

CALIFORNIA HORSE RACING BOARD  
1010 HURLEY WAY, SUITE 300  
SACRAMENTO, CA 95825  
(916) 263-6000  
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## REGULAR MEETING

of the California Horse Racing Board will be held on Thursday, January 19, 2012, commencing at 9:30 a.m., in the Baldwin Terrace Room at the Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California. The audio portion only of the California Horse Racing Board regular meeting will be available online through a link at the CHRB website ([www.chrb.ca.gov](http://www.chrb.ca.gov)) under "Webcasts."

### AGENDA

#### Action Items:

1. Approval of the minutes of December 15, 2011.
2. Approval of the minutes of November 17, 2011.
3. **Public Comment:** Communications, reports, requests for future actions of the Board. **Note:** Persons addressing the Board under this item will be restricted to **three (3) minutes** for their presentations.
4. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Hollywood Park Racing Association in the amount of \$100,000 to 20 beneficiaries.**
5. Discussion and action by the Board regarding the **presentation from EquiSight LLC and the use of jockey cams on California racetracks.**
6. Discussion and action by the Board on a **report from CHRIMS regarding their annual activities and plans for 2012.**
7. Discussion and action by the Board regarding the **proposed amendment of CHRB Rule 1663, Entry of Claimed Horse,** to change the requirements for running back a claimed horse within 25 days of the claiming race in which it was claimed.
8. Discussion and action by the Board regarding the **proposed amendment of CHRB Rule 1844.1, Suspension of Authorized Medication,** to allow the Board to suspend the authorization for authorized bleeder medication after notification at a properly noticed public hearing.

9. Report from the Medication and Track Safety Committee.
10. Discussion and action by the Board regarding the feasibility of amending CHRB Rule 1865, Altering of Sex of Horse and possibly CHRB Rule 1974, Wagering Interest, in recognition of repeated problems in reporting the gelding of horses in the prescribed manner.
11. Discussion and action by the Board regarding the feasibility of amending CHRB Rule 1658, Vesting of Title to Claimed Horse, which allows a claim to be void if a claimed horse suffers a fatality during the running of the race or before it is returned to be unsaddled.
12. Discussion and action by the Board regarding the proposed amendment of CHRB Rule 1843.3 Penalties for Medication Violations, to change the time period for imposing a Category "B" second offense penalty from a 365 day-period to two years; and for a third offense penalty for a Category "B" violation from a 365 day-period to five years.
13. **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).

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](http://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**

Keith Brackpool, Chairman  
David Israel, Vice Chairman  
Jesse H. Choper, Member  
Bo Derek, Member  
Jerry Moss, Member  
Richard Rosenberg, Member  
Kirk E. Breed, Executive Director

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PENDING LITIGATION  
JANUARY 2012

SUPERIOR COURT LITIGATION

- A. **Patrick Gleason vs. Anne Glasscock and the California Horse Racing Board**  
Superior Court of California, County of Sacramento, Case No. 34-2010-00076781
- B. **Jeff Mullins vs. CHRB, et al**  
Superior Court of California, County of San Diego, Case No. 37-2010-00092212
- C. **San Luis Rey Racing, Inc., vs. CHRB, et al**  
Superior Court of California, County of San Diego, Case No. 37-2011-00096586
- D. **Alexander Sywak vs. CHRB**  
Superior Court of California, County of Sacramento, Case No. 34-2011-800001021

STATE OF CALIFORNIA  
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PENDING ADMINISTRATIVE ADJUDICATIONS  
JANUARY 2012

CASE

- A. Motion for Reconsideration  
Trainer Frank Petrelli

PROCEEDINGS of the Regular Meeting of the California Horse Racing Board held at the Hollywood Park Race Track, Sunset Room, 1050 South Prairie Avenue, Arcadia, California, on December 15, 2011.

Present: Keith Brackpool, Chairman  
David Israel, Vice-Chairman  
Jesse H. Choper, Member  
Bo Derek, Member  
Jerry Moss, Member  
Richard Rosenberg, Member  
Robert Miller, Staff Counsel

#### PUBLIC COMMENT

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Chairman Brackpool stated there would be no public comment, as no cards were submitted by persons wishing to address the Board.

#### DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB IN THE AMOUNT OF \$137,534 TO 17 BENEFICIARIES.

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Chairman Brackpool stated the Del Mar Thoroughbred Club (DMTC) requested to distribute \$137,534 in race day charity proceeds to 17 beneficiaries. Commissioner Derek said she would like to thank DMTC for the funds it proposed to distribute to horse related foundations and causes. Chairman Brackpool commented 86 percent of the proposed distribution was dedicated to equine related organizations. Commissioner Moss **motioned** to approve the request by DMTC to distribute charity race day proceeds. Commissioner Choper **seconded** the motion, which was **unanimously carried**.

Proceedings of the Regular Meeting of December 15, 2011

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF ODS TECHNOLOGIES, L.P., DBA TVG, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF XPRESSBET, LLC, FOR A CALIFORNIA MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF CHURCHILL DOWNS TECHNOLOGY INITIATIVES COMPANY, DBA TWINSPIRES.COM, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

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Chairman Brackpool stated the Board would hear agenda items 9, 10 and 11 out of order. He stated at the November 17, 2011, Regular Meeting the Board expressed its concern about Churchill Downs' (Churchill) determination to no longer fund its annual contribution to the Jockey's Guild (Guild) insurance program (program). The Board indicated it would make every effort to look out for the welfare of jockeys, and it was extremely concerned about Churchill's action. Alan Tse of Churchill stated his organization never questioned its commitment to funding jockey safety initiatives and to the Guild. The issue was how it funded such programs, and on what terms. Mr. Tse said Churchill wished to make an important distinction between the Guild and jockeys. Churchill agreed with the Board that jockeys' contributions to the industry were greatly valued, and Churchill backed its commitment to jockey safety with real dollars and industry-leading initiatives. When the Guild experienced financial difficulties and did not purchase injury insurance for its members, Churchill made sure that all jockeys at its tracks had medical insurance coverage of \$1 million per accident. Over the last five years Churchill spent in excess of \$4 million. Mr. Tse commented that only a handful of tracks provided such coverage; most tracks provided at the most \$100,000 to \$500,000 worth of coverage. In addition

## Proceedings of the Regular Meeting of December 15, 2011

to the on-track coverage, Churchill spent over \$1 million a year in safety-related initiatives that included padded rails, ambulances, and testing of its tracks. Mr. Tse added Churchill was the first track to be accredited by the National Thoroughbred Racing Association Safety Integrity Alliance in 2009. All four Churchill tracks were re-accredited in 2011. Churchill also contributed regularly to funds such as the Permanently Disabled Jockeys' fund. To claim that Churchill did not have a commitment to jockey's health and welfare was simply not true. Mr. Tse stated Churchill's commitment was significant, even though it did not employ jockeys. Owners and trainers hired jockeys to ride horses and jockeys were also paid a percentage of purse monies won. Mr. Tse said the funds in dispute were used by the Guild to buy things like life insurance and other insurance that most self-employed people purchase on their own; it did not buy workers' compensation equivalent insurance. In the past, Churchill made voluntary contributions to the Guild, but it could no longer justify the payments. Churchill believed the Guild failed to operate in a transparent manner with respect to the terms of its current contract, and in November 2011 the Guild misrepresented to the Board what had transpired between it and Churchill. Mr. Tse stated Churchill believed the Guild was in breach of the existing agreement, and the Guild had failed to provide Churchill with information proving otherwise. He added the Guild employed a media strategy to defame Churchill and intentionally misrepresented facts in an attempt to disrupt Churchill's advance deposit wagering (ADW) business. On an annual basis Churchill spent more than \$2.5 million on jockey insurance and health and welfare programs and contributed over \$1 million in the past four years to the Guild, yet Churchill was the only ADW provider answering questions about its contributions. Churchill was a highly regulated public company that operated with the utmost transparency, and it simply could not justify continued voluntary contributions to organizations like the Guild that use Churchill as a scapegoat for its

## Proceedings of the Regular Meeting of December 15, 2011

management challenges. Churchill would continue to support jockeys and it would continue to purchase on-track accident insurance and fund health, welfare and safety programs. Vice-Chairman Israel said the Board understood the payments made by the tracks to the Guild were compensation for the right to use the likeness of jockeys for marketing promotion and other materials. Mr. Tse stated that was not the case; the agreement clearly stated Churchill did not believe those rights existed. Vice-Chairman Israel asked if Churchill believed individual athletes had the right to control how their likeness was used. Mr. Tse said he believed media rights for jockeys existed. If Churchill were to put the likeness of a jockey on a product for sale it would have to get a license from the jockey to do that. However, as the copyright owner of the races, Churchill believed it had a right to broadcast the races. Vice-Chairman Israel asked how Churchill would handle advertising, marketing and promotion. Mr. Tse stated if Churchill had an individual jockey on a horse for display on a billboard it would absolutely need the media rights; however, it would more likely show a race with several horses and jockeys that were not recognizable. Vice-Chairman Israel said if there were a major league of horseracing it would be composed of about a dozen tracks, including those owned by Churchill. Just like the National Basketball Association Players' Association or the Major League Baseball Players Association, the Guild would represent the athletes (jockeys) who performed. He stated he believed all the athletic unions had agreements wherein the individual teams made payments to a central fund, such as that controlled by the Guild, in exchange for the right to use the likeness of the athletes. The funds were then disbursed as the unions saw fit. Vice-Chairman Israel said he thought the industry needed to get past the insurance angle and realize that jockeys needed to be compensated for the right to exploit their images for marketing purposes. That was a valid use of a jockey's image, and something the tracks should cultivate. Jockeys and trainers were the

**Proceedings of the Regular Meeting of December 15, 2011**

industry's stars. Mr. Tse stated Churchill agreed with the Board in its support of the Guild. He stated Churchill would talk with the Guild if it provided Churchill with financial information regarding how much other tracks paid to the Guild's fund. Not all major league tracks paid; the Pennsylvania tracks had not paid anything in the last four years. During that time Churchill provided about \$1.2 million to the Guild and all it was asking was how much others paid. Commissioner Choper said the Board did not question Churchill's support of jockey health and safety, nor did the Board wish to treat Churchill unfairly. There was a lot of controversy regarding the breach of the agreement, but Commissioner Choper stated he was looking for only one thing, and that was the extent to which the agreement affected equality of payment. He stated he understood Churchill did not know how much other tracks had paid. Mr. Tse said that was correct. The Guild publically stated how much Churchill paid, but it would not reveal to Churchill how much other tracks paid. He added that Tom Kennedy, general counsel for the Guild, had indicated the Guild would provide such information to Churchill the week of December 19, 2011. Commissioner Choper said the Board would assume that meant Churchill would at least discuss equal participation with other major tracks. Mr. Tse stated that was correct, but there were other issues to discuss, such as how to get the other tracks to also step up. Commissioner Choper said the Board did not have difficulty with that; it was interested in seeing jockeys adequately protected and Churchill paying its fair share. Mr. Tse stated Churchill agreed. Chairman Brackpool commented the issue was not a race to the bottom. Churchill was one of the leading racing venues in the world, which meant it was a leader. Being obsessed with what others were paying in the anticipation of receiving a slight discount was not leadership. The Board wanted to know that Churchill was a good corporate citizen that cared deeply about the welfare of the participants. Mr. Tse stated he agreed, and that was not why Churchill was

## Proceedings of the Regular Meeting of December 15, 2011

asking for the information. The issue was transparency. The Guild had a history in terms of how money was spent or misspent. In 2007, when the Guild had issues with management and insurance, Churchill was the first to step in and pay its fair share. All Churchill wanted was for the Guild to have others also pay their fair share. Chairman Brackpool stated it was the way Churchill was asking the question that troubled the Board. If Churchill was willing to state that subject to receiving the requested information from the Guild, it would once again contribute, that would check off the boxes the Board needed to make sure everything was okay. Figuring out where the money went was very different from stating Churchill would no longer participate in the Guild program. Mr. Tse stated Churchill would be proud to fund the Guild program, subject to the Guild meeting the conditions Churchill expressed in its letters. If the Guild provided transparency in its meeting with Churchill the week of December 19, 2011, Churchill would move forward on the issue. Vice-Chairman Israel stated it was clear that Churchill used to pay \$330,000 - so why would the Guild not stand up and tell the Board what the other tracks paid? Mr. Kennedy spoke about the Guild program and how racetracks were classified to determine their level of contribution. As of January 1, 2011, the "Class A" tracks, of which Churchill was one, paid a rate of \$12.11 per starter plus \$120 per race day. Commissioner Rosenberg said Churchill indicated there were other issues besides the payments. He asked what those issues might be. Mr. Tse stated Churchill wanted to ensure the funds would benefit the jockeys. Churchill wanted transparency, and if the Guild would provide that, Churchill would be happy to have a productive discussion. Barry Broad, representing the Guild, stated his organization welcomed discussions with Churchill. He stated the Guild would support extending the Churchill ADW license for a reasonable period of time to see how the discussions progressed. He added the Guild supported granting ADW licenses to the remaining ADW

## Proceedings of the Regular Meeting of December 15, 2011

applicants. Chairman Brackpool stated agenda item 9 and 10 were applications to conduct ADW of ODS Technologies, LP, doing business as TVG (TVG), and the application for license to conduct ADW of XpressBet, LLC (XpressBet). Chairman Brackpool motioned to approve the applications of TVG and XpressBet for one year to expire on December 31, 2012. Vice-Chairman Israel seconded the motion, which was unanimously carried. Chairman Brackpool motioned to extend the ADW license of Churchill Downs Technology Company, DBA Twinspires.com through April 30, 2012. Vice-Chairman Israel seconded the motion, which was unanimously carried. Chairman Brackpool said the Board would like Churchill to return within the next four months to determine if the issues were resolved. At that time, the Board would entertain a continued extension for the balance of the year. He stated, however, the Churchill ADW license was not contingent on an agreement with the Guild.

### DISCUSSION AND ACTION BY THE BOARD REGARDING THE FEASIBILITY OF AMENDING CHRB RULE 1865, ALTERING OF SEX OF HORSE AND POSSIBLY CHRB RULE 1974, WAGERING INTEREST, IN RECOGNITION OF REPEATED PROBLEMS IN REPORTING THE GELDING OF HORSES IN THE PRESCRIBED MANNER.

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Mike Martin, CHRB staff, said there was a continuing problem with the reporting of the true sex of horses entered to race. Chairman Brackpool stated in 2009 the Board raised the fine for such an infraction to \$1,000 on the basis that it would cause trainers to be more careful. If errors in reporting were genuine mistakes the trainer's attention would be caught. However, if it were not a mistake, the fine was not particularly sufficient. Another option would be to have the horse run for purse money only. Alan Balch of the California Thoroughbred Trainers (CTT) stated the 2009 increase in the fine improved the situation. In 2007 there were 44 rulings as opposed to 18 rulings in the past 19 months. The CTT wanted perfection in reporting the true sex of the horse,

## Proceedings of the Regular Meeting of December 15, 2011

and it did some research to figure out how misreporting occurred. The trainers and veterinarians shared responsibility. It was suggested that as soon as the veterinarian gelded a horse, it should be reported to the Jockey Club because the Jockey Club Information systems and Encompass were connected. That would alleviate a lot of the problem. Part of the problem occurred with the transferring of papers to the racing office; often, the trainer did not realize the papers stated one thing, while the horse had actually been gelded. Another point of inspection was the morning veterinary inspection. That was an opportunity to note the sex of the horse. The CTT believed the trainers, veterinarians and racing office needed to work together to reduce instances of misreporting. Commissioner Derek stated the fine seemed to be working, as the numbers were going down, and there did not seem to be repeat offenders. She said she would be interested in raising the fine. Commissioner Choper asked why the true sex of so many horses was misreported; what was the prevailing excuse? Mr. Martin said sometimes horses were sent to the farm and gelded and the farm manager did not inform the trainer. Commissioner Rosenberg said the Board's Equine Medical Director reported the issue was mainly a Southern California problem. Many jurisdictions did not care and the fans never knew there was a problem. He said he was surprised it was not an issue in other jurisdictions and that there were so many violations. Tom Robbins, a racing secretary, stated there probably would never be 100 percent compliance, but he did not believe having the horse run for purse only would help. Increasing the fine would get more attention. He added the Hollywood Park overnight would state the sex of the entered horses, and if the trainer could not look to check their own horses, there was a problem. The overnight provided 24 hours to correct anything that would appear in the official program. Chairman Brackpool stated the item would be discussed at a future

## Proceedings of the Regular Meeting of December 15, 2011

Medication and Track Safety Committee meeting, and then brought back to the Board for further action.

