forms, Application For License to Conduct a Horse Racing Meeting, (CHRB-17), Application for Authorization to Operate a Simulcast Wagering Facility, (CHRB-25), Application for License to Operate A Minisatellite Wagering Facility (CHRB XXX) and Application for License/Contractor or Sub-contractor; Application for Approval/Concessionaire, (CHRB-87). If a CHRB-25A has been filed previously, submit only that information which has changed.

Print or type an answer to every question. If a question does not apply to you, so state with N/A. If more space is required, continue on page 5 or use a separate sheet and precede the answer with appropriate title. Do not misstate or omit any material fact(s) as each statement made herein is subject to verification. Applicant must initial each page, as provided in the lower right hand corner. By placing his/her initials on each page, the applicant is attesting to the accuracy and completeness of the information contained on that page.

All applicants are advised that this personal history record is an official document and misrepresentation or failure to reveal information requested may be deemed to be sufficient cause for the refusal or revocation of a license or Board approval.

All applicants are further advised that forms CHRB-17, CHRB-25, CHRB-87, and CHRB-25A may not be withdrawn without the permission of the CHRB.

1. PERSONAL INFORMATION:

The information contained in this section may be disclosed pursuant to the Public Records Act.

Last Name	First Name	Middle Name	
Alias, Nicknames, Maiden Name, Other Name Changes Legal or Otherwise			
Business Address-Street or RFD	City	State/Zip	Since
Date of Birth	Place of Birth (City, County, State)		
Business Phone ()			

A. Are you a citizen of the United States? Yes () No ()

If no, what is your current immigration status?

Explain _____

Registration/Document Number _____

Applicant Initials _____

2. **MARITAL INFORMATION: (Circle One)**

Single Married Separated Divorced Widowed

A. Current Marriage

Spouse's full name (Maiden) _____

Date of Birth _____ Place of Birth _____ (City and State)

Telephone: Business () _____

Spouse's employer _____ Occupation _____

Address of employer _____

3. **EMPLOYMENT:**

Beginning with your current employment, list your work history, all businesses with which you have been involved, and/or all periods of unemployment for the past twenty years, or since your eighteenth birthday, whichever is less. Use page 5 if more space is required.

Month and Year (From-To)	Name/Mailing Address of Employer/Business	Reason for Leaving
Title	Description of Duties	Was Racing or Gaming Present? Yes () No ()
Month and Year (From-To)	Name/Mailing Address of Employer/Business	Reason for Leaving
Title	Description of Duties	Was Racing or Gaming Present? Yes () No ()
Month and Year (From-To)	Name/Mailing Address of Employer/Business	Reason for Leaving
Title	Description of Duties	Was Racing or Gaming Present? Yes () No ()

Applicant Initials _____

4. CONVICTIONS OR PENDING CHARGES:

A. Have you ever been convicted of any criminal offense, or are there now any criminal charges pending against you. (Exclude MINOR traffic offenses.) Yes No (Circle One)

If yes, give details in space provided below. List all cases without exception.

Date of Conviction or Filing of Charges	Charge	Location/City & State	Arresting or Filing Agency	Location of Court

5. LICENSING/AUTHORIZATION TO OPERATE:

A. Have you ever held or been approved to hold a privileged or professional license in any state including but not limited to the following:

- | | | |
|--------------------|-------------------------|------------------------------|
| Real Estate Broker | Real Estate Salesperson | Racetrack Owner/Operator |
| Horse Trainer | Boxing Promoter | Jockey |
| Securities Dealer | Harness Driver | Liquor |
| Doctor | Lawyer | Gaming-Ownership/Work permit |

Yes No (Circle One) If yes, state where, years held, and the nature of any disciplinary actions taken against you.

B. Have you ever held a financial interest in a gambling venture, including a horse race track, dog track, race horse or dog, lottery, bingo, casino, sports book operation, card room, or pari-mutuel operation, OUTSIDE the State of California?

Yes No (Circle One)

C. Have you ever been refused or withdrawn an application for a racing or gaming license or an Authorization to Operate a Simulcast Wagering Facility for any reason or been a participant in any group which has had a racing or gaming license or an Authorization to Operate a Simulcast Wagering Facility denied, revoked, or suspended for any reason?

Yes No (Circle One) If yes to the above, state type of license, where, when, and for what reason.

D. Have you ever been granted a racing or gaming license or an Authorization to Operate a Simulcast Wagering Facility or been a participant in any group, which has been issued a racing or gaming license or Authorization to Operate a Simulcast Wagering Facility by the State of California?

