



APPEARANCES

COMMITTEE MEMBERS

Madeline Auerbach, Vice Chair

Alex Solis, Commissioner

Fred Maas, Commissioner

Dennis Alfieri, Commissioner

Gregory Ferraro, Commissioner

Oscar Gonzalez, Commissioner

Wendy Mitchell, Commissioner

STAFF

Rick Baedeker, Executive Director

Jacqueline Wagner, Assistant Executive Director

John McDonough, Chief Counsel

Robert Brodник, Staff Counsel

Robert Miller, Annuitant Retiree Staff Counsel

Rick Arthur, Equine Medical Director

Darrel McHargue, Chief Steward

ALSO PRESENT

Rick English, Los Alamitos Racing Association

Michael Ernst, Del Mar Thoroughbred Club

Greg Avioli, Thoroughbred Owners of California

Joe Harper, Del Mar Race Track

Tom Robbins, Del Mar Race Track

Craig Dato, Del Mar Thoroughbred Club

APPEARANCES

ALSO PRESENT

Valerie Traina

Martha Sullivan

Toni Falcone

Ellen Ericksen

Oscar de la Torre

Cliff Goodrich, California Thoroughbred Horsemen's  
Foundation

Terri Bingham

Jerry Jamgotchian

Christopher Schick, Watch and Wager Harness

Darrell Haire, Jockeys' Guild

Jack Liebau, Los Alamitos Racing Association

Heather Detert

Ander Lesser

Heather Wilson

Ed Allred, Los Alamitos Racing Association

John Valenzuela, Pari-Mutuel Employees Guild Local 280

Alan Balch, California Thoroughbred Trainers

Michael Brown, Arabian Racing Association of California

Aiden Butler, Santa Anita Race Track

Larry Swartzlander, California Authority of Racing Fairs

Eric Sindler, Golden Gate Fields

APPEARANCES

ALSO PRESENT

Rick Pickering, California State Fair

Michael Pirrung

Vivian Pulido-Price

Martin Valenzuela

Patty Shenker

Elvia Sedano

Casey Phillips

Patricia Folgar

Kelly Brinkerhoff

April Montgomery

Scarlet Timphony

Efrain Cordero

Ana Makshanoff

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this agenda captioned "Pending Litigation," and as authorized by Government Code section 11126(e).

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

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P R O C E E D I N G S

10:41 A.M.

LOS ALAMITOS, CALIFORNIA, THURSDAY, SEPTEMBER 10, 2019

VICE CHAIR AUERBACH: If we can get started?

We're running late and I apologize for that.

(Colloquy Between Vice Chair Auerbach and Executive  
Director Baedeker)

VICE CHAIR AUERBACH: Oh, I got everybody's  
attention and now I'm holding it up. I'm sorry. I  
apologize.

(Colloquy Between Vice Chair Auerbach and Executive  
Director Baedeker)

VICE CHAIR AUERBACH: Ladies and gentlemen, this  
meeting of the California Horse Racing Board will come to  
order. Please take your seats. This is the regular noticed  
meeting of the California Horse Racing Board on Thursday,  
September 19th, 2019 at the Los Alamitos Race Course, 4961  
East Katella Avenue, Los Alamitos California.

Present at today's meeting are: Commissioner  
Dennis Alfieri; Commissioner Dr. Greg Ferraro; Commissioner  
Fred Maas; Commissioner Alex Solis; Commissioner Oscar  
Gonzalez; and Commissioner Wendy Mitchell.

Before we go on to the meeting -- the business of  
the meeting, I need to make a few comments.

1           Before I make a few comments, I welcome both Oscar  
2 and Wendy. We're very pleased to have you. We're very  
3 grateful for your being here. And we wish you the best of  
4 luck and success. And we're glad to have you help us work  
5 on the business of racing, so thank you for being here.

6           The Board invites public comment on the matters  
7 appearing on the meeting agenda. The Board also invites  
8 comments from those present today on matters not appearing  
9 on the agenda during the public comment period.

10           In order to ensure all individuals have an  
11 opportunity to speak and that the meeting proceeds in a  
12 timely fashion, I will strictly enforce the three-minute  
13 time limit rule for each speaker. The three-minute time  
14 limit rule will be enforced during discussions of all  
15 matters as stated on the agenda, as well as during the  
16 public comment period.

17           There is a public comment sign-in sheet for each  
18 agenda matter on which the Board invites comments. Also,  
19 there is a sign-in sheet for those wishing to speak during  
20 the public comment period for matters not on the Board's  
21 agenda if it concerns horse racing in California. Please  
22 print your name legibly on the public comment sign-in sheet.

23           When a matter is opened for the public comment,  
24 your name will be called. Please come to the podium and  
25 introduce yourself by stating your name and the organization

1 you represent clearly. This is necessary for the court  
2 reporter to have a clear record of all who speak. When your  
3 three minutes are up the Chairperson will ask you to return  
4 to your seat so others can be heard.

5           When all the names have been called, the  
6 Chairperson will ask if there's anyone else who would like  
7 to speak on the matter before the Board. Also, the Board  
8 may ask questions of individuals who speak. If a speaker  
9 repeats himself or herself, the Chairman will ask if the  
10 speaker has any new comments to make. If there are none,  
11 the speaker will be asked to let others make comments to the  
12 Board.

13           Before we continue, I just would like to call  
14 attention to the fact that one of the most important assets  
15 we have had in the past is not here today, and that is our  
16 previous Chairman, Chuck Winner. I don't have a lot of  
17 time. It would take a lot of time to talk about all of the  
18 leadership that Chuck provided during the last several years  
19 while he was on the Board and while he was Chair. He will  
20 be greatly missed, his wisdom, his thought processes, his  
21 input, and his integrity. He worked many long, hard hours.

22           And as you know, there is no remuneration for this  
23 position.

24           We will all miss him because he did a really great  
25 job. And I know he feels that he will miss us. But I

1 personally, and I think on behalf of the Board, wish him  
2 very well. I'm happy for him. I'm glad he's going to be  
3 able to share some time with his family and his own  
4 concerns. And I want to publicly thank him for an  
5 incredible job during his tenure as Chair.

6           And I think that Rick has something he needs to  
7 add.

8           EXECUTIVE DIRECTOR BAEDEKER: Yeah. This is,  
9 actually, this is an email that Chuck sent last night. He's  
10 not able to be here today. Hopefully, we'll be able to  
11 acknowledge him at a future meeting in person. But he sent  
12 this email and he asked that I read it. He says,

13           "I didn't have a chance to thank so many people for the  
14 working relationship that we shared, and mostly for  
15 your friendship.

16           "To my colleagues on the Board, past and present, thank  
17 you for your hard work and dedication to doing what is  
18 right for the horse and the rider and the people  
19 involved in racing.

20           "To the best staff anywhere, led by Rick and Jackie,  
21 and like Marten and Dr. Arthur and Darrel and the legal  
22 team and so many others, racing will always be indebted  
23 to you. Thank you for your selflessness and, above all,  
24 for your integrity.

25           "And to all of the industry people that I have worked

1 with for eight years, thank you for putting up with me  
2 and thank you for your friendship. Now you can pay for  
3 your own breakfast and lunch.

4 "There will always be different approaches and  
5 different opinions, and it's pretty easy to criticize  
6 and criticism can be very useful, but I know we always  
7 tried to be fair to follow the law and the rules, and  
8 to care for the animals and all the people involved in  
9 racing."

10 VICE CHAIR AUERBACH: Well, he said it better than  
11 I did, and ditto.

12 COMMISSIONER MAAS: Madeline, if I could just add  
13 to that for just two seconds, if I might, because Chuck is a  
14 very dear friend and probably the single-most reason that I  
15 joined the Board. And I don't think I could say it any  
16 better than Madeline or his own words.

17 But for those of you who went through what we all  
18 went through here, some of the most severe tragedies that  
19 horse racing has ever endured, both what happened last  
20 year -- or early this year at Santa Anita, but also the San  
21 Luis Rey fires. And the way Chuck stepped up to the plate  
22 and acted above and beyond what any public servant should  
23 ever be required to do was incredibly a yeoman's effort.  
24 And we owe him must a huge debt of gratitude for what he did  
25 and for what he did for the industry. So it is a personal

1 regret on my part that he's not sitting here any longer  
2 among us, so thank you for the time.

3 EXECUTIVE DIRECTOR BAEDEKER: I'd like to echo  
4 those remarks. And everybody knows his expertise.  
5 Certainly, most people here, we've really experienced it at  
6 a critical time, as Fred said, this year. One of Chuck's  
7 areas of expertise in crisis management in matters all  
8 around the world. I've just been amazed to hear of the  
9 different initiatives that he's been involved in. So  
10 everybody knows that he's so talented.

11 You probably know that he is absolutely  
12 indefatigable. I don't think he ever refused to answer an  
13 email or to take a call.

14 But I would just say from my chair, I never saw  
15 him do anything but act in the best interest of racing and  
16 the horse and the safety of the rider. And I'm just honored  
17 to say that I've been able to work with him over the last  
18 five years. It's been a real privilege.

19 VICE CHAIR AUERBACH: I guarantee you, that will  
20 be the last Kumbaya moment of the day.

21 (Applause.)

22 COMMISSIONER ALFIERI: Not for that.

23 VICE CHAIR AUERBACH: No, for Chuck.

24 COMMISSIONER ALFIERI: Right. Yeah.

25 VICE CHAIR AUERBACH: Okay. Moving on, item

1 number two, Executive Director's Report.

2 COMMISSIONER SOLIS: No, number one.

3 EXECUTIVE DIRECTOR BAEDEKER: Number one. We've  
4 got to do that.

5 VICE CHAIR AUERBACH: Oh, sorry. I already  
6 screwed up. We have to approve the minutes. I'm sorry.

7 Anybody would like to move?

8 COMMISSIONER SOLIS: Move.

9 COMMISSIONER ALFIERI: So moved.

10 VICE CHAIR AUERBACH: Oh, Commissioner Solis --

11 COMMISSIONER ALFIERI: Second.

12 VICE CHAIR AUERBACH: -- approved. Commissioner  
13 Alfieri seconds.

14 Well, I'm going to -- Commission Mitchell?

15 COMMISSIONER MITCHELL: I'll be abstaining since I  
16 wasn't here. It's not appropriate for me to vote.

17 VICE CHAIR AUERBACH: Commissioner Ferraro?

18 COMMISSIONER FERRARO: Approve.

19 VICE CHAIR AUERBACH: Commissioner Solis?

20 COMMISSIONER SOLIS: Yes.

21 VICE CHAIR AUERBACH: Vice Chair votes yes.

22 Commissioner Maas?

23 COMMISSIONER MAAS: Yes.

24 VICE CHAIR AUERBACH: Commissioner Alfieri?

25 COMMISSIONER ALFIERI: Yes.

1 VICE CHAIR AUERBACH: And Commissioner Gonzalez?

2 COMMISSIONER GONZALEZ: Abstain.

3 VICE CHAIR AUERBACH: Okay. Now we can have the  
4 Executive Director Report.

5 EXECUTIVE DIRECTOR BAEDEKER: All right. Thank  
6 you, Madam Vice Chair.

7 Looking at the financials for the month and the  
8 year to date, I can start with the end-of-meet report for  
9 the Del Mar Thoroughbred Club.

10 As everybody knows, there were the same number of  
11 race days but significantly fewer races were done. Those  
12 were down about seven percent in the number of races.

13 But maybe more pertinent is the starts at Del Mar  
14 during the course of the summer meet. Last year there were  
15 2,821 horses that started at Del Mar. This year there were  
16 2,372. That was a decrease of 16 percent in the number of  
17 starters. As a result the total average daily handle was  
18 down 10.35 percent for the meet.

19 If we look at the month of August, total business  
20 for the daytime business was down 4.5 percent, nighttime  
21 business down 5.6, and everything in, in August, a decrease  
22 of 4.62 percent. For the year, this is very difficult to  
23 quantify because we've had many fewer programs during the  
24 course of 2019 compared to 2018. Nevertheless, the total  
25 numbers speak for themselves. Total daytime business is

1 down 10.8 percent, nighttime business down 8 percent, and  
2 all together the business is off by 10.57 percent. We do  
3 look forward to the Breeders' Cup coming to Santa Anita.

4 A couple of other notes. With Chuck's departure  
5 the Board will need to elect a new Chair. This item will be  
6 placed on the October agenda.

7 Also, what has become known as the Governor's  
8 Panel has been in place since June 9th. These experts have  
9 reviewed every entrant for every day of racing. Some horses  
10 have been scratched and many others earmarked for increased  
11 veterinary examination.

12 I was at a meeting last month called by Dr.  
13 Arthur. And all of the examining veterinarians  
14 participated. And it was a very energizing meeting to hear  
15 these veterinarians talk about their passion for the  
16 racehorse, their scrutiny of all the entrants, and the  
17 cooperation that they're getting from almost all of the  
18 trainers. Everybody seems to be pulling in the right and  
19 same direction.

20 As I'm sure you are aware, there was not a single  
21 fatality during racing through the first nine weeks of that  
22 program, so the Panel is here to stay. And we're working to  
23 expand the program north and south, night and day, over the  
24 next several months.

25 And that's my report, Madam Vice Chair.

1 VICE CHAIR AUERBACH: Thank you.

2 All right, we will go on now to --

3 COMMISSIONER MITCHELL: I had a question.

4 I'm very happy to hear that the Panel is working  
5 out and I think it's a great addition. Obviously,  
6 protecting the health of the horses is key to us.

7 My question is relative to the budget. Do we need  
8 an augmentation for that or will be looking at that down the  
9 road? How does that impact the budget and what can we do, I  
10 guess, to get out in front of that as we look to expand that  
11 throughout the state?

12 EXECUTIVE DIRECTOR BAEDEKER: That's a great  
13 question because we don't currently have the wherewithal to  
14 expand it north, south, night and day. I can tell you that  
15 the work is being done as it can be done at those locations,  
16 a really cooperative effort by the existing personnel, which  
17 is our safety steward at each of the racetracks, the  
18 official veterinarian at each track, and the stewards. But  
19 it's not as formal and doesn't have quite the level of  
20 expertise.

21 And I think everybody knows that the people that  
22 are participating on this panel have not given up their  
23 other responsibilities, so this is over and above and in  
24 addition to their work. So we do need more resources and  
25 we're exploring how to accomplish that with the Business

1 Consumer Services and Housing Agency as we speak.

2 So there's no question this has worked. Let's be  
3 clear, this was an idea that came from the Governor's  
4 Office. And there is a clear cause and effect and it has to  
5 continue.

6 So we're tackling -- I'm glad you asked the  
7 question because we're tackling it and we'll have an answer  
8 before too long.

9 COMMISSIONER MITCHELL: Great. Well, whatever we  
10 can do, obviously, to support that.

11 You know, we heard yesterday in some meetings how  
12 successful it's been. And, obviously, that's part of the  
13 charge of, you know, myself as a new Commissioner and Mr.  
14 Gonzalez. So I'm looking forward to that and whatever I can  
15 do to support that Panel.

16 EXECUTIVE DIRECTOR BAEDEKER: Thank you.

17 COMMISSIONER MITCHELL: Thank you.

18 COMMISSIONER GONZALES: Rick, Oscar here. Thank  
19 you for that report.

20 And Commission Mitchell, thank you for your  
21 remarks.

22 We met yesterday with Steward Jauregui and  
23 McHargue. Wendy and I had the chance to learn about the  
24 protocols. And, again, congratulations.

25 One of the items that I would like to strongly

1 suggest is with the Breeders' Cup coming in, we do know that  
2 they kind of come in with their own approach and way of  
3 doing things. But if we can just offer up that model and  
4 hopefully they can replicate it or embrace some of the  
5 principles, I just think it would be good for horse racing  
6 and it would be good for the Breeders' Cup.

7 EXECUTIVE DIRECTOR BAEDEKER: And, Commissioner  
8 Gonzalez, I can assure you that the Breeders' Cup is pretty  
9 much all hands on deck for CHRB. We relocate investigators  
10 to the Breeders' Cup track. We also have additional  
11 official vets representing us, as well as reassigning our  
12 safety stewards so that we have multiple safety stewards  
13 there under the supervision of Darrel McHargue. And this is  
14 in addition to the Breeders' Cup really doing the same thing  
15 and bringing in expertise from around the country. There's  
16 a small army in place for the Breeders' Cup and at least a  
17 week, probably more like ten days, preceding it.

18 COMMISSIONER GONZALES: Okay.

19 EXECUTIVE DIRECTOR BAEDEKER: We look forward,  
20 actually, to introducing you to that process.

21 Any other Commissioners, as a matter of fact, we'd  
22 love to show you rather than just to tell you about it.

23 COMMISSIONER GONZALES: Thank you.

24 COMMISSIONER MITCHELL: Thank you.

25 COMMISSIONER ALFIERI: I think it would be nice to

1 see what they're sending out, getting printed, to the  
2 entrants, to the owners, to the people. Because these are  
3 people, as we all know in Breeders' Cup, from around the  
4 world. So I'd be interested to see how they're explaining  
5 this whole new situation that will take place at Santa  
6 Anita.

7 EXECUTIVE DIRECTOR BAEDEKER: Dr. Arthur is in the  
8 middle of all of that. A lot of it is medication related.  
9 You know, when the Breeders' Cup operates in California, it  
10 operates according to our law and our rules and regulations.  
11 So there he is at the podium.

12 EQUINE MEDICAL DIRECTOR ARTHUR: Hi. Dr. Arthur,  
13 Equine Medical Director.

14 We've been in close consultation with Breeders'  
15 Cup and we've had a very extensive safety program, actually  
16 ever since I became Equine Medical Director many years ago.

17 So we have a very close working relationship and that will  
18 continue. We had a meeting just over the weekend with them,  
19 so that will be ongoing.

20 COMMISSIONER ALFIERI: Thank you.

21 VICE CHAIR AUERBACH: Some of us have had the  
22 privilege of watching the Breeders' Cup at work and it's  
23 like a small army that comes here. So, unfortunately, we  
24 can't teach them anything but they can certainly teach us  
25 some stuff about oversight. So you can rest assured that

1 that will be handled by them. In fact, I wish we could  
2 emulate some of their programs but they have the budget that  
3 we don't, so maybe we'll get to that point.

4 COMMISSIONER MAAS: Can I say something?

5 VICE CHAIR AUERBACH: Please.

6 COMMISSIONER MAAS: Excuse me, ma'am, the woman in  
7 the back who's videotaping all this, please, feel free to  
8 videotape this, but could you please put that light off?  
9 It's unbelievable annoying to us on the Board.

10 UNIDENTIFIED FEMALE: (Off mike.) Oh, sorry.

11 COMMISSIONER MAAS: That's okay. Thank you.

12 VICE CHAIR AUERBACH: Oh, I just thought I had a  
13 blind spot --

14 COMMISSIONER MAAS: Yeah. Yeah.

15 VICE CHAIR AUERBACH: -- on my eye, like this.

16 Okay.

17 Now may we proceed? Does anybody else want to say  
18 anything before we move on? Okay. Thank you.

19 Item number three, discussion and action by the  
20 Board regarding the distribution of race day charity  
21 proceeds of the Los Alamitos Racing Association, from its  
22  
23 2018 race meetings, in the amount of \$7,717, to four  
24 beneficiaries.

25 MR. ENGLISH: Madam Chairman, Commissioners --

1 VICE CHAIR AUERBACH: Good morning, Rick.

2 MR. ENGLISH: -- my name is Rick English,  
3 representing Los Alamitos Racing Association. And as the  
4 Chairman described, our charity proceeds were \$7,700. And  
5 we've applied for permission to distribute the money among  
6 industry-related charitable organizations.

7 I respectfully request your approval for the  
8 distributions. I'm happy to answer any questions or  
9 comments you might have.

10 VICE CHAIR AUERBACH: Does anybody have any  
11 questions? Call the question?

12 COMMISSIONER FERRARO: Move to approve the  
13 distribution.

14 COMMISSIONER MAAS: Second.

15 VICE CHAIR AUERBACH: Moved by Dr. Ferraro and  
16 seconded by Commissioner Maas.

17 COMMISSIONER FERRARO: I approve.

18 VICE CHAIR AUERBACH: Commissioner --

19 COMMISSIONER MITCHELL: Oh.

20 VICE CHAIR AUERBACH: -- would you like to vote?

21 COMMISSIONER MITCHELL: Yes. I'm sorry.

22 VICE CHAIR AUERBACH: Please.

23 COMMISSIONER MITCHELL: Aye.

24 VICE CHAIR AUERBACH: Hi.

25 COMMISSIONER FERRARO: Yes.

1 VICE CHAIR AUERBACH: Commission Mitchell, would  
2 you care to vote?

3 COMMISSIONER MITCHELL: Yes.

4 VICE CHAIR AUERBACH: Okay.

5 COMMISSIONER MITCHELL: Yeah. Yeah.

6 VICE CHAIR AUERBACH: Oh, I thought you were  
7 just --

8 COMMISSIONER MITCHELL: Oh, I'm sorry.

9 VICE CHAIR AUERBACH: Got it.

10 COMMISSIONER MITCHELL: I'm unclear on the  
11 process. If you look at me, is that when I'm supposed to  
12 say --

13 VICE CHAIR AUERBACH: Great. Thank you.

14 COMMISSIONER FERRARO: Yes.

15 VICE CHAIR AUERBACH: Commissioner Solis?

16 COMMISSIONER SOLIS: Yes.

17 VICE CHAIR AUERBACH: I abstain.

18 COMMISSIONER MAAS: Yes.

19 VICE CHAIR AUERBACH: Commissioner Maas?

20 COMMISSIONER ALFIERI: Yes.

21 VICE CHAIR AUERBACH: Commissioner Alfieri?

22 Commissioner Gonzalez?

23 COMMISSIONER GONZALES: Yes.

24 MR. ENGLISH: Thank you.

25 VICE CHAIR AUERBACH: The Board approves.

1 Thank you very much.

2 All right, item number four, Discussion and action  
3 by the Board regarding approval of an agreement, pursuant to  
4 Business and Professions Code section 19604(t) (5) (E), to  
5 alter the distribution of market access  
6 fees from California residents advanced deposit wagering  
7 placed on all live and imported races hosted by the  
8 signatory racing associations, by the creation of an  
9 additional deduction to be used to fund a co-op marketing  
10 program.