### DISCUSSION AND ACTION BY THE BOARD REGARDING THE FEASIBILITY OF AMENDING CHRB RULE 1658, VESTING OF TITLE TO CLAIMED HORSE, WHICH ALLOWS A CLAIM TO BE VOID IF A CLAIMED HORSE SUFFERS A FATALITY DURING THE RUNNING OF THE RACE OR BEFORE IT IS RETURNED TO BE UNSADDLED.

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Commissioner Derek recommended that the issue be postponed and brought before the Medication and Track Safety Committee (Committee) for discussion. The Committee would return to the Board with recommendations for amending the regulation. Michael Wellman, a horse owner, spoke about his concerns regarding Rule 1658.

### DISCUSSION AND ACTION BY THE BOARD REGARDING AN UPDATE FROM SANTA ANITA PARK RACE TRACK REGARDING ITS REPAIR EFFORTS AT THE TRACK FOLLOWING THE RECENT SEVERE STORM DAMAGE.

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George Haines of Santa Anita Park Race Track (SA) stated in late November 2011 SA was hit by a windstorm that had near 100-mile-an-hour winds. The facility received significant damage to roofs on the grandstand and on the backside. Approximately 100 trees were lost, as well as signs, but there was no structural damage. SA was also lucky not to have human or equine injuries. Racing and training were cancelled the day after the wind storm. SA crews worked a straight 24 hours to repair the track so training could resume the next day. SA had resumed normal operations and was undergoing repairs to its roof. Mr. Haines added the facility would be running at 100 percent capacity by December 26, 2011. Chairman Brackpool asked if the structural damage was of any concern. Mr. Haines stated three barns with structural damage were vacated, but the barns with roof damage were still in use. He added the grandstand had no

## Proceedings of the Regular Meeting of December 15, 2011

structural damage, except that the lights on top of the grandstand were lost. That caused SA to modify training hours. The training hours would return to normal after the lights were replaced. Chairman Brackpool commented it was fortunate that no human or equine injuries occurred. Vice-Chairman Israel asked if any backstretch personnel lost housing. Mr. Haines stated he was not sure, but perhaps some people were relocated. He added SA was filled to capacity.

### DISCUSSION AND ACTION BY THE BOARD REGARDING A REPORT FROM THE CALIFORNIA MARKETING COMMITTEE (CMC) REGARDING ITS 2012 MARKETING AND PROMOTION PLANS PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19605.73(B).

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Chris Korby, representing the California Marketing Committee (CMC), stated his organization's income was dramatically reduced by recent statutory changes. In 2010 the CMC had \$3.4 million available, but in 2012 its budget would be \$1.8 million. That caused the CMC to become more focused in the programs it maintained. On a statewide level the CMC programs supplemented individual track marketing efforts. So, the CMC made every effort to involve the entire industry in its deliberations. The CMC met regularly and a subcommittee met more frequently, which provided full opportunity for the industry to come forward with ideas to benefit California horseracing. Mr. Korby stated the CMC 2012 programs were a significant player rewards program, which had been in place for a while and was designed to keep big California players wagering at California sites. Commissioner Choper asked what the CMC's rationale was for reducing the program. Mr. Korby stated the program went from \$700,000 to \$500,000 based on 2011 actuals. The expenditures CMC was projecting for 2012 reflected current circumstances. Commissioner Choper asked who calculated the player discounts for the program, and did 3 percent make a difference? Mr. Korby stated that was an ongoing process,

Proceedings of the Regular Meeting of December 15, 2011

and the discount did make a difference. Commissioner Choper asked if the CMC monitored what discounts the off shore operators offered. Shannon McDonald of the CMC said the off shore operators probably offered higher discounts; however, there were many big California players who liked to go to the racetrack, and the program was designed to keep them there. Commissioner Choper stated the CMC had stiff competition, and he hoped it would do anything feasible to compete. People did like to go to the track, but those supplying most of the handle were in it to make a living and would wager in the most efficient way possible, which did not necessarily mean attending live race meets. Mr. Korby commented there was also a rewards program for persons who went to satellite wagering facilities. Commissioner Rosenberg asked what the fair marketing was about. He said there was also \$10,000 allocated per facility for new minisatellites, or was it all satellites? Mr. Korby stated the satellite marketing was an expansion of what was previously fair marketing, which was marketing for satellite facilities at fairs. The program was expanded to include any satellite facility in California, including tribal facilities. Commissioner Rosenberg asked how the funds were disbursed. Mr. Korby said the California Authority of Racing Fairs operated the program on behalf of all satellites, including those that were not CARF members. Commissioner Moss asked how many satellites were located in California. Mr. Korby said there were 27 satellites. He added the number did not include live racetracks that also operated satellites. CMC also had a program to provide funding to promote the opening of new minisatellite wagering facilities. Chairman Brackpool asked what the \$500,000 for product enhancement was. Mr. Korby said the intent was to target the racing product with funding that would improve it and make it more attractive to horsemen and persons who wagered. CMC intended to do that with funding that created stakes series. Tom Robbins, a racing secretary, said the funds would be used for recruitment of horsemen from out of state to

## Proceedings of the Regular Meeting of December 15, 2011

enhance field size. Chairman Brackpool asked what the split was between supplementing stakes races and recruitment of out of state horsemen. Mr. Robbins stated the funds were split one-third Northern California and two-thirds Southern California. He said a few years ago when the Breeders' Cup announced two-year-old juvenile turf stakes, California was lacking in two-year-old stakes programs. The CMC program was designed to attract younger horses to California, which over time would be beneficial to the state. As an example, Del Mar would offer two new grass stakes at \$100,000 each. A portion of the stakes, one for colts and one for fillies, would receive CMC funding of approximately \$35,000. Chairman Brackpool asked of the \$500,000 how much went to supplementing stakes and how much went to recruitment of out-of-state horses. Mr. Robbins said approximately \$200,000 went to recruitment and \$300,000 towards supplementing stakes. Vice-Chairman Israel asked what was meant by out-of-state recruitment. Did it mean giving bonuses to horses that shipped in to race, or was it actively sending people out-of-state to visit racetracks and talk to owners and trainers? Mr. Robbins said it meant both; but, it might be different in Northern California versus Southern California. Commissioner Rosenberg stated there was a Golden State Series that CMC was funding for \$400,000 a year, but it did not appear in the budget. Ms. McDonald said there was an accrual from 2011 that went to a program that started in October 2011. The \$400,000 was committed by the CMC to a Cal-Bred program that was separate. Commissioner Rosenberg if it was being funded in 2011, why was it not in the 2012 budget? Ms. McDonald stated the CMC needed to begin to market that program in October 2011, so the projected unspent 2011 funds were set aside. Chairman Brackpool said if CMC had \$1.9 million 2011 and it did not spend \$400,000 – that meant the money was sitting somewhere and would be used to supplement California stakes races. Ms. McDonald stated that was correct. Commissioner Rosenberg commented the CMC was using prior surpluses, not just a

## Proceedings of the Regular Meeting of December 15, 2011

2011 surplus, and the funds would be gone in 2012. Ms. McDonald said she did not know, and the CMC would need to update the Board once 2011 was closed out. Chairman Brackpool stated it was difficult for the Board to follow what the CMC was doing when there was a significant amount of dedicated funds that were not accounted for. He asked if the CMC was going to give a supplemental report. Mr. Korby said the CMC would be glad to return to the Board with more information. Chairman Brackpool stated the item would be brought back at the January or February 2012 Regular Board Meeting. Vice-Chairman Israel said there also needed to be some measure of how the programs worked. Mr. Korby stated CARF and Del Mar had some good measurements of the impact of the CMC recruitment programs, and that was one reason the CMC wanted to go in that direction; they were demonstrably effective. Commissioner Rosenberg asked if the CMC would also provide a report on its marketing study.

## DISCUSSION AND ACTION BY THE BOARD ABOUT REQUIRING PARAMEDICS IN THE ON TRACK AMBULANCE.

Commissioner Derek stated the issue was complicated and was taking longer than expected to resolve because there was some confusion and dissention among the riders. However, the riders did agree that there should be at least one paramedic in the ambulance. She added that with the difference in care the industry could not return to the status quo of basic life support. Advanced life support was necessary for injured riders. The current problem was sorting out the logistics. Commissioner Derek stated she would ask the racing associations to continue to voluntarily provide at least one paramedic in their on track ambulances because it was the right thing to do. In the mean time, a committee would look into adopting the Del Mar example at each racetrack. The racing associations should also work to provide an orientation to the racetrack for their

Proceedings of the Regular Meeting of December 15, 2011

ambulance services to avoid any confusion. Rod Blonien, representing Los Alamitos Race Course (Los Al), spoke about his organization's commitment to jockey safety and the workers' compensation insurance entity formed by Los Al to provide insurance to California jockeys. He stated Los Al had two ambulances at all times that racing was conducted. Los Al had four emergency medical technicians (EMT) and a program that integrated its ambulance, EMTs and county paramedics. Mr. Blonien stated that in Orange County the only paramedic services were the Orange County Fire Department. Chairman Brackpool commented that a lot of the detail contained in Mr. Blonien's comments would be helpful at the future meeting chaired by Commissioner Derek. Stacey O'Bryan and Todd Jones of Huntington Ambulance spoke about their desire to cooperate and arrive at an equitable solution. Mike Henderson of McCormick Ambulance stated he was present with Carol Meyer, the former director of emergency medical services for Los Angeles County, as resources for the Board. Barry Broad of the Jockey's Guild (Guild) stated the Guild believed paramedics provided a higher level of service and that immediately transporting the injured to a hospital might not be the best thing because they were not always trauma centers. The Guild would like to keep the discussion open, but it had reached a conclusion in its preference for paramedics. Commissioner Derek stated there were a lot of issues to work through. There had to be a standard of protocols, but because of the various County regulations, some adaptations had to be made. As an example, in Orange County there was the possibility of having the track hire firemen who were off duty. Commissioner Derek stated she would like to thank Hollywood Park Race Track, Los Angeles Turf Club and Del Mar Thoroughbred Club for voluntarily using paramedics while the issue was being resolved. Chairman Brackpool commented the Medication and Track Safety Committee would work through the details and return with a comprehensive recommendation.

Proceedings of the Regular Meeting of December 15, 2011

DISCUSSION AND ACTION BY THE BOARD REGARDING THE ALLOCATION OF THE 2012 PRECISE RACE DATES AND OVERLAP WITH PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS AND THE HUMBOLDT COUNTY FAIR RACE MEETING AT FERNDALE.

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Joe Morris of Golden Gate Fields said his organization and Humboldt County Fair (HCF) agreed on the following 2012 race dates: August 15, and 16, 2012 would be without overlap and HCF would act as host. On August 17, 18 and 19, 2012 Golden Gate Fields would be the host and the dates would be overlapped with HCF. On August 22 and 23, 2012 HCF would run without overlap and would act as the host. On August 24, 25 and 26, 2012 Golden Gate Fields would be the host and would run overlapped with HCF. James Morgan of HCF stated that was consistent with HCF's understanding. Lou Raffetto of Thoroughbred Owners of California (TOC) stated his organization agreed with Mr. Morris's statement. Chairman Brackpool commented the solution was, again, a one year fix. The Board wished to see HCF continue as a racing fair, and it would like the parties to think as broadly as possible about other means of encouraging sponsorship, etc. On the other hand, the economic realities had to be taken into account. Commissioner Choper commented that the HCF had a 6.4 million impact on the surrounding communities. As such, they ought to be part of the solution, as they were major beneficiaries of the continuation of HCF. Chairman Brackpool motioned to approve the 2012 HCF race dates as recounted by Mr. Morris. Commissioner Moss seconded the motion, which was unanimously carried.

MEETING ADJOURNED AT 11:42 A.M.

**Proceedings of the Regular Meeting of December 15, 2011**

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.

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Chairman

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Executive Director

PROCEEDINGS of the Regular Meeting of the California Horse Racing Board held at the Hollywood Park Race Track Sunset Room, 1050 South Prairie Avenue, Inglewood, California, on November 17, 2011.

Present: Keith Brackpool, Chairman  
David Israel, Vice-Chairman  
Jesse H. Choper, Member  
Bo Derek, Member  
Jerry Moss, Member  
Richard Rosenberg, Member  
Robert Miller, Staff Counsel

#### MINUTES

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Chairman Brackpool asked for approval of the minutes of the Regular Meeting of October 6, 2011. Commissioner Moss motioned to approve the minutes. Commissioner Rosenberg seconded the motion, which was unanimously carried.

#### PUBLIC COMMENT

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John Alkire of the Big Fresno Fair (BFF) spoke at length about the results of the 2011 BFF race meeting. He stated the race meeting was very successful, and that total handle was up 4 percent over 2010. Michael Wellman, a horse owner, spoke about his concerns regarding Senate Bill 1072, Chapter 283, Statutes of 2010. George Fasching a horse owner spoke about the Oak Tree Racing Association and his desire to see it continue to run a race meeting to maintain a vital tradition and the classic image of thoroughbred horseracing.

**PRESENTATION OF THE CALIFORNIA HORSE RACING BOARD RESOLUTION TO JOHN C. HARRIS.**

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Chairman Brackpool stated on behalf of the Board it was his honor and pleasure to present former Commissioner John C. Harris. He said ex-Commissioner Harris served on the Board over ten years and was a terrific supporter of California's breeding and racing program. Ex-Commissioner Harris thanked the Board for its recognition of his tenure as a member. He talked about his tenure on the Board and encouraged anyone in the horseracing industry to serve any board, as it was an enriching experience.

**DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE PACIFIC RACING ASSOCIATION IN THE AMOUNT OF \$160,436 TO 14 BENEFICIARIES.**

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Chairman Brackpool stated the Pacific Racing Association (PRA) was requesting to distribute \$160,436 of Race Day Charity proceeds to 14 beneficiaries. He commented he was pleased to note that 93 percent of the PRA Race Day Charity proceeds were dedicated to horseracing related charities. Chairman Brackpool **motioned** to approve the request by PRA to distribute Race Day Charity proceeds. Commissions Choper **seconded** the motion, which was **unanimously carried**.

**DISCUSSION AND ACTION BY THE BOARD ON THE NOMINATION OF A MEMBER TO THE BOARD OF DIRECTORS OF THE CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.**

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Chairman Brackpool stated Jorge Gutierrez, a licensed trainer, owner and agent was nominated to the board of directors of the California Thoroughbred Horsemen's Foundation, Inc. He added the nomination was in addition to the individuals approved at the October 2011 Regular Board

## Proceedings of the Regular Meeting of November 17, 2011

Meeting. Chairman Brackpool motioned to approve the nomination. Vice-Chairman Israel seconded the motion, which was unanimously carried.