Yes No (Circle One) If yes, state type of license or Authorization to Operate a Simulcast Wagering Facility, name of establishment, location, and period held.

Applicant Initials _____

E. Do you, to the best of your knowledge, have any relatives associated with or employed in the racing or gaming industry? (Include blood relatives of yourself or your spouse, to the first cousin family extension.)

Yes No (Circle One)

If yes, state the name, relation, and association or employment.

F. If currently or previously employed or engaged in California racing or Simulcasting give years of issuance and types of licenses.

6. FINANCIAL

A. Have you made or do you intend to make any monetary investment into this business: Yes No (Circle one)

State the percentage of ownership: _____ %.

B. Are you to receive any form of consideration, i.e. monetary, for the services you or your company are to provide? Yes No (Circle One)

If yes, explain fully on page 5.

C. Are you to receive or do you expect to receive a percentage of ownership of this operation or business for the services you or your company are providing? Yes No (Circle One)

If yes, explain fully on page 5.

D. List those person(s) who share a financial interest with you in the operation of this facility, live race meet contract or concession:

- 1. _____ 2. _____ 3. _____
- 4. _____ 5. _____ 6. _____

E. Has your interest in this facility or operation been assigned, pledged, or hypothecated to any person, firm, or corporation, or has any agreement been entered into whereby your interest is to be assigned, pledged, or sold either in part or in whole?

Yes No (Circle One) If yes, please explain on Page 5.

F. Have you ever filed bankruptcy? Yes No (Circle One)

If yes, please explain below. If more space is needed, use page 5.

Applicant Initials _____

7. CONFIDENTIAL INFORMATION

The following information is considered **confidential** in accordance with the California Public Records Act, and will be used only by the Board or its authorized agents in evaluating suitability for license.

* Applicants are advised that furnishing their Social Security Number is mandatory. The Social Security Number will be used to identify personal records which may be required during the background investigation. (Authority: Business and Professions Code Section 19440, Public Law 93-579, Section 7).

Last Name	First Name	Middle Name
Present Residence Address-Street or RFD	City	State/Zip
Residence Telephone ()	Since	
Social Security Number	Driver's License No. & State	
Spouse's Social Security Number	Driver's License No. & State	
Spouse's Residential Address if different than above		
Residence Telephone if different than above ()		

Applicant Initials _____

AFFIDAVIT OF APPLICANT

I, _____, certify under penalty of perjury that the above statements are true and correct to the
Print Name

of my knowledge and belief, and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for denial of the application applied for, and that later discovery of an omission or misrepresentation made in the above statements may be grounds for denial or revocation of a license or Board approval; further, that I am voluntarily submitting this application under oath with full knowledge that the California Business and Professions Code, Section 19439, provides that any person who willfully makes and subscribes any certification made under penalty of perjury which is materially false in any particular, is guilty of a felony and shall be punished in the manner prescribed by the Penal Code for the punishment of perjury; and further, that I understand and agree that I must accept any risk of adverse public notice, embarrassment, criticism or other action arising from the application processes, or financial loss which may result from action with respect to my application, and I expressly waive any claim for damages as a result of such risk and action, provided that any disclosure occurs in the normal course of business by Board staff acting in a reasonable manner when using due care to protect my privacy.

APPLICANT _____
Signature

DATE _____

Applicant Initials _____

APPLICANT'S REQUEST TO RELEASE INFORMATION

TO: _____

FROM: _____
Applicant's Full Name (Please Print)

1. **This authorization is not valid for bank, investment or tax records.**
2. I hereby authorize and request all persons to whom this request is presented having information relating to or concerning me to furnish such information to a duly appointed representative of the California Horse Racing Board.
3. I hereby authorize and request all persons to whom this request is presented having documents relating to or concerning me to permit a duly appointed representative of the California Horse Racing Board to review and copy any such documents.
4. I have filed with the California Horse Racing Board an "application" as that term is defined in Section 19480 of the California Business and Professions Code. I understand that I am seeking the granting of a privilege and acknowledge that the burden of proving my qualifications for a favorable determination is at all times on me.
5. I do, for myself, my heirs, executors, administrators, successors and assigns, hereby release, remise, and forever discharge the person to whom this request is presented, and his representatives and employees from all and all manner of actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which I ever had, now have, may have, or claim to have against the person to whom this request is presented or his representative or employees arising out of or by reason of complying with this request.
6. I agree to indemnify and hold harmless the person to whom this request is presented and his representatives and employees from and against all claims, damages, losses, and expenses, including reasonable attorneys' fees arising out of or by reason of complying with this request, provided that Board staff act in a reasonable manner using due care to protect the privacy of this material.
7. A reproduction of this request by the Xerox or similar process shall be for all intents and purposes as valid as the original.