11 Who is going to speak to us on this issue?

12 MR. ERNST: Good morning. Mike Ernst from Del  
13 Mar.

14 At the May Board meeting the CHRB approved the  
15 request from the TOC, Del Mar and other stakeholders to  
16 provide a deduction from ADW wagering for certain programs.  
17 Those included our stakes' and horse recruitment programs,  
18 significant player incentive rebates, and online and social  
19 media programs, including Cal Racing Cares. The original  
20 agreement provided funding for both Del Mar's summer and  
21 fall race meet.

22 Now, at a recently concluded fall race meet, our  
23 horse recruitment efforts were very successful and allowed  
24 us to run our full 36 days. Accordingly, our horse  
25 recruitment costs increased above our original projections.

1 Also, our online social media efforts demonstrating our  
2 safety enhancements programs increased.

3           So we're requesting to modify the ADW deduction  
4 for our fall race meet only to support the increase costs  
5 for both our summer and fall. And the TOC and Del Mar  
6 believe both these programs are very important. So we're  
7 requesting for Del Mar's fall race meet only, we change the  
8 ADW deduction from the previously-approved 16 basis points  
9 for our 36-day race meet to 68 basis points for our fall  
10 race meet only to pay for these increased costs.

11           VICE CHAIR AUERBACH: Are you saying .16 to .68?

12           MR. ERNST: Yes. But keep in mind, it's -- the  
13 projection was for all, the entire year. But our horse,  
14 fortunately, our horse recruitment costs went up because we  
15 were able to recruit more out-of-state horses than we had  
16 originally projected.

17           Also, we felt it was very important to increase  
18 our social media efforts to demonstrate everything that  
19 we've done for the safety of the horse, so those costs also  
20 increased.

21           VICE CHAIR AUERBACH: I'm not --

22           MR. ERNST: So just for this very short fall race  
23 meet, we're going to increase the deduction to pay for the  
24 increased cost for both the summer and the fall race meet.  
25 And the TOC and Del Mar have met and both think that, you

1 know, these programs are very important for Del Mar. So  
2 we're requesting the increased deduction.

3 VICE CHAIR AUERBACH: I'm a little uncomfortable  
4 with any shortening of the purse account. I want to know  
5 what it means dollar- and cents-wise to the purse account?  
6 And I can't think of a better person to ask that question  
7 than you.

8 MR. ERNST: I believe the combined increase in  
9 costs was under \$100,000, so that would be split between  
10 purses and commissions.

11 Mr. Avioli is here to --

12 VICE CHAIR AUERBACH: Is that split between purses  
13 in commissions or are we talking about just against purse  
14 account?

15 MR. AVIOLI: No. This is Greg Avioli, TOC.  
16 Sorry, I was outside, trying to negotiate some of those  
17 deals you asked us to try and negotiate.

18 VICE CHAIR AUERBACH: Right. Yeah. Goody, you  
19 get to go back out and try again, so that's good.

20 MR. AVIOLI: This -- I believe we're talking about  
21 what used to be the CMC, these funds; correct?

22 VICE CHAIR AUERBACH: That's --

23 MR. AVIOLI: So --

24 VICE CHAIR AUERBACH: -- according to my  
25 paperwork, yes.

1 MR. AVIOLI: So just by way of review, when that  
2 went away statutorily and there was no mechanism for the  
3 horsemen to share in funding programs that we thought would  
4 ultimately benefit purses, the biggest of which are Ship and  
5 Win and on-track high-volume player rebates, we came up with  
6 an elegant solution that we are able to deduct money from  
7 handle, from ADW handle. That is deducted equally from  
8 commissions and purses in the same way it had been deducted  
9 under the CMC. And we do that for these to target, again,  
10 pretty much the same programs that we had with CMC last  
11 year.

12 And in the aggregate, the total amount that's  
13 coming out of purses this year under this approach versus  
14 last year, it's probably 50 percent, so 50 percent less  
15 because there's some CMC programs that were not continued.

16 So I don't have the number available with me now  
17 but I can tell you, it is less money coming out of purses,  
18 combined with Santa Anita and Del Mar, to support Ship and  
19 Win and high-volume rebate than it was last year. My guess  
20 is it's probably around, both of them, about \$500,000 total  
21 for Del Mar and Santa Anita year-round.

22 VICE CHAIR AUERBACH: But this is just for this  
23 particular meet, for the fall meet?

24 MR. AVIOLI: Right. So what -- the reason -- what  
25 happened is we had to estimate going in how much would be

1 paid out for both of those programs. And then we  
2 would -- the deductions are meant to cover that. After the  
3 Del Mar meet, we realized we didn't take enough out because  
4 they used more than expected, in a good way, for Ship and  
5 Win.

6 VICE CHAIR AUERBACH: Are we going to see a  
7 reduction in your purse structure?

8 MR. AVIOLI: No, ma'am. Actually, the purse  
9 structure is set and it's very solid right now.

10 VICE CHAIR AUERBACH: Okay. Because what  
11 concerned me, and I'm sure it would be a concern to  
12 everybody, is that when the CMC sunsetted there were a lot  
13 of issues with the program that were not handled  
14 successfully by the industry, in my view. And I would hate  
15 to see us reduce the purse account for something that we did  
16 in the past and it did sunset and we allowed it to sunset  
17 for good reason.

18 MR. AVIOLI: Right.

19 VICE CHAIR AUERBACH: And if you're assuring us on  
20 the Board today that it's just for this meet, I have no  
21 problem if you want to come back and make it a constant  
22 thing but give the Board plenty of notice and give the  
23 participants plenty of time to understand that this option  
24 might be utilized. I think that's preferable to us getting  
25 it in this fashion.

1 MR. AVIOLI: So, I agree, and let me just be  
2 clear. We've been on this same issue before this Board  
3 earlier this year when it was, this deduction, was first  
4 approved for Santa Anita. And then we came back again and  
5 it was approved for Del Mar. This is the third time so it's  
6 nothing new.

7 The only difference here is the amount we deducted  
8 from Del Mar, we agreed to deduct from ADW, wasn't  
9 sufficient for what was used. So we're just basically  
10 tweaking that formula.

11 VICE CHAIR AUERBACH: Are we saying that, and I  
12 don't know, this is speculation on my part, but are you  
13 saying that because of the factors that influenced what  
14 happened at Del Mar in terms of the number of races, et  
15 cetera, et cetera, influenced that bottom-line number or are  
16 we just off in the guesstimation?

17 MR. AVIOLI: No. I think it's a combination of  
18 both. But the biggest factor was that the out-of-state ADW  
19 was down double digits versus last year and we didn't  
20 anticipate that going in.

21 VICE CHAIR AUERBACH: Right. That's -- that's  
22 what I was asking you. Okay.

23 MR. AVIOLI: Yeah.

24 VICE CHAIR AUERBACH: Does anyone have any  
25 questions of either Mr. Avioli or Mr. Ernst? Okay. Does

1 anybody have a motion? Anybody want to --

2 COMMISSIONER MAAS: I'll move.

3 VICE CHAIR AUERBACH: Commissioner Maas moves.

4 Do I have a second?

5 COMMISSIONER FERRARO: Second.

6 VICE CHAIR AUERBACH: Commissioner Ferraro

7 seconds.

8 COMMISSIONER MITCHELL: Yes.

9 COMMISSIONER FERRARO: Yes.

10 VICE CHAIR AUERBACH: Commissioner Mitchell votes

11 yes. Dr. Ferraro votes yes.

12 Commissioner Solis?

13 COMMISSIONER SOLIS: Yes.

14 VICE CHAIR AUERBACH: Yes.

15 COMMISSIONER MAAS: Yes.

16 VICE CHAIR AUERBACH: Commissioner Maas, yes.

17 COMMISSIONER ALFIERI: Yes.

18 VICE CHAIR AUERBACH: Commissioner Alfieri, yes.

19 And Commissioner Gonzalez?

20 COMMISSIONER GONZALES: Yes.

21 VICE CHAIR AUERBACH: Yes. And I think I'm going

22 to abstain on that vote. Okay.

23 Thank you, gentlemen.

24 We're on number six; right?

25 EXECUTIVE DIRECTOR BAEDEKER: Five.

1 COMMISSIONER MAAS: Five.

2 VICE CHAIR AUERBACH: Five. I'm really in a hurry  
3 to get through here.

4 Item number five, discussion and action by the  
5 Board on the Application for License to Conduct a Horse  
6 Racing Meeting of the Del Mar Thoroughbred Club at Del Mar,  
7 commencing November 6, 2019 through December 3, 2019,  
8 inclusive.

9 Gentlemen?

10 MS. WAGNER: Jackie Wagner.

11 VICE CHAIR AUERBACH: Jackie, we can't hear you.

12 MS. WAGNER: Jackie Wagner from CHRB Staff.

13 Before the gentlemen take their place, I wanted to  
14 bring to the Board's attention that the analysis indicates  
15 that the CTT agreement and the TOC agreement are  
16 outstanding. I'm here to report that we have received both  
17 agreements.

18 VICE CHAIR AUERBACH: Thank you.

19 Good morning, gentlemen. Would you please  
20 identify yourself for our --

21 MR. HARPER: Sure. Joe Harper, CEO, Del Mar Race  
22 Track.

23 Before I start on this agenda item, I want to just  
24 echo what was said about Chuck Winner. In 50 years of  
25 coming to California Horse Racing Boards, it's hard to find

1 anybody that could top his performance and his dedication to  
2 what he meant to this sport, and we're all going to miss  
3 him. But I just want to get that on the record that we  
4 really like the guy.

5           As you mentioned about our last meet, it was, you  
6 know, the lowest numbers we've seen in a long time, but it  
7 was probably the best meet we've ever had from a safety  
8 standpoint, I think, between the protocols and the  
9 medication realigning and all the number of veterinarians we  
10 have. But most importantly, it was the horsemen who pretty  
11 much bought onto this change in their life a lot better than  
12 I thought. And I'm really proud of them to take this  
13 understanding and it worked. It's hard to change a culture  
14 but it seems to be working.

15           And I'd like to thank, of course, the Governor,  
16 and as well as Senator Feinstein, who we've had a lot of  
17 communication with over the last few months. Before our  
18 meet, we met with the staffs of both of those organizations,  
19 both those positions, assured them what we were doing, told  
20 them everything. And throughout the meet they visited Del  
21 Mar and, I think, were very impressed by what was going on  
22 and what was working. So I'm delighted that happened.

23           So as we go into our fall meet, rest assured,  
24 those protocols and the Commission and all the other things,  
25 the Panel will continue. We've had very good luck. The

1 safety record is pretty good for us and, hopefully, it will  
2 even get better.

3 Any questions that you have? Or I'll let the  
4 other guys talk.

5 VICE CHAIR AUERBACH: Let's let -- let's hear from  
6 everybody please.

7 MR. HARPER: Sure.

8 MR. ROBBINS: Tom Robbins, Director of Racing.

9 I do want to add a few, echoing some of Joe's  
10 comments and what Rick Baedeker said earlier.

11 We threw a lot of things at the horsemen this  
12 summer, and owners and trainers, a lot of different things,  
13 medication changes, additional veterinary scrutiny, the  
14 Governor's Panel, and we had one of the safest meets we've  
15 ever had. And it's the cooperation of everybody, the  
16 horsemen, the owners, the trainers, the private vets, the  
17 CHRB, Dr. Arthur, in particular, putting together a lot of  
18 new people that were providing this work that made this  
19 thing work so well. And as Joe said, it was a little tough  
20 to the pocketbook but the best meeting I've ever been  
21 involved in.

22 And a special thanks to two people that work for  
23 us, too, Leif Dickinson, manager of our -- Superintendent of  
24 our turf course, and Dennis Moore, Superintendent of the  
25 main track. They continue to do outstanding work. And

1 without them, we wouldn't have the success that we have.

2 So I just wanted to make those comments.

3 Getting to the fall meet, 15 days of racing, we  
4 begin our meet on Friday, November 8th. We have a three-day  
5 week and three weeks of four-day weeks to follow the initial  
6 week, Thursday through Sunday racing, and concluding with  
7 racing on Sunday, December 1st.

8 Again, we expect, this being our sixth fall  
9 season, a much lower population on the property, between 350  
10 and 400 horses, and that's been sort of the number that  
11 we've had for the first five years. Horses will be able to  
12 come in on the weekend of Breeders' Cup weekend. They'll be  
13 okay to come in that weekend. And the track will open for  
14 training on Monday, November 4th. We're expecting to run  
15 eight or nine races for each of those days that we race,  
16 first post time, 12:30, and with the exception of  
17 Thanksgiving Day, which will be 11 o'clock, first post.

18 And I'm going to toss it over to David, who's got  
19 a few particulars about the meet as well.

20 MR. JERKINS: David Jerkins, Racing Secretary.

21 For the fall meet, we're going to be presenting 14  
22 stakes' races in 15 days. So that will be highlighted by  
23 our Turf Festival which has been popular. We have two Grade  
24 1 races, the Grade 1 Hollywood Derby and the Grade 1  
25 Matriarch.

1           Overnight purse levels will be similar to last  
2 year, which is amongst the highest in the country at that  
3 particular time of the year.

4           Our recruiting program that we've had success  
5 with, especially this summer, our Ship and Win Program will  
6 be back for the fall meet. And we're actively pursuing  
7 interests from out of state to participate for our fall  
8 meet, which we're excited about.

9           And I'll turn it to Craig to discuss marketing.

10           MR. DATO: Thank you. Craig Dato, Del Mar  
11 Thoroughbred Club.

12           Just a four-week meet but we do have quite a bit  
13 going on. We have promotions every weekend targeting  
14 occasional visitors and newcomers, including two concerts, a  
15 wine festival, a beer festival, a charity motorcycle event,  
16 a ride for Toys for Tots, and a holiday shopping event.

17           However, the Bing Crosby season is really about  
18 great racing. As David said, we have 14 stakes in only 15  
19 days, so we have a stake almost every day, including the  
20 Turf Festival on closing weekend. So we market to our big  
21 betters and our regulars fairly aggressively. Research has  
22 shown that that target market responds well to things such  
23 as handicapping contests and food and beverage discounts.  
24 So we will have a two-day handicapping contest on opening  
25 weekend which will draw participants, not only locally but

1 from out-of-state, as well.

2           And we will bring back, again, a number of our  
3 food and beverage discounts that are reserved exclusively  
4 for our regular players via our Diamond Club. Every day,  
5 people give us \$20.00 and they will get \$30.00 worth of food  
6 and beverage at every stand, so a 50 percent increase in  
7 stretching your dollars. Those are available to horsemen as  
8 well. And then on Sundays, we have our Free and Easy  
9 Sundays where we have discounted sliders, hot dogs and beer  
10 for our Diamond Club members.

11           But finally, I want to address media  
12 communications. In this day and age for racing, this is one  
13 of the more important things we do. As I told this Board,  
14 we met with every single news outlet in San Diego prior to  
15 the summer meet, basically, to tell our story regarding all  
16 the safety changes we've made, both after the 2016 meet and  
17 prior to our summer meet. So we established a relationship.  
18 We had one-on-one dialogue back and forth. And I'm happy to  
19 say that the media treated us pretty well this summer. Of  
20 course, we didn't get them any bad things to write about,  
21 but they treated us very well.

22           So we will continue this proactive dialogue with  
23 local media with the goal of educating San Diego that Del  
24 Mar is among the very safest racetracks in the country. And  
25 that's what we predicted going into last summer, it came

1 true, so we're going to continue to use that as our rally  
2 cry.

3 So happy to take any questions.

4 VICE CHAIR AUERBACH: Any questions from the  
5 Board?

6 COMMISSIONER FERRARO: I have one.

7 Can you estimate the effect on the field size of  
8 your Ship and Win Program?

9 MR. JERKINS: Sure. Ship and Win is so vital to  
10 our field size, we need that extra influx of horses, you  
11 know, not just our local population but adding new horses  
12 from elsewhere to our population. So this summer meet, we  
13 actually saw a significant increase from our Ship and Win  
14 Program which really helped, again, establish our five-day-  
15 a-week program, filling races, averaging field size of  
16 roughly eight horses a race.

17 COMMISSIONER FERRARO: Thank you.

18 VICE CHAIR AUERBACH: Anyone else? Okay.

19 Now, I have a number of people who want to speak  
20 on this item.

21 Would you gentlemen please stay where you are so  
22 you can answer questions for them please?

23 The first speaker is Valerie Traina.

24 MS. TRAINA: My name is Valerie Traina. I am a  
25 peaceful protestor of the races at Del Mar.

1           This summer, counter protesters showed up in  
2 droves. They yelled and screamed and purposefully got in  
3 our faces and blocked our signs. They were trying their  
4 best to provoke us to act violently. They are human shields  
5 to the industry. They proclaim that they were dedicated  
6 union workers who love the horses.

7           My ideal of a union worker is one who follows the  
8 dictates of Cesar Chavez, who stated that, quote, "We know  
9 we cannot be kind to animals until we stop exploiting them,  
10 exploiting them in the name of science, exploiting animals  
11 in the name of sport, exploiting them in the name of fashion  
12 and, yes, exploiting animals in the name of food."

13           The workers who are themselves exploited are  
14 unwitting accomplices in the practices that brutalize horses  
15 in this sorted business. Every year we celebrate the life  
16 and inspirational work of Cesar Chavez. A meaningful  
17 tribute to Chavez would be non-renewal of Del Mar's license.

18           Thank you.

19           VICE CHAIR AUERBACH: Next speaker is Martha  
20 Sullivan.

21           MS. SULLIVAN: Good morning. I, too, am a  
22 resident of San Diego County and I protested the Del Mar  
23 races for several years now.

24           I wanted to just report to you. We went to the  
25 meeting of the 22nd Agricultural District Board last month.

1 And we were interested to hear from them that the profit  
2 they made off of their food and beverage service from the  
3 San Diego County Fair was wiped out by the Del Mar summer  
4 meet. So the Fair Board is not really happy.

5 They also reported that the only thing that's  
6 really going to keep the Del Mar horse racing afloat is more  
7 concerts and food festivals and other events to try to  
8 sucker people into coming out to their racetrack.

9 So just understand, you know, at the last meeting  
10 here we were told that the state doesn't subsidize horse  
11 racing. Well, it does. Horse racing is wiping out the  
12 revenues of our county fair district.

13 VICE CHAIR AUERBACH: Next speaker is Toni Falcone  
14 please.

15 MS. FALCONE: I'm a San Diego native, born and  
16 raised. I'm an independent animal rights activist.

17 Firstly, I'd like to correct a statement just made  
18 a few moments ago by the Board that zero horses died at the  
19 last Del Mar meet. Actually, there were five that were  
20 admitted to. And we know that there are probably many more  
21 unnamed horses that are not acknowledged.

22 EXECUTIVE DIRECTOR BAEDEKER: Just to --

23 MS. FALCONE: I'd like to --

24 EXECUTIVE DIRECTOR BAEDEKER: -- correct the  
25 record, my comment was that there, during racing over the

1 nine weeks since the Panel was formed, there were no  
2 fatalities during that period of time.

3 MS. FALCONE: Okay. But horses did die on the  
4 premises.

5 I'd like to respectfully request that you not  
6 grant a license to Del Mar for the fall meet to replace the  
7 fall meet of a racetrack that closed, and rightfully so,  
8 with a fall season at Del Mar where horses will surely die  
9 is irresponsible. The fall meet at Del Mar is only a few  
10 years old. And in one of the recent meets, ten horses died  
11 in just that one-month period. To say that not having  
12 it -- excuse me -- will cost jobs and contribute to  
13 homelessness is said for dramatic effect and is wildly  
14 inaccurate when unemployment rates are historically low in  
15 California.

16 The climate has also changed at the front gates. I  
17 have protested at Del Mar for almost 10 years, others almost  
18 40. We've always had a cordial relationship with employees,  
19 security and the sheriffs. Since counter protesters have  
20 come on scene it's been aggressive, obnoxious and combative  
21 at the picket lines as security and the sheriffs, who are  
22 paid for by the track, by the way, refuse to separate  
23 protestors and counter protesters, which is unsafe for  
24 everyone, and effected the attitude of the other employees.

25 I'd just like to quickly point out, too,

1 disturbing incidents which happened to me personally during  
2 this last meet.

3           Firstly, I was trying to park my car in a  
4 handicapped space, as I had a passenger with a placard. I  
5 couldn't find a space in the general parking so I proceeded  
6 to the preferred parking where we found a handicapped space.

7 I was chased down by an employee of the track who refused  
8 to identify himself and chased us throughout the lot  
9 aggressively, so aggressively that he came within inches of  
10 hitting a parked car. He also said, by the way, when I came  
11 back the next week that he would do it again.

12           The second was while waiting to board a tram with  
13 Ellen. And everybody there knows who Ellen is and most of  
14 them know who we are. We're well known as protestors there.

15 A disabled woman came up to the stop with her daughter and  
16 was waiting to board the train with us. As the driver came  
17 by she looked right at me and recognized us and just shook  
18 her head and kept driving, leaving the disabled woman and  
19 her daughter standing there, who was a racegoer, by the way.

20           Thank you.

21           VICE CHAIR AUERBACH: Our next speaker will be  
22 Ellen Ericksen.

23           MS. ERICKSEN: Ellen Ericksen, San Diego activist  
24 for all animals. I'm glad to be here in front of the Board  
25 again and be given the opportunity to be able to speak about

1 the horse racing industry.