### DISCUSSION AND ACTION BY THE BOARD REGARDING AN UPDATE ON THE STATUS OF THE PROPOSED AMENDMENT OF CHRB RULE 1846.5, POSTMORTEM EXAMINATION, WHICH WOULD HAVE REQUIRED THE PRECEDING SIX MONTHS OF VETERINARY RECORDS BE SUBMITTED WITHIN 48 HOURS AFTER SUBMISSION OF THE NECROPSY SUBMISSION FORM.

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Dr. Rick Arthur, CHRB Equine Medical Director, stated on October 26, 2011, a meeting with Board staff and veterinarians was held at Santa Anita Park Race Track. During the meeting it was evident that persons who may be affected by the proposed amendment to Rule 1846.5, Postmortem Examination, did not understand the Board's motives. The issues raised during the meeting included increased paperwork, liability and the suspicion that the rule might result in second guessing and or be used to harass veterinarians. Dr. Arthur said, however, staff was working to be flexible in time allotted for submitting the records, and the format for such submissions. He added the Board was serious about its responsibilities to evaluate fatalities and make recommendations to improve the safety of horse and rider. In response to Business and Professions Code section 19441.2, the Board was collecting pre-race examination data, track surface data and training data. The veterinary medical records were an important part of the effort. Dr. Arthur stated the committee did not reach any conclusions, so its recommendation was to put the issue over for further discussion. Staff would continue to work with concerned veterinarians to educate them in what the Board was attempting to accomplish. Commissioner Derek stated she agreed with the committee's suggestion. Commissioner Rosenberg said veterinarians who objected to the proposal seemed to be mainly concerned with the investigation aspect of the concept. Dr. Arthur said the Business and Professions Code required the Board to

## Proceedings of the Regular Meeting of November 17, 2011

investigate fatalities where jockeys were involved. The word "investigation" has a connotation that someone may have done something wrong. In some instances where there was suspicion of regulatory malfeasance or questions of regulatory action the Board has been relatively aggressive. In other instances, where a jockeys have been injured the Board subpoenaed veterinary medical records to do a thorough investigation. However, the proposed amendment to Rule 1846.5 was not aimed at individual trainers or veterinarians. It involved relating veterinary medical records with fatalities to identify risk factors so the Board, as required by law, could make recommendations to improve the safety of horse and rider. Dr. Arthur said the problem was semantics. No one wanted to be investigated. Commissioner Moss stated the big issue was liability. How would the Board control that? Dr. Arthur said the University counsel was working to ensure that any information would be held in confidence. He added the availability of records to others really did not affect liability. If a trainer or veterinarian had liability, they would be liable whether or not the University held the records. The Board did have subpoena power, and had used it, but the proposed amendment to Rule 1846.5 was structured after Rule 1842, Veterinarian Report, which had very similar language. If the Board had the IT capabilities it would not have to amend Rule 1846.5 because it would already have the information. Part of the regulatory effort was to correct the IT deficiencies. Commissioner Choper asked why the Board would want the information resubmitted if it already had it. Dr. Arthur stated the information was submitted in a form that was not useful for research. Karen Klawitter of the Southern California Equine Foundation spoke about her concerns regarding the proposed amendment to Rule 1846.5. Commissioner Choper stated that if the required information was currently submitted, but in a form that could not be used for research, why not change the format

Proceedings of the Regular Meeting of November 17, 2011

of the initial submission? Dr. Arthur said Commissioner Choper was right. There were ways to accomplish the objective, and changing the form of the initial submission was one avenue.

**DISCUSSION AND ACTION BY THE BOARD REGARDING A REPORT ON THE STATUS OF THE JOCKEY PENSION FUND PLAN PRESENTED BY THE JOCKEY'S GUILD, INC. AND THE EXECUTIVE STAFF OF THE BOARD, PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19604.**

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Barry Broad, representing the Jockey's Guild (Guild), said his law firm and Board counsel acted as the trustees of the Jockey Pension Fund Plan, and through the competitive bidding process an accounting firm and an investment firm was hired. By December 2010 jockeys were signed up for the pension plan, but the applications were destroyed by the retirement services group. While this did not affect the retirement funds, it was no longer possible to determine when the jockeys enrolled in the plan. So, on advice of counsel, the previously Board approved trust was dissolved, and a new trust was formed. The new trust required the Board's approval. Chairman Brackpool stated the pension funds accumulated interest. If the pension plan did not know when a jockey enrolled, how was it possible to allocate the interest? Mr. Broad said the source of the funds was advance deposit wagering. It was currently being held by the state treasury in a sub-account and had not been disbursed for investment. The funds were earning interest, and were valued at approximately \$2 million. The funds would be distributed to jockeys based on the number of mounts they ride in a calendar year. Any jockey that was licensed by the Board from 2008 forward was eligible. At the end of 2011 the funds would be allocated to the account of each jockey. Chairman Brackpool commented that because the funds were based on the number of mounts one rode, and not the date of enrollment, it did not matter when one enrolled. Mr. Broad said that was correct. Commissioner Choper **motioned** to rescind the 2010 Jockey

Proceedings of the Regular Meeting of November 17, 2011

Pension Plan document and to adopt the 2011 California Jockey's Retirement Plan.

Commissioner Rosenberg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING A REPORT FROM THE HUNTINGTON AMBULANCE COMPANY REPRESENTATIVE CONCERNING THE REQUIREMENT FOR PARAMEDICS IN THE ON TRACK AMBULANCE.

Commissioner Derek said she was concerned that the Board had to make a choice between paramedics and emergency medical technicians (EMT) and the functions each could perform. Todd Jones of the Huntington Ambulance Service stated there really was no choice. The paramedics were only allowed to transport one patient in their unit, while EMTs had the opportunity to take more than one patient at a time. If the Board insisted on having paramedics at Hollywood Park Race Track, it was providing one-patient care. Commissioner Derek asked if that was specific to the Huntington Ambulance Service. Mr. Jones said that would apply to any Basic Life Support (BLS) company. The paramedics were Advance Life Support (ALS) providers, and the county required two paramedics per one patient, so Hollywood Park Race Track was actually getting less care for the number of riders. Mr. Jones stated Huntington Ambulance Services biggest concern was insufficient coverage for the jockeys. Commissioner Derek said she would like to take a more in-depth look at the issue. She stated she believed advance airway maintenance was vital to an injured rider. Mr. Jones said the EMTs could do the same procedure. His organization's biggest concern was the amount of time involved in transporting injured jockeys. The paramedics, who provided ALS, had to make base hospital contact and get a physician's okay for medications or other procedures. Huntington Ambulance Service already had backup at a facility that was fully staffed. Commissioner Derek stated she assumed backup could be provided the paramedics, but she would like to have comparisons.

## Proceedings of the Regular Meeting of November 17, 2011

Commissioner Rosenberg stated a paramedic company sent information that contradicted Huntington Ambulance Services' claims. He added he read the regulations and found them very confusing. It appeared that paramedics had to contact the hospital to see if they could get in, while EMTs had the authority to go directly to the hospital. Mr. Jones said paramedics had to make contact with a hospital. Commissioner Rosenberg said Dr. Allred of Los Alamitos Race Course also wrote a letter in which he stated BLS ambulances with EMTs were fine, and there was no advantage in having paramedics. Commissioner Moss asked if the requirements were pertinent to Hollywood Park Race Track, or did they apply to other racetracks? Stacey O'Bryan of Huntington Ambulance Service said the requirements were from Los Angeles County and applied to Santa Anita Park Race Course as well as Hollywood Park Race Track. Every county had different requirements. Chairman Brackpool said Del Mar Thoroughbred Racing Association stated it would have paramedics in its ambulances. The Board considered that to be an improvement, and requested that other racing associations ensure they had paramedics. Now there were issues being raised as to whether that was the best option. The Board wanted to make sure safety was paramount, so it needed to fully consider all sides of the problem. Commissioner Choper said the Track Safety and Medication Committee should examine the issue and return to the Board with a recommendation. Commissioner Derek asked if there was a lack of safety at Hollywood Park Race Track because it switched from EMTs to paramedics. Jack Liebau of Hollywood Park Race Track said there was no lack of safety. His organization was under the impression that paramedics were a condition of licensing, so it made changes in its ambulance provider to comply with the condition. Commissioner Choper said the Board ought to consider a uniform regulation to cover all tracks, as there did not seem to be consistent requirements amongst the various counties. Darrell Haire of the Jockey's Guild (Guild) said his organization

## Proceedings of the Regular Meeting of November 17, 2011

believed racing jurisdictions should conform to the Association of Racing Commissioners International model rules. However, it was a complex issue, and in the end jockeys only wanted the best care. The Guild would like a doctor at every race track, but some have managed to avoid the requirement. Barry Broad of the Guild said in approximately 2005 legislation was approved that required a doctor at every racetrack. In the legislative process Los Alamitos Race Course got an exemption because there was a fire station and hospital near the track. Vice-Chairman Israel said the issue was worthy of a regulation, so it would require more hearings and investigation. Mr. Broad said that is what the Guild would ask. It was not claiming the current situation was inappropriate, but it should be studied. Rod Blonien, representing Los Alamitos Race Course, stated the exception for his organization and for Cal-Expo were written into the legislation because of the proximity of hospitals. He added the problem with adopting a statewide regulation was that every county had different ordinances. Commissioner Choper said the Board had the authority to enact a regulation that would be applicable to every track in the state. Would the Board's regulation or the various county ordinances prevail? Mr. Blonien stated the county ordinances would prevail. The Board had authority and jurisdiction over horseracing, but it did not have authority and jurisdiction over fire services and paramedics, so it could not compel a fire department to use paramedics. Chairman Brackpool stated if someone signed an application for license to operate a race meeting and the use of paramedics was a condition of license, then they could not claim county ordinances did not allow them to comply. Chairman Brackpool said he understood the license applications were currently amended to require paramedics. Jacqueline Wagner, CHRB staff, said the amended applications required the applicant to certify that the paramedic staff was certified. The amendment did not specify what or who was required in the ambulance. That was left to the applicant association. Vice-

Proceedings of the Regular Meeting of November 17, 2011

Chairman Israel motioned that until the issue is resolved, any applicant must provide an ambulance equipped with EMTs or paramedics. Chairman Brackpool seconded the motion, and stated that the Track Safety and Medication Committee should hear the issue and return to the Board with recommendations. The motion was unanimously carried. Mr. Liebau asked what the requirements were for authorized training facilities. Ms. Wagner stated that under Board Rule 1468, Ambulance Service, the training facility would have to have an ambulance on site; that requirement had not changed.

**DISCUSSION AND ACTION BY THE BOARD REGARDING THE NOTICE OF INTENT FILED BY THE CALIFORNIA THOROUGHBRED HORSEMEN'S ASSOCIATION TO DECERTIFY THE THOROUGHBRED OWNERS OF CALIFORNIA AS THE ORGANIZATION RECOGNIZED BY THE CALIFORNIA HORSE RACING BOARD, PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19613 AND CHRB RULE 2040, AND RELATED MATERS.**

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Chairman Brackpool stated there had been a settlement in the matter of the move by the California Thoroughbred Horsemen's Association (CTHA) to decertify the Thoroughbred Owners of California (TOC). He stated a summary of the settlement was that the TOC would hold a special election of its existing membership to adopt amendments to its bylaws. The election would be held prior to December 27, 2011. The first amendment would allow anyone who held an owner's license to vote, regardless of any other class of license the person may hold. The second amendment would allow 40 percent of the TOC board of directors to be available to licensed thoroughbred owners who were also licensed thoroughbred trainers, defined in the agreement as owner/trainer. At least one such member would be from the Northern Zone, and one such member would be from the Southern Zone. At least one of the owner/trainers must be appointed to the executive committee of the TOC. If the bylaws were adopted by the TOC

## Proceedings of the Regular Meeting of November 17, 2011

membership by December 27, 2011, the entire 15 member board would resign and there would be an open election, which would be completed by March 10, 2012. If, by January 3, 2012, the TOC membership failed to adopt the amendments as described, the TOC and the CHRB would begin the decertification election on January 30, 2012 to conclude on February 28, 2012. Vice-Chairman Israel motioned to accept the settlement agreement of November 16, 2011, between the TOC, CTHA and CHRB without exception. Commissioner Moss seconded the motion, which was carried with Chairman Brackpool recusing himself.

### DISCUSSION AND ACTION BY THE BOARD REGARDING THE ALLOCATION OF THE 2012 PRECISE RACE DATES AND OVERLAP WITH PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS AND THE HUMBOLDT COUNTY FAIR RACE MEETING AT FERNDALE.

Stuart Titus of the Humboldt County Fair (HCF) said the parties worked diligently to resolve their differences regarding the 2012 Northern California race dates for HCF and the overlap with Pacific Racing Association (PRA) at Golden Gate Fields. Mr. Titus stated the issues had not been resolved. He said he believed HCF was straightforward and forthcoming with its rational, but there was not much more it could offer or give. HCF would like the opportunity to continue the negotiations. Joe Morris of PRA stated the topic was important to HCF and PRA. He said PRA did not want to put HCF out of business and the discussions had been respectful on both sides. PRA remained hopeful that the issues could be resolved. With a little more time and perhaps a moderator from the Board the problem could be put to rest. Chris Korby of the California Authority of Racing Fairs (CARF) stated his organization brought the parties together to seek an agreement, but they were unable to find a solution. He said with a little more time, and maybe the participation of the Board, an answer may be found. Chairman Brackpool

**Proceedings of the Regular Meeting of November 17, 2011**

commented he kept hearing that since HCF lost state funding it was suffering, but it was not the only fair to lose state funding. Mr. Titus said that was true. The allocation of funds to the fairs was not equal, but the overall system took a hit. Chairman Brackpool asked if the fair was operating at a loss even with the state subsidy. Mr. Titus stated the fair needed the subsidy to balance its budget. The money helped especially with supplemental purse funds. Chairman Brackpool said the Board supported racing fairs, but the times had changed considerably and one year fixes would not solve problems going forward. The Board was concerned with what would happen in future years. The current problem was the third time in as many years that the issue had been raised. Reaching a resolution always involved an exhaustive amount of Board and industry time. That meant there was a structural problem that had to change. If the issue between HCF and PRA was a one-year thing, then the Board would encourage the parties to reach a short term solution. However, if HCF was fundamentally unsound, and would be unsound going forward, then the Board had to figure out how to handle the issue. Mr. Titus said HCF had hoped to address long term issues in its talks with PRA. HCF did not enjoy engaging in the same arguments each year, and it agreed that a one year fix was not the answer. Chairman Brackpool asked what would result in a permanent fix. Mr. Titus stated that during HCF's total overlap period the baseline operational allocation was \$170,000. Commissioner Choper asked what the bottom line would be to keep HCF open and running. He added HCF ought to discuss the potential sources for such funds with an air of realism. Chairman Brackpool asked what the difference was between HCF's break-even number and what was offered by PRA. Mr. Titus said HCF's internal analysis and cash flow projections indicated that \$175,000 to \$185,000 was required. If HCF were to run without overlap it could make up a substantial portion of the required income. Vice-Chairman Israel asked at whose expense HCF would make that money.