In witness whereof, I have executed this request at _____ ,
City
_____ on the _____ day of
State
_____, 19_____.

Applicant's Signature

Notary Public in and for the County of _____ , (If not signed in the presence of a CHRB Representative)
State of _____

Signature of California Horse Racing Board Representative witnessing the applicant's signature.

Representative (Please Print)

Signature

Date

Applicant Initials _____

STAFF ANALYSIS
DISCUSSION REGARDING
RULE 1606, COUPLING OF HORSES

Regular Board Meeting
February 28, 2008

BACKGROUND

Business and Professions Code section 19420 provides that the Board shall have jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 provides the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be conducted in this State. Business and Professions Code section 19703 states the Board shall adopt rules governing, permitting and regulating mule racing and wagering on the races under the pari-mutuel system.

Board Rule 1606, Coupling of Horses, currently provides that two or more horses shall be coupled as a single wagering interest and as an entry when the same person or persons own such horses in whole or in part.

Various proposals to either amend or repeal CHRB Rule 1606 (Coupling of Horses) were discussed during several meetings of the Pari-Mutuel Operations Committee in 2005 and 2006. Ultimately, the Committee recommended repealing the rule, and the full Board agreed to put out for 45-day public comment the proposed repeal of Rule 1606. During a public hearing, representatives of the various racing associations spoke in favor of repealing the rule, discounting speculation that the uncoupling of same-owner entries might compromise the integrity of races. They predicted that uncoupling horses would result in larger fields with more wagering interests and would make racing programs more interesting, while also eliminating unintended consequences when one part of an entry is a late scratch.

The Board opted to temporarily waive Rule 1606 to allow for an uncoupling experiment at Bay Meadows, Hollywood Park, and Los Alamitos. The results of this experiment were discussed during the August 2006 Regular Board Meeting, at which representatives of the Thoroughbred Owners of California (TOC) and California Thoroughbred Trainers (CTT) and others argued against repealing the rule, based largely on the integrity issue. Representatives of racetracks continued to support

repealing the rule. After a thorough discussion, the Board voted against uncoupling horses with common ownership, though in subsequent actions the Board exempted quarter-horse races from the coupling requirement.

The Board reconsidered the coupling issue at its January 2008 Regular Meeting. Vice-Chairman Harris spoke in favor of amending the rule to allow for the uncoupling of horses in thoroughbred races when the ownership of horses is not an exact match. One owner could have partial interest in two horses, but the horses would not be coupled if there were different partners involved in each horse, provided the horses had different trainers. During this discussion, TOC President Drew Couto announced that the TOC board now supported the uncoupling of horses with common ownership. Jack Liebau, president of Bay Meadows and Hollywood Park, continued to endorse repealing the rule, indicating the uncoupling experiment in 2006 had resulted in larger fields without any adverse consequences. Ron Charles, representing Santa Anita Park and Golden Gate Fields, said there was considerable fan opposition to repealing the rule, as it would allow horses with the same owner and trainer to race uncoupled.

The Board referred the issue to the Pari-Mutuel/ADW and Simulcast Committee to reconsider in its entirety.

RECOMMENDATION

This item is presented for Board discussion and action. The Board may wish to hear from the Pari-Mutuel/ADW and Simulcast Committee.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 6. ENTRIES AND DECLARATIONS
RULE 1606. COUPLING OF HORSES

Regular Board Meeting
February 28, 2008

1606. Coupling of Horses.

(a) Two or more horses shall be coupled as a single wagering interest and as an entry when such horses are owned in whole or in part by the same person or persons.

(b) Quarter horse races are exempt from subsection (a) of this regulation.

Authority: Sections 19420, 19440 and 19590,
Business and Professions Code.

Reference: Section 19401,
Business and Professions Code.