2 I just want everyone to know that we are not the  
3 problem at the racetrack. We are at the racetrack because  
4 of the problem of horse racing.

5 I have been organizing protests at Del Mar for  
6 many, many years, probably hundreds of them. And this  
7 summer was the first time we have seen counter protesters at  
8 the racetracks. Why are they coming out now? Because they  
9 are afraid and running scared. These counter protesters  
10 have been set up by horse owners and trainers who care  
11 nothing about the well-being of horses, nor the backstretch  
12 workers who are being led to protest by these wealthy horse  
13 people.

14 I think we should talk about what's going on at  
15 the racetracks here in Southern California. This is the  
16 first time in three decades of protests at Del Mar, which  
17 have always been nonviolent and educational, that counter  
18 protesters are there. The counter protesters, while also  
19 exercising their First Amendment rights, were very  
20 aggressive towards myself and other protestors. They were  
21 very provocative with personal insults and bodily threats  
22 against me.

23 These protests, like I said before, were organized  
24 by horse owners and trainers. In fact, the trainer, Mr.  
25 Doug O'Neill, funded these counter protesters, providing t-

1 shirts and materials with the backstretch workers to be able  
2 to protest.

3 I, as an activist, welcome all protestors, whether  
4 they are counter protesters or not. It is important that we  
5 are able to use our First Amendment rights. I only ask that  
6 in the fall meet, from these counter protesters, that they  
7 remain nonaggressive and threatening.

8 Thank you.

9 VICE CHAIR AUERBACH: Next speaker is Oscar de la  
10 Torre.

11 MR. DE LA TORRE: Good morning. Thank you very  
12 much for allowing me to speak.

13 As an individual that was in charge of  
14 coordinating the counterdemonstrations at Del Mar, I want to  
15 say that, you know, we continually have this false narrative  
16 from the other side, you know, from -- and I respect people  
17 who care about horses. We do too. Workers care about the  
18 horses. I haven't met one person in the horse racing  
19 industry that does not care about horses under their care.

20 But the fact remains that the only people that,  
21 when police got engaged in the counterdemonstrations that we  
22 organized, the only -- there was only one person that was  
23 arrested and it was on their side, the people that came to -  
24 - you know, they purported to have compassion for horses,  
25 but pushed and shoved one of our counterdemonstrators to the

1 ground, causing bodily injury. And that individual was  
2 arrested by the sheriffs, by the San Diego Sheriff's  
3 Department. Everyone that I've talked to in organizing the  
4 counterdemonstrations, we talk about peaceful and nonviolent  
5 demonstration.

6 I met Cesar Chavez when I was a young man. And he  
7 had compassion for workers and he fought for workers'  
8 rights, and that's what we're doing there. What we're doing  
9 is fighting for workers' rights.

10 When Ellen talks about people running scared and  
11 afraid, people are afraid of losing their livelihood.  
12 They're afraid of losing the opportunity to feed their  
13 families. These are individuals that are hardworking  
14 individuals who don't want welfare, who don't want  
15 unemployment. They just want to have an opportunity to  
16 provide for their families.

17 And they are scared. They're scared because they  
18 see pictures of horses being shot in the head, things that  
19 are not happening at Del Mar, one of the safest racetracks  
20 in the country, historic safety record after this last  
21 racing season, but yet we continue to hear this false  
22 narrative.

23 And so it's very important for us to understand  
24 that we tell everyone that's working with the backstretch  
25 people that are protesting and doing the

1 counterdemonstrations that we have to remain peaceful. And  
2 the fact remains, no one was arrested on our side, but you  
3 can't say the same for their side.

4           So I just want to make sure that everyone  
5 understands here that everybody working with us to defend  
6 their livelihood and their opportunity to feed their  
7 families is nonviolent, is a peaceful demonstrator, they are  
8 talked to, they're informed that that's what they should do.

9       And so when you hear this false narrative about us being  
10 violent and so forth, and aggressive, you know, people do --  
11 you know, they have words with each other but no one on our  
12 side has ever touched anyone and the same cannot be said for  
13 people on their side. One of their members was arrested.

14           So thank you very much.

15           VICE CHAIR AUERBACH: Okay. Our next speaker,  
16 please, Cliff Goodrich.

17           MR. GOODRICH: Commissioners, I'm Cliff Goodrich.  
18 I guess I am an activist for the backstretch workers because  
19 I am Executive Director of the California Thoroughbred  
20 Horsemen's Foundation. For the sake of Commissioner  
21 Gonzalez and Commission Mitchell, we provide healthcare for  
22 those workers. All I know is the workers I saw out there  
23 are there because they are afraid of their jobs.

24           Frankly, I'm sick and tired of the solution from  
25 the activists being to shut down a race meet or to shut down

1 racing. What they ought to be doing, in my personal  
2 opinion, is sending representatives to every other  
3 Commission in every other state, asking them to follow the  
4 lead of this Board and this industry. There has been an  
5 absolute lack of recognition on the part of the animal  
6 rights' group as to the progress that has been made. And I  
7 would plead with them.

8           One of the representatives several months ago got  
9 up and actually boasted, "We got rid of the elephants, we  
10 got rid of the whales, and we're going to get rid of this  
11 industry." I suggest that effort will fail.

12           You will accomplish much more if you get behind  
13 what this Board and this industry is not only attempting to  
14 do but is actually doing. Significant progress has been  
15 made, as evidenced by the safety record at Del Mar. Work  
16 with this industry. Work this Board, not against them, and  
17 you will protect the horse and, along with that, the  
18 thousands of jobs that go along with the safety of that  
19 horse.

20           So I'm sorry I can't stay in my seat but I'm sick  
21 and tired of hearing. It's easy to criticize. It's much  
22 harder to find solutions. And these folks need to get  
23 onboard and work with us toward making it as safe as  
24 possible, as we can for the horse, and plead with every  
25 other jurisdiction to follow the lead of this Board and this

1 industry.

2 Thank you.

3 (Applause.)

4 VICE CHAIR AUERBACH: I have one more speaker on  
5 this issue.

6 But before we continue with that, I would just  
7 like to advise everybody who signs up to speak on the  
8 specific items, we need you to stay on point and to stay on  
9 the items. We've been very patient this time through in  
10 allowing everybody a chance to speak their voice. But from  
11 this point on we will strictly advise you to speak to the  
12 item that the Board is asking to vote on at this moment.

13 I have one more card. It's for Terri Bingham.

14 MS. BINGHAM: I, too, am from San Diego. My  
15 family came to San Diego in 1923. And we have been enjoying  
16 races at Del Mar since the '40s. My grandfather was a  
17 handicapper.

18 The people who care about horses the most are the  
19 people who own them and train them. And I commend this  
20 Board for everything you have done to make this state more  
21 safe for our horses. And I thank all the horsemen and  
22 everyone. We are all trying our hardest and we love our  
23 horses dearly. And I disagree with some of the earlier  
24 comments from San Diego residents. And I wanted the Board  
25 to know I, too, am from San Diego and I strongly support

1 horse racing and it's here to stay.

2 Thank you.

3 VICE CHAIR AUERBACH: Thank you.

4 (Applause.)

5 VICE CHAIR AUERBACH: I have -- hold your applause  
6 please.

7 UNIDENTIFIED FEMALE: (Off mike.) Vice Chair, may  
8 have a rebuttal?

9 VICE CHAIR AUERBACH: No.

10 COMMISSIONER MAAS: No.

11 VICE CHAIR AUERBACH: No, I'm sorry.

12 EXECUTIVE DIRECTOR BAEDEKER: It's not a debate.

13 VICE CHAIR AUERBACH: This is not a debate. We  
14 are here conducting our business. This is not a back and  
15 forth. We have let everyone say their peace. This is not a  
16 back and forth. This is the business of the Board. We will  
17 allow you, in the public comment period, to say whatever you  
18 like, but this is not the appropriate part of the agenda.  
19 Thank you.

20 I want to ask Jackie -- are you here  
21 somewhere? -- we don't have the Local 280 contract yet or  
22 will we have it? I see it expires October 31st.

23 MS. WAGNER: Jackie Wagner, CHRB Staff.

24 You are correct. The Local 280 contract does  
25 expire on October 31st. I have not heard anything

1 indicating that we will not receive a new contract on time.

2 VICE CHAIR AUERBACH: Okay. And we do have the  
3 TOC and the CTT race meet agreements?

4 MS. WAGNER: That is correct.

5 VICE CHAIR AUERBACH: Okay. Very good.

6 Anybody on the Board have any questions or  
7 anything further they want to ask about this meet?

8 EXECUTIVE DIRECTOR BAEDEKER: One more speaker.  
9 One more speaker.

10 VICE CHAIR AUERBACH: Oh, we have one more speaker  
11 for this comment? I don't have a card.

12 MR. JAMGOTCHIAN: That's fine, Madeline. My  
13 comments are short. Jerry Jamgotchian.

14 VICE CHAIR AUERBACH: I beg your pardon but we  
15 need a comment card. I will wait while you do it. I have  
16 to have it from everybody, so --

17 MR. JAMGOTCHIAN: I don't think there's a  
18 requirement in the Government Code for a comment card.

19 VICE CHAIR AUERBACH: There is for this Board. If  
20 you wish to speak, we --

21 MR. JAMGOTCHIAN: I'll be happy to fill one out  
22 after my comments.

23 VICE CHAIR AUERBACH: All right.

24 MR. JAMGOTCHIAN: With --

25 VICE CHAIR AUERBACH: You will do it though;

1 right?

2 MR. JAMGOTCHIAN: Yes, I will.

3 VICE CHAIR AUERBACH: Please.

4 MR. JAMGOTCHIAN: My name is Jerry Jamgotchian.  
5 I'm a horse owner. I wanted to comment on something with  
6 regards to the Del Mar application.

7 I'm concerned that the Ship and Win Program might  
8 need some financial analysis. And I think this Board should  
9 look at the costs associated with this program. It's a very  
10 expensive program. As we were made aware today, horse  
11 racing handle is down significantly at California racetracks  
12 for a plethora of reasons. But I think the new members of  
13 this Board, especially the two members that came on today,  
14 need to ask questions and seek analysis, independent  
15 analysis of the costs associated with this sport.

16 I'm one of the largest horse owners and  
17 racers in the United States and have been for many years.  
18 And I don't race out here anymore because I left about nine  
19 years ago because I saw the downward trend of this racing  
20 industry in California.

21 But I'd like to ask, with regards to Del Mar, and  
22 also Santa Anita and the other racetracks, the Ship and Win  
23 Program, to me, might not be economically feasible because  
24 of the costs that are being expended to bring horses here.  
25 I've had horses that I've shipped out to Del Mar to race.

1 I've been paid significant funds to transport the horse.  
2 When horses do win they get a purse bonus. There are  
3 marketing funds and other funds that are expended.

4 I'd ask you, the new Commissioners, as well as  
5 some of the other Commissioners that might not be  
6 conflicted, to address some of the issues of economics in  
7 this sport. And I plead that you look at every decision you  
8 make on an economic basis. Because some of the information  
9 that you'll be given by Staff, by Dr. Arthur, by other  
10 people is not factual. So please address the numbers on the  
11 Ship and Win Program.

12 Thank you very much.

13 VICE CHAIR AUERBACH: Anybody have any questions?

14 COMMISSIONER MITCHELL: I just, I have a question  
15 about how this item relates to the item, the dates, that is  
16 item -- agenda 13?

17 VICE CHAIR AUERBACH: This was -- this is --

18 COMMISSIONER MITCHELL: So --

19 VICE CHAIR AUERBACH: These dates were already  
20 assigned --

21 COMMISSIONER MAAS: Yeah.

22 VICE CHAIR AUERBACH: -- previously.

23 COMMISSIONER MAAS: This is this year.

24 VICE CHAIR AUERBACH: This is last year. This  
25 is --

1 COMMISSIONER MITCHELL: Okay.

2 VICE CHAIR AUERBACH: The dates we're talking  
3 about --

4 COMMISSIONER MITCHELL: So --

5 VICE CHAIR AUERBACH: -- are for next year.

6 COMMISSIONER MITCHELL: Can someone walk me  
7 through as the new Commissioner and not understanding  
8 this --

9 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

10 COMMISSIONER MITCHELL: -- maybe Staff, exactly  
11 how this, the process, works? Because I know we have a  
12 contentious item coming up on dates so I just want to  
13 understand how they all relate.

14 EXECUTIVE DIRECTOR BAEDEKER: Yeah. It's  
15 certainly a pertinent question.

16 And so, as you experienced, at least watched this  
17 morning, the process of allocating dates, it's a two-step  
18 process. The Racing Board looks at the entire calendar for  
19 the year for all breeds, north, south, night and day. It  
20 allocates a calendar. However, it doesn't really mean much.

21 Now once the calendar is finished by the Board, then it  
22 won't be changed. But it doesn't mean anything until this  
23 process happens.

24 So in this case, a year ago the Board allocated  
25 race dates for the Del Mar fall meet, but they don't get

1 them until they come before the Board with their race meet  
2 application, which you have in front of you. So this is  
3 really -- the calendar is really more of a planning process.  
4 This is, a matter of a fact, a license that they're  
5 seeking.

6 COMMISSIONER MITCHELL: Okay. And my other  
7 questions is, obviously, there's going to be protests, and I  
8 appreciate the passion on both sides of this. I don't know  
9 if there's anything that you can do to address, you know,  
10 kind of the safety of the protestors and the counter  
11 protesters? It seems like this has been happening for a  
12 long time. So just in order to avoid people, you know,  
13 getting physical at your location, I mean, I know you can't  
14 control the protestors coming, and I respect their rights to  
15 do so, but I wanted to see if there was -- if you could  
16 address sort of how you could make that a safer activity for  
17 them?

18 MR. HARPER: I an address that. Joe Harper.  
19 With the protestors, we've always had security out  
20 there, not just our security but the San Diego Sheriff's  
21 Department. We've actually increased their presence on the  
22 entire track this year, and for a variety of reasons, but  
23 one of them was to make sure that there was a uniformed  
24 sheriff's deputy out there at the protesting site to make  
25 sure that it was -- that it didn't get out of hand.

1           When the protestors were there for years, you  
2 know, they were shouting and yelling at the customers coming  
3 in. So I think this is the first time that counter  
4 protestors have ever gone out there and we were concerned  
5 about it. And that's why we had the sheriffs increase their  
6 presence out there. And I was only aware of the one  
7 instance where one of the ladies was arrested for knocking  
8 down one of the counter protestors.

9           COMMISSIONER MITCHELL: Thank you.

10          MR. HARPER: Yeah. Also, we'll be, on the Ship  
11 and Win situation that Jerry was talking about, we'll be  
12 glad to give all the financial data on how much it costs per  
13 horse and what that horse, having that horse in that race,  
14 what the profit was from that particular horse, that kind of  
15 thing. So you can get a pretty good picture of how it  
16 works.

17          EXECUTIVE DIRECTOR BAEDEKER: And if the Chair  
18 decides at a meeting in the future to have a discussion  
19 about the economics of the program, that would be certainly  
20 appropriate after we receive the information from you,  
21 so -- but we'll leave it to the Chair going forward.

22          VICE CHAIR AUERBACH: We -- just so that the other  
23 Commissioners, the new Commissioners know that the  
24 Thoroughbred Owners of California, the TOC, works with the  
25 Racing Office when these race agreements come up. And, you

1 know, we see on the agenda where it says, "TOC Race Meet  
2 Agreement," these items, and specifically items like how the  
3 purse money gets utilized, are brought up over and over and  
4 over again and thoroughly investigated and gone through.  
5 And I think that you would probably find it really  
6 interesting.

7           And I don't think it would be inappropriate for  
8 you to ask to sit in on a meeting or two, just -- not so  
9 that you could say anything, but just to learn a little bit  
10 about how the economics work, because they're very  
11 convoluted and I think it might be helpful. If you are  
12 interested in doing that, I think it would be useful and  
13 helpful.

14           Having worked with the Racing Office, having  
15 worked with Tom Robbins in the past, I have watched how Ship  
16 and Win is decided, how it's investigated afterwards,  
17 because of the money that goes out from the purse account,  
18 whether or not it was a win or a loss in creating horses to  
19 come here and stay, in creating more handle, et cetera. And  
20 they have metrics and they have numbers and they have ways  
21 of measuring it which will show you the difference between  
22 when they have offered the program and when they didn't  
23 offer the program. And you can make your own judgments as  
24 to how successful you think it is but I think that's always  
25 available to you.

1           And it's nice, quite frankly, that you are  
2 interested and want to know the fine details of this.  
3 Because horse racing economics are confusing, to say the  
4 least.

5           So any other questions?

6           EXECUTIVE DIRECTOR BAEDEKER: I might add, if I  
7 can?

8           VICE CHAIR AUERBACH: Sure.

9           EXECUTIVE DIRECTOR BAEDEKER: I've explained this  
10 before. And just, I know there are people listening to our  
11 meetings. And we should make it clear that these dollars  
12 that are being asked for are not coming out of the pocket of  
13 the customer. This not any increase in the takeout rate.  
14 These are net revenues that are coming back to purses and  
15 net revenues that are coming back to commissions. And what  
16 the industry is saying is we want to take a slice of that  
17 net revenue and use it for this purposes, so no cost to the  
18 player whatsoever.

19           VICE CHAIR AUERBACH: No. This is the industry  
20 financing the industry is what it is.

21           COMMISSIONER GONZALES: Commissioner, I have a few  
22 questions.

23           Could you speak to the security controls that have  
24 been revisited or strengthened when you have concerts? I do  
25 know that there was an incident a couple of years ago. And

1 just given, we're in a different place now, and when you  
2 have large groups of people around any kind of entertain  
3 venues, it takes on a different complexion and requirements.

4 And so if -- I know that could probably be a lengthier  
5 conversation, but I know among the paramount duties of this  
6 Board is to look out for the safety of our beloved horses,  
7 but also of the public.

8 So just curious to know about how concerts on the  
9 premises, which I think is a good draw, I think it brings in  
10 the millennials, which we need very much, but how do we make  
11 them safe and feel protected when concerts are going on?

12 MR. HARPER: No. It's a very appropriate question  
13 and one we did a lot of soul-searching with after last year.

14 At the end of last year's meet, we had an active shooter at  
15 the concert. Because of the -- we had increased the amount  
16 of deputy law enforcement there and deputy sheriff, it was  
17 quickly over. Fortunately, nobody was hurt except the  
18 shooter. He was wounded and is healthy now and serving  
19 time. It was a wake-up call, obviously.

20 We have had, before that, a number of active  
21 shooter drills, a number of law enforcement coming in to  
22 tell us procedures to use and put in place which they were  
23 all there and they all worked.

24 We have increased security in our concert area  
25 now. We've put in metal detectors and increased the number

1 of deputy sheriffs, and also private security for crowd  
2 control.

3 But I was an eyeopener in that I got an  
4 interesting call from the sheriff, was that, you know, if  
5 this had to happen somewhere, he said, "Thank god it  
6 happened at Del Mar because we've got a presence there, the  
7 procedures were in place, and it worked. Nobody was injured  
8 except the shooter."

9 And so, really, it's an ongoing procedure. We  
10 have drills continually and we'll keep it up. Fortunately,  
11 we had a very safe time this summer. There was no problem  
12 at any of the concerts.

13 COMMISSIONER GONZALES: Thank you.

14 MR. HARPER: Thank you.

15 VICE CHAIR AUERBACH: Anybody wish to make a --  
16 move this question?

17 COMMISSIONER SOLIS: Move.

18 VICE CHAIR AUERBACH: Commissioner Solis. Do we  
19 have a second?

20 COMMISSIONER ALFIERI: I'll second.

21 VICE CHAIR AUERBACH: Commissioner Alfieri.  
22 Commission Mitchell?

23 COMMISSIONER MITCHELL: Yes.

24 VICE CHAIR AUERBACH: Commissioner Ferraro?

25 COMMISSIONER FERRARO: Yes.

1 VICE CHAIR AUERBACH: Commissioner Solis?

2 COMMISSIONER SOLIS: Yes.

3 VICE CHAIR AUERBACH: Chair votes yes.

4 COMMISSIONER MAAS: Yes.

5 VICE CHAIR AUERBACH: Commissioner Maas?

6 COMMISSIONER MAAS: Yes.

7 VICE CHAIR AUERBACH: Commissioner Alfieri?

8 COMMISSIONER ALFIERI: Yes.

9 VICE CHAIR AUERBACH: Commissioner Gonzalez?

10 COMMISSIONER GONZALES: Yes.

11 VICE CHAIR AUERBACH: Thank you. Thank you.

12 Okay, we're going to move on to item six. Now,

13 I'm going to read the item and then I'm going to have Mr.

14 Baedeker explain what it is for the benefit of our new

15 Commissioners because this is another one of those confusing

16 things of us cleaning up our work.

17 Item number six is discussion and action by the

18 Board regarding approval of an agreement, pursuant to CHRB

19 Rule 1581, Racing Secretary to Establish Conditions, between

20 the Del Mar Thoroughbred Club and the Thoroughbred Owners of

21 California, regarding entry conditions and specified drug

22 substances or medications to

23 be implemented by the DMTC at its November 6, 2019 through

24 December 3, 2019 race meeting at the Del Mar Racetrack.

25 EXECUTIVE DIRECTOR BAEDEKER: And, Madam Vice

1 Chair, I'll defer to our Staff Counsel Rob Brodnik to  
2 explain the legal part of it.

3 VICE CHAIR AUERBACH: Okay. Thank you.

4 MR. BRODNIK: Good morning, members. Robert  
5 Brodnik, California Horse Racing Board.

6 We have a rule, Rule 1581, that allows the racing  
7 secretary to establish conditions for any race, which  
8 includes instances where they wish to condition the race  
9 based on the horse's use or non-use of a medication or  
10 substance. And in situations where the racing secretary  
11 wants to reduce that, they need to get approval from the  
12 horsemen and then, ultimately, from the Board.