**Proceedings of the Regular Meeting of November 17, 2011**

If HCF were making money, another entity would lose. Commissioner Choper stated the answer was PRA. HCF was relying on PRA to supply the funds for its shortfall. He asked if there was a more equitable way to spread the cost of the shortfall; were there other sources besides PRA. Chairman Brackpool asked what the weekend day host fee was worth at that time of year. Mr. Morris said the entire weekend was worth as much as \$360,000. Friday was worth around \$80,000 to \$90,000. Commissioner Rosenberg commented that aside from the economics the issue was whether HCF was entitled to survive and run its historic dates with or without overlap. The question was what was in the best interest of horseracing. Chairman Brackpool said that was correct. On one hand there were arguments about the overall economic effect, and on the other side were arguments about the history and culture of the sport. The answer was in finding a balance between the two. Chairman Brackpool stated he would be happy to participate in discussions, but only if the one year solution gave hope for a longer term answer. Chairman Brackpool said the item would be put over until a future Regular Board Meeting.

**DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES TURF CLUB AT SANTA ANITA PARK RACE TRACK, COMMENCING DECEMBER 26, 2011 THROUGH APRIL 22, 2012, INCLUSIVE.**

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Jacqueline Wagner, CHRB staff, said the Los Angeles Turf Club (LATC) proposed to operate a race meeting at the Santa Anita Park Race Track commencing December 26, 2011 through June 17, 2012. LATC would run four days a week with the first post time being 1:00 p.m. The association was missing a couple of items to complete the application, including the vanning and stabling agreement. George Haines of LATC was applying for its 77<sup>th</sup> year of horseracing. He predicted there would be a lot of momentum coming off the 2011 autumn meeting, which had

Proceedings of the Regular Meeting of November 17, 2011

field sizes of 8.8 horses per race. LATC hoped to piggyback off the Home Box Office channel production titled "Luck" to bring it into the mainstream media. Chris Quinn of LATC spoke about the LATC marketing and technology plans, which included a new Daktronics totalizer board in the infield. In addition, LATC was using a mobile application that would allow wagering via cell phones. The Sunshine Millions Day would see reinvented access to food trucks. Mr. Quinn stated cultural events would include Hispanic and Asian Lunar New Years, two concerts and a Law Enforcement Day that would bring 7,000 Los Angeles Police Department officers to the facility. He added the Santa Anita Derby would be broadcast on NBC and LATC would host the Breeders' Cup in 2012. Commissioner Rosenberg asked if the financial statements were standalone for just Santa Anita Park Race Track. Gina Lavo of LATC said the statements were the last audit. The audits were based on the LATC fiscal year, which ended December 31, 2010. Commissioner Rosenberg said the amendment to Rule 1433, Application for License to Operate a Race Meeting, would require different financial reporting. Ms. Lavo said the Board would receive the December 31 audited statements, which would be the only audit during the calendar year, and interim financials on a standalone basis. Chairman Brackpool stated the average daily purse for 2011 was \$441,184; the projected average daily purse was \$427,712. He asked if the projection was conservative because of past overpayments and underpayments. Ms. Lavo said it was a conservative estimate. LATC had new numbers and had reached an agreement with the Thoroughbred Owners of California (TOC). Chairman Brackpool asked what the new numbers would be. Ms. Lavo said the numbers were based on the overnights, and would change from approximately \$280,000 to \$300,000; the stakes number was included, as well. Rick Hammerle of LATC said the ability of the racing association to have a good meeting depended on a strong stakes and overnight schedule. After working with TOC,

Proceedings of the Regular Meeting of November 17, 2011

LATC believed it had strong schedules. The stakes schedule in the application was changed during the negotiations with TOC. Mr. Hammerle explained the new stakes schedule, which included raises to nine stakes purses, a new Sunshine Millions Day, and two California bred races for three-year-olds with the new Golden State Series Program. Chairman Brackpool asked about the underpayment in the recently concluded fall 2011 program. Mr. Hammerle stated LATC was working with TOC to use the underpayment to offset some of the overpayment from 2010. That was the reason LATC could have so many fine races. Commissioner Moss stated he would be interested to know about the combination of allowance races, claiming races and Cal-Bred races. Such races provided opportunities for new horses to run. He asked if a maiden race would go if there were six or maybe five entered. Mr. Hammerle said the emphasis at LATC was on the three-year old races going to the Derby. A small field of maiden specials was worth a lot more than a larger field of claimers. Every maiden that was broken was a potential stakes horse, so the emphasis was on getting such horses into the right position to go onto stakes throughout the year. Chairman Brackpool said that during the LATC fall meeting there was a little more television coverage through HRTV. He asked how that worked and what the television distribution would be like for the upcoming meeting. Mr. Quinn stated that within the next couple of weeks LATC would make an announcement about increased distribution within the Los Angeles market. Mr. Haines said LATC was looking to go to a must-carry station in the Los Angeles area that would reach five million homes. LATC would offer two and a half hours of programming on Friday, Saturday and Sunday. He added it was to everyone's benefit to increase television programming, so LATC was working diligently to increase its exposure. Vice-Chairman Israel **motioned** to approve the application for license to operate a race meeting

## Proceedings of the Regular Meeting of November 17, 2011

of LATC at Santa Anita Park Race Track. Commissioner Moss seconded the motion, which was unanimously carried.

### DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS, COMMENCING DECEMBER 26, 2011 THROUGH JUNE 17, 2012, INCLUSIVE.

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Jacqueline Wagner, CHRB staff, said Pacific Racing Association submitted an application for license to conduct a horse racing meeting at Golden Gate Fields (GGF). Racing would be conducted four days a week with the first post time being 12:45 p.m. Ms. Wagner stated the fire clearance needed to be updated, and the vanning and stabling agreement was missing. Joe Morris of GGF said his organization's handle was up 5 percent on-track. On track attendance was also up 5 percent compared to 2010. The GGF summer meeting averaged 7.7 starters per race. GGF was looking to roll the positive improvements into its upcoming meeting. With regards to marketing, Mr. Morris said GGF was developing flyers and marketing pieces aimed at owners, trainers and employees to remind them of the positive aspects of the racetrack. Hopefully, the reminders will result in the recruitment of new horsemen. GGF was also telephoning owners after the draw to thank them for running at the racetrack. The owners were asked if they would be attending the races and if they would like passes or dining room reservations. During the past weekend it resulted in twice the number of horsemen making dining room reservations than was experienced in recent times. Mr. Morris spoke about other promotions, such as a "Dollar Day," give-aways, group sales and mailers, which were successful. He stated GGF would continue to keep such promotions going. He also spoke about days aimed at ethnic and other groups, such as Asians, Hispanics, African-Americans, as well as gay and

Proceedings of the Regular Meeting of November 17, 2011

lesbian days. He commented that days aimed at Asians and Hispanics drew as many as 6,000 persons. Mr. Morris stated GGF was developing a room for high rollers and was looking at different campaigns to get more of the "whales" to the track. Commissioner Choper said he believed the increased handle and attendance was a result of field size. He asked what had occurred to increase the horse population. Mr. Morris stated for years GGF had a horse recruitment program, but there really was not one thing that caused a turnaround; it was a lot of different things working together. He added a year ago the average field size was 6.5 horses. During the most recent meeting the field size was almost 7.8 horses. Mr. Morris said GGF was also working with California Authority of Racing Fairs to recruit horses. Horsemen could get their first couple of starts at GGF and then roll into the fair season. Chairman Brackpool asked if GGF was doing anything different to try and have fuller fields, such as reduce the number of races, but increase the number of starters. Mr. Morris said GGF was working with TOC and the California Thoroughbred Trainers, and it had just changed racing secretaries. Commissioner Choper asked how GGF's purses compared with Emerald Downs, Turf Paradise and the Canadian tracks. Mr. Morris stated GGF was paying at least \$160,000 a day in stakes purses while Emerald Downs was paying in the \$80,000 to \$90,000 range. Commissioner Rosenberg asked if the promotional budget had increased over the past year. Mr. Morris said it would actually be a little less. In 2011 GGF spent about \$1.7 million in overall marketing. In 2012 GGF would spend between \$1.5 million to \$1.6 million in overall marketing. However, by changing its activities and the energy with which promotions were utilized, some of the dollars were being replaced by more effective campaigning. Chairman Brackpool commented he was encouraged, and he urged GGF to work towards increasing its field size, as that was crucial. Chairman Brackpool motioned to approve the application of Pacific Racing Association to

Proceedings of the Regular Meeting of November 17, 2011

operate a race meeting at GGF. Vice-Chairman Israel seconded the motion, which was unanimously carried.

**DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE CALIFORNIA EXPOSITION AND STATE FAIR HARNESS ASSOCIATION AT CAL-EXPO, COMMENCING DECEMBER 26, 2011 THROUGH JUNE 30, 2012, INCLUSIVE.**

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Jacqueline Wagner, CHRB staff, stated the California Exposition and State Fair Harness Association at Cal-Expo (Cal-Expo Harness) submitted an application for license to operate a Harness meeting at Cal-Expo from December 26 2011 through June 30, 2012. Cal-Expo Harness would run three nights a week; Thursday through Saturday. The first post time would be 5:30 p.m. Ms. Wagner stated there were no outstanding items in the application. Dave Elliot of Cal-Expo Harness said in 2011 his organization ran on New Year's Eve with some success, and would do the same in 2012. Cal-Expo Harness would be running concurrent with Los Alamitos Race Course, which would be beneficial. Cal-Expo Harness had an agreement with TVG, which was broadcasting the late Pick 4 races on Thursday nights. Mr. Elliot added that all of Cal-Expo Harness's Pick 4s had a takeout of 15 percent and a \$10,000 guarantee. The wager was proving successful for Cal-Expo. On Saturday nights if one wagered with Twinspires.com or on-track at Cal-Expo there was a zero percent takeout – which was really a rebate that came out of Cal-Expo Harness funds. Mr. Elliott stated the totalizator board problems had been resolved by Sportech. Sportech also brought in video boards, so there was live video on-track. In addition, improvements to the facility had been made, which included new finish line poles and a paddock tent structure. Commissioner Rosenberg asked if Cal-Expo normally asked for spring and fall harness meetings at one time. Mr. Elliot stated during the year Cal-Expo usually

**Proceedings of the Regular Meeting of November 17, 2011**

had three license applications before the Board; two harness meeting applications and one state fair application. Commissioner Rosenberg said his question was related to a fair board meeting where possibly not having harness racing anymore was discussed. He asked if that was correct. Mr. Elliott stated the Cal-Expo board may soon make a decision regarding the future of Cal-Expo operating a harness meeting on its grounds. Commissioner Rosenberg asked if other parties had expressed interest in running a harness meeting at Cal-Expo. Mr. Elliott stated there had been some interest, but no one had signed an agreement to lease Cal-Expo to operate a harness meeting. Commissioner Rosenberg asked how much notice the Cal-Expo fair board might give if it determined it would not operate the fall 2012 harness meeting. Mr. Elliott stated Cal-Expo had to give the California Harness Horsemen's Association a 180 day notice, which would work out to approximately February 24, 2012. The CHRB would receive a copy of such notice if it were given. Vice-Chairman Israel asked if the fair board had made an effort to attract other parties to run a harness meeting. Mr. Elliott stated no request for proposal was published. However, if an interested party were to come forward Cal-Expo could work a deal to operate a harness or thoroughbred meeting at its facility. Vice-Chairman Israel asked how many employees would be affected if Cal-Expo did not run a meeting. Mr. Elliott said there were approximately 65 to 70 employees. If trainers, grooms and others associated with the operation of a race meeting were added, it would be another 200 persons. Vice-Chairman Israel stated it would behoove Cal-Expo to attempt to find a way to keep the harness meeting alive. If that meant entertaining offers for others to run a meeting, Cal-Expo needed to get the word out. Commissioner Moss **motioned** to approve the application by Cal-Expo Harness to operate a harness race meeting at Cal-Expo. Commissioner Rosenberg **seconded** the motion, which was **unanimously carried**.

Proceedings of the Regular Meeting of November 17, 2011

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION AT LOS ALAMITOS RACE COURSE, COMMENCING DECEMBER 30, 2011 THROUGH DECEMBER 23, 2012, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Los Alamitos Quarter Horse Racing Association (LAQHRA) submitted an application to operate a quarter horse race meeting at the Los Alamitos Race Course from December 30, 2011 through December 23, 2012. LAQHRA proposed running three nights a week, Friday through Sunday. Ms. Wagner stated the application was complete, although the fire clearance and workers' compensation insurance would need to be updated during the race meeting. Rick English of LAQHRA stated his organization's main promotions were aimed at the satellite wagering facilities, as that was where most of LAQHRA's handle was generated in California. LAQHRA was holding numerous handicapping contests at the satellites, and was working with the satellite managers. Commissioner Derek asked why LAQHRA was not required to have a doctor at its facility. Rod Blonien, representing LAQHRA stated that Business and Professions Code section 19481.3(a) exempted LAQHRA from the requirement due to the immediate proximity of a hospital. Commissioner Moss asked if the satellite handle had increased. Mr. English stated the satellite handle was down slightly. John Bucalo of the Barona Casino off track wagering praised the LAQHRA satellite promotions. Chairman Brackpool **motioned** to approve the application by LAQHRA to operate a race meeting at Los Alamitos Race Course. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

Proceedings of the Regular Meeting of November 17, 2011

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF ODS TECHNOLOGIES, L.P. DBA TVG, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF CHURCHILL DOWNS TECHNOLOGY INITIATIVES COMPANY, DBA TWINSPIRES.COM, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF XPRESSBET, LLC, FOR A CALIFORNIA MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

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Chairman Brackpool stated the Board would hear items 16, 17, and 18 together. He said that in early 2011 the Board extended the advance deposit wagering (ADW) licenses for one year in the hope that there would be some dialogue between all the participants regarding structural changes and modifications to ADW wagering. There was no outpouring of comment, so the Board would not force change if it were not an issue. The applications were for a two year period, but there was nothing stopping the Board from issuing one year licenses. Chairman Brackpool asked if all the applications were complete. Jacqueline Wagner, CHRB staff, said the applications were complete except that Monarch Content Management (MCM) had not reached an agreement with the thoroughbred racing associations. She stated Mr. Scott Daruty of MCM indicated the agreements would be available well in advance of December 26, 2011. Barry Broad of the Jockey's Guild (Guild) stated his organization would ask the Board not to take action on the Churchill Downs Technology Initiatives Company/Twinspires.com (Churchill) application. He stated that since 1967 the racetracks and ADW providers bought the media rights of the jockeys as a way of taking care of jockeys who were injured. Mr. Broad stated all California tracks

Proceedings of the Regular Meeting of November 17, 2011

participated, as well as the tracks owned by the Stronach Group and the New York Racing Association. However, in Kentucky where Churchill Downs was located the tracks did not contribute towards workers' compensation, healthcare or retirement. In the past Churchill paid \$330,000 - but in July of 2011 it informed the Guild that it would no longer participate. There was no precipitating event, no conflict between the Guild and Churchill, it was simply announced that that it would not pay the money and it would not discuss the issue. Mr. Broad stated Churchill's action was nothing but aggressive cost cutting on the backs of injured jockeys. The Guild asked that the Board not take any action on the Churchill ADW application. He said there would be no downside as there were other providers, and persons who wished to wager could move to those platforms. When Churchill was ready to negotiate, the Guild would support its application. Vice-Chairman Israel stated Churchill wanted to do business in California, and it wanted the people of California to wager on races in Kentucky. Churchill would derive financial benefit from such activities. It was the belief of the people of California that performers should have insurance so they would be protected if injured. It was incumbent on the Board to ensure jockeys were protected in the context of the money that was supplied from California. Brad Blackwell said he thought the current forum was not the proper context in which to discuss the issue, as it was not related to the Churchill application. He stated he was not aware of every facet of the issue; however, Churchill did take responsibility for the safety and well-being of jockeys at each of its facilities. Churchill provided coverage of \$1 million per incident at each race course, and it bore the full cost even though it believed jockeys were not its employees. In addition, each of the Churchill facilities complied with the National Thoroughbred Racing Association (NTRA) safety and integrity requirements. Each racetrack went through a continuous accreditation process to meet the NTRA requirements. Commissioner Choper asked