STAFF ANALYSIS
DISCUSSION REGARDING FEASIBILITY
OF
ADDING A NEW WAGER SPONSORED
BY
THE WORLD POKER TOUR

Regular Board Meeting
February 28, 2008

The Thoroughbred Owners of California has requested that the Board consider the feasibility of adding a new wager sponsored by the World Poker Tour (WPT) that would involve a tournament style pari-mutuel wager. The proposed wager essentially requires:

- The host association determines the number of races in the tournament.
- For a designated fee/wager, each player receives a starting fantasy bankroll and is issued a data card.
- Players place win, place, and show wagers on horses in the events.
- Each player's wins or losses are reflected in their cumulative fantasy bankroll and recorded on the data card.
- Tournament-style "cuts" are made based on cumulative bankrolls to identify finalists.
- The net pari-mutuel pool is distributed pursuant to regulation, with 45 percent going to the ticket with the highest point total after all rounds.
- 1 percent of the pool goes towards a national tournament, sponsored, broadcast, and publicized by the World Poker Tour,

RECOMMENDATION

This item is presented for Committee discussion and action. The Board may wish to hear from the Pari-Mutuel/ADW and Simulcast Committee.

STAFF ANALYSIS
DISCUSSION REGARDING A PROPOSAL
FOR A
FUTURE BOOK WAGER
FOR
SIGNATURE RACES HELD AT
EACH CALIFORNIA RACE MEETING

Regular Board Meeting
February 28, 2008

BACKGROUND

The Thoroughbred Owners of California has proposed that the CHRB consider adopting a regulation allowing for Future Wagers on the signature races of California race meets. For example, the Santa Anita Handicap and the Pacific Classic would be considered the signature races for Santa Anita Park and Del Mar, respectively. The purpose of the new wager would be twofold. It would provide a new wagering opportunity and it would provide a means for racing associations to promote their signature race well in advance of the actual event.

The Association of Racing Commissioners International adopted a Model Rule for Future Wagers, which is attached. The Pari-Mutuel/ADW and Simulcast committee discussed the issue at its February 27, 2008 meeting.

Recommendation

This item is presented for Board discussion and action. The Board may wish to hear from the Pari-Mutuel/ADW and Simulcast committee.

ASSOCIATION OF RACING COMMISSIONERS INTERNATIONAL

MODEL RULE FOR
FUTURE WAGER POOLRegular Board Meeting
February 28, 2008

The Future Wager requires selection of the first-place finisher in a specified contest.

The association shall apply in writing to the commission for approval to offer the Future Wager on the specified contest and shall not offer the wager until the commission approval has been granted. The written application shall include the date and time for the pool to be opened and closed, a description of the system for compiling the pool and calculating odds and payout prices, and the time interval for displaying the odds.

The association, or in the case of interjurisdiction common pool wagering the Host track, shall name the contestants included in each betting interest on which future wagers may be made and shall assign a program number to each betting interest.

The amount wagered on the betting interest which finishes first in the specified race is deducted from the net pool, the balance remaining being the profit; the profit is divided by the amount wagered on the betting interest finishing first, such quotient being the profit per dollar wagered in the Future Pool on that betting interest.

The net Future Pool shall be distributed as a single price pool to winning wagers in the following precedence, based upon the official order of finish:

- To those whose selection finished first; but if there are no such wagers, then
- To those whose selection finished second; but if there are no such wagers, then
- To those whose selection finished third; but if there are no such wagers, then
- The entire pool shall be refunded on Future Pool wagers for that contest.

If there is a dead heat for first involving:

- contestants representing the same betting interest, the Future Pool shall be distributed as if no dead heat occurred.
- contestants representing two or more betting interests, the Future Pool shall be distributed as a profit split.

No refund shall be issued for Future Wager pool wagers on betting interests that do not start or finish the race. If the association becomes aware or is notified that a betting interest is ineligible or unable to start the race and the pool is still open, the association shall immediately close betting on that betting interest.

The entire Future Wager pool shall be refunded if:

- the situation described at subsection 5 d) occurs; or

- the specified race is declared no contest by the judges/stewards having jurisdiction over the specified race; or
- the specified race does not occur; or
- for whatever reason, the Future Wager pool can not be determined and the payout price can not be calculated.