13 Since March, all racing associations have come  
14 before the Board with approvals from the horsemen, the TOC,  
15 with regard to thoroughbreds and asked for a reduction in  
16 the amount of Lasix. Currently, our regulations allow for  
17 500 milligrams, I believe, of Lasix, which is furosemide.  
18 And they've, in agreements with the horsemen and the racing  
19 associations, reduced that in half to 250.

20 Additionally, they've also established a condition  
21 which would require any horse that receives an -- sorry. It  
22 also requires any horse that receives an intraarticular  
23 injection, which is a shot, to be placed on a mandatory 14-  
24 day or two-week stand down, which means that the horse would  
25 not be eligible to participate in a race for that period of

1 time.

2           Those are decisions made by the racing association  
3 and the horsemen that are different from our rules but are  
4 more strict. And the Rule 1581 allows the racing secretary  
5 to condition races to achieve that purpose.

6           In this case, consistent with what Del Mar has  
7 done at their last race meeting, they've reached an  
8 agreement with the thoroughbred owners to have this  
9 reduction in Lasix continue, as well as this 14-day stand  
10 down for their upcoming race meet. So they have an  
11 agreement in place and it's here for the Board's  
12 consideration and approval. And if it is approved, then the  
13 racing secretary can continue to write races which enforce  
14 that limitation.

15           VICE CHAIR AUERBACH: Just to further explain it  
16 to you, it is a situation where our regulations are more  
17 permissive. And because of all of the work that we've done  
18 since we had the big problem back in March, all the industry  
19 has come together to lower many of the amounts of  
20 medication, reduce the amounts, et cetera, et cetera. And  
21 in order to make it consistent, as each -- until we get  
22 around to adjusting our protocols to meet the current  
23 standards, we have to put this in as a furtherance to  
24 the -- in other words, we're allowing them, telling them,  
25 yeah, use less, use less, to the current acceptable levels.

1 Does that make sense?

2 COMMISSIONER MITCHELL: Absolutely. I guess --

3 VICE CHAIR AUERBACH: Okay.

4 COMMISSIONER MITCHELL: -- my only question would  
5 be is what's the process for actually changing our regs?  
6 Because my -- in my reading and limited understanding of  
7 this issue, Lasix is big.

8 VICE CHAIR AUERBACH: Right. We're going to have  
9 to go --

10 COMMISSIONER MITCHELL: It could be --

11 VICE CHAIR AUERBACH: -- through it all.

12 COMMISSIONER MITCHELL: -- a big contributor.

13 VICE CHAIR AUERBACH: Right.

14 COMMISSIONER MITCHELL: So what's the process  
15 we're going to look at for the Board to address this overall  
16 instead of --

17 VICE CHAIR AUERBACH: It's not just that. It's a  
18 whole bunch of different things.

19 So --

20 EXECUTIVE DIRECTOR BAEDEKER: Well, we -- yeah.

21 VICE CHAIR AUERBACH: -- Mr. Baedeker, if you  
22 could please?

23 EXECUTIVE DIRECTOR BAEDEKER: We have actually  
24 started the process. So at prior meetings, we introduced a  
25 rule change to reduce our current rule from a maximum of 500

1 milligrams to 250.

2           But we also, beyond that, have introduced a  
3 measure to prohibit the administration of any amount of  
4 Lasix to the foal crop of 2018, which will come to the races  
5 next year. So in 2020, after the rule goes through the  
6 regulatory pipeline and, presumably, is adopted, and there's  
7 a long way to go yet before that's done, but if it is  
8 adopted by the Board and hits the books, then there will be  
9 no administration of Lasix to two-year-olds. Other horses,  
10 once the other rule that mirrors this process, once that's  
11 adopted other horses will be limited to 250 milligrams.

12           COMMISSIONER MITCHELL: Wonderful. That's great  
13 to hear. Thank you for the explanation.

14           VICE CHAIR AUERBACH: And just so that both of you  
15 know that anything that we take on that has to be adjusted,  
16 our rulemaking is very tedious and slow, and we're always  
17 kind of behind the times. So it does take us a while to get  
18 things done because it has to go through so many procedures.

19           COMMISSIONER MITCHELL: That's where, also my  
20 experience working in state government for many years, I  
21 have an understanding of that slow, arduous process.

22           VICE CHAIR AUERBACH: Perfect. Well, I think  
23 we're slower than most, that's why it's --

24           EXECUTIVE DIRECTOR BAEDEKER: No, I don't think  
25 so.

1 COMMISSIONER MITCHELL: I think you're exactly the  
2 same as most.

3 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

4 VICE CHAIR AUERBACH: Okay. Good.

5 COMMISSIONER MITCHELL: Right.

6 VICE CHAIR AUERBACH: Before we continue with item  
7 number six, I notice I have a couple of comment cards. But  
8 I'm going to tell you that this is a procedural thing. So if  
9 you want to come up and talk to the procedural item, that's  
10 fine, but it's not a general discussion like other items.

11 So, Ellen Ericksen, you've signed up. You want to  
12 come and speak on this?

13 MS. ERICKSEN: I just have one comment in regards  
14 to Lasix and drugs. And I'll be speaking -- I will speak  
15 about that on item number ten.

16 VICE CHAIR AUERBACH: Just speak to this. What is  
17 it you want to say --

18 MS. ERICKSEN: Okay.

19 VICE CHAIR AUERBACH: -- about this?

20 MS. ERICKSEN: So the Lasix reduction and the  
21 amount of drugs being used at the racetracks, I'd like to  
22 know, what drug is planning on being -- replacing --

23 VICE CHAIR AUERBACH: This is not the  
24 appropriate --

25 MS. ERICKSEN: -- the Lasix?

1 VICE CHAIR AUERBACH: -- this is not the  
2 appropriate venue for that.

3 MS. ERICKSEN: Aren't we talking about drug  
4 use --

5 VICE CHAIR AUERBACH: No. We --

6 MS. ERICKSEN: -- and Lasix --

7 VICE CHAIR AUERBACH: This isn't --

8 MS. ERICKSEN: -- right now?

9 VICE CHAIR AUERBACH: -- this isn't a back and  
10 forth. This is for you to comment on this particular item.

11 MS. ERICKSEN: Okay. Thank you.

12 VICE CHAIR AUERBACH: Thank you.

13 Jerry Jamgotchian.

14 MR. JAMGOTCHIAN: With regards to the entry  
15 conditions that the racing secretary can impose, I wanted to  
16 understand as an owner what the conditions would be for  
17 claiming? Is the claiming jail restrictions, are they going  
18 to be enforced, so if a horse is claimed at --

19 VICE CHAIR AUERBACH: That's not part of this  
20 issue either. This is very specific to the two items that  
21 we discussed with you before.

22 MR. JAMGOTCHIAN: So that doesn't -- so that  
23 doesn't relate to entry conditions?

24 VICE CHAIR AUERBACH: Not to the claiming race.  
25 This is about medication.

1 MR. JAMGOTCHIAN: Okay. Then with regards to  
2 medication, can you explain the procedure for, if there's a  
3 positive for any --

4 VICE CHAIR AUERBACH: We do not explain procedures  
5 here. This is not the appropriate venue for that --

6 MR. JAMGOTCHIAN: So --

7 VICE CHAIR AUERBACH: -- at all.

8 MR. JAMGOTCHIAN: -- so would you like to discuss  
9 notices to trainers --

10 VICE CHAIR AUERBACH: I wouldn't like to --

11 MR. JAMGOTCHIAN: -- with regards to positives?

12 VICE CHAIR AUERBACH: -- discuss anything. I  
13 would like to just stick to this item please --

14 MR. JAMGOTCHIAN: Okay.

15 VICE CHAIR AUERBACH: -- so we can get through  
16 this. Thank you. Okay.

17 Anybody wish to move this item?

18 COMMISSIONER MAAS: Moved.

19 VICE CHAIR AUERBACH: Commissioner Maas moves the  
20 item.

21 VICE CHAIR AUERBACH: Commissioner Alfieri --

22 COMMISSIONER ALFIERI: Second.

23 VICE CHAIR AUERBACH: -- seconds it.

24 Commissioner Gonzalez, we'll let you go first this  
25 time.

1 COMMISSIONER GONZALES: I'm going to abstain on  
2 this one.

3 VICE CHAIR AUERBACH: Okay.

4 Commissioner Alfieri?

5 COMMISSIONER ALFIERI: Yes.

6 VICE CHAIR AUERBACH: Commissioner Maas?

7 COMMISSIONER MAAS: Yes.

8 VICE CHAIR AUERBACH: Chair -- Vice Chair votes  
9 yes.

10 Commissioner Solis?

11 COMMISSIONER SOLIS: Yes.

12 VICE CHAIR AUERBACH: Commissioner Ferraro?

13 COMMISSIONER FERRARO: Yes.

14 VICE CHAIR AUERBACH: Commission Mitchell?

15 COMMISSIONER MITCHELL: Yes.

16 VICE CHAIR AUERBACH: Thank you. That's approved.  
17 Okay.

18 Item number seven, okay, this is very much like  
19 item number six, except it's for a different race meet,  
20 discussion and action by the Board regarding approval of an  
21 agreement, pursuant to CHRB Rule 1581, Racing Secretary to  
22 Establish Conditions, between Watch and Wager and  
23 the California Harness Horsemen's Association, regarding  
24 entry conditions and specified drug substances or  
25 medications to be implemented by Watch and Wager the Cal

1 Expo Racetrack.

2           So this particular item is exactly the same as the  
3 last item. The last item --

4           EXECUTIVE DIRECTOR BAEDEKER: Not quite.

5           VICE CHAIR AUERBACH: Not quite. Then I'm wrong.

6           Go ahead.

7           EXECUTIVE DIRECTOR BAEDEKER: This particular  
8 item, we discussed it at previous meetings and Dr. Arthur  
9 testified that the component of the 14-day stand down on  
10 corticosteroids really is not applicable or necessary for  
11 harness racing.

12           So I believe, Chris, that Watch and Wager is  
13 agreeing to the component relative to Lasix. Did I state  
14 that correctly?

15           MR. SCHICK: Yes. Yes. Good morning, Madam Chair  
16 and Members of the Commission. Christopher Schick, Watch  
17 and Wager Harness Racing at Cal Expo.

18           Yes, we are -- we have reached agreement with the  
19 California Harness Horsemen's Association under 1581. And  
20 we are requesting that the Board approve a reduction in half  
21 for Lasix for our upcoming season from ten ccs down to five  
22 ccs. We did have a discussion last meeting about the 14-day  
23 stand-down rule. And both the association and the  
24 Horsemen's Association are against that for Standardbred  
25 racing. So we're not -- we don't have an agreement that

1 we're bringing forward to you under that provision but we  
2 are agreeing on the reduction in Lasix.

3 And the key point here is -- and Dr. Arthur made  
4 it and I don't have to speak for him, but here he is. He can  
5 say it for himself.

6 EQUINE MEDICAL DIRECTOR ARTHUR: The difference  
7 between harness races and running horses is that harness  
8 horses have two feet on the ground at all times. So the  
9 musculoskeletal racing fatality rate is minuscule compared  
10 to running horses. I think we've had one musculoskeletal  
11 fatality in harness racing in the last five years. They  
12 also race more frequently, on a weekly basis.

13 We do have a regulation that is a mandatory five-  
14 day stand down. And since we have suspended authorization  
15 for thresholds for corticosteroids, that is still in place  
16 but there's no mandatory stand-down, but they will be  
17 subject to the same drug testing as running horses.

18 VICE CHAIR AUERBACH: Any questions? Okay.

19 Would you like to --

20 COMMISSIONER ALFIERI: Motion. I'll make a motion

21 --

22 VICE CHAIR AUERBACH: -- make the motion?

23 COMMISSIONER ALFIERI: -- to approve --

24 VICE CHAIR AUERBACH: Commissioner Alfieri?

25 COMMISSIONER ALFIERI: -- item number seven. Yes.

1 VICE CHAIR AUERBACH: Approves --  
2 COMMISSIONER MAAS: Second.  
3 COMMISSIONER ALFIERI: -- moves. Commissioner  
4 Maas seconds.  
5 Commissioner Gonzalez?  
6 COMMISSIONER GONZALES: Abstain.  
7 VICE CHAIR AUERBACH: Commissioner Alfieri?  
8 COMMISSIONER ALFIERI: Yes.  
9 COMMISSIONER MAAS: Yes.  
10 VICE CHAIR AUERBACH: Commissioner Maas?  
11 Chair -- Vice Chair votes yes.  
12 Commissioner Alex?  
13 COMMISSIONER SOLIS: Yes.  
14 VICE CHAIR AUERBACH: Commissioner Ferraro?  
15 COMMISSIONER FERRARO: Yes.  
16 VICE CHAIR AUERBACH: And Commission Mitchell?  
17 COMMISSIONER MITCHELL: Yes.  
18 VICE CHAIR AUERBACH: The motion carries. Okay.  
19 Item number eight, I am going to turn the podium  
20 over to Commissioner Maas to conduct this.  
21 COMMISSIONER MAAS: Are there cards, Madeline, for  
22 eight?  
23 VICE CHAIR AUERBACH: Oh, seven. Oops. Sorry.  
24 COMMISSIONER ALFIERI: Eight.  
25 VICE CHAIR AUERBACH: Seven.

1 EXECUTIVE DIRECTOR BAEDEKER: Well, there was one  
2 for seven.

3 VICE CHAIR AUERBACH: Yeah.

4 Darrell, I missed you, Darrell. Was that really  
5 where you wanted to speak? Sorry.

6 MR. HAIRE: Madam Chair, no. It was on CARMA. I  
7 thought it was item seven.

8 VICE CHAIR AUERBACH: Oh, yeah, I know, some of  
9 the things got out incorrectly. Got it. Okay.

10 EXECUTIVE DIRECTOR BAEDEKER: So that's coming up.

11 VICE CHAIR AUERBACH: So do you want eight,  
12 Darrell?

13 MR. HAIRE: Yes. Thank you.

14 VICE CHAIR AUERBACH: Okay. All right. There you  
15 go.

16 COMMISSIONER MAAS: Okay. Thank you.

17 VICE CHAIR AUERBACH: All right.

18 COMMISSIONER MAAS: Thank you.

19 VICE CHAIR AUERBACH: And I think that's the only  
20 one. I'll look.

21 COMMISSIONER MAAS: All right. So we have one  
22 comment card, but could we hear from the people from CARMA  
23 first to just describe -- discuss this agenda item?

24 COMMISSIONER MITCHELL: I'm sorry, just a  
25 clarification.

1 My understanding of recusal is you have to leave  
2 the room.

3 VICE CHAIR AUERBACH: You have to leave the room?

4 COMMISSIONER MITCHELL: You have to leave the  
5 room. That's -- so I don't --

6 VICE CHAIR AUERBACH: Would you like me to leave  
7 the room?

8 COMMISSIONER MITCHELL: It's my understanding of  
9 serving on other commissions that when you recuse yourself,  
10 that you actually --

11 VICE CHAIR AUERBACH: Okay.

12 COMMISSIONER MITCHELL: -- leave the room. So, I  
13 mean, I don't --

14 COMMISSIONER MAAS: All right.

15 COMMISSIONER MITCHELL: -- I'd defer to staff and  
16 our counsel, but that is my experience and --

17 VICE CHAIR AUERBACH: I will gladly.

18 COMMISSIONER MAAS: I'll just add, I've served on  
19 boards where that was not a requirement but there may be one  
20 relative to Coastal, but we should check to see what the  
21 rule is here.

22 MR. MCDONOUGH. She can stay. She cannot  
23 participate --

24 COMMISSIONER MAAS: Right.

25 MR. MCDONOUGH: -- or vote.

1 VICE CHAIR AUERBACH: I prefer to leave.

2 COMMISSIONER MAAS: I don't blame you. Thank you.

3 Great.

4 Yes, ma'am, please. Could you also just give a  
5 little background for some of our new members about the  
6 history of CARMA?

7 MS. LOVETT: Yes.

8 COMMISSIONER MAAS: Thank you.

9 MS. LOVETT: Good morning. Lucinda Lovett,  
10 Executive Director of CARMA, the California Retirement  
11 Management Account. So welcome to the new Commissioners.  
12 I'm going to give you a little bit of information on our  
13 organization.

14 We are a nonprofit charitable organization created  
15 to raise money for retired California thoroughbred  
16 racehorses. We were founded in 2007. We're now in our 12th  
17 year of operation here. We are run by an independent board  
18 of directors and we serve all of the thoroughbred racetracks  
19 in California.

20 Our mission statement is to provide funding for  
21 retirement of California-raced thoroughbred horses and to  
22 serve as an educational resource for the public and our  
23 racing community.

24 In 2007, we worked very closely with the Horse  
25 Racing Board to adopt a rule change that allowed for a

1 three-tenths-of-one-percent deduction from owners' purses to  
2 help fund equine retirement. This deduction, one that  
3 owners were able to opt out of, is used to fund retirement  
4 farms and other nonprofit programs that care for the retired  
5 thoroughbreds. We manage a grant program where we  
6 distribute the necessary funds to more than 20 qualified  
7 nonprofit organizations.

8           So a little information on our grant.

9           Since 2008, we grant -- we have granted over \$4  
10 million to 501(c)(3) charities that have -- that retire  
11 horses that have raced at partner tracks here in California.

12       To date, more than 3,000 horses have been helped with those  
13 grants.

14           Of important note is that 100 percent of the money  
15 that we receive from owners' purses goes directly to those  
16 grants, 100 percent. So dollar-for-dollar, whatever the  
17 owners are contributing, we are turning around and granting  
18 out at the end of each year.

19           So a little historical information for the last  
20 three years.

21           In 2016 the purse funds that we raised through the  
22 paymaster contribution was just over \$340,000. That year  
23 our grants were \$367,500.

24           In 2017, we raised just over \$323,000 from the  
25 purse contributions. We granted \$438,000 that year.

1           Last year, we raised less. We made an adjustment  
2 to our collection calendar so that we would better be able  
3 to know exactly how much purse money we had. We award our  
4 grants in December. We were therefore projecting for  
5 November and December purse contributions in order to be  
6 able to allocate that money. So we raised \$205,000 last  
7 year and we gave away \$280,000.

8           We estimate that approximately, since CARMA's  
9 creation, 20 percent of owners of opted out of the program.  
10 And that not number has not significantly changed in the  
11 last 12 years.

12           An important reason for this proposed rule change  
13 is that many of the horses are owned in partnerships and  
14 partnership groups have become more common and more  
15 prevalent in our racing community. And if just one owner of  
16 that partnership group opts out, the entire partnership is  
17 out.

18           So it's impactful to CARMA and to us in terms of  
19 our funding because not only are we losing that money to be  
20 able to award to grants for these -- the horses that are in  
21 retirement, but also for our programs, Santa Anita and --  
22 Santa Anita Park and Del Mar Thoroughbred Club match dollar  
23 for dollar the contributions that we receive from owners'  
24 purses that allow us to fund several other programs that we  
25 run in addition to contributing to those grants. As you

1 know, we're granting more to other charities than we're  
2 collecting.

3           These matching funds from Santa Anita Park  
4 exclusively fund the CARMA Placement Program. This program  
5 is a service to horsemen that takes horses directly from the  
6 racetracks in California and provides retirement options for  
7 them. This is particularly important for owners that don't  
8 have known resources for retiring their own horses, don't  
9 have a farm to retire their horse to, or maybe don't have  
10 connections in the greater equestrian community for retiring  
11 their horses.

12           So candidly, some of the horses that we take into  
13 the Placement Program are owned in partnership that do not  
14 contribute to our purse program and, therefore, do not --we  
15 do not receive matching funds for. And we have these horses  
16 and are taking them, retiring them, and rehoming the. So it  
17 means we're not receiving matching contributions from the  
18 racetracks and we're rewarding grants, caring for those  
19 horses, regardless.

20           Given the current climate, fully funding  
21 thoroughbred aftercare is more important than ever. And I  
22 think our horsemen would be supportive of this kind of a  
23 change.

24           And I just want to give you a couple of quick  
25 numbers. Okay. Just a couple of quick numbers and then

1 we're done.

2 To show you how small of a deduction that is, on a  
3 \$35,000 purse in Southern California, the first place  
4 contribution to CARMA is \$63.00, so it's a very small  
5 percentage.

6 COMMISSIONER MAAS: Before we take Commissioners'  
7 questions, I just want to make sure I read this agenda item  
8 into the record so we have that. And then we'll take  
9 questions of the Board. And I believe we have a public -- a  
10 couple of public comments.

11 So just to be clear, I should have done this  
12 before you started, but this is agenda item eight, it's a  
13 discussion and action by the Board regarding the proposed  
14 amendment to CHRB Rule 1467, Paymaster of Purses, to delete  
15 the option allowing thoroughbred horse owners to opt out of  
16 the 0.3 percent deduction to the California  
17 Retirement Management Account, CARMA, making the CARMA  
18 deduction mandatory.

19 Thank you. Any questions from Board Members  
20 before we go --

21 EXECUTIVE DIRECTOR BAEDEKER: Commissioners, just  
22 to be clear, this is the first time that this proposal has  
23 come to the Board, so this would be the beginning of the  
24 rulemaking process. So what you're really deciding today is  
25 whether or not to move it and to send it out to 45-day

1 public comment.

2 COMMISSIONER FERRARO: I have some comments I'd  
3 like to make. But if you have speakers from the audience,  
4 I'd prefer to hear them first.