**Proceedings of the Regular Meeting of November 17, 2011**

if Churchill made such contributions to jockeys who ran in California. Mr. Blackwell said he was speaking about Churchill's particular racetracks. Churchill paid for coverage at each of its racetracks. Commissioner Choper said Churchill got the benefit of the California market and jockeys quite plainly made an indispensable contribution to that market. It seemed to the Board that Churchill ought to be willing to contribute to the market from which it benefits. Mr. Blackwell said Churchill felt it fairly contributed. It had coverage for each of its racetracks. Those signals were distributed to California and into various states so that there was a contribution to the state. Commissioner Choper asked if it was true the Churchill treated jockeys better in Kentucky than in California even though it benefited from the contributions of jockeys in both states. Mr. Blackwell said Churchill was obviously in a different situation in Kentucky because it owned the facility and took responsibility. Vice-Chairman Israel said Churchill would receive millions of dollars in wagers from California residents. Horseracing fans from California would wager on races run at Churchill Downs, the Fairgrounds in Calder and Arlington Park. Churchill would reap the benefits of the money that was spent in California in the form of handle, yet it was not treating those jockeys fairly in accordance with the way that California requires its racetracks to treat jockeys. The problem before the Board was the standard of care and coverage offered by Churchill to its jockeys and its relationship with the Guild. Vice-Chairman Israel stated he was not comfortable voting to approve Churchill's license in the absence of Churchill's participation in the Guild's program. Mr. Blackwell said he was not certain how the issue related to the ADW application before the Board. He added Twinspires.com was a California company located in Mountain View. Vice-Chairman Israel stated Twinspires.com was a wholly owned subsidiary of Churchill. Mr. Blackwell said that was correct, but he did not see where that issue applied to the ADW license. Churchill and

Proceedings of the Regular Meeting of November 17, 2011

Twinspires.com were one of many participants in the industry and they felt they contributed fairly to the safety and well-being of jockeys. Vice-Chairman Israel stated XpressBet was owned by the Stronach Group, which participated in the Guild program. Commissioner Choper asked if TVG contributed towards the Guild program. Mr. Broad said it was a question of racetracks. All the other major tracks comply with the program. Chairman Brackpool asked if the program was voluntary contribution by all the racetracks. Mr. Broad said that was correct. Chairman Brackpool asked why the Guild had not tried to create a contractual agreement. Mr. Broad stated that the Guild had historically tried to get a contract, but the tracks insisted they were voluntarily paying the fees because they did not want to concede that jockeys actually had media rights. So, an agreement had been in place since 1967 in which the tracks would purchase a thing that might or might not be media rights and that would be the industry standard. Suddenly, Churchill did not want to participate and there was no contract to compel payment. Commissioner Choper asked if there were any tracks outside California that made payments to the Guild. Mr. Broad stated all the major tracks participated in the program. He said all the major tracks participated because they understood the jockeys needed to be taken care of. The program was, in effect, the industry social safety net. Commissioner Choper asked why TVG was not making contributions. He said he understood it did not own a racetrack, but it could make some contribution. Mr. Broad stated TVG had been very supportive of the jockeys. It led the way towards enacting a jockey retirement fund in California. However, the jockey media rights were purchased by the racetracks. Chairman Brackpool said he was troubled by Churchill's decision to withdraw from the Guild payment plan without an explanation and without responding to the Guild's enquiries. He stated he was also troubled by the argument that Churchill's actions should have nothing to do with the Twinspires application for license to

Proceedings of the Regular Meeting of November 17, 2011

provide ADW. The Board would do all it could to protect the safety and welfare of California jockeys. And that meant it would look to good corporate citizenship as one of the tests. Chairman Brackpool asked if Churchill had any response to the Guild's letter. Mr. Blackwell said he did not know if there was an answer. He stated he did not approach the hearing for Twinspire's ADW application with the expectation that it would be an issue. Mr. Blackwell commented that the Guild acknowledged that the program was voluntary and there was nothing illegal in Churchill's refusal to participate. He stated he understood the Board's position, but Churchill action was a business decision. Chairman Brackpool said the Board could not make Churchill participate in the Guild program, but it could take some time to consider how it would ensure payments were made equitably. He added that meant the inclusion of ADW providers that previously did not participate. Commissioner Choper said the Board understood Mr. Blackwell did not have the authority to make a commitment. However, the issue was a matter of fairness among the three equal ADW participants. Regardless of whether an ADW provider owned a racetrack, it benefited in the same way from the license, and that was taking the signal and making money from California residents wagering on racetracks. Mr. Blackwell said TVG's contribution to California jockeys was recognized by Mr. Broad. He stated Churchill also made contributions that were not recognized, and they included increasing its on-track insurance coverage to \$1 million. Churchill felt it was contributing, and others may disagree with its methods, but its intent was not to ignore its responsibility. Vice-Chairman Israel stated California jockeys often left the state to run in other jurisdictions, including Kentucky. If a California jockey were injured in Kentucky and returned to California, it would be California's obligation to care for the jockey. Therefore, the Guild had to find a way to equalize the burden because unlike other sports, horseracing did not have a national oversight body. There was no

Proceedings of the Regular Meeting of November 17, 2011

central way of insuring the safety and welfare of its participants. Chairman Brackpool stated the Guild's program was not an issue before the Board, but it was one that needed to be resolved. The best way to achieve that was for the parties to spend a few weeks looking for a satisfactory solution. If a resolution were not achieved, the Board would take up the issue at the December 2011 Regular Meeting. In the meantime, the ADW providers' license applications would be **continued**. Commissioner Moss asked why the TVG and XpressBet were affected. Chairman Brackpool stated the Board needed to determine if there was any responsibility to participate in the Guild's program on the part of ADW providers. John Hindman of TVG said the media rights that were at issue were the rights the tracks used to broadcast races to multiple sources, not just the ADW providers. It has customarily been the racetracks that made such payments because they are the ones that produced and distributed the product. The ADW providers were secondary distributors of horse racing signals. Chairman Brackpool commented he understood how it worked in the past, but there were now issues, and the Board wanted to see if there was a way to find a resolution. The intervening time period would allow for useful discussions, and the Board would be interested in the response.

MEETING ADJOURNED AT 12:45 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.

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Chairman

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Executive Director

CALIFORNIA HORSE RACING BOARD

JANUARY 19, 2012  
REGULAR BOARD MEETING

There is no board package material for Item 3

STAFF ANALYSIS  
DISCUSSION AND ACTION BY THE BOARD REGARDING THE  
DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE  
HOLLYWOOD PARK RACING ASSOCIATION  
IN THE AMOUNT OF \$100,000 TO 20 BENEFICIARIES

Regular Board Meeting  
January 19, 2012

## BACKGROUND

Business and Professions 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. No racing association shall be required to pay to a distributing agent for the purpose of distribution to beneficiaries more than an amount equal to two-tenths of one percent of the association's total on-track handle on live races conducted by the association at the meeting. Business and Professions Code section 19555 requires that proceeds are to be distributed to beneficiaries within 12 calendar months after the last day of the meet during which charity days were conducted. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 20 percent of the distribution shall be made to charities associated with the horse racing industry. An additional five percent shall be paid to a welfare fund and another five percent shall be paid to a non-profit corporation, the primary purpose of which is to assist horsemen and backstretch personnel who are being affected adversely as a result of alcohol or substance abuse. In addition to the above distributions, a separate 20 percent shall be made to a nonprofit corporation or trust, the directors or trustees of which shall serve without compensation except for reimbursement for reasonable expenses, and which has as its sole purpose the accumulation of endowment funds, the income on which shall be distributed to qualified disabled jockeys.

## ANALYSIS

The Hollywood Park Racing Association (HPRA) is requesting approval to distribute race day charity proceeds generated during 2011. According to the Handle and Attendance report from CHRIMS, two tenths of one percent of total on-track handle, on live races conducted at HPRA is \$94,479; however, HPRA is distributing \$100,000 in charity proceeds. The organizations selected, and the amounts to be distributed are listed on the following attachments. Staff notes that approximately 73 percent of the proceeds will be given to horse racing related organizations.

## RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board approve the charity race day distribution as presented.

CHRB ANALYSIS  
Hollywood Park Racing Association 2011 Charity Day Proceeds

#	Nonprofit Organization	Amount	Proposed Disbursement Percentage	Percentage Required By Horse Racing Law (from the 2/10 of 1%)	Notes
1	Disabled Jockeys Endowment	30,000.00	30%	minimum of 20%	d
2	California Equine Retirement Foundations	3,000.00	3%		a
3	Winners Foundation	10,000.00	10%	minimum of 5%	c
4	Edwin J. Gregson Foundation	4,000.00	4%		a
5	Racktrack Chaplaincy of America	7,000.00	7%		a
6	Southern California Equine Foundation	4,000.00	4%		a
7	CA Thoroughbred Horsemen's Foundation	12,000.00	12%	minimum of 5%	b
8	Tranquility Farms	3,000.00	3%		a
9	Inglewood Education Fund	5,000.00	5%		
10	Inglewood Children's Dental Center	2,000.00	2%		
11	Los Angeles NAACP	2,000.00	2%		
12	Los Angeles Urban League	2,000.00	2%		
13	Centinela Valley Juvenile Diversion Project	2,000.00	2%		
14	Inglewood After School Program	2,000.00	2%		
15	Inglewood Recreation Department	2,000.00	2%		
16	Inglewood Senior Citizens Center	2,000.00	2%		
17	International Life Services	2,000.00	2%		
18	Saint Margaret's Center	2,000.00	2%		
19	Salesian Boys & Girls Club	2,000.00	2%		
20	Watts/Willowbrook Boys & Girls Club	2,000.00	2%		
	<b>Total</b>	<b>100,000.00</b>	<b>100%</b>	<b>minimum of 50%</b>	<b>e</b>
	<b>Notes:</b>				
	<b>a</b>	20% to charities associated with the horse racing industry (B&P 19556 (b))			
	<b>b</b>	5% to welfare fund for backstretch personnel (B&P 19556 (b))			
	<b>c</b>	5% to nonprofit organization to assist horsemen and backstretch personnel affected by alcohol and substance abuse(B&P 19556 (b))			
	<b>d</b>	20% to nonprofit organization that benefits qualified disabled jockeys (B&P 19556 (c)(1))			
	<b>e</b>	overall a minimum of 50% of the charity distribution should go to horse racing industry related nonprofit organizations.			
	Background information for each organization is attached.				

## Hollywood Park Racing Charities, Inc. - 2011 Grants

### Education

#### **Inglewood Education Fund**

Established in 2003 to help Inglewood area teachers/schools submitting requests for needed materials and/or funding for classes and projects such as books, science materials, or cost for special off campus field trips.

### Health

#### **Inglewood Children's Dental Center**

Established in 1995 to provide outreach services to elementary school children in Inglewood and surrounding area with dental care and education. In California more than 50% of kindergartners and 70% or 3<sup>rd</sup> graders suffer from tooth decay with 25% having never had any treatment. It remains the most common chronic childhood illness.

#### **Los Angeles NAACP**

Established in 1914 in Los Angeles to fight for the rights of the cities african-american population against racial discrimination. Among other programs and policies the branch works closely with the Los Angeles Unified School district addressing the issues of overcrowding, intègration and low achievement among blacks and minority students.

#### **Los Angeles Urban League**

Established in 1921 to provide advancement and business opportunities to African americans and minorities. Employment development and training being their more recent focus. Programs include the Milken Youth and Family Literacy program working with area colleges and universities as well as the LAUSD.

### Racing

#### **California Equine Retirement Foundation**

Established in 1986 to provide a full range of services to former racehorses in need Of rehabilitation toward retirement or placement in a new career. CERF houses Seventy-plus horses ranging in age from two to thirty-two years of age. Each horse Is maintained with his or her own specific nutritional needs to ensure optimal Health and fitness.

### California Thoroughbred Horsemen's Foundation

Established in 1983 to provide assistance to needy backstretch workers and their Dependents, primarily in the area of medical and dental care. The CTHF contracts Physicians and dentists professional services; provides hospitalization, outpatient, rehabilitative or preventative medical programs and provides temporary family financial aid.

### Permanently Disabled Jockeys Endowment

Creation of this fund was in 2006, after merging with the DJE (Disabled Jockey Endowment). It is a collaborative effort between leaders in horse racing, race tracks, jockeys and horsemen to bring financial assistance to jockeys stricken by catastrophic injury.

### Edwin Gregson Foundation

Established in 2000 to provide educational programs to backstretch workers, such as scholarship grants, English as a Second Language, and computer skills. Recreational programs are also provided including sports leagues and games, i.e. dominoes, pool and poker tournaments.

### Racetrack Chaplaincy of America

Established in 1971 to assist backstretch personnel with everything from daily Devotions to bible study, counseling, translations, social security, insurance and IRS appointments, tax preparation and notary services.

### Southern California Equine Foundation

Established in 1976 and runs the equine hospital on Hollywood Park's backstretch providing veterinary care, ambulances and all medical services for ill and injured race horses.

### Tranquility Farm

Established in 2001 as a full service program for rehabilitated race horses for second careers as pleasure horses or humane retirement. All horses are given needed medical treatment as well as additional training as needed for ownership in a new career setting if possible.

### **Winners Foundation**

Established in 1984 to provide information, support and referral services for employees and family members of the California horse racing community being adversely affected by alcohol and/or substance abuse. Maintains relationships with twelve step groups, detox centers, in and outpatient hospital programs.

### **Social Services**

#### **Centinela Valley Juvenile Diversion Project**

Established in 1975 to reduce violence at school and at home for Inglewood youth as well as those in surrounding communities. Provides at-risk youth with programs targeted to helping them form more productive lives such as, counseling, tutoring, educational support, and referrals to other agencies if needed.

#### **Inglewood After School Program**

Established in 1984 to provide citywide after school recreation program for elementary youth within the Inglewood Unified School District. Held through the Recreation, Parks and Community Services department with activities such as music, art, dance and gymnastics as well as homework completion and tutoring for children with special needs.

#### **Inglewood Recreation Department**

Established in 1989 to provide middle school children with a Boys/Girls club program at City parks. Program focuses on leadership training, mentoring, professional and social development as well as technical training to better assist their transition from middle to high school.

#### **Inglewood Senior Citizens Center**

Established in 1973 to provide programs for Inglewood senior citizens. Peer counseling and visitor programs are provided for both those able to come to the center and home-bound seniors.

**International Life Services**

Established in 1985 to provide pregnancy counseling to women of all ages. Provides Referrals for adoptions, maternity homes, financial aide, physicians and other social services, such as clothes, cribs, car seats and associated items of indigents and teenagers.

**Saint Margaret's Center**

Established in 1987 to provide emergency support services to residents of Inglewood who live at or below the poverty level. Among the programs provided are A food pantry, medical and vision screening and emergency shelter. Provides Christmas program in conjunction with Hollywood Park each year for low-income families.