CALIFORNIA HORSE RACING BOARD

FEBRUARY 28, 2008
REGULAR BOARD MEETING

There is no board package material for item 15

STAFF ANALYSIS
PROPOSAL TO TRANSFER THE FINANCIAL ADMINISTRATION
OF UNCLAIMED REFUND MONIES FROM THE CHRB
TO THE CALIFORNIA JOCKEYS WELFARE CORPORATION

Regular Board Meeting
February 28, 2008

BACKGROUND

Business and Professions (B&P) Code Section 19612.9 (a) (1) states that unclaimed refunds except for intrastate shall be distributed to the organization that is responsible for negotiating purse agreements, satellite wagering agreements, and all other business agreements on behalf of the horsemen participating in the racing meeting for the purpose of negotiating, in good faith, an agreement of at least three years' duration with the jockeys organization to provide health and welfare benefits to California licensed jockeys.

ANALYSIS

The Jockeys Guild was the organization responsible for providing health and welfare benefits to California licensed jockeys. Originally, the associations and fairs sent their respective shares of the unclaimed refunds directly to the Jockeys Guild. Unfortunately the Jockeys Guild did not have an adequate system of internal controls to deter theft and/or misuse of assets. Consequently, after allegations of mismanagement at the Jockeys Guild, the CHRB in November 2005 took control over the administration of unclaimed refunds, including monthly disbursements to the Jockeys Guild to cover costs related to California licensed jockeys health and welfare fund.

On January 1, 2008 the California Jockeys Welfare Corporation began providing health and welfare benefits to California licensed jockeys. The California Jockeys Welfare Corporation is requesting approval to take responsibility for the financial administration of unclaimed refunds, that would include reconciliation of the annual auditor's report of uncashed parimutual tickets, invoicing the track and fair associations for amounts due, collections, banking, payments of insurance premiums and claims, and administration of the jockeys' insurance programs.

Staff believes that the California Jockeys Welfare Corporation should have a system of internal control in place to deter the occurrence of theft and/or misuse of assets. In addition, the corporation should provide a schedule of the general and administrative cost associated with the management of the California licensed jockeys health and welfare benefits before the Board approves the request to transfer financial administration of the unclaimed refund monies.

RECOMMENDATION

Staff recommends the Board hear from the representative of the California Jockeys Welfare Corporation regarding its plans to implement their operations and consider approving the corporation's request pending an external assessment of internal controls.

CALIFORNIA HORSE RACING BOARD

FEBRUARY 28, 2008
REGULAR BOARD MEETING

There is no board package material for item 17

STAFF ANALYSIS
REQUEST OF BAY MEADOWS RACING ASSOCIATION
TO DISTRIBUTE CHARITY DAY RACING PROCEEDS

Regular Board Meeting
February 28, 2008

BACKGROUND

Business and Professions (B&P) Code Section 19550 states the Board shall require each licensed racing association that conducts 14 or less weeks of racing to designate three racing days, and each licensed racing association that conducts more than 14 weeks of racing to designate five racing days during any one meeting, to be conducted as charity days by the licensee for the purpose of distribution of the net proceeds therefrom to beneficiaries through the distribution agent. B&P Code 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 50 percent of the distribution shall be made to charities associated with the horse racing industry.

ANALYSIS

The Bay Meadows Racing Association is requesting approval to distribute proceeds from charity day races conducted at Bay Meadows during its 2007 race meetings from February 14 through April 22 and August 22 through November 4. The net proceeds from the charity days totaled \$47,182.91. The list of organizations selected and amount to be distributed is listed on the attached. Staff notes that 100 percent of the proceeds will be given to racing related organizations.

RECOMMENDATION

Staff recommends that the Board approve this request.



November 14, 2007

California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Attention: Roberto Zavala

Bay Meadows Racing Association has determined the beneficiaries of proceeds from "Charity Day" races conducted at Bay Meadows during its 2007 race meets, February 14th through April 22nd, and August 22nd through November 4th. The proceeds from the "Charity Days" for the combined meets totaled \$47,182.91. The organizations selected to be the beneficiaries of the Charity Day proceeds and the amount to be distributed to each are listed below. Distributions will be made upon approval of the proposed amounts by the California Horse Racing Board.

Northern California Council of the Racetrack Chaplaincy Section 19556 (b)	\$	12,682.91
Winners Foundation Section 19556 (b)		12,500.00
CTHF Section 19641 (b)		12,500.00
Disabled Riders Endowment Section 19556 (c)		9,500.00
Total	\$	47,182.91

Please note that 100% of the proposed distributions are to horse related charities. Should you have any questions regarding the above distributions, please do not hesitate to contact me.

Very truly yours,

F. Jack Liebau
President

CALIFORNIA HORSE RACING BOARD

FEBRUARY 28, 2008
REGULAR BOARD MEETING

There is no board package material for item 19