5 COMMISSIONER MAAS: Okay. Okay. Let's do that.  
6 Mr. Haire.

7 MR. HAIRE: Good afternoon, Members of the Board.  
8 Darrell Haire, Western Regional Manager for the Jockeys'  
9 Guild.

10 I just want to add that the jockeys are glad to be  
11 able to contribute to this great fund and great cause, so  
12 we're all onboard.

13 Thank you.

14 COMMISSIONER MAAS: Jack Liebau.

15 MR. LIEBAU: I'd like to say at the outset that  
16 CARMA is a great organization and certainly provides a  
17 service that's needed here in California.

18 As a little history, when this first came up as  
19 far as it being an opt out was that there were certain  
20 owners at that time, and probably still today, that take  
21 care of their horses themselves and otherwise would think  
22 that they would be taxed twice. I mean, I can tell you that  
23 I know of one large thoroughbred farm in California that has  
24 an extensive program. And there's a large Quarter Horse  
25 program -- Quarter Horse farm that also takes care of their

1 own.

2 I would think it would be a good idea if the Board  
3 would, and maybe you've already done this, would solicit an  
4 opinion from the Attorney General as to, one, whether this  
5 is a tax? Because you're taking money from homeowners and  
6 taking it away from them, that might be tantamount to a tax.

7 And then the second question would be whether the  
8 Horse Racing Board under the Horse Racing Law has any taxing  
9 authority? Which I don't think you do.

10 But I think during the comment period it would be  
11 helpful if you could that opinion from the Attorney General.

12 Thank you.

13 COMMISSIONER MAAS: I'll just say, if it's a tax,  
14 we've got a real problem with the waterfall from the handle  
15 and a lot of different items that are automatically  
16 deducted. But there will be a comment period and we can  
17 certainly discuss it internally, like get opinion from our  
18 counsel.

19 MR. LIEBAU: I think so, that those that are taken  
20 out are statutory provisions that are under law --

21 COMMISSIONER MAAS: Yeah.

22 MR. LIEBAU: -- right now.

23 COMMISSIONER MAAS: I understand.

24 MR. LIEBAU: Well, this isn't.

25 COMMISSIONER MAAS: I understand.

1 Greg Avioli.

2 MR. AVIOLI: Hi. Greg Avioli, TOC.

3 I just wanted to say that we support this. We  
4 think CARMA is an excellent organization. And the TOC Board  
5 unanimously supports the mandatory 0.3 percent.

6 COMMISSIONER MAAS: Commissioner Ferraro?

7 COMMISSIONER FERRARO: I'll start off by saying I  
8 fully support CARMA as well. I think it's a great  
9 organization and they've done great work over the years.  
10 But I have a problem with this issue and it's based on two  
11 things.

12 First of all, I doubt it's legal. I think for us  
13 to make a mandatory takeout to a single charity is probably  
14 not a legal item.

15 Secondly, I have an ethical problem with it  
16 because of the same reason. We're telling people that you  
17 have to donate to a specific charity, whether they are in  
18 support of that charity or not and they have no option out.

19  
20 I'm fully supportive to keep it as it is where it  
21 can be contributed but to have to provide people with an  
22 option to get out of the thing if they're in it. I think  
23 that's a proper and ethical thing to do. And again, I'm not  
24 sure that this is a legal item anyway.

25 COMMISSIONER MAAS: I've got one more card that

1 came up, but maybe we should ask our counsel to -- I've got  
2 two more cards that just came up. Maybe we -- you want  
3 to -- maybe three cards.

4 Robert, do you want to comment on the legality of  
5 this or do you want to just take the time to review it  
6 and --

7 MR. BRODNIK: Sure. I can look at it and get you  
8 an answer.

9 COMMISSIONER MAAS: Okay. So why don't we go  
10 through the three new cards, and then we'll get our -- I've  
11 got four new cards. They just keep coming.

12 Jerry Jamgotchian.

13 MR. JAMGOTCHIAN: I'd like to address this issue  
14 just briefly.

15 If in fact -- the way this was sold a long time  
16 ago was there would be an opt out. When I was an owner  
17 here, obviously, that was something that I supported was the  
18 right to opt out.

19 In this particular case, since I don't currently  
20 race in California, I wanted to make sure that if you're an  
21 outside owner outside of California, you would not -- you  
22 would be carved out and you wouldn't be forced to pay this  
23 if, in fact, it does pass? That's my only question.

24 Thank you.

25 COMMISSIONER MAAS: I suggest that's probably

1 another legal question about our ability to do that, but we  
2 can address that later.

3 Heather -- I'm going to butcher your last name --  
4 Deter.

5 MS. DETERT: Well, as you now know from my sign, I  
6 am against horse racing. I grew up with horses. I live by  
7 Santa Anita Race Track, grew up, and also Del Mar.

8 In regards to the donations' percentages to horse  
9 foundations and rescues, I think it's only the appropriate  
10 and most decent thing to do for these poor animals because  
11 they don't have an option in where they go, generally,  
12 afterwards. And I know by fact that they're sold to  
13 slaughter overseas, meat trade, stuff like that.

14 So just save them in the long run and it would be  
15 much appreciated.

16 Thank you.

17 COMMISSIONER MAAS: Thank you.

18 (Applause.)

19 COMMISSIONER MAAS: Dr. Andrew Lesser.

20 DR. LESSER: Good afternoon, Commissioners.

21 I think this is a wonderful program. I think it's  
22 something that should have been started a long time ago. I  
23 think that the amount is much too small, \$63.00 on a, what,  
24 \$30,000 to \$35,000 purse. I'm from a horse racing family so  
25 I grew up around racehorses. And I think that, gee, in the

1 '60s or '70s or '50s, I don't think there were sanctuaries.

2 And I think this is a wonderful thing.

3 I think an opt out is something that shouldn't  
4 even be or should have been allowed. I hear from people,  
5 owners, say they love their horses. So why on earth would  
6 they fight something that provides for their beloved horses  
7 that they may not financially be able to do otherwise and  
8 contribute to this wonderful charity?

9 So I think it speaks something about, probably a  
10 minority, but still something that is in horse racing and  
11 that is fighting not to protect the horses people claim they  
12 love.

13 Thank you.

14 (Applause.)

15 COMMISSIONER FERRARO: Mr. Chairman --

16 COMMISSIONER MAAS: Yeah?

17 COMMISSIONER FERRARO: -- I want to make one more  
18 point.

19 There are other charities that support  
20 thoroughbred retirement. There's many around the country.  
21 Probably the most well-known is the Thoroughbred Retirement  
22 Association in Kentucky. So there are other options that  
23 owners may want to support rather than CARMA. And that's my  
24 point. I think it's only fair to let those people opt out  
25 of the program.

1 I just don't think -- it's not that I'm against  
2 CARMA. I think CARMA is great. But I think on just the  
3 principle of forcing something to contribute to a single  
4 charity that we have selected, not them, the Board has  
5 selected is not really proper. That's my point.

6 COMMISSIONER MAAS: Can I ask a question?

7 Without this being mandatory, will CARMA survive?  
8 Would you be able to handle as many horses as you do now?

9 MS. LOVETT: It would be hard. We have thousands  
10 of horses across the state, across the states, the western  
11 states, and across the country that have raced in California  
12 that we support. And for many of those, long term, these  
13 horses live 20-plus, 30-plus years.

14 You know, our experience is, is that, frankly, in  
15 retirement they do great. So while you say the life  
16 expectancy of -- life expectancy of the horse is around 25,  
17 28 years, in retirement they live to 32, 35. They're well  
18 cared for, well loved. It's a long-term commitment. And the  
19 funding to feed these horses year after year, time after  
20 time, it would be difficult.

21 COMMISSIONER MAAS: How many other organizations  
22 like yours are there in the state of California?

23 MS. LOVETT: So CARMA is unique. It is a funding  
24 and awareness organization. There are -- as I said, we  
25 granted to 22 nonprofits, 501(c)(3) nonprofits last year.

1 That is by no means all of them that take thoroughbred  
2 racehorses. It is probably most of them that take the  
3 majority. There are -- I wouldn't know how many 501(c)(3)s  
4 that do equine welfare and retirement there are in the  
5 state. We could find that out, just a quick search on the  
6 AEG's website for their charitable trust registry, but we  
7 funded 22. We've funded as many as 25 in a year.

8 COMMISSIONER MAAS: And there are, in fact, some  
9 nefarious folks who purport to be charitable in accepting  
10 racehorses who, in fact, aren't; isn't that right?

11 MS. LOVETT: I think in all forms of charity there  
12 are nefarious organizations operating, yes.

13 COMMISSIONER MAAS: Any other comments or  
14 questions?

15 COMMISSIONER GONZALES: Commissioner Maas, I'd  
16 like to just make a couple points.

17 First, I want to commend you on your hard work. I  
18 pride myself, among many things, of being a former  
19 backstretch worker. I groomed horses for many, many years,  
20 helped pay my way through college, and I've never forgotten  
21 about my roots. And I always wonder about the horses, too  
22 few to name, whatever happened to them. And so it's great  
23 to know that there is an organization.

24 Part of what I'm going to try very hard to bring  
25 to my role here is a sense of fairness, accountability and

1 transparency. Part of the reason that my fellow  
2 Commissioner Auerbach had to step out is because she is  
3 involved. The previous chairman is involved with CARMA.  
4 And I know in the eyes of some people, more and more folks  
5 are starting to look in our direction, we just have to make  
6 sure that we are being transparent.

7           And so I really feel that if there was a way to  
8 create some separation between those of on the Board with  
9 decisions that we have to make to create separation from  
10 causes and efforts that we're intimately involved with. So  
11 that's really from my vantage point.

12           The second part is in my nonprofit experience, I,  
13 you know, grew up in East Los Angeles, when I wasn't at the  
14 racetrack, and so nonprofits is really what I did before I  
15 got involved in government work. And so I'm very familiar  
16 with nonprofit work and how important it is.

17           I believe that we should definitely explore other  
18 streams of revenue out there. When I looked at the list of  
19 contributors for CARMA, I mean, it's a lot of folks within  
20 the industry and that is uplifting. I think it's important.

21           I certainly believe that we have to take this particular  
22 cause beyond the industry because there are many, many  
23 people who do care.

24           But we're talking about exclusivity. We're  
25 talking about a 0.3 percent of what goes through the

1 paymaster to one organization who in turn gives that out to  
2 other nonprofits. There's dynamics within nonprofits. It's  
3 who gets it and how they get it. And I just don't believe  
4 as a regulatory body that we should acquiesce that role of  
5 deciding who gets hard-earned dollars by a horsemen.

6           So, really, those are my only thoughts.

7           And just again, I didn't get a chance to make any  
8 comments at the beginning, but it's a real honor to be here.

9           I'm just pleased to be joined by my fellow Commissioner  
10 Wendy Mitchell, who, too, brings the same passion for  
11 supporting horses in this industry as I do.

12           Thank you.

13           (Applause.)

14           COMMISSIONER SOLIS: After that, you know, I think  
15 this is, I think it was in, gosh, 2005, '06, around there, I  
16 was a big supporter of the Pegasus Foundation that we used  
17 to have retired horses for many years. And I had with --  
18 together with baseball player Steve Finley and we worked  
19 really hard to keep it afloat. And finally, we couldn't.  
20 We didn't get any support, we didn't get any help, and it  
21 dissolved. And we lost a lot of these horses because we  
22 didn't have the support of the industry.

23           This is a very important thing for us. It's one  
24 of the few places that we haven't -- one of the few -- the  
25 only organization that we have here in California that finds

1 homes for these horses. And to me, a lot of these horses, I  
2 rode myself.

3 And I'd like to hear the legal side of it to have  
4 an understanding but, to me, this is very, very important to  
5 find a solution.

6 COMMISSIONER MAAS: Anyone else before I comment?

7 Commission Mitchell, do you want to say something?

8 COMMISSIONER MITCHELL: Are we going to hear from  
9 Counsel or --

10 COMMISSIONER MAAS: I don't know. Are we?

11 MR. BRODNIK: Good morning. Thank you. Robert  
12 Brodnik, California Horse Racing Board.

13 We haven't found anything in the Business and  
14 Professions Code that expressly precludes this. But to be  
15 fair, the questions raised by Mr. Liebau as to whether this  
16 is a tax would require more time to be able to adequately  
17 address that question. So we would need some time to be  
18 able to research that.

19 Oh, and the other question that was asked was  
20 whether the rule differentiates between out-of-state owners  
21 and in-state owners? And it does not. So everyone who's an  
22 owner would be treated the same.

23 COMMISSIONER MAAS: Whether in-state or out-of-  
24 state?

25 MR. BRODNIK: Correct.

1           COMMISSIONER MAAS: Is that creating any  
2 interstate commerce questions that might be problematic?

3           MR. BRODNIK: That's how it already is written,  
4 and it's the owner who races within California --

5           COMMISSIONER MAAS: So that's --

6           MR. BRODNIK: -- the California purse.

7           COMMISSIONER MAAS: So really our nexus is there,  
8 is once they're there, they're subject to our rules?

9           MR. BRODNIK: Correct.

10          COMMISSIONER MAAS: Yeah.

11          COMMISSIONER MITCHELL: So, thank you for your  
12 presentation and for all the background information on  
13 CARMA. And it's wonderful what you do, really.

14          MS. LOVETT: Thank you.

15          COMMISSIONER MITCHELL: Taking care of the horses  
16 is so important. And I realize it's a difficult job,  
17 working in the nonprofit, you know, industry. I serve on a  
18 lot of nonprofit boards and I realize how difficult it is to  
19 like, you know, keep your budget together all the time.

20                 However, I have to say, I agree with Commissioner  
21 Gonzalez in that I think that I think that there's an  
22 opportunity here to expand the funding, not just from the  
23 0.3 percent that comes from the purses but outside  
24 organizations. And I think if we look at this in a narrow  
25 way and just to have the funding go directly to CARMA to

1 then determine, you know, where that goes, I think it limits  
2 our abilities. And I'd like to kind of have Staff relook at  
3 how we can address this in a more -- in a way that we  
4 actually expand.

5 I mean, I know at the Coastal Commission, again,  
6 my personal experience, we have a conservancy. And that  
7 conservancy doles out the dollars. There's appointees from  
8 the governor. There is a process. Obviously, that, you  
9 know, would put the onus on the state to create that. But  
10 having said all of that, it is -- then it's a transparent  
11 process. We know who's on the board of directors. We, you  
12 know, we understand. And it's fair and equitable.

13 But in addition, we can then attract more state  
14 dollars. I think we should seize on the opportunity of, you  
15 know, the difficulties that our industry has been in, in the  
16 last couple of years -- and I know you want to say something  
17 but let me finish --

18 MS. LOVETT: Okay.

19 COMMISSIONER MITCHELL: -- to actually expand the  
20 care of horses and use this as an opportunity to get  
21 funding, both from outside groups and maybe from the state,  
22 but an opportunity to really make this program of the  
23 retirement and care of the horses a robust program and not  
24 simply limited.

25 So that's where I would come down and like to look

1 at that.

2 MS. LOVETT: Sure.

3 COMMISSIONER MITCHELL: And again, coming freshly  
4 onto this Board and understanding, you know, kind of the  
5 scrutiny and the issues that have been raised, I do think  
6 that the optics aren't good. It may be completely legal and  
7 completely righteous, and righteous is great, but we can't  
8 determine what is righteous and right and, therefore, not  
9 inappropriate. You know, we need to follow -- you know, we  
10 need to understand the scrutiny and the optics that are  
11 happening in our industry and be able to rise above. And  
12 that's, you know, why I'm here and what I hope to accomplish  
13 while I'm here.

14 So that's why I would not -- you know, I won't  
15 support this right now and would like to maybe table it and  
16 have it -- or postpone the item and have Staff come back in  
17 the future.

18 So thank you.

19 COMMISSIONER MAAS: Please.

20 MS. LOVETT: So I just would like to say that I  
21 agree, transparency is incredibly important. And given our  
22 current climate, I think transparency is probably the most  
23 important thing we can do.

24 So we do report to the Horse Racing Board. We are  
25 under the Horse Racing Board and submit our financial

1 statements annually to the Board and have an open-door  
2 policy regarding the money that we're distributing and what  
3 we're collecting in terms of the purse contributions that  
4 are coming from owners.

5           Secondarily, we do do a lot of outside  
6 fundraising, as is evidenced by the amount of money that  
7 we're -- you know, so we operate on a very small budget.  
8 It's under \$1 million. We're a small charity in terms of  
9 the size, kind of scope and scale of charities in the state  
10 of California. So in order to do that kind of  
11 supplementation and in order to do the education and  
12 outreach programs that we do, we do actively fund raise to  
13 outside, as best we can, for other foundations and other  
14 granting opportunities, to run those other programs.

15           COMMISSIONER MAAS: Commissioner Alfieri?

16           COMMISSIONER ALFIERI: Let me first say, I'm fully  
17 supportive of what you do.

18           MS. LOVETT: Thank you.

19           COMMISSIONER ALFIERI: I am concerned. I think I  
20 agree with Dr. Ferraro, the question of legality. I also  
21 hear what -- Mr. Liebau brought up the question of is it a  
22 tax? I think we need to table this or postpone any decision  
23 on this until we can expand -- you know, answer some of  
24 these questions.

25           And, you know, I clearly agree with Winchell

1 as -- it's Mitchell, Mitchell, excuse me -- that this could  
2 be a great opportunity to expand what you're doing. But I'm  
3 a little uneasy with unanswered questions here about  
4 legality and everything else. So I'm fully supportive of  
5 what you do and --

6 MS. LOVETT: Thank you.

7 COMMISSIONER ALFIERI: -- I'll even write a check  
8 to you.

9 MS. LOVETT: Thank you.

10 COMMISSIONER MAAS: Do you want to comment?

11 COMMISSIONER GONZALES: You want a motion?

12 COMMISSIONER MAAS: No, not ready. I've got a  
13 couple comments.

14 I mean, I'm in a little different place than  
15 probably everybody. I don't think it's enough money for  
16 CARMA.

17 First, I feel an obligation --

18 (Applause.)

19 COMMISSIONER MAAS: -- I feel an obligation to  
20 defend Vice Chairman Auerbach here. Because I've been on  
21 the Board, I guess going on three years, and she has  
22 consistently recused herself from all these matters and, you  
23 know, has been professional and above board in every respect  
24 regarding these matters. And I think it's unfair to cast  
25 dispersions about that and how that may look here because,

1 put aside our regulatory obligations about these  
2 thoroughbreds, we have a moral obligation. And there are a  
3 lot of us who've given our own dollars to lots of different  
4 organizations.

5 But, frankly, we haven't found one better than  
6 CARMA because they're the single-best source that we've  
7 found to weed through to many legitimate nonprofits that are  
8 taking care of these animals.

9 And just to put some things into perspective, last  
10 year about 19,000 horses were born, actually, the foal crop.

11 About half of those will never make it to the track. And  
12 of the remaining half, probably another half won't race more  
13 than once if they race at all. We can't just sit back and  
14 say, well, maybe someone in the private sector will step up  
15 or maybe we'll find someone else or maybe the government  
16 will do that. That is unbelievable unlikely, I think, from  
17 my experience. You've had a lot more experience with the  
18 legislature than I have.

19 But the genius of what is this Board is we're,  
20 effectively, a self-funding organization. We don't ever  
21 look to the legislature for money to help fund these kind of  
22 programs. And in the beginning, we -- once we start we're  
23 going to open up our door to a lot of criticism and other  
24 comments, I think, that are going to have unintended  
25 consequences.

1           So I think there were some, obviously, legitimate  
2 issues raised about the legality of this and I think we  
3 should probably look at that. I think it will be an  
4 interesting dialogue that will come up in the comment period  
5 on whether we do it or not. But we need to be a little  
6 careful about the implications of what we do and saying no  
7 things and what it's going to do to those animals because  
8 that should be really troubling to all of us.

9           So, I mean, I'll support a delay for a month to  
10 try to get some preliminary answers, include it in a motion  
11 to be reviewed in the 45 days, I'd be able to support that.  
12 But I think we need to move on this because I think that  
13 every dollar that we miss is every opportunity is a horse  
14 that might not get taken care of.

15           COMMISSIONER MITCHELL: Well, if I could just -- I  
16 appreciate your comments and I don't want -- this is by no  
17 way an attack or a criticism of the Vice Chair at all, it is  
18 simply a reality of politics today and what we're dealing  
19 with.

20           So this is not -- you know, I'm sure you're  
21 wonderful. And, you know, all the work that's been done is  
22 amazing. So I don't want it to be -- it's not a personal  
23 thing, it's just we need to rise above, so if we can figure  
24 that out?

25           And again, I've been on -- you know, I've been

1 appointed to this Commission for like, what, seven days. So  
2 give me a little time and maybe --

3 COMMISSIONER MAAS: You're an expert.

4 COMMISSIONER MITCHELL: Right. Exactly. But, you  
5 know, I think it's something that, you know, from our  
6 objective perspective or my objective perspective, I could  
7 use a little more information on and we could back on this.

8 So thank you.

9 COMMISSIONER MAAS: So I think we may have a  
10 motion to --

11 COMMISSIONER ALFIERI: Should I make a motion?

12 COMMISSIONER MAAS: Sure.

13 COMMISSIONER ALFIERI: The motion would be to  
14 postpone decision on this until the next meeting so we have  
15 time for --

16 COMMISSIONER MAAS: Right.

17 COMMISSIONER ALFIERI: -- Counsel to find out some  
18 of these issues that we've discussed today. I don't know if  
19 that's a good motion but, anyway, that's the intent.