**Salesian Boys & Girls Club**

Established in 1966 and provides various educational programs to middle school and high school youth. Like the Watts/Willowbrook programs, this club is in a largely immigrant area marked by poverty, violence and poor educational achievement. Assists students in reaching requirements for entrance into UC or CSU campuses.

**Watts/Willowbrook Boys & Girls Club**

Established in 1957 to provide various programs to youth ages 7-18. Educational services are the primary focus with computer use for homework assignments, creative writing, art and health and wellness. Membership is predominantly African American and Hispanic that live in neighborhoods plagued with drugs, violence and crime. Provides supervision and assistance in a safe environment.

Hollywood Park Racing  
Charities, Inc.

1050 South Prairie Avenue  
Inglewood, California 90301

Mailing Address:  
P.O. Box 369  
Inglewood, California 90306

(310) 419-1500

President and Chairman:  
Tirso Del Junco, M.D.

Secretary:  
Barbara Richardson Knight

Treasurer:  
Angie Dickinson

Vice Presidents:  
Willie D. Davis  
Alvin Segel, Esq.

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2011 DEC -7 PM 2:45

December 7, 2011

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

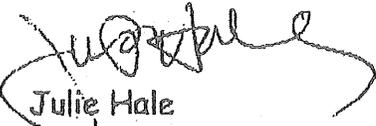
Fax # (916) 263-6042

Re: HOLLYWOOD PARK RACING CHARITIES 2011 GRANTS

This is our list of the 2011 Grants from the Hollywood Park Racing Charities, Inc. Please include these in the next available meeting. We would like to be able to send the checks out before the end of the year, if possible.

Any questions or corrections, please contact me at (909) 394-0440, or cell (626) 922-2912.

Sincerely,



Julie Hale  
Administrative Secretary

jh

Hollywood Park Racing Charities, Inc. - 2011 Grants

Education

Inglewood Education Fund \$5,000

Health

Inglewood Children's Dental Center \$2,000

Miscellaneous

Los Angeles NAACP \$2,000

Los Angeles Urban League \$2,000

\$4,000

Racing

California Equine Retirement Foundation \$3,000

California Thoroughbred Horsemen's Foundation \$12,000

Disabled Jockeys Endowment \$30,000

Edwin Gregson Foundation \$4,000

Racetrack Chaplaincy of America \$7,000

Southern California Equine Foundation \$4,000

Tranquility Farm \$3,000

Winners Foundation \$10,000

\$73,000

Social Services

Centinela Valley Juvenile Diversion Project \$2,000

Inglewood After School Program \$2,000

Inglewood Recreation Department \$2,000

Inglewood Senior Citizens Center \$2,000

International Life Services \$2,000

Saint Margaret's Center \$2,000

Salesian Boys & Girls Club \$2,000

Watts/Willowbrook Boys & Girls Club \$2,000

\$16,000

TOTAL \$100,000

STAFF ANALYSIS  
DISCUSSION AND ACTION BY THE BOARD  
REGARDING THE PRESENTATION FROM EQUISIGHT LLC  
AND THE USE OF JOCKEY CAMS ON  
CALIFORNIA RACETRACKS

Regular Board Meeting  
January 19, 2012

## BACKGROUND

Business and Professions Code section 19504 provides that no racehorse shall be ridden at a racetrack unless the rider is equipped with a safety helmet and safety vest. The Board shall approve any model of safety helmet in use at a racetrack. Board Rule 1689, Safety Helmet Required, states safety helmets must comply with specified product standards. The three standards authorized under the regulation are: 1) ASTM, 2) European Standard, 3) Snell Memorial.

At its November 2011 Regular Meeting the Board heard the Los Angeles Turf Club application for license to operate a race meeting at Santa Anita Park Race Track (SA) from December 26, 2011 through April 22, 2012. During the hearing an SA representative stated his organization was considering the use of jockey cams. With the permission of the Board, SA would use the technology during an allowance race, and then post the video on SantaAnita.com as part of its initiative to introduce horseracing to a new genre of fans.

For at least the past two years the industry has been experimenting with so-called "jockey cams." In November 2010, at Churchill Downs, four ounce digital cameras were mounted on the helmets of certain riders during the Breeder's Cup. The video was used for commentary and highlights following the race because the cameras could not provide live shots. EquiSight LLC, founded in 2011 by two University of Arizona Race Track Industry students, used off the shelf camcorders in several races during a "jockey-cam day" at Turf Paradise in Phoenix, Arizona. EquiSight has since produced many videos that can be viewed online. EquiSight is developing a jockey cam system that can wirelessly transmit live, streaming race video and deliver speed and position information via a GPS satellite link. The ultimate goal of EquiSight is to let race fans watch races from the view of the jockey at the track, online or on smartphones or tablet computers.

## ANALYSIS

The weight of jockey cams is not an issue under Board Rule 1684, Items Included in Weight. Safety helmets are not included in a jockey's weight, and the cams weigh no more than four ounces. However, jockey cams are affixed to jockey helmets. While there does not appear to have been any safety issues with the use of jockey cams in other racing jurisdictions, safety helmets worn by California jockeys must meet standards set by the Board under Rule 1689. How EquiSight integrates the cameras with jockey safety helmets is unknown, so it is not known if the current method of affixing jockey cams to helmets would compromise the helmets'

integrity. EquiSight currently uses off-the-shelf GoPro helmet cameras to shoot its videos. An EquiSight representative has stated several of the cameras will be demonstrated at the January 2012 Regular Board Meeting. This will include how they are mounted onto the helmet.

EquiSight states an EquiSight Smart Jockey Helmet is in development. For use in California, such a helmet would be required to meet one of the approved safety standards under Rule 1689. EquiSight has stated it intends to meet the ASTM/SEI safety standards with its smart helmet. It has hired several engineering firms and has consulted with Dynamic Research on how to design and develop a helmet that would pass the standards. In the spring of 2012 EquiSight will align itself with a helmet manufacturer so it can begin testing and producing a smart helmet.

EquiSight states Santa Anita Park Race Track has expressed interest in doing an "All Access" jockey cam day during live races. One camera will be placed on one jockey a week (on a volunteer basis) for the remainder of the season. In addressing the Board EquiSight hopes to obtain California's "stamp of approval" for future use of its jockey cam technology and for the Santa Anita Park Race Track event, as well.

RECOMMENDATION

A representative of EquiSight is prepared to make a presentation to the Board.

STAFF ANALYSIS  
DISCUSSION AND ACTION BY THE BOARD  
ON A REPORT FROM CHRIMS REGARDING ITS  
FINANCIAL ACTIVITIES AND PLANS  
FOR 2012

Regular Board Meeting  
January 19, 2012

## BACKGROUND

Business and Professions Code section 19642 provides that cash vouchers that are not redeemed within 365 days of the close of the racing meeting at which the voucher was purchased shall be distributed to a nonprofit organization designated by the Board for purposes of maintain a data base of horseracing information. On November 10, 1999 the Board designated the California Horse Racing Information Management System, Inc (CHRIMS) as such organization.

Business and Professions Code section 19642.1 provides that an amount not to exceed 0.05 percent of the total amount handled by each satellite wagering facility shall be distributed to the nonprofit organization designated by the Board for purposes of maintaining a database of horse racing information which may be adjusted by the Board at its discretion. In addition, CHRIMS is required to submit an annual budget to the Board and in addition, file quarterly financial statements with the Board.

## ANALYSIS

CHRIMS Inc. is a non-profit pari-mutual wagering data processing system that provides comprehensive simulcast settlement services to the horse racing industry. Since 2000, every pari-mutual facility in California has relied on CHRIMS for consolidated wagering information. Instead of tracks logging and calculating their own data, tracks depend on CHRIMS to calculate their money-room shifts, and the distribution of takeout to purses, breeders, simulcast fees, taxes, workers' compensation funds, etc.

Other services offered by CHRIMS include customized reports and consulting services to assist the analysis of trends, budgets, and projections. Under the California Business and Professions Code, CHRIMS is the source of pari-mutual wagering data for the CHRB in discharging its regulatory responsibilities and monitoring the integrity of pari-mutual pools and distribution from those pools. CHRIMS also manages the intrastate communications system through which wagering data is transmitted both inter-track and throughout the State's off-track wagering network.

The table below shows CHRIMS. revenues and expenses for years 2008-2010 from its audited financial statements.

CHRIMS Revenues and Expenses			
	2008	2009	2010
Unclaimed vouchers BP 19642	635,836	585,983	462,167
Other revenues	1,683,248	2,065,317	2,182,559
Total revenue	2,319,084	2,651,300	2,644,726
Total expenses	2,491,488	2,705,512	2,672,813
Net Assets	(172,404)	(54,212)	(28,087)

As shown above, unclaimed vouchers revenue continues to decrease while other revenue increases reducing the net asset deficits.

At the January 2011 Board meeting, CHRIMS made a presentation on its proposed operations for 2011. At this time, in accordance with Business and Professions Code section 19642.1 CHRIMS is presenting its proposed 2012 budget to the Board.

#### RECOMMENDATION

A CHRIMS representative is prepared to discuss CHRIMS financial activities and plans for 2012.

STAFF ANALYSIS  
DISCUSSION AND ACTION BY THE BOARD REGARDING  
THE PROPOSED AMENDMENT OF  
CHRB RULE 1663, ENTRY OF CLAIMED HORSE,  
TO CHANGE THE REQUIREMENTS FOR RUNNING BACK A  
CLAIMED HORSE WITHIN 25 DAYS OF THE CLAIMING RACE  
IN WHICH IT WAS CLAIMED

Regular Board Meeting  
January 19, 2012

## BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in California and over all persons or things having to do with 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. 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.

Board Rule 1663, Entry of Claimed Horse, provides that a horse claimed out of a claiming race is eligible to race in California immediately after being claimed. The rule also provides that a horse claimed out of a claiming race is not eligible to start in another claiming race for 25 days for less than 25 percent more than the amount for which it was claimed.

Lou Raffetto of the Thoroughbred Owners of California (TOC) has submitted a proposal to amend Board Rule 1663, Entry of Claimed Horse.

## ANALYSIS

The proposed amendment to Rule 1663 would change the requirements for running back a claimed horse within 25 days of the race in which it was claimed. Rule 1663(a) currently states that if a claimed horse is run back (in a claiming race) with 25 days, it must run for 25 percent more than the amount for which it was claimed. The TOC amendment would apply that provision only to horses that were winners of the claiming race from which they were claimed. The proposed amendment also provides that within 25 days of being claimed, horses that were not winners of the races from which they were claimed must start in claiming races for at least the same amount at which they were claimed. This means that within 25 days of being claimed a horse that did not win its claiming race does not have to be run back at an increased price. The horse may start in a claiming race for the same price at which it was previously claimed.

The TOC states the proposed amendment will encourage trainers to run claimed horses back sooner, rather than leaving the horses in barns for weeks at a time. The change would potentially help the racing office by increased fields, which would benefit the entire industry.

The proposed amendment would also repeal subsection 1663(b), which has been suspended since 2009. The suspension was the result of potential legal problems with the 60-day jail time. In addition, the proposed amendment repeals subsection 1663(b)(1), as it does not serve a purpose if California no longer imposes a "jail time" on claimed horses.

RECOMMENDATION

This item is presented for Board discussion and action. The Board may wish to hear from TOC representatives.

CALIFORNIA HORSE RACING BOARD  
 TITLE 4. CALIFORNIA CODE OF REGULATIONS  
 ARTICLE 7. CLAIMING RACES  
 PROPOSED AMENDMENT OF  
 RULE 1663, ENTRY OF CLAIMED HORSE

Regular Board Meeting  
 January 19, 2012

1663. Entry of Claimed Horse.

(a) A horse claimed out of a claiming race is eligible to race at any racing association in California immediately after being claimed.

(b) If a claimed horse is entered in a claiming race within 25 days of being claimed:

(1) The horse that won the claiming race from which it was claimed shall start for at least 25 percent more is not eligible to start in a claiming race for 25 days after the date of the claim for less than 25% more than the amount for which it was claimed.

(2) A horse that did not win the claiming race from which it was claimed shall start for at least the same amount for which it was claimed.

~~(b) A horse claimed out of a claiming race is not eligible to race in any State other than California until 60 days after the close of the meeting from where it was claimed except in a stakes race.~~

~~(1) For the purposes of this rule, the California Fair Circuit shall be considered one meeting.~~

(c) A claimed horse may be removed from the grounds of the association where it was claimed for non-racing purposes.

(d) The provisions of subsection (a) of this rule do not apply to standardbred horses.

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

Reference: Sections 19562,  
 Business and Professions Code.

STAFF ANALYSIS  
DISCUSSION AND ACTION BY THE BOARD REGARDING  
THE PROPOSED AMENDMENT OF  
CHRB RULE 1844.1, SUSPENSION OF AUTHORIZED MEDICATION  
TO ALLOW THE BOARD TO SUSPEND THE AUTHORIZATION FOR  
AUTHORIZED BLEEDER MEDICATION AFTER NOTIFICATION  
AT A PROPERLY NOTICED PUBLIC HEARING

Regular Board Meeting  
January 19, 2012

## BACKGROUND

Business and Professions Code section 19420 provides that 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, is vested in the CHRB. Business and Professions Code section 19440 states 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 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 19580 states the Board shall adopt regulations to establish policies, guidelines, and penalties relating to equine medication in order to preserve and enhance the integrity of horse racing in the state. 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 in a horse race, unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof. Board Rule 1844.1, Suspension of Authorized Medication, provides that the Board may temporarily suspend the authorized administration of a permitted drug, substance or medication after a public hearing has been noticed in accordance with Government Code section 11125(a). The temporary suspension may be for a race, breed, or race meeting, provided all horses in the same race compete under the same conditions. The Board shall notify in writing the racing association and the trainer's organization of any temporary suspension, as specified.

In August 2011, the Los Alamitos Race Course and the Pacific Coast Quarter Horse Racing Association requested that the CHRB consider enacting Rule 1844.1 to suspend the authorized administration of Clenbuterol to horses entered to race at the Los Alamitos Race Course for a period of 12 months effective October 14, 2011. The Board agreed, and the use of Clenbuterol is currently prohibited at Los Alamitos Race Course.

In August 2011 the American Graded Stakes Committee proposed a pilot project in which two year old horses performing in 2012 graded stakes would run free of medication, including furosemide, which is currently authorized under Rule 1845, Authorized Bleeder Medication. The committee determined it would gather data from the two year old graded stakes run without race day medication to assess the impact of its policy in late 2012.

In the mean time, the Breeders' Cup Board of Directors enacted a resolution to develop a protocol prohibiting the administration of medications to horses competing in the Breeders' Cup World Championships within 24 hours of the post times of the horses' Championship races. The first step in the program would be the prohibition of race day medications in two year old races in the 2012 Championships, which are scheduled to be held at Santa Anita Park Race Track on November 2 and 3, 2012. In California, furosemide is the only medication that is permitted to be administered within 24 hours of a race.

ANALYSIS

Board Rule 1844.1 allows for the temporary suspension of any drug substance or medication permitted under Rule 1844, Authorized Medication. However, the American Graded Stakes Committee and Breeders' Cup Board of Directors' proposals affecting two year old horses performing in graded stakes and Breeders' Cup Championship races would involve a prohibition on the use of furosemide, which is authorized under Rule 1845. This means Rule 1844.1 may have to be amended to accommodate the Breeders' Cup Board of Directors' decision to run the Breeders' Cup Championship two year old races medication free, as well as the American Graded Stakes Committee's pilot project for two year old horses performing in 2012 graded stakes. The proposed amendment to Rule 1844.1 provides that after a public meeting that has been properly noticed, the Board may for any cause temporarily suspend the authorized administration to a horse entered to race of any drug, substance or medication that is otherwise permitted under Rule 1845. This is in addition to the Board's ability to temporarily suspend the administration of drugs authorized under Rule 1844. The proposed amendment also provides that participation in a race in which the authorized administration of bleeder medication has been temporarily suspended will not affect the status of the participating horse on the official authorized bleeder medication list.