20 COMMISSIONER MAAS: Okay. Yeah.

21 Jackie, does that give you enough direction, you  
22 think?

23 MS. WAGNER: Definitely.

24 COMMISSIONER MAAS: Okay. But let's make sure we  
25 bring it back in October.

1 MS. WAGNER: Absolutely.

2 COMMISSIONER MAAS: Do we have a second?

3 COMMISSIONER MITCHELL: I'm sorry. What was the  
4 motion again?

5 COMMISSIONER MAAS: To delay this item --

6 COMMISSIONER ALFIERI: Delay a decision.

7 COMMISSIONER MAAS: -- again for 30 days to  
8 address some of the legal issues.

9 COMMISSIONER MITCHELL: The legal, just legal,  
10 issues? Okay.

11 EXECUTIVE DIRECTOR BAEDEKER: Is there a second?

12 COMMISSIONER MAAS: Is there a second?

13 COMMISSIONER GONZALES: I'll second.

14 COMMISSIONER MAAS: Okay. All in favor?  
15 Commissioner Gonzalez?

16 COMMISSIONER GONZALES: Aye.

17 COMMISSIONER MAAS: Commissioner Alfieri?

18 COMMISSIONER ALFIERI: Yes. Yes.

19 COMMISSIONER MAAS: Commissioner Maas is a yes.

20 COMMISSIONER SOLIS: Yes.

21 COMMISSIONER FERRARO: Yes.

22 COMMISSIONER MITCHELL: Yes.

23 COMMISSIONER MAAS: We can call back Vice Chairman  
24 Auerbach, wherever she may be.

25 (Colloquy between Commissioner Maas and Executive

1 Director Baedeker)

2 COMMISSIONER MAAS: Why don't I move on and I'll  
3 hand the gavel over to the Vice Chairman when she returns.

4 We're on agenda item nine, which is discussion and  
5 action by the Board regarding the proposed amendment to CHRB  
6 Rule 1503, Qualifications for License as Trainer or  
7 Assistant Trainer, to require that individuals hold an  
8 assistant trainer license in good standing, for at least one  
9 year as a prerequisite for a trainer's license.

10 I don't know if I have any cards.

11 EXECUTIVE DIRECTOR BAEDEKER: No.

12 COMMISSIONER MAAS: I don't believe I have any  
13 cards for nine.

14 Mr. Brodnik, if you want to give us your report?

15 MR. BRODNIK: Yes. Thank you. Robert Brodnik, c  
16 California Horse Racing Board.

17 This is an amendment -- sorry. This is an  
18 amendment to 1503 which would effectively create an  
19 assistant trainer requirement that they hold the license for  
20 one year as a prerequisite before obtaining the trainer's  
21 license, somewhat like an apprenticeship. And I'm happy to  
22 answer any questions about the text, if you have any.

23 EXECUTIVE DIRECTOR BAEDEKER: It's a big change.  
24 Currently, you pass the test to become a trainer, you pass  
25 the test, you're immediately licensed. This puts a filter,

1 if you will, between passing the test and being licensed as  
2 a permanent trainer. Essentially, this calls for an  
3 apprenticeship, a one-year apprenticeship where a person  
4 that passes the testing then has to work for a licensed  
5 trainer, be vouched for at the end of that one year before  
6 the stewards, and then can become permanently licensed.

7           COMMISSIONER MAAS: There are no, as I say, no  
8 speaker cards.

9           Any comments or questions from the Board?

10          Commissioner Gonzalez?

11          COMMISSIONER GONZALES: I do have a question.

12          Along the lines of the out of -- the state-to-  
13 state reciprocity, if somebody has a trainer's license in  
14 another state, and let's say they did not serve an assistant  
15 -- that they were not an assistant trainer, is that license  
16 in another state automatically recognized in California?  
17 Because I think there may be a way around this. Any  
18 thoughts on that?

19          MR. BRODNIK: Perhaps our Chief Steward can  
20 indicate. But I believe when they come to California, they  
21 actually seek re-licensure here.

22          COMMISSIONER GONZALES: But as long as they've got  
23 -- I'm saying this because it's -- if somebody has a  
24 trainer's license and they show up, that's my question, is  
25 don't we have to automatically recognize that license, given

1 a few, you know, I don't know, just the same background  
2 check or discussions?

3 EQUINE MEDICAL DIRECTOR ARTHUR: Dr. Arthur,  
4 Equine Medical Director.

5 This isn't my direct area of responsibility but  
6 the bottom line is, yes, there is reciprocity. If somebody  
7 comes in from out of state, ships in for a stake or a race,  
8 they do have to get licensed here, but we accept  
9 reciprocity. And there certainly have been cases where  
10 people have gone to other states after failing a licensure  
11 here, not recently but in past, and get a license and come  
12 back to California and continue training. So there are ways  
13 around it.

14 But I think the real issue here is trying to make  
15 sure that trainers have the experience and horsemanship that  
16 would be appropriate to allow them to train horses.

17 COMMISSIONER GONZALES: Absolutely. And I'm all  
18 for it, just as long as there's an extra layer of scrutiny  
19 for those who do take out a license in another state, did  
20 not serve the apprenticeship, because I think it's a great  
21 idea, but they're coming to California, that there's some  
22 understanding amongst stewards and others that this person  
23 may be needing a little bit of extra help. You know, we're  
24 just going to assume that people are well intentioned and  
25 they have experience, especially if they pass a test, but

1 that they know what they're doing.

2 MR. MCHARGUE: There is a provision. There is a  
3 provision. Chief Steward Darrel McHargue for the California  
4 Horse Racing Board.

5 There is a provision in 1503 that provides for if  
6 somebody goes to another jurisdiction and has held a license  
7 as a licensed trainer for less than a year, if they come in,  
8 then they can see if those qualifications -- if they have  
9 the qualifications when they come in. If they do not, then  
10 they wouldn't get a license.

11 COMMISSIONER GONZALES: Understood.

12 EXECUTIVE DIRECTOR BAEDEKER: Would it go before  
13 the stewards, Darrel?

14 MR. MCHARGUE: They would go before the Board of  
15 Stewards, provide the documentation that they were licensed  
16 for a year as a trainer or assistant trainer, and that  
17 provision would be included in their permission to get  
18 licensed or not.

19 COMMISSIONER GONZALES: Got it.

20 COMMISSIONER MAAS: Any other questions or  
21 comments? Do we have a motion?

22 COMMISSIONER MITCHELL: I'll move.

23 COMMISSIONER MAAS: Second?

24 COMMISSIONER SOLIS: Second.

25 COMMISSIONER MAAS: A motion by Commission

1 Mitchell, second by Commissioner Solis.

2 Commission Mitchell?

3 COMMISSIONER FERRARO: Yes.

4 COMMISSIONER MITCHELL: Oh, yes. I'm sorry.

5 COMMISSIONER MAAS: Commissioner Ferraro?

6 COMMISSIONER FERRARO: Yes.

7 COMMISSIONER MAAS: Commissioner Solis?

8 COMMISSIONER SOLIS: Yes.

9 COMMISSIONER GONZALES: Yes.

10 COMMISSIONER ALFIERI: Yes.

11 COMMISSIONER MAAS: Okay. Why don't we wait about  
12 three minutes? I think Vice Chairman Auerbach is on her way  
13 back.

14 You want to take a five-minute break? Why don't  
15 we take a five-minute break right now, let her get back, and  
16 then we can finish with the remaining issues.

17 (Off the record at 12:38 p.m.)

18 (On the record at 12:58 p.m.)

19 VICE CHAIR AUERBACH: We're all having a great  
20 time but let's all have a great time together and finish up  
21 the business of -- that we're here for, so I'm going to call  
22 the meeting back in session.

23 And I believe, if I'm not mistaken, that we are on  
24 item ten; is that correct?

25 EXECUTIVE DIRECTOR BAEDEKER: That's correct.

1           VICE CHAIR AUERBACH: All right. So we need a  
2 report from Medication, Safety and Welfare. Who is going to  
3 do that report?

4           COMMISSIONER FERRARO: We had a very productive  
5 meeting yesterday, I think, in regards to the number one  
6 item on our thing. We had Dennis Moore, the Track  
7 Maintenance Supervisor, present his methods and analysis of  
8 the track and how he intends to keep it in order in the  
9 coming year.

10           We talked about, under times of stress, when the  
11 track is not at its best, how to determine when and how we  
12 would cease racing, if necessary, you know, whether or not  
13 we had developed a process. We agreed that we didn't really  
14 have an understanding of the process of doing that. And it  
15 is important that we have such a process so that the  
16 decisions can be made fairly and quickly, if necessary. So  
17 we agreed that the Chairman of the Committee would speak  
18 with people at Santa Anita to see if we can get a clearer  
19 understanding of how we're going to go about that, and we  
20 will do that.

21           The second item was regarding the annual fitness  
22 testing for jockeys. The Post Time Workers' Compensation  
23 people, Michael Lyon and Tim Yakteen, came forward with an  
24 interesting proposal about combining a fitness test with the  
25 annual physical. It was quite interesting. And we agreed

1 that we would pursue that item.

2           The third item on our list was mandatory continued  
3 education for trainers and assistant trainers. That was  
4 approved by the Committee that we require 12 hours of  
5 continuing education over a three-year period for license  
6 renewal for trainers.

7           One of the items for discussion under that was  
8 that if we're going to make it mandatory continuing  
9 education, we have to be able to provide that education.  
10 And so Dr. Arthur, who led the charge on that, that we would  
11 develop a program, a continuing education for trainers, that  
12 would be presented in periodic teaching sessions held at the  
13 racetrack or venues where trainers could attend. So that  
14 will be moving forward, I'm sure.

15           Other than that, I think that pretty well  
16 summarizes.

17           Rick, do you have any -- or, Alex, do you have  
18 anything to add?

19           COMMISSIONER SOLIS: No, I'm good.

20           EXECUTIVE DIRECTOR BAEDEKER: No. I think that  
21 was good.

22           VICE CHAIR AUERBACH: Okay. Now I don't know why  
23 we have people who wish to speak on a Committee report, but  
24 if they would like to keep it to what we spoke about, that's  
25 fine.

1 Heather Wilson.

2 And, Greg, you would be the one to know if she's  
3 on point, so please tell me.

4 MS. WILSON: Good morning. I selected this item  
5 because what I'm going to talk about is specifically about  
6 medications.

7 VICE CHAIR AUERBACH: No. No. No, ma'am.

8 MS. WILSON: My name is Heather Wilson and --

9 VICE CHAIR AUERBACH: Excuse me. Excuse me. It's  
10 just about this specific report --

11 MS. WILSON: Right. And --

12 VICE CHAIR AUERBACH: -- that Dr. Ferraro --

13 MS. WILSON: Right. And if we're --

14 VICE CHAIR AUERBACH: -- reported on.

15 MS. WILSON: -- if we're talking about  
16 transparency, then you will let me speak because this is --

17 VICE CHAIR AUERBACH: Well --

18 MS. WILSON: -- this is absolutely reqd.

19 VICE CHAIR AUERBACH: -- you have public comment.  
20 You can talk during public comment.

21 MS. WILSON: And I have an email from the Board  
22 stating that we are allowed to comment on any item on the  
23 agenda.

24 VICE CHAIR AUERBACH: You are absolutely allowed  
25 to comment specifically on what the item addressed, yes,

1 that's correct.

2 MS. WILSON: Right. And this is regarding  
3 medications. This is absolutely relevant. I would really  
4 appreciate not being stifled. If we're going to have  
5 transparency, then you will let me speak.

6 VICE CHAIR AUERBACH: I'm all for transparency  
7 during public comment. Please make your comment during  
8 public comment. Did you sign up for public comment?

9 MS. WILSON: Of course I did.

10 VICE CHAIR AUERBACH: Well, then, please --

11 MS. WILSON: This is specifically --

12 VICE CHAIR AUERBACH: -- make your --

13 MS. WILSON: -- about medications.

14 VICE CHAIR AUERBACH: Then --

15 MS. WILSON: We are allowed --

16 VICE CHAIR AUERBACH: -- specifically please.

17 MS. WILSON: -- to comment on every item on the  
18 agenda. I have that email.

19 VICE CHAIR AUERBACH: You are allowed --

20 MS. WILSON: And this is specifically --

21 VICE CHAIR AUERBACH: -- to comment, ma'am --

22 MS. WILSON: -- about medication.

23 VICE CHAIR AUERBACH: I really -- I'm really not  
24 trying to argue with you.

25 MS. WILSON: Yes, you are.

1 VICE CHAIR AUERBACH: No, I'm not. I'm trying to  
2 point out that if you would please address the items that  
3 Dr. Ferraro addressed, then we can -- we'd be love --

4 MS. WILSON: So you did not --

5 VICE CHAIR AUERBACH: -- we'd love to hear you.

6 MS. WILSON: -- talk about drug testing at the  
7 meeting yesterday? That wasn't brought up?

8 EXECUTIVE DIRECTOR BAEDEKER: It was not.

9 MS. WILSON: That was not relevant?

10 COMMISSIONER FERRARO: No. We didn't talk about  
11 medication yesterday.

12 VICE CHAIR AUERBACH: There's --

13 MS. WILSON: That's very convenient, of course.

14 VICE CHAIR AUERBACH: No, it's not convenient.

15 EXECUTIVE DIRECTOR BAEDEKER: It was about safety  
16 issues, ma'am.

17 VICE CHAIR AUERBACH: It's all about -- it was --  
18 you heard the gentleman say --

19 MS. WILSON: That's okay.

20 VICE CHAIR AUERBACH: -- it was about safety.

21 MS. WILSON: You'll hear about it later. It's not  
22 a problem.

23 VICE CHAIR AUERBACH: Thank you very much.

24 And Michael -- I'm sorry, I'm going to  
25 mispronounce your last name -- Pirrung.

1 MR. PIRRUNG: Pirrung.

2 VICE CHAIR AUERBACH: Pirrung. I'm sorry.

3 MR. PIRRUNG: I'm of the same ilk. My comment  
4 isn't directly related --

5 VICE CHAIR AUERBACH: Okay.

6 MR. PIRRUNG: -- to the report.

7 VICE CHAIR AUERBACH: Okay. Did you put something  
8 in for public comment?

9 MR. PIRRUNG: I did not.

10 VICE CHAIR AUERBACH: Do you want this to go to  
11 public comment? That's up to you.

12 MR. PIRRUNG: Sure.

13 VICE CHAIR AUERBACH: Okay. We'll adjust that.

14 Ellen Ericksen. Once again, Ellen, is this about  
15 this specific report?

16 MS. ERICKSEN: Well --

17 VICE CHAIR AUERBACH: No?

18 MS. ERICKSEN: -- actually --

19 VICE CHAIR AUERBACH: Yes or no?

20 MS. ERICKSEN: -- I haven't heard the report.

21 VICE CHAIR AUERBACH: You just -- that's what he  
22 just spoke about.

23 EXECUTIVE DIRECTOR BAEDEKER: He just gave it.

24 MS. ERICKSEN: And we can't comment --

25 VICE CHAIR AUERBACH: No.

1 MS. ERICKSEN: -- on other matters?

2 VICE CHAIR AUERBACH: No. No. No. No. No. He  
3 just -- Dr. Ferraro gave you a report. That is what we all  
4 just heard.

5 MS. ERICKSEN: I'll wait until public comment.

6 VICE CHAIR AUERBACH: Okay. Thank you. Here's  
7 another one right there.

8 And, I'm sorry, Jay Brown? There's a middle name  
9 that --

10 EXECUTIVE DIRECTOR BAEDEKER: Jay Michael Brown?

11 VICE CHAIR AUERBACH: Jay Michael. Sorry. Jay  
12 Michael Brown. Is that person here? Okay. Thank you. All  
13 right. Public comment. Okay.

14 Items number 12, 13 and 14 are all pretty much the  
15 same. And then -- so if anybody signed up for them, we will  
16 --

17 EXECUTIVE DIRECTOR BAEDEKER: And 11.

18 VICE CHAIR AUERBACH: Oh, 11.

19 EXECUTIVE DIRECTOR BAEDEKER: But 11, we're taking  
20 off the agenda.

21 VICE CHAIR AUERBACH: We're taking -- I'm sorry.  
22 Eleven is coming off the agenda per Rick Baedeker.  
23 Apparently, there's some problems with languages.

24 EXECUTIVE DIRECTOR BAEDEKER: Yeah. We decided  
25 yesterday that we need to go back to the drawing board on

1 the regulatory language, so we'll bring that back to the  
2 Board, hopefully next month.

3 VICE CHAIR AUERBACH: And the last thing we want  
4 to do is pass language that we can't live with, so, okay.  
5 So, okay, so I skipped ahead. I apologize.

6 So 12, 13, 14, we're going to treat it all as one  
7 item. And what we're talking about is the report on the  
8 Race Dates Committee, which will directly affect discussion  
9 and action by the Board regarding 2020 unallocated Southern  
10 California race dates, including Quarter Horse race dates.

11 Well, we heard from Dr. Allred. I don't think he  
12 was ready to talk about the Quarter Horse dates today,  
13 unless he's changed his mind.

14 Have you changed your mind, Dr. Allred? No.  
15 Okay. So we will hear that at our next meeting.

16 And who was going to get up and discuss with us  
17 the 2020 unallocated Southern California race dates?  
18 Nobody?

19 EXECUTIVE DIRECTOR BAEDEKER: I think where we  
20 left it, everyone, is that Los Alamitos had asked that the  
21 week following their two weeks in December --

22 VICE CHAIR AUERBACH: The last week of December.

23 EXECUTIVE DIRECTOR BAEDEKER: -- that the Board  
24 consider changing its decision in August regarding that  
25 week.

1 VICE CHAIR AUERBACH: Who's going to talk, Greg or  
2 Jack?

3 MR. AVIOLI: Jack.

4 VICE CHAIR AUERBACH: Jack.

5 MR. AVIOLI: No. I was asking where Jack was?

6 VICE CHAIR AUERBACH: He's right there. One of  
7 you needs --

8 EXECUTIVE DIRECTOR BAEDEKER: Go ahead, Jack.

9 VICE CHAIR AUERBACH: -- to take the ball and roll  
10 with it please.

11 MR. LIEBAU: Los Alamitos had requested that they  
12 have a third week in December, which would end on December  
13 20th. It was pointed out that the 13th is the earliest that  
14 the racing has ever stopped in California in the last ten  
15 years. The extra week would probably allow us to card the  
16 various stakes' races that are carded during that period,  
17 which is the Starlet, the Futurity, one being a Grade 1, the  
18 other being a Grade 2, and there are two Cal-bred races.  
19 And with two weeks, it just isn't enough purse generation to  
20 do that.

21 We also think that the extra week allows labor  
22 more jobs.

23 And for all those reasons -- we also brought up  
24 the fact that we thought that all the dates for 2020 should  
25 be reconsidered, despite Chairman Auerbach saying they were

1 in stone. We think that the process was flawed, and I've  
2 gone over that many times. I think there should have been a  
3 Dates Committee meeting prior to the allocation of all the  
4 2020 dates. I think the notice, perhaps through nobody's  
5 fault, was insufficient in that we had less than 48-hours'  
6 notice. And we had asked the industry that everybody would  
7 get together and talk about dates and that didn't work out.

8           So for all of those reasons, most of which have  
9 been submitted in letters or emails we sent to all the  
10 Commissioners, we would request that, one, that we get a  
11 third week in December, that we stop racing on December  
12 20th, and that the dates for 2020 for Southern California be  
13 reconsidered.

14           Thank you.

15           VICE CHAIR AUERBACH: Okay.

16           Mr. Avioli?

17           MR. AVIOLI: Greg Avioli, Thoroughbred Owners of  
18 California.

19           For those of you Commissioners who weren't here  
20 this morning, we had about a two-hour session on this same  
21 issue.

22           The TOC's position is that these dates were  
23 appropriately rewarded. There was nothing inappropriate,  
24 nothing, no violation of any rule or statute. There was a  
25 lengthy, I think it was two-hour, public debate on this

1 subject where all parties got a chance to speak. And as I  
2 recall, most parties got a chance to speak multiple times.  
3 So I just want to clear up any implication that there's  
4 anything wrong in the date-awarding process.

5           The other thing I wanted to point out is, for the  
6 new Commissioners, we had, essentially, the same calendar  
7 for four years, for 2016, '17, '18 and '19. And the reason  
8 we had that is that the parties that be, the TOC, The  
9 Stronach Group, Del Mar and Los Alamitos, agreed on both  
10 stabling and dates, and something you'll hear from time to  
11 time called the four-party agreement, which is something I'd  
12 urge you to read because it kind of lays out a lot of  
13 issues. That ended this year. That ends in February of  
14 2020. So we all knew we had to have a new agreement. We  
15 had to have a new agreement for stabling and we had to have  
16 a new agreement for dates.

17           As part of my role at the TOC, I also Chair the  
18 Stabling Committee. So knowing that we were not going to  
19 have a stabling agreement with Los Alamitos, which is very  
20 important to us because we stable and train 800 horses here,  
21 we took that one off the table, we thought, back in February  
22 when we negotiated a two-year agreement with Los Al and  
23 Stabling and Vanning for 2020 and 2021. And because they're  
24 very different than the previous four years and,  
25 essentially, delink stabling and racing, we have big letters

1 in, I think, the first page of that, and so the agreement is  
2 for stabling only. It does not obligate any parties to  
3 support any new racing calendar.

4           So it's pretty clear that the parties had dates  
5 are going to be dates, stabling is going to be stabling.  
6 And we thought, and I still believe, at the time that Los  
7 Alamitos was comfortable with that.

8           What's happened subsequently and what's been made  
9 very clear is that Los Al had hoped they would get eight  
10 weeks of racing going forward. And Orlando or  
11 (indiscernible) is here and he might comment on that. I  
12 think in his mind, when he made the improvements to the  
13 track to an extension to allow thoroughbred racing here  
14 after Hollywood Park closed, he was under the impression he  
15 had a lifetime right to eight weeks of racing here.  
16 Reasonable people can disagree, you know? That's not how  
17 anybody else read that agreement.

18           So we're sitting here right now. Where are we?

19           Well, we have an agreement, a calendar with less  
20 racing, significantly less racing than we've had in the last  
21 three decades. And that calendar is supported by the TOC,  
22 Santa Anita and Del Mar, and the CHRB because they voted for  
23 it. But we have a party here that it's important to me  
24 personally and to the organization that he is not super  
25 unhappy because Dr. Allred has been a very good friend to

1 the thoroughbred industry when we've needed him and he's a  
2 man of integrity and character.

3           So based on all of that, even though I woke up  
4 this morning and thought nothing is going to change, and  
5 after hearing him out and spending the last few hours  
6 talking to my brethren at Santa Anita and Del Mar and the  
7 Chairman of the TOC, Nick Alexander, the TOC will support  
8 moving -- accommodating the request of Mr. Liebau that one  
9 of the dark weeks in December that had previously been  
10 allocated, the revenue from that week to the Santa Anita  
11 race meet and the Santa Anita purse account, that week will  
12 be, subject to this Board approving it, transferred and  
13 become a fifth week of live racing for Los Alamitos. So  
14 they would have a three consecutive fair meet in December,  
15 which is what they've asked for, and the TOC will support  
16 that.

17           VICE CHAIR AUERBACH: And what about -- well, it  
18 doesn't -- it does matter what Del Mar and -- well,  
19 obviously, you've got the support of The Stronach Group.

20           So if I understand it correctly, the only change  
21 between what we approved last time and what we would look to  
22 approve today, and let me see if I have this correct, that  
23 the dates that we assigned last time are where they are,  
24 that Los Al is entitled to the four weeks that were passed  
25 last time, and now they are going to take that additional

1 last week in December as theirs; is that correct?

2 MR. AVIOLI: That's correct, with the  
3 clarification that the two weeks in June that were open will  
4 be Los Al thoroughbred dates and the now three weeks in  
5 December will be defined as fair weeks --

6 VICE CHAIR AUERBACH: Okay.

7 MR. AVIOLI: -- to satisfy the --

8 VICE CHAIR AUERBACH: Right.

9 MR. AVIOLI: -- statutory requirement.

10 VICE CHAIR AUERBACH: Okay. So you want the  
11 statutory requirement to be that the three weeks in December  
12 go to Pomona, the Pomona license, and will be conducted at  
13 Los Al, and the other dates will belong to Los Al; is that  
14 right?

15 MR. AVIOLI: Yes, ma'am.

16 VICE CHAIR AUERBACH: Does everybody understand  
17 that, the accommodation that they came to, or do you want us  
18 to get more information out of it?

19 EXECUTIVE DIRECTOR BAEDEKER: I can read the  
20 dates, the revised dates.

21 VICE CHAIR AUERBACH: Why don't you do that?  
22 Maybe that will help.

23 COMMISSIONER MAAS: Does, maybe, Dr. Allred want  
24 to comment first?

25 VICE CHAIR AUERBACH: Oh, I'm sorry.

1 DR. ALLRED: Well, thank you, Greg. That's  
2 certainly a step forward.

3 However, and it's important for a reason that  
4 probably nobody here is really considering, in Quarter Horse  
5 racing, we have to run those dates right before Christmas.  
6 We have a \$2 million race running that week. It's in the  
7 book for a long time. There are so many conflicts, we can't  
8 shorten that period of time. And it's very hard for us to  
9 run without thoroughbred racing going on in California. We  
10 can't conduct a night race meeting. So that's important and  
11 I appreciate that. Thank you for that support.

12 However, that still doesn't mean we're happy with  
13 the rest of the dates. And this is not the proper forum to  
14 discuss that and bore everybody about it. I would like to  
15 revisit, you know, the fair dates, which historically were  
16 in September. Believe me, it's very difficult for Santa  
17 Anita to run those dates. It was 101 twice last week.  
18 They're not going to -- it's not going to work. You talk  
19 about horse welfare, that's one reason right there, running  
20 horses a mile under those temperatures.

21 So, Madeline, that's just a brief statement.

22 But I appreciate the progress on the extra week.  
23 And that will make it easier for our Quarter Horse meet to  
24 finish the year.

25 Thank you.

1           COMMISSIONER MAAS: I just want to make sure I  
2 understand. Because I think some people here spent the last  
3 four hours bending over backwards to try and address  
4 something you specifically requested and now you've got it  
5 and it's not good enough, is that --

6           DR. ALLRED: Wait a minute. Wait a minute. I  
7 didn't just request that. That's just a step forward,  
8 Commissioner Maas, a step forward. But that's been a  
9 drastic reversion of a long, long period of time in the  
10 racing schedule and it's very hard for us to -- I don't know  
11 right now. I can't tell you what I would want right now. I  
12 need to study it more. I don't know when Golden Gate is  
13 going to run during December. I don't know. It's all  
14 interlocking and I'm not prepared to discuss right now. I'm  
15 not unhappy with what happened.

16           VICE CHAIR AUERBACH: Maybe we should --

17           MR. AVIOLI: I should just clarify that this is,  
18 you know, with respect, this is -- this accommodation is  
19 meant as part of resolving everything. If it doesn't, then  
20 we'd probably stay where we are.

21           VICE CHAIR AUERBACH: Yeah. Yeah. Either  
22 they -- either -- okay.

23           Let me get -- I have one more speaker on 12.  
24 Let's hear that. This is John Valenzuela.

25           MR. J. VALENZUELA: My name is John Valenzuela,

1 Pari-Mutuel Employees Guild, President of Local 280.

2 Earlier in the earlier Committee, you know, there  
3 was questions why we supported the 2020 dates. You know,  
4 our job is to support jobs and create jobs and that's the  
5 reason why we supported those dates. But also we think in  
6 fairness, to readdress Dr. Allred's request, we also believe  
7 that it will create more racing dates and it will create  
8 more jobs for Local 280.

9 Thank you.

10 VICE CHAIR AUERBACH: Okay.

11 MR. J. VALENZUELA: So we're in support.

12 VICE CHAIR AUERBACH: I'm trying to -- what are  
13 you in support of?

14 MR. J. VALENZUELA: To readdressing Dr. Allred's  
15 request.

16 VICE CHAIR AUERBACH: Oh. Okay. Thank you.  
17 Terri Bingham.

18 MS. BINGHAM: The Arabian breed this year kept the  
19 fairs alive. If you take these dates to December, where do  
20 we stable and keep our horses fit from September to  
21 December? It would be nice if we had them, those three  
22 weeks in September, because they're part of the fair  
23 circuit.

24 But I will defer to Dr. Allred. Whatever he  
25 wants, whatever he can schedule, he's the best horsemen in

1 the state. He's protected all these horses for years. He's  
2 invested tons of money. I just think that if you move the  
3 three weeks to December, there will be no more fairs within  
4 a year or two. It will all end, over, game over. That's  
5 what's going to happen because there's no -- where do you  
6 keep a horse fit on purses of a few grand? With what money?  
7 It's ridiculous.

8           These are part of the fairs and they belong in  
9 September, if Dr. Allred will take them. We are at his  
10 mercy. You can't split the dates up. They need three  
11 weeks. You can't be shipping horses from the north to the  
12 south, it's ridiculous and it's hard on the horses.

13           So whatever Dr. Allred can work out with this  
14 Board, I would support, but you will end Arabian racing  
15 right now, today, if you take that and you put in December  
16 because everybody's going to go to Oregon and Arizona and  
17 Delaware and Texas and whatever. We can't even pay for our  
18 staff. So we've got some huge problems here that the  
19 reallocation of dates is causing. And I think we need more  
20 time to work with Dr. Allred on this.

21           Thank you.

22           VICE CHAIR AUERBACH: Alan Balch.

23           MR. BALCH: Alan Balch, California Thoroughbred  
24 Trainers.

25           I didn't get up in the meeting this morning

1 because I pretty much said my peace at the last Board  
2 meeting, but I want to restate a couple of things.

3 I'm not as concerned now about the process as I  
4 was then because, of course, there have been a lot of  
5 commentary. But we do have two new Commissioners here who  
6 have no experience with the dates' process.

7 Mr. Avioli mentioned February at the critical  
8 Stabling and Vanning Committee meeting. But let's all  
9 consider all the things that have changed since February  
10 when those decisions were made.

11 We do believe that the stabling is linked to the  
12 dates. And I wrote a lengthy memorandum, which was in the  
13 packet last time and is in the packet again today, that  
14 raises all the issues of synergy between north and south.

15 My organization has always taken the position that  
16 the racing dates in California should be looked at as a  
17 whole because of the horse population, and because of the  
18 way racing has evolved in this state, that includes fair  
19 racing, fair dates, the compatibility north and south, the  
20 synergy north and south. And if the several hours this  
21 morning taught us anything it is that we need a lot more  
22 brainstorming and thinking about this in order to try to  
23 come to a consensus, a synergy, because we clearly do not  
24 have that.

25 One of the key things that CTT raised when Mr.

1 Avioli came to our meeting at Del Mar, our board meeting in  
2 August, and that I raised the last time, too, is the  
3 September fair racing dates. We strongly continue to  
4 believe that the three weeks right after Labor Day should be  
5 the fair dates, where they have always been.

6           We have to realize that 20 percent of the  
7 connections win over 80 percent of the purses. And these  
8 meetings, like the fair meeting, certainly they generate  
9 less in purses than a meeting with the same race dates would  
10 at Santa Anita. But we have to remember the horsemen who  
11 fill the races for the more, shall we say, accomplished  
12 horsemen and owners at the top of the sport. And when we  
13 are trying to fill races for the other levels of racing,  
14 they need a place, those horsemen need a place where they  
15 could compete successfully and get the hope to win.

16           Now the fairs, we've had our questions and qualms  
17 about the fairs in Northern California. My colleague from  
18 the Humboldt County Fair, who is sitting in front of me,  
19 nodding at something I said for a change, but we have a  
20 difference of opinion there, but that's all part of this.  
21 And especially with the new Commissioners, everybody else  
22 has, seemingly, heard these same arguments for years and  
23 years, but we have new Commissioners who haven't heard these  
24 things.

25           And given the critical juncture that we're facing

1 here, we still do not see why taking 30 days to really get  
2 into this with everybody in this room, the same room at the  
3 same time, hearing the same discussion, however long it  
4 takes, with or without a representative of the Racing Board,  
5 to try to get somewhere, that's been our position since  
6 August and it remains our position.

7 Thank you.

8 MR. AVIOLI: Could I make a quick comment?

9 And again, for the benefit of the new  
10 Commissioners, you might be scratching your head because  
11 you've heard a lot today about -- or you will about the  
12 fairs in the north, which are actually fairs. They are  
13 fairs and they conduct racing at the fair.

14 What we're talking about here is a legal  
15 depiction. There is no Fairplex fair. That ended, I think,  
16 six, seven years ago. This is -- the reality is the state  
17 has a nuance in the code that says you can have 49 weeks of  
18 thoroughbred racing in the south and three weeks of fair  
19 racing.

20 What goes on here is just racing at Los Alamitos.  
21 It's another name for racing but it's not a fair race.  
22 There's no fair. The fair's gone, okay? They basically b  
23 bought the rights to run the fair dates. And sooner or  
24 later that's going to go away in the legislature because  
25 there's no fair.

1           So when we hear about it's important for the fair,  
2 the fair, the fair, in the north, it makes sense. They say,  
3 when we have a fair at Pleasanton, to have racing attracts  
4 people to our fair. It's a fundamental part of the fair.  
5 The fair is gone here. There's no fair, no racing fair. I  
6 just want to make that clear.

7           VICE CHAIR AUERBACH: Thank you.

8           I have no more comment cards.

9           MR. JAMGOTCHIAN: Madeline, they're out of cards.  
10 If you can get some --

11          VICE CHAIR AUERBACH: They're out of cards?  
12 Great.

13          MS. WAGNER: I've got two.

14          EXECUTIVE DIRECTOR BAEDEKER: There's a couple  
15 left.

16          VICE CHAIR AUERBACH: Oh, there's a couple left.

17          MS. WAGNER: And that's it.

18          MR. LIEBAU: Jack Liebau from Los Alamitos.

19                 As far as Mr. Avioli's remark, yes, racing is  
20 racing. But I'm sure that if each one of you Commissioners  
21 or anybody goes down to the winner's circle today and says,  
22 you know, congratulations to the connections, they are very,  
23 very glad to have had racing at -- here.

24                 Now, I agree that we don't have the elite horses,  
25 probably, and that at Santa Anita somebody had this figure,

1 and it's always been one, that 80 percent of the money goes  
2 to 20 percent of the people. Well, that's not happening  
3 here.

4           The people that are running here have a chance  
5 to -- where they may not have had a similar chance at Santa  
6 Anita or Del Mar. If that's wrong, then that's wrong, then  
7 they just don't belong. But I can tell you, the people that  
8 are down there racing right now and are winning purse money  
9 are thankful for the opportunity to run here during the  
10 fair.

11           COMMISSIONER MAAS: Mr. Liebau, can I ask you  
12 question, as long as you're standing up there?

13           MR. LIEBAU: Sure.

14           COMMISSIONER MAAS: And maybe I've got this wrong,  
15 but did you not specifically ask in the Race Dates Committee  
16 for that week that was just proposed by Mr. Avioli as a  
17 concession from the Board? Did I miss that?

18           MR. LIEBAU: That was the -- for December.

19           VICE CHAIR AUERBACH: Yes.

20           MR. LIEBAU: That was December. In other words,  
21 what --

22           COMMISSIONER MAAS: You wanted to go from four to  
23 five is what I recall you saying. We want to pick up one  
24 more week.

25           MR. LIEBAU: We definitely wanted one more week

1 but we would like to go back where we were. I mean, what  
2 you have is you're taking us from eight weeks to five weeks,  
3 and the four weeks that we don't have or that we have or  
4 going for simulcast only, and that revenue is about \$1  
5 million a week, and you're transferring that over to the big  
6 guys. That's what you're doing.

7 COMMISSIONER MAAS: So the big guys just agreed to  
8 send that back to you and you're telling me --

9 MR. LIEBAU: One --

10 COMMISSIONER MAAS: -- that that's not acceptable  
11 now?

12 MR. LIEBAU: I'm not saying --

13 COMMISSIONER MAAS: Is that --

14 MR. LIEBAU: -- that's not acceptable, sir. It's  
15 better than nothing. That's what Dr. Allred said. Are we  
16 clear?

17 COMMISSIONER MAAS: Not really but --

18 MR. LIEBAU: Well --

19 COMMISSIONER MAAS: -- it seems to me --

20 MR. LIEBAU: -- try me again.

21 COMMISSIONER MAAS: -- we'll take, well, we'll  
22 take what you give us but it's not good enough, that's what  
23 it sounds like.

24 MR. LIEBAU: That's about it, yeah.

25 VICE CHAIR AUERBACH: Okay. All right.

1 COMMISSIONER MAAS: All right. Well --

2 MR. LIEBAU: And I don't think --

3 VICE CHAIR AUERBACH: At this --

4 MR. LIEBAU: -- it's an unreasonable --

5 COMMISSIONER MAAS: Well, we'll get into it.

6 MR. LIEBAU: I don't think that's --

7 VICE CHAIR AUERBACH: Yeah.

8 MR. LIEBAU: -- an unreasonable position on that.

9 COMMISSIONER MAAS: Let's give it to them --

10 MR. LIEBAU: I mean, what you're saying --

11 COMMISSIONER MAAS: -- and move on.

12 MR. LIEBAU: -- is that your simulcast week is  
13 better than any racing at Los Alamitos. That's what's being  
14 said. That's what your position is. I disagree with that.  
15 But, you know, I'm here and --

16 VICE CHAIR AUERBACH: I think --

17 COMMISSIONER MAAS: That's, essentially, is  
18 not --

19 MR. LIEBAU: -- I'm --

20 COMMISSIONER MAAS: -- is not what we're saying,  
21 but --

22 MR. LIEBAU: -- I'm here and you're there, so, you  
23 know, that's where we are.

24 VICE CHAIR AUERBACH: You know, we -- I just want  
25 to remind everybody that we heard this item very extensively

1 at our last meeting. And everybody was given an opportunity  
2 to speak and say the things that they needed to say. And we  
3 have heard the same comments over and over and over again.  
4 And I appreciate the fact that everybody feels very  
5 passionately and I understand that.

6 But the Board voted those dates at the last  
7 meeting. And we voted seven to zero, which means that every  
8 Board Member who was there at that time felt that it was the  
9 appropriate thing to do.

10 You did something today that I didn't think was  
11 possible. You did get the parties to acquiesce and to make  
12 sure that you got the third week that you requested as a way  
13 to compromise and make it more palatable. And I think that  
14 they should be applauded for doing that rather than  
15 criticized for not giving you exactly what you want.

16 MR. LIEBAU: I haven't criticized.

17 VICE CHAIR AUERBACH: Unfortunately -- well, I've  
18 heard criticism right up here for not getting exactly what  
19 you want.

20 So I think it's only fair at this point, I think I  
21 -- do I have still another speaker on 12 or 13 that I  
22 haven't called? If so, let them speak.

23 And then I think that we should call the question  
24 and figure out where we are.

25 COMMISSIONER MAAS: Yeah. I think there's two

1 motions.

2           You know, I was inclined to support this,  
3 candidly, but I'm not sure I may end up going back to the  
4 original four weeks because I don't know if I want to be in  
5 a position where we grant \$1 million or thereabouts  
6 concession (indiscernible) and then we come back in 30 days  
7 and you tell us you're going to end Quarter Horse racing at  
8 Los Alamitos. That's a tenuous position for me, personally,  
9 to be in.

10           DR. ALLRED: That we're going to end Quarter Horse  
11 racing? I will die before we end Quarter Horse racing.  
12 That may be what happens too.

13           VICE CHAIR AUERBACH: I think we all --

14           DR. ALLRED: So maybe one or the other, huh?

15           VICE CHAIR AUERBACH: -- may die before Quarter  
16 Horse racing ends.

17           COMMISSIONER MAAS: It may be all of us.

18           DR. ALLRED: However, it makes it very  
19 difficult --

20           VICE CHAIR AUERBACH: Maybe all of us.

21           DR. ALLRED: -- very difficult. And I think we  
22 need a forum, a smaller group --

23           VICE CHAIR AUERBACH: But we've had the quorums,  
24 Doc.

25           DR. ALLRED: Madeline --

1 VICE CHAIR AUERBACH: With all due respect --

2 DR. ALLRED: Madeline, that was inappropriate.

3 VICE CHAIR AUERBACH: -- we've done this.

4 DR. ALLRED: It was not well done. It was  
5 inappropriate. We did not get a proper voice and we want a  
6 proper voice. Give us another month and let us review this  
7 with the Committee.

8 COMMISSIONER GONZALES: If I could just ask --

9 DR. ALLRED: That's all I ask.

10 COMMISSIONER GONZALES: -- just a quick question?

11 It seems like there was a huddle after the  
12 Committee meeting, which I sat in. Usually, a negotiation,  
13 if there's four weeks, a meeting in the middle would have  
14 been two weeks. So is there a reason why, the four weeks,  
15 why the parties couldn't meet in the middle to say two  
16 weeks? Because that's what I was actually hoping that's  
17 what would come out of this. Is there --

18 VICE CHAIR AUERBACH: It's not that simple.

19 COMMISSIONER MAAS: It's not that simple. It's  
20 just --

21 VICE CHAIR AUERBACH: It's really not simple.

22 COMMISSIONER GONZALES: Okay. Then if it's not  
23 that simple, then I am going to advocate for taking another  
24 30 days to look at this so we can make it less complex. I  
25 mean, I did hear, and to the admiration of those that did

1 acknowledge notifications, I mean, I think it's great that  
2 we're having engagement. I think this is going to make the  
3 industry stronger. But people who are engaged have to be  
4 given a heads-up about meetings and where they're at and  
5 when they're at.

6           And so I just feel that with an extra 30 days, we  
7 could take a look at this. It would allow for us -- you're  
8 right, it's not simple, but I'm a quick learner. I do know  
9 the business. But it will help us to better understand  
10 this. But if somebody could say, absolutely, this is why we  
11 have to decide today, you know, that may, you know, make a  
12 difference in postponing this, but I don't -- I mean, we're  
13 talking about, you know, next year's dates. So what is the  
14 drawback of having this come back up in 30 days?

15           But I'm hoping in 30 days that we meet in the  
16 middle. And so if we can meet in the middle now, why wait  
17 30 days? And meeting in the middle would give -- and so it  
18 would be six weeks, the four weeks that were already on the  
19 table, and give them another two weeks.

20           That's where I'm at.

21           COMMISSIONER MAAS: Okay. If you want to make a  
22 motion to delay, I won't support it, but if you make a  
23 motion to delay, go ahead.

24           COMMISSIONER GONZALES: Sure. I move that we  
25 delay deciding for 30 days.

1 COMMISSIONER ALFIERI: Other speaks.

2 VICE CHAIR AUERBACH: Do we have a second?

3 COMMISSIONER ALFIERI: I'll second.

4 COMMISSIONER MITCHELL: Yes.

5 VICE CHAIR AUERBACH: Okay.

6 COMMISSIONER ALFIERI: You have other speakers.

7 VICE CHAIR AUERBACH: We have other speakers. We  
8 have a motion on the floor now to delay and a second.

9 Do you want to speak to that or do you want to  
10 speak to the other stuff?

11 MR. JAMGOTCHIAN: No.

12 VICE CHAIR AUERBACH: Sorry.

13 MR. JAMGOTCHIAN: I just want to speak to -- just  
14 that you brought a very important point. It was going to  
15 ask if you could give another 30 days to see. This is a  
16 very important issue for a lot of people that work at these  
17 racetracks and, more importantly, the horsemen.