The Breeders' Cup Limited and the Thoroughbred Owners and Breeders Association and its Graded Stakes Committee have indicated their strong support for the proposal to amend Board Rule 1844.1.

RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 15. VETERINARY PRACTICES  
PROPOSED ADDITION OF  
RULE 1844.1. SUSPENSION OF AUTHORIZED MEDICATION

Regular Board Meeting  
January 19, 2012

1844.1 Suspension of Authorized Medication

(a) After a public meeting that has been noticed in accordance with Government Code section 11125(a), the Board may for any cause temporarily suspend the authorized administration to a horse entered to race of any drug, substance or medication that is otherwise permitted under Rule 1844, Authorized Medication, and Rule 1845, Authorized Bleeder Medication.

(b) The temporary suspension of the authorized administration of a drug, substance or medication may be for a race, breed, or race meeting, provided all horses in the same race compete under the same conditions.

(c) The Board shall notify in writing the racing association and the trainer's organization of any temporary suspension of authorization to administer a drug, substance or medication to a horse entered to race. The written notification shall at minimum:

(1) State the authorized medication whose use is temporarily suspended,

(2) The period of time for which the use of the authorized medication is temporarily suspended, and

(3) Whether the temporary suspension is for a specific breed or a race meeting.

(d) A suspension of authorization to administer a drug, substance or medication to a horse entered to race shall not exceed 12 months.

(e) Participation in a race in which the Board has temporarily suspended the authorized administration to a horse of bleeder medication authorized under Rule 1845 will not affect the status of the participating horse on the official authorized bleeder medication list.

Authority: Sections 19440, 19562, 19580 and 19581,  
Business and Professions Code.  
Reference: Sections 19440, 19580 and 19581,  
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD

JANUARY 19, 2012  
REGULAR BOARD MEETING

There is no board package material for Item 9

STAFF ANALYSIS  
DISCUSSION AND ACTION REGARDING THE FEASIBILITY OF AMENDING CHRB  
RULE 1865, ALTERING OF SEX OF HORSE AND POSSIBLY CHRB RULE 1974,  
WAGERING INTEREST, IN RECOGNITION OF REPEATED PROBLEMS IN  
REPORTING THE GELDING OF HORSES IN THE PRESCRIBED MANNER.

Regular Board Meeting  
January 19, 2012

## BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meeting in California and over all persons or things having to do with 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. Business and Professions Code section 19460 (b) states that all licenses granted under this chapter are subject to all rules, regulations, and conditions prescribed by the 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. CHRB Rule 1865 states in part: (d) A 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 is not correctly identified in the official program for the race in which the horse is entered, the trainer of the horse shall be subject to a minimum fine of \$1,000.

Despite concerted efforts by the CHRB and racing officials, violations of Rule 1865 continue – usually because the trainer fails to notify the racing office that a horse has been gelded. In many cases this information is not made public until the horse reaches the receiving barn about 45 minutes before the horse is scheduled to race. By the time the horse identifier at the receiving barn notifies the stewards of the sex change, it is too late to include that horse in multi-race wagers (e.g. Pick Six) that began with races already run.

In 2007, the stewards issued 44 rulings against trainers who had not reported the gelding of horses by entry time for their first race after the operation. There have been 18 such rulings in the last 19 months. Staff contacted the stewards, CHRB investigators, and racing secretaries in an effort to determine whether there were any violations beyond these 18 rulings against trainers that were attributable to racing offices or others. The sketchy information received suggests there have been very few cases involving someone other than the trainer.

When the Board last considered this problem in 2008, one option was to increase the penalty to a minimum fine of \$1,000 for a trainer if the true sex of the horse was not listed in the official program. A second option was to scratch the horse. After a discussion of both proposed amendments, the Board opted to increase the fine to \$1,000.

At its December 15, 2011 Regular Meeting the Board discussed the ongoing problem of misreporting the true sex of horses entered to race. The possibility of amending Rule 1865 to increase the fine to more than \$1,000 and/or scratching the horse was explored. Having the horse run for purse money only was also suggested. Following its discussion, the Board determined the issue would be deferred to the Medication and Track Safety Committee to work out a proposed solution.

After the December 15, 2011 Regular Meeting the California Thoroughbred Trainers (CTT) stated it would research each 2011 violation of Rule 1865 to determine what went wrong with the reporting process. The CTT announced it would also commit to working with horsemen to reduce the number of violations to as close to zero as possible. The goal would be to convince the Board that increasing the fine allowed under Rule 1865 is unnecessary.

At its January 10, 2012 meeting the Medication and Track Safety Committee held an extensive discussion about Rule 1865. Options discussed included increasing the fine and scratching the horse for failure to notify the public no later than 30 minutes prior to post time of the first race of the day. The Committee determined it would make no changes to the current regulation. Instead, the Committee agreed to allow the CTT to continue to work with horsemen and the industry to significantly reduce the number of violations of the rule. The CTT will return to a future Medication and Track Safety Committee meeting to report on the results of its program.

#### RECOMMENDATION

This item is presented for Board discussion and action. The Board may wish to hear the recommendation of the Medication and Track Safety Committee.

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

Regular Board Meeting  
January 19, 2012

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 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.

(a) If a racehorse is gelded or castrated on the premises of a licensed racing association, or other facility under the jurisdiction of the Board, the trainer shall report the alteration within 72 hours.

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

(c) 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 record of the horse.

(d) A 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 is not correctly identified in the official program for the race in which the horse is entered the trainer of the horse shall be subject to a minimum fine of \$1,000.

(2) Deviation from the minimum fine in subsection (d)(1) of this regulation is appropriate if the trainer can demonstrate mitigating circumstances. Mitigating circumstances may include, but are not limited to:

(A) Errors made by other parties in recording information correctly provided by the trainer.

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

Reference: Sections 19420, 19562 and 19661,  
Business and Professions Code.

STAFF ANALYSIS  
DISCUSSION AND ACTION REGARDING THE FEASIBILITY OF  
AMENDING CHRB RULE 1658, VESTING OF TITLE TO CLAIMED HORSE, WHICH  
ALLOWS A CLAIM TO BE VOID IF A CLAIMED HORSE SUFFERS A FATALITY  
DURING THE RUNNING OF THE RACE OR BEFORE IT IS RETURNED TO BE  
UNSADDLED

Medication and Track Safety Committee Meeting  
January 10, 2012

## BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over horse racing meetings in California and over all persons or things having to do with 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. CHRB Rule 1658, Vesting of Title to Claimed Horse, provides that title to a horse which is claimed shall be vested in the successful claimant from the time the field has been dispatched from the starting gate and the horse becomes a starter; and said successful claimant becomes the owner of the horse whether it is sound or unsound, or injured during the race or after it as specified. Subsection 1658(b) states the stewards shall void the claim if the horse suffers a fatality during the running of the race or before the horse is returned to be unsaddled.

In July 2011, the Board adopted an amendment to Rule 1658 that requires the stewards to void a claim if the horse suffers a fatality during the running of the race or before it can be returned to the unsaddling area. The intent of the amendment is to protect horses and riders by discouraging the racing of horses that should not be competing for soundness reasons.

On December 2, 2011, the mare Dave's Revenge was pulled up just past the wire after running second in the fourth race at Hollywood Park. By order of the racing veterinarian, she was removed from the track in the horse ambulance, and shortly thereafter she was euthanized. There was an \$8,000 claim for the mare. Based on their interpretation of Rule 1658, the stewards allowed the claim to stand because death did not occur before the horse was returned to be unsaddled. Rule 1658 states that a horse must suffer a fatality during the running of the race for a claim to be voided. If the horse is removed from the track and later euthanized, the claim stands. It is accepted industry and racetrack policy to move an injured horse off the track if possible. This is done in the best interests of the horse. The decision to remove a horse by ambulance is made by the official racing (track) veterinarian, based on his or her professional veterinary evaluation. The racing veterinarian also makes the decision about on-track euthanasia.

The December 2 incident caused considerable discussion about the clarity of Rule 1658 and how it might be applied under various scenarios. At its December 15, 2011 Regular Meeting the Board discussed the feasibility of amending Rule 1658 to provide clarity. A draft text that provided suggested language was also reviewed. After discussion, Chairman Brackpool stated

the issue would be moved to a future Medication and Track Safety Committee meeting for further review.

At its January 10, 2012 meeting, the Medication and Track Safety Committee discussed proposals to amend Rule 1658. The committee agreed on changes to the text that it believed would provide a workable regulation to void claims on racing fatalities and nearly all horses euthanized immediately post-race.

#### ANALYSIS

The proposed amendment to Rule 1658, which was provided by the Board's Equine Medical Director, Dr. Rick Arthur, retains the provision that voids a claim if the horse suffers a fatality during the running of the race. The amendment adds a new subsection 1658(b)(2), which states that a claim shall be void if the racing veterinarian is of the opinion that the horse is injured so severely that the horse may not survive. This will allow the stewards to void claims when a horse is removed from the racetrack by ambulance and later euthanized.

#### RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 7. CLAIMING RACES.  
RULE 1658. VESTING OF TITLE TO CLAIMED HORSE.

Regular Board Meeting  
January 19, 2012

1658. Vesting of Title to Claimed Horse.

(a) Title to a horse which is claimed shall be vested in the successful claimant from the time the field has been dispatched from the starting gate and the horse becomes a starter; and said successful claimant becomes the owner of the horse whether it is sound or unsound, or injured during the race or after it, except as otherwise provided for by this rule. Only a horse which is officially a starter in the race may be claimed. A subsequent disqualification of the horse by order of the stewards or the Board shall have no effect upon the claim.

(b) The stewards shall void the claim and return the horse to the original owner if:

(1) The horse suffers a fatality during the running of the race, or before the horse is returned to be unsaddled.

(2) In the opinion of the official or racing veterinarian the horse is injured so severely that it may not survive.

(c) The claim shall be void if the race is called off, canceled, or declared no contest in accordance with Rule 1544 of this division.

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

Reference: Section 19562,  
Business and Professions Code.

STAFF ANALYSIS  
DISCUSSION AND ACTION REGARDING THE  
PROPOSED AMENDMENT OF  
RULE 1843.3, PENALTIES FOR MEDICATION VIOLATIONS,  
TO CHANGE THE TIME PERIOD FOR IMPOSING A CATEGORY "B"  
SECOND OFFENSE PENALTY FROM A 365 DAY-PERIOD TO TWO YEARS;  
AND FOR A THIRD OFFENSE PENALTY FOR A CATEGORY "B"  
VIOLATION FROM A 365 DAY-PERIOD TO FIVE YEARS

Regular Board Meeting  
January 19, 2012

## BACKGROUND

Business and Professions Code section 19440 specifies that the Board shall have all powers, including but not limited to adopting rules and regulations for the protection of the public and the control of horseracing and pari-mutuel wagering. Business and Professions Code section 19461 provides that every license granted under this chapter is subject to suspension or revocation by the Board in any case where the Board has reason to believe that any condition regarding it has not been complied with, or that any law, or any rule or regulation of the Board affecting it has been broken or violated. Business and Professions Code section 19580 states that 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 this State. Section 19581 of the Business and Professions Code specifies that no substance of any kind shall be administered by any means to a horse after it has been entered to race in a horse race, unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof. Business and Professions Code section 19582 provides that violations of section 19581, as determined by the Board, are punishable in regulations adopted by the Board, and that the Board may classify violations based upon each class of prohibited drug substances, prior violations within the previous three years and prior violations within the violator's lifetime. The Board may provide for suspensions of not more than 3 years. The Board may also provide for disqualification from purses, except for a third violation during the lifetime of the licensee, for a drug substance determined to be class 1 or class 2, which shall result in the permanent revocation of the person's license. The punishment for second and subsequent violations of Business and Professions Code section 19581 shall be greater than the punishment for a first violation of section 19581 with respect to each class of prohibited drug substance.

At the August 2011 Medication and Track Safety Committee (Committee) meeting the Committee discussed a proposed amendment to Board Rule 1843.3, Penalties for Medication Violations. The Committee voted to present the recommendation to the full Board.

ANALYSIS

The Board's Equine Medical Director, Dr. Rick Arthur, has proposed that the Board consider an amendment to Rule 1843.3, Penalties for Medication Violations, to change the time period for imposing a Category "B" second offense penalty from a 365 day-period to two years; and for a third offense penalty for a Category "B" violation from a 365 day-period to five years. Dr. Arthur has stated that the penalty changes were endorsed by the Racing Medication and Testing Consortium, and that they have preliminary support from the Association of Racing Commissioners International. The penalties are designed to correct a "weak spot" in the current penalty guidelines that allow a licensee to have a Class one, two or three violation every 365 day-period and always start at the lowest penalty level.

RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD  
TITLE 4, CALIFORNIA CODE OF REGULATIONS  
ARTICLE 15, VETERINARY PRACTICES  
RULE 1843.3. PENALTIES FOR MEDICATION VIOLATIONS

Regular Board Meeting  
January 19, 2012

1843.3. Penalties for Medication Violations.

(a) In reaching a decision on a penalty for a violation of Business and Professions Code section 19581, the Board, the board of stewards, the hearing officer or the administrative law judge shall consider the penalties set forth in subsections (d) and (e) of this Rule and any aggravating and mitigating circumstances. Deviation from these penalties is appropriate where the facts of the particular case warrant such a deviation, for example: there may be mitigating circumstances for which a lesser or no penalty is appropriate, and aggravating factors may increase the penalties beyond the minimum.

(b) Mitigating circumstances and aggravating factors, which must be considered, include but are not limited to:

- (1) The past record of the licensee regarding violations of Business and Professions Code section 19581;
- (2) The potential of the drug(s) to influence a horse's racing performance;
- (3) The legal availability of the drug;
- (4) Whether there is reason to believe the responsible party knew of the administration of the drug or intentionally administered the drug;
- (5) The steps taken by the trainer to safeguard the horse;
- (6) The steps taken by an owner to safeguard against subsequent medication violations including, but not limited to, the transfer of the horse(s) to an unaffiliated trainer;

12-4

(A) For the purpose of this regulation “unaffiliated trainer” means a trainer or an assistant trainer who is not related by blood, marriage or domestic partnership, or who is not or was never employed by the trainer from whose care such horse(s) were transferred.

(7) The probability of environmental contamination or inadvertent exposure due to human drug use or other factors;

(8) The purse of the race;

(9) Whether the drug found to be present in the official test sample was one for which the horse was receiving treatment as determined through the process described in Rule 1842 of this division;

(10) Whether there was any suspicious wagering pattern on the race;

(11) Whether the licensed trainer was acting under the advice of a licensed veterinarian.

(c) For the purpose of this regulation, the Board shall consider the classification of a drug substance as referred to in Rule 1843.2 of this division and the California Horse Racing Board (CHRB) Penalty Categories Listing By Classification, (1/08), which is hereby incorporated by reference, if a determination is made that an official test sample from a horse contained:

(1) Any drug substance, medication, metabolites or analogues thereof foreign to the horse, whose use is not expressly authorized in this division, or

(2) Any drug substance, medication or chemical authorized by this article in excess of the authorized level or other restrictions as set forth in the article.

(d) Penalties for violation of each classification level are as follows:

## CATEGORY "A" PENALTIES

Penalties for violations due to the presence of a drug substance in an official test sample, which CHRB drug classification is categorized as warranting a Category A penalty are as follows:

<b>LICENSED TRAINER:</b>		
<b>1<sup>st</sup> offense</b>	<b>2<sup>nd</sup> LIFETIME offense</b>	<b>3<sup>rd</sup> LIFETIME offense</b>
<ul style="list-style-type: none"> <li>◦ Minimum one - year suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a three-year suspension.</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ Minimum fine of \$10,000 or 10% of gross purse (greater of the two) absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$25,000 or 25% of purse (greater of the two).</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ May be referred to the Board for any further action deemed necessary by the Board.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Minimum two-year suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a three-year suspension.</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ Minimum fine of \$20,000 or 25% of gross purse (greater of the two) absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$50,000 or 50% of purse (greater of the two).</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ May be referred to the Board for any further action deemed necessary by the Board.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Minimum three -year suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of permanent license revocation.</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ Minimum fine of \$25,000 or 50% of gross purse (greater of the two) absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of \$100,000 or 100% of purse (greater of the two).</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ May be referred to the Board for any further action deemed necessary by the Board.</li> </ul>
<b>LICENSED OWNER:</b>		
<b>1<sup>st</sup> offense</b>	<b>2<sup>nd</sup> LIFETIME offense in owner's stable</b>	<b>3<sup>rd</sup> LIFETIME offense in owner's stable</b>
<ul style="list-style-type: none"> <li>◦ Disqualification of horse and loss of purse.</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ Horse may be placed on the veterinarian's list for up to 90 days and must pass a Board - approved examination pursuant to Rule 1846 before becoming eligible to be entered.</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Disqualification of horse and loss of purse.</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ Horse shall be placed on the veterinarian's list for up to 120 days and must pass a Board - approved examination pursuant to Rule 1846 before becoming eligible to be entered.</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Disqualification of horse, loss of purse and absent mitigating circumstances, minimum fine of \$10,000. The presence of aggravating factors could be used to impose a maximum fine of \$50,000.</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ Horse shall be placed on the veterinarian's list for up to 180 days and must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered.</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1.</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>◦ Referral to the Board with a recommendation of a suspension of owners license for a minimum of 90 days.</li> </ul>

CATEGORY "B" PENALTIES

Penalties for violations due to the presence of a drug substance in an official test sample, which CHRB drug classification is categorized as warranting a Category B penalty are as follows:

<b>LICENSED TRAINER:</b>		
<b>1<sup>st</sup> offense</b>	<b>2<sup>nd</sup> offense (365-day period two years.)</b>	<b>3<sup>rd</sup> offense (365-day period five years)</b>
<ul style="list-style-type: none"> <li>◦ Minimum 30 -day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 60-day suspension. <b>AND/OR</b></li> <li>◦ Minimum fine of \$500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$10,000.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Minimum 60-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 180-day suspension. <b>AND/OR</b></li> <li>◦ Minimum fine of \$1,000 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$20,000.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Minimum 90-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a one-year suspension. <b>AND/OR</b></li> <li>◦ Minimum fine of \$2,500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$50,000 or 10% of purse (greater of the two). <b>AND</b></li> <li>◦ May be referred to the Board for any further action deemed necessary by the Board.</li> </ul>
<b>LICENSED OWNER:</b>		
<b>1<sup>st</sup> offense</b>	<b>2<sup>nd</sup> offense in stable (365-day period two years.)</b>	<b>3<sup>rd</sup> offense in stable (365-day period five years.)</b>
<ul style="list-style-type: none"> <li>◦ Disqualification of horse and loss of purse. <b>AND</b></li> <li>◦ Horse must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered. <b>AND</b></li> <li>◦ Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Disqualification of horse and loss of purse. <b>AND</b></li> <li>◦ Horse must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered. <b>AND</b></li> <li>◦ Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Disqualification of horse, loss of purse and absent mitigating circumstances minimum fine of \$5,000. The presence of aggravating factors could be used to impose a maximum fine of \$20,000. <b>AND</b></li> <li>◦ Horse shall be placed on the veterinarian's list for up to 45 days and must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered. <b>AND</b></li> <li>◦ Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1.</li> </ul>

**CATEGORY "B" PENALTIES FOR RULE 1843.6 TOTAL CARBON DIOXIDE (TCO<sub>2</sub>) TESTING**

Penalties for violations due to exceeding permitted levels of TCO<sub>2</sub> as defined in Rule 1843.6 are as set forth below. All concentrations are for measurements in serum or plasma.

<b>LICENSED TRAINER:</b>		
<b>1<sup>st</sup> offense TCO<sub>2</sub> (&gt; 37.0mm/l/-&lt;39mm/l)</b>	<b>2<sup>nd</sup> offense TCO<sub>2</sub> (&gt; 37.0mm/l/-&lt;39mm/l)</b>	<b>3<sup>rd</sup> offense TCO<sub>2</sub> (&gt; 37.0mm/l/-&lt;39mm/l)</b>
<ul style="list-style-type: none"> <li>◦ Up to a 30-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 60-day suspension.</li> </ul> <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> <li>◦ Minimum fine of \$1,500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$5,000.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Minimum 60-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 120-day suspension.</li> </ul> <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> <li>◦ Minimum fine of \$2,500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$10,000.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Minimum 90-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 180-day suspension.</li> </ul> <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> <li>◦ Minimum fine of \$5,000 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$15,000.</li> </ul>
<b>LICENSED OWNER:</b>		
<b>1<sup>st</sup> offense TCO<sub>2</sub> (&gt; 37.0mm/l/-&lt;39mm/l)</b>	<b>2<sup>nd</sup> offense TCO<sub>2</sub> (&gt; 37.0mm/l/-&lt;39mm/l)</b>	<b>3<sup>rd</sup> offense TCO<sub>2</sub> (&gt; 37.0mm/l/-&lt;39mm/l)</b>
<ul style="list-style-type: none"> <li>◦ Disqualification of horse and loss of purse.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Disqualification of horse and loss of purse.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Disqualification of horse, loss of purse and in the absence of mitigating circumstances, \$2,500 fine.</li> </ul>
<b>LICENSED TRAINER:</b>		
<b>1<sup>st</sup> offense TCO<sub>2</sub> (≥ 39.0mm/l)</b>	<b>2<sup>nd</sup> offense TCO<sub>2</sub> (≥ 39.0mm/l)</b>	<b>3<sup>rd</sup> offense TCO<sub>2</sub> (≥ 39.0mm/l)</b>
<ul style="list-style-type: none"> <li>◦ Minimum 30-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 60-day suspension.</li> </ul> <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> <li>◦ Minimum fine of \$2,500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$10,000.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Minimum 60-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 180-day suspension.</li> </ul> <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> <li>◦ Minimum fine of \$5,000 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$15,000.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Minimum 90-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 365-day suspension.</li> </ul> <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> <li>◦ Minimum fine of \$10,000 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$25,000.</li> </ul>
<b>LICENSED OWNER:</b>		
<b>1<sup>st</sup> offense TCO<sub>2</sub> (≥ 39.0mm/l)</b>	<b>2<sup>nd</sup> offense TCO<sub>2</sub> (≥ 39.0mm/l)</b>	<b>3<sup>rd</sup> offense TCO<sub>2</sub> (≥ 39.0mm/l)</b>
<ul style="list-style-type: none"> <li>◦ Disqualification of horse and loss of purse.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Disqualification of horse and loss of purse.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Disqualification of horse, loss of purse and a fine ranging from a minimum of \$5,000, up to a maximum of \$20,000.</li> </ul>

**CATEGORY "C" PENALTIES**

Penalties for violations due to the presence of a drug substance in an official test sample, which CHRB drug classification is categorized as warranting a Category C penalty and for the presence of more than one non-steroidal anti-inflammatory (NSAID) in a plasma/serum sample, as defined in Rule 1844 of this division, and furosemide as defined in Rule 1845 of this division in an official test sample are as set forth below. All concentrations are for measurements in serum or plasma.

<b>LICENSED TRAINER:</b>		
<b>1<sup>st</sup> offense</b>	<b>2<sup>nd</sup> offense (365-day period)</b>	<b>3<sup>rd</sup> offense (365-day period)</b>
◦ Minimum fine of \$500 to a maximum fine of \$1,000 absent mitigating circumstances.	◦ Minimum fine of \$1,000 to a maximum fine of \$2,500, and up to a 15 - day suspension absent mitigating circumstances.	◦ Minimum fine of \$2,500 and up to a 30 - day suspension absent mitigating circumstances

**CATEGORY "C" PENALTIES FOR RULE 1844, AUTHORIZED MEDICATION (C) (1), (2), (3)**

Penalties for violations due to overages for permitted non-steroidal anti-inflammatory drug substances (NSAIDs) as defined in Rule 1844 (c) (1), (2) and (3) of this division. All concentrations are for measurements in serum or plasma.

The official veterinarian shall consult with the treating veterinarian in all violations of 1844 (c). With permission of the official veterinarian the trainer may elect to pay the minimum fine in lieu of a stewards' hearing. If the trainer has not had an 1844 (c) violation within the previous three years, the official veterinarian or the board of stewards may issue a warning in lieu of a fine for violations of 1844 (c)(1), phenylbutazone, provided the reported level is below 7.5 5.1 mcg/ml.

<b>LICENSED TRAINER:</b>	Phenylbutazone (5.1-<10.0mcg/ml) Flunixin (20-100 ng/ml) Ketoprofen (11-49 ng/ml)	Phenylbutazone (5.1-<10.0mcg/ml) Flunixin (20-100 ng/ml) Ketoprofen (11-49 ng/ml)
<b>1<sup>st</sup> offense</b>	<b>2<sup>nd</sup> offense (365-day period)</b>	<b>3<sup>rd</sup> offense (365-day period)</b>
◦ Minimum fine of \$500 to a maximum fine of \$1,000.	◦ Minimum fine of \$1,000 to a maximum fine of \$2,500.	◦ Minimum fine of \$2,500 to a maximum fine of \$5,000.
<b>LICENSED OWNER:</b>	Phenylbutazone (5.1-<10.0mcg/ml) Flunixin (20-100 ng/ml) Ketoprofen (11-49 ng/ml)	Phenylbutazone (5.1-<10.0mcg/ml) Flunixin (20-100 ng/ml) Ketoprofen (11-49 ng/ml)
<b>1<sup>st</sup> offense</b>	<b>2<sup>nd</sup> offense (365-day period)</b>	<b>3<sup>rd</sup> offense (365-day period)</b>
No penalty administered.	No penalty administered.	No penalty administered.
<b>LICENSED TRAINER:</b>	Phenylbutazone (≥ 10.0 mcg/ml) Flunixin (≥ 100 ng/ml) Ketoprofen (≥ 50 ng/ml)	Phenylbutazone (≥ 10.0 mcg/ml) Flunixin (≥ 100 ng/ml) Ketoprofen (≥ 50 ng/ml)
<b>1<sup>st</sup> offense</b>	<b>2<sup>nd</sup> offense (365-day period)</b>	<b>3<sup>rd</sup> offense (365-day period)</b>
◦ Minimum fine of \$1,000 to a maximum fine of \$2,500.	◦ Minimum fine of \$2,500 to a maximum fine of \$5,000.	◦ Minimum fine of \$5,000 to a maximum fine of \$10,000.
<b>LICENSED OWNER:</b>	Phenylbutazone (≥ 10.0 mcg/ml) Flunixin (≥ 100 ng/ml) Ketoprofen (≥ 50 ng/ml)	Phenylbutazone (≥ 10.0 mcg/ml) Flunixin (≥ 100 ng/ml) Ketoprofen (≥ 50 ng/ml)
<b>1<sup>st</sup> offense</b>	<b>2<sup>nd</sup> offense (365-day period)</b>	<b>3<sup>rd</sup> offense (365-day period)</b>
◦ Horse must pass Board-approved examination pursuant to Rule 1846 before being eligible to run.	◦ Disqualification of horse and loss of purse. If same horse, placed on veterinarian's list for up to 45-days, must pass Board-approved examination pursuant to Rule 1846 before being eligible to run.	◦ Disqualification of horse and loss of purse. Minimum \$5,000 fine. If same horse, placed on veterinarian's list for 60 days, must pass Board-approved examination pursuant to Rule 1846 before being eligible to run

(e) Violations due to the presence of a drug substance in an official test sample, which CHRB drug classification is categorized as warranting a Category "D" penalty, may result in a written warning for a first offense to the licensed trainer and owner. A Category "D" penalty for a first offense may result in a written warning or fine that will remain on the licensee's record for a period of two years. After the two year period, if

the licensee has had no further violations of CHRB Rule 1843, the Category “D” penalty will be expunged from the licensee’s record for penalty purposes.

**CATEGORY “D” PENALTIES**

1 <sup>ST</sup> offense (365 day period)	2 <sup>nd</sup> offense (365 day period)	3 <sup>rd</sup> offense (365 day period)
Minimum of an official written warning to a maximum fine of \$250.	Minimum of a \$250 fine to a maximum fine of \$500.	Minimum of a \$500 fine to a maximum fine of \$750.

**CATEGORY “D” PENALTIES FOR RULE 1844(C)(1) VIOLATIONS**

Phenylbutazone 2.1ug/ml to 5.0 ug/ml		
1 <sup>ST</sup> offense (365 day period)	2 <sup>nd</sup> offense (365 day period)	3 <sup>rd</sup> offense (365 day period)
Minimum of an official written warning to a maximum fine of \$250.	Minimum of a \$250 fine to a maximum fine of \$500.	Minimum of a \$500 fine to a maximum fine of \$750.

(f) Any drug or its metabolite or analogue thereof found to be present in an official test sample that is not classified in Rule 1843.2 of this division shall be classified as a Class 1 substance and a Category “A” penalty until classified by the Board.

(g) The administration of a drug substance to a race horse must be documented by the treating veterinarian through the process described in Rule 1842 of this division.

(h) Any licensee found to be responsible for the administration of any drug substance resulting in a positive test may be subject to the same penalties set forth for the licensed trainer and his presence may be required at any and all hearings relative to the case.

(1) Any veterinarian found to be involved in the administration of any drug substance resulting in a positive test in Penalty Category “A” shall be referred to the California Veterinary Medical Board (CVMB) for consideration of further disciplinary action.

(2) Any veterinarian found to be involved in the administration of any drug substance resulting in a positive test in Penalty Category “B” or “C” may be referred to the CVMB for consideration of further disciplinary action upon the recommendation of the Equine Medical Director, the board of stewards or hearing officers.

(i) A licensee who is suspended, or whose license is revoked, because of a medication violation is not able to benefit financially during the period of suspension or revocation. This includes, but is not limited to, ensuring that horses are not transferred to licensed family members.

(j) For the purpose of this regulation “licensed family members” means any person who holds an occupational license issued by the CHRB and who is related to the suspended licensee, or the licensee whose license is revoked, by blood, or by marriage or domestic partnership, or who is related by blood to the spouse or domestic partner of such licensee.

(l) For the purpose of this regulation, licensed trainers suspended 60 days or more, or whose license is revoked, shall be banned from all inclosures under the jurisdiction of the CHRB. In addition, during the period of suspension, or revocation, such trainer shall forfeit all assigned stall space and shall remove from the inclosures all signage, advertisements, training-related equipment, tack, office equipment, and any other property.

Authority: Sections 19440, 19461 and 19580,  
Business and Professions Code.

Reference: Sections 19461, 19580, 19581 and 19582,  
Business and Professions Code.

Section 11425.50,  
Government Code.