18 Plus, we just talked about, early on today, the  
19 handle is down significantly in the state. Reducing racing  
20 dates, eliminating racing, is just going to make that handle  
21 go down less. It's going to escalate your fees to operate  
22 in California.

23 The thing that's shocking to me as an owner is why  
24 is the TOC here trying to restrict racing dates in the state  
25 of California? They're a horsemen's -- they're our owners'

1 organization. They should be doing whatever they can to  
2 stimulate horse racing in California, number one.

3           Number two, I don't believe there's going to be  
4 another Hollywood Park, Bay Meadow or any racetrack built in  
5 this state. I think you really better step back, especially  
6 the new Board Members -- I have little hope for the existing  
7 Board Members -- but the new Board Members, you got to  
8 understand that if Los Alamitos closes, where are you going  
9 to stable racehorses? There are some serious problems if  
10 Dr. Allred doesn't continue to put his money and protect  
11 this industry.

12           Now, once again, I don't race in this state right  
13 now. Maybe I might come back. But if there's no place to  
14 stable my horse, I'm not coming back.

15           So before you pander to the TOC, who's working  
16 against the owners in this state, I think you really ought  
17 to step back and see what's going to happen with horse  
18 racing in California without Los Alamitos?

19           COMMISSIONER GONZALES: And if I can say --

20           MR. JAMGOTCHIAN: Thank you.

21           COMMISSIONER GONZALES: -- you know, I typically  
22 wouldn't engage with somebody at the microphone, but it's  
23 about respect here. Your points were well taken. Taking  
24 shots is not necessary. And I'm assuming --

25           MR. JAMGOTCHIAN: (Off mike.) (Indiscernible.)

1           COMMISSIONER GONZALES: -- I'm assuming you're  
2 going to be coming to these and I'm just -- this is how I  
3 operate.

4           MR. JAMGOTCHIAN: Thank you.

5           COMMISSIONER GONZALES: These are hardworking  
6 volunteers. They're committed to the industry. We're  
7 putting family, leisure time, a lot on the line. And we're  
8 just about -- let's just be cordial here.

9           MR. JAMGOTCHIAN: I agree with you.

10          COMMISSIONER GONZALES: We won't take a shot at  
11 you. You don't take a shot at us. I just talked about the  
12 importance of stakeholders and engagement, so I just -- but  
13 would appreciate that from you, sir.

14          MR. JAMGOTCHIAN: I agree with that and I will  
15 follow that rule.

16          COMMISSIONER GONZALES: Okay. Thank you.

17          MR. JAMGOTCHIAN: Thank you.

18          COMMISSIONER GONZALES: Thank you very much.

19          COMMISSIONER MITCHELL: So can I speak to my  
20 second?

21                 I just wanted to say that I appreciate all the  
22 work that the Subcommittee did. And I realize that these  
23 are complex and complicated issues that you're addressing.  
24 And this is kind of, you know, one of the big issues that  
25 the CHRB deals with.

1           However, being a new Board Member, I would like to  
2 spend a little more time to understand this better and why  
3 the decisions were made, so that's why I supported the  
4 second -- I mean, that's why I seconded the motion.

5           VICE CHAIR AUERBACH: I understand that.

6           COMMISSIONER MITCHELL: I think, you know, we can  
7 better understand.

8           My only question was: Does this proposal -- is it  
9 more racing days for Santa Anita?

10          VICE CHAIR AUERBACH: No.

11          COMMISSIONER MITCHELL: Is it more racing days in  
12 general in the state?

13          VICE CHAIR AUERBACH: No.

14          COMMISSIONER MITCHELL: Is it less? I mean, what  
15 are the actual numbers?

16          VICE CHAIR AUERBACH: It's less racing days  
17 because we have less horse population. That's our big  
18 problem.

19          COMMISSIONER MITCHELL: Right. I understand the  
20 horse population issue.

21          VICE CHAIR AUERBACH: Yeah.

22          COMMISSIONER MITCHELL: That's down.

23          VICE CHAIR AUERBACH: It's less racing days.

24          COMMISSIONER MITCHELL: I also understand the kind  
25 of year that we've had in this industry and, you know, the

1 desire to kind of address these issues and look at it in a  
2 holistic manner. And that's why I'm asking specifically,  
3 you know, what is going to Santa Anita, what is going to Los  
4 Al? What -- you know, how is this all working out? And I  
5 guess that's something that I'll look forward to Staff  
6 briefing me long term on this and having conversation. And  
7 if this, you know, group can get back together and Oscar and  
8 I can participate or attend, just to hear the issues, I  
9 would be very interested.

10 VICE CHAIR AUERBACH: Okay. But that will --

11 COMMISSIONER MITCHELL: Because --

12 VICE CHAIR AUERBACH: That's why you put forth the  
13 motion you did and we will vote on that as soon as this  
14 gentleman gets through. I think he's the last speaker on  
15 the issue.

16 COMMISSIONER MITCHELL: Okay. Well, I just --

17 VICE CHAIR AUERBACH: Please.

18 Yes, sir?

19 MR. BROWN: I hope that the last speaker was the  
20 last one, Commissioner Auerbach. Michael Brown from the  
21 Arabian Racing Association of California.

22 I think Commissioner Gonzalez has an excellent  
23 idea that's been seconded, that this should be put over. If  
24 that happens, there's no need for me to speak. If it  
25 doesn't happen, I would like to speak.

1 VICE CHAIR AUERBACH: Okay. That's fine. All  
2 right. Let's call the question. Do we need to repeat the  
3 motion?

4 COMMISSIONER ALFIERI: Repeat the motion, yeah.

5 VICE CHAIR AUERBACH: Commissioner Gonzalez, would  
6 you like to repeat the motion?

7 COMMISSIONER GONZALES: Yes. This would be to  
8 simply give another 30 days, at our next CHRB meeting, to  
9 revisit the racing dates.

10 COMMISSIONER MITCHELL: Yes.

11 VICE CHAIR AUERBACH: Commissioner Mitchell?  
12 Okay. Commission Mitchell?

13 COMMISSIONER MITCHELL: Yes.

14 VICE CHAIR AUERBACH: Commissioners, I'm sorry,  
15 Ferraro?

16 COMMISSIONER FERRARO: No.

17 VICE CHAIR AUERBACH: Commissioner Solis?

18 COMMISSIONER SOLIS: No.

19 VICE CHAIR AUERBACH: Vice Chair votes no.  
20 Commissioner Maas?

21 COMMISSIONER MAAS: No.

22 VICE CHAIR AUERBACH: And Commissioner Alfieri?

23 COMMISSIONER ALFIERI: No.

24 VICE CHAIR AUERBACH: Okay. The motion fails.

25 Now you can speak, Mr. Brown, if you'd like.

1 MR. BROWN: Thank you, Commissioner Auerbach and  
2 the rest of the Commissioners. Again, Michael Brown. I  
3 represent the Arabian Racing Association of California. I'm  
4 the Treasurer, so I pay attention to the money, or at least  
5 try.

6 VICE CHAIR AUERBACH: And can you please make your  
7 comments brief?

8 MR. BROWN: Yes.

9 VICE CHAIR AUERBACH: There are people that are  
10 waiting to be heard from.

11 MR. BROWN: I'm here to request that you  
12 reallocate the dates for the fair at Los Alamitos to remain  
13 in September. There was a comment made earlier that, well,  
14 there is no more Fairplex. Well, that's not true. The  
15 legislature has made it clear that the fairs can designate  
16 someplace else to hold their races. And the Los Angeles  
17 County Fair has delegated Los Alamitos.

18 The reason that's important is because of the  
19 schedule of the fairs. You start with Pleasanton. You go  
20 to the State Fair. You go to Santa Rosa. You go to  
21 Ferndale. And then you've got a long gap before the next  
22 fair, not counting this one, in Fresno.

23 And the problem we have is that we're bringing  
24 horses with a new program that we have, a maiden race  
25 program that has been very successful, even though we're

1 only in our first year. We've got horses from Delaware.  
2 We've got horses from Texas. We've got horses from  
3 Colorado. I think I heard recently, we have a horse from  
4 New Mexico, in addition to California horses. Those horses  
5 will come here if they can race throughout the summer at the  
6 fair races. But if you break up the fair races, then you  
7 wind up with horses that leave and they don't come back for  
8 the final race in Fresno.

9           So what we want to see is something that says, and  
10 I said this, this morning, and I'll say it again, it's  
11 money, money, money. The more horses you have, you know,  
12 the more -- well, it comes down to there's just too damn  
13 many five-, six-, seven-horse races. And you don't get good  
14 betting with those fields. You need the large fields to get  
15 the big money betters. And if we don't fill those races,  
16 then this whole industry is going to drop dead because  
17 you've got to have the --

18           (Applause.)

19           MR. BROWN: -- and we don't want that to happen. I  
20 mean, I love my horses and I love horse racing. And I've  
21 had a ball doing it these last four years. I've really  
22 enjoyed myself. I don't want that to end. But we've got to  
23 keep the money in the game. And that means you've got to  
24 have the exotic betters. And with small fields, you don't  
25 get exotic betters. If you don't get exotic betters, you

1 don't get enough money. If you don't get enough money, you  
2 don't have enough purses. If you don't have enough purses,  
3 then you don't attract enough horses. So it's a vicious  
4 circle.

5           And that means we've got to keep every possible  
6 avenue open to attract horses to California. And that means  
7 you have to keep the fair schedule the way it is now so that  
8 we can bring our horses in and help fill those fields.

9           VICE CHAIR AUERBACH: Okay. Thank you very much.

10          MR. BROWN: Thank you.

11          VICE CHAIR AUERBACH: Appreciate it.

12          COMMISSIONER FERRARO: Can I comment?

13          VICE CHAIR AUERBACH: Yes.

14          COMMISSIONER FERRARO: It's my feeling that the  
15 principals in this date situation have worked hard this  
16 afternoon to come to a compromise, and that is to give the  
17 extra week, accept the dates that we set out last meeting  
18 and accept the extra week for Los Al. I think that's a good  
19 compromise, given the situation. I don't doubt that another  
20 30 days is going to come to a better conclusion.

21                So I would like to make a motion to accept the  
22 compromise proposal of the set dates plus the extra week for  
23 Los Alamitos.

24          VICE CHAIR AUERBACH: Okay. Any second?

25          COMMISSIONER ALFIERI: Second.

1 VICE CHAIR AUERBACH: Okay. Did everybody  
2 understand the proposal the way it is?

3 COMMISSIONER MAAS: Madam Chair, may I just say  
4 something?

5 Mr. Butler, just for the -- I just want to put on  
6 the record -- would you -- can you step up to the  
7 microphone, Mr. Butler? Thank you.

8 VICE CHAIR AUERBACH: And then we're going to  
9 vote.

10 COMMISSIONER MAAS: Yeah, then we'll vote.

11 VICE CHAIR AUERBACH: No, after.

12 COMMISSIONER MAAS: After this.

13 I just want to make sure we put on the record,  
14 because I don't think that was an insignificant gesture on  
15 your part to try and make this happen. What, just in rough  
16 terms, I don't expect you to --

17 MR. BUTLER: Yeah, Commissioner, sorry. My name  
18 is Aiden Butler from Santa Anita.

19 We -- I deliberately went out of my way. I spoke  
20 to the folks at corporate office and went out of my way to  
21 try to help this situation along. I'm new to California.

22 And, first of all, welcome to the new  
23 Commissioners.

24 Second, thank you to all the other Commissioners  
25 for what you do, but we've got a lot of things we've got to

1 get right in California, and I didn't think starting off my  
2 tenure with this was a good idea. I thought that if we  
3 could get a bit of stabilization of the Southern Cal dates,  
4 it would be helpful for everyone. It doesn't seem that's  
5 necessarily gone over well but I was trying my hardest.

6 COMMISSIONER MAAS: And it's roughly \$1 million?  
7 I've heard that number. Is that correct?

8 MR. BUTLER: Roughly, yeah, it's rough. I believe  
9 it's \$400,000 or \$450,000 to the purse account and \$400,000  
10 or \$450,000 through on-track.

11 COMMISSIONER MAAS: Right. Thank you.

12 MR. BUTLER: Thank you very much.

13 VICE CHAIR AUERBACH: So it's not insignificant,  
14 just so the new Commissioners understand that. Okay.

15 Let's vote please. The motion has been made by  
16 Dr. Ferraro and the motion was seconded by Dennis Alfieri,  
17 so I'm going to go down the line and ask everybody how they  
18 vote.

19 EXECUTIVE DIRECTOR BAEDEKER: Madam Vice Chair --

20 VICE CHAIR AUERBACH: Oh, sorry.

21 EXECUTIVE DIRECTOR BAEDEKER: -- let me go ahead  
22 and read --

23 VICE CHAIR AUERBACH: Is there confusion? Okay.

24 EXECUTIVE DIRECTOR BAEDEKER: -- the dates --

25 VICE CHAIR AUERBACH: Let's read them in again.

1 EXECUTIVE DIRECTOR BAEDEKER: -- just so we don't  
2 have any confusion going forward.

3 Because the four weeks, after the last meeting,  
4 were not allocated, that is two weeks in June and two weeks  
5 in December, let me read the --

6 VICE CHAIR AUERBACH: The new.

7 EXECUTIVE DIRECTOR BAEDEKER: -- allocation as  
8 proposed --

9 VICE CHAIR AUERBACH: The new.

10 EXECUTIVE DIRECTOR BAEDEKER: -- in the motion.

11 VICE CHAIR AUERBACH: Okay.

12 EXECUTIVE DIRECTOR BAEDEKER: Los Alamitos would  
13 run two weeks at the end of June beginning on Wednesday,  
14 June 24th and concluding on Sunday, July 5th. Los Alamitos,  
15 the Fairplex meet at Los Alamitos, would then run from  
16 December 2nd through December 22nd.

17 Anybody disagree with that --

18 VICE CHAIR AUERBACH: With the dates?

19 EXECUTIVE DIRECTOR BAEDEKER: -- characterization?  
20 Okay.

21 VICE CHAIR AUERBACH: Okay. So I'm going to call  
22 the question now and we'll start with Commission Mitchell?

23 COMMISSIONER MITCHELL: No.

24 COMMISSIONER FERRARO: Yes.

25 VICE CHAIR AUERBACH: Commissioner Solis?

1 COMMISSIONER SOLIS: Yes.

2 VICE CHAIR AUERBACH: Vice Chair votes yes.

3 Commissioner Maas?

4 COMMISSIONER MAAS: Yes.

5 VICE CHAIR AUERBACH: Commissioner Alfieri?

6 COMMISSIONER ALFIERI: Yes.

7 VICE CHAIR AUERBACH: And Commissioner Gonzalez?

8 COMMISSIONER GONZALES: I'm going to abstain.

9 VICE CHAIR AUERBACH: Abstain. Okay. Motion  
10 carries.

11 Next item --

12 EXECUTIVE DIRECTOR BAEDEKER: Well, we're still on  
13 dates, so --

14 VICE CHAIR AUERBACH: Are we still? Oh, Northern  
15 California, the next item, absolutely.

16 COMMISSIONER MAAS: That was easy.

17 VICE CHAIR AUERBACH: That was simple.

18 MR. SWARTZLANDER: Let's see who wants to join me.

19 Larry Swartzlander, Executive Director of the California  
20 Authority of Racing Fairs.

21 We had a meeting right after the Dates Committee.

22 Attendees to the meeting included Aiden Butler and Eric  
23 Sindler from The Stronach Group, Greg Avioli for the TOC,  
24 Becky from Santa Rosa, we had Rick Pickering from the Cal  
25 State, Humboldt was Richard Conway and Jim Morgan, and

1 Alameda had Jerome Hoban.

2 CARF proposed a tentative program for stabling and  
3 dates and it was accepted tentatively by The Stronach Group.

4 The tentative agreement is that CARF will pay two percent  
5 of all handle for all fairs for the entire meet for stabling  
6 and that Humboldt will receive the first week un-overlapped.

7 The other issue on the table was the movement of  
8 the dates one week forward in the calendar from June 12th to  
9 June 19th. Discussion initially was opened but we, at this  
10 point, have no tentative agreement.

11 The Stronach Group has also asked to have another  
12 30 days to verify the numbers and the details of our  
13 tentative agreement. And at that point, also, we would come  
14 back with a tentative proposal for the dates.

15 VICE CHAIR AUERBACH: Okay. So if I understand  
16 you correctly for the Northern California dates, you are  
17 close to having a settlement with all of the parties that  
18 everybody is going to be able to put up with? Because I  
19 don't ever want to say anybody is happy because no one ever  
20 is. But are you close and you think you can get it done if  
21 we hold this over to the next meeting?

22 MR. SWARTZLANDER: I could tell you that the  
23 stabling issue --

24 VICE CHAIR AUERBACH: Um-hmm.

25 MR. SWARTZLANDER: -- there's agreement. There's

1 agreement on --

2 VICE CHAIR AUERBACH: That's very big.

3 MR. SWARTZLANDER: -- on the Humboldt issue.

4 VICE CHAIR AUERBACH: Okay.

5 MR. SWARTZLANDER: The open discussion is on  
6 moving the calendar forward one week.

7 VICE CHAIR AUERBACH: Okay.

8 MR. SINDLER: Eric Sindler on behalf of Golden  
9 Gate.

10 There is not an agreement. They have proposed  
11 something. We're saying we're looking at it.

12 VICE CHAIR AUERBACH: Okay.

13 MR. SINDLER: It seems like we may potentially  
14 agree. But, no, there is absolutely no agreement --

15 VICE CHAIR AUERBACH: Okay.

16 MR. SINDLER: -- on the table.

17 VICE CHAIR AUERBACH: Well, on behalf of the -- my  
18 fellow Board Members, we would really appreciate if all of  
19 you would get it done and not put us in the position we've  
20 just been put in. I want to encourage you, please, to get  
21 it done. We're all been down this road before together a  
22 lot. So we would encourage you to -- I'm glad that you're  
23 talking. I'm glad that you see potential. And with the  
24 rest of the Board's consent, I would like to move this 30  
25 days because this group hasn't had as much time to argue as

1 the other group, so can we move that 30 days and give you  
2 guys a shot at getting it done so that everybody can be as  
3 equally unhappy as each other? Will that work?

4 EXECUTIVE DIRECTOR BAEDEKER: Is that a motion?

5 MR. SWARTZLANDER: Yes, that would work for us.

6 VICE CHAIR AUERBACH: Do we need a motion to do  
7 that or not?

8 COMMISSIONER MAAS: Madam, I'll move.

9 VICE CHAIR AUERBACH: Commissioner Maas moves.

10 COMMISSIONER SOLIS: Second.

11 VICE CHAIR AUERBACH: Commissioner Solis seconds.  
12 Commission Mitchell?

13 COMMISSIONER MITCHELL: Yes.

14 VICE CHAIR AUERBACH: Commissioner Ferraro?

15 COMMISSIONER FERRARO: Yes.

16 VICE CHAIR AUERBACH: Commissioner Solis?

17 COMMISSIONER SOLIS: Yes.

18 VICE CHAIR AUERBACH: Vice Chair votes yes.

19 Commissioner Maas?

20 COMMISSIONER MAAS: Yes.

21 VICE CHAIR AUERBACH: Commissioner Alfieri?

22 COMMISSIONER ALFIERI: Yes.

23 VICE CHAIR AUERBACH: Commissioner Gonzalez?

24 COMMISSIONER GONZALES: Yes.

25 VICE CHAIR AUERBACH: Okay. Thank you.

1           We'll see you back here in 30 days and, hopefully,  
2 you will all be smiling and thrilled.

3           MR. SWARTZLANDER: Thank you very much,  
4 Commissioner.

5           VICE CHAIR AUERBACH: Thank you.

6           EXECUTIVE DIRECTOR BAEDEKER: We do have a  
7 proposal for race dates for Watch and Wager if you want  
8 to --

9           VICE CHAIR AUERBACH: Yes. Watch and Wager has  
10 their race dates ready to go.

11           You want to move that extra weekend; right? Put  
12 it in there? I think you mentioned something about that,  
13 Chris.

14           MR. SCHICK: Good afternoon again, Madam Chair,  
15 Members of the Commission. Christopher Schick, Watch and  
16 Wager Harness.

17           MR. PICKERING: Yes. Good afternoon once again.  
18 Rick Pickering, CEO of your California State Fair, who is  
19 the landlord for Watch and Wager.

20           MR. SCHICK: Thank you. We submitted our request  
21 for 2020 dates to the Board. Our request is, amazingly,  
22 unopposed because there's no other operator, so it's not  
23 controversial.

24           But anyway, our dates are consistent with our  
25 dates that we've applied for in the last couple of years.

1 It's a split meet. The dates requested at December 26th  
2 through May 3rd. And then we would reopen in the fall,  
3 dates starting October 30th through December 24th of 2020.

4 As I mentioned at the Dates Committee meeting this  
5 morning that the action that you took just moment ago on the  
6 Southern California dates, allocating that third week in  
7 December to Los Alamitos for 2020 will be really good for us  
8 in the harness industry because we've been unable to race  
9 that week because the network in California has been dark  
10 the past couple of years. So we have a very strong horse  
11 population in December and we look forward to adding those  
12 two days and the purse money that's generated and the jobs  
13 from the night industry that goes along with that.

14 So we ask the Board to favorable consideration of  
15 our 2020 dates.

16 VICE CHAIR AUERBACH: Rick?

17 MR. PICKERING: Yes. On behalf of the Cal Expo  
18 and State Fair, we certainly support keeping harness racing  
19 alive in the state of California. We're happy to be their  
20 landlord.

21 As we mentioned earlier this morning, but for the  
22 sake of the entire Commission, the Watch and Wager agreement  
23 at Cal Expo is set to expire in 2020. We're currently  
24 negotiating a five-year extension of that agreement so that  
25 they can make plans and horsemen around the country can make

1 those plans. That extension is on the Cal Expo board's  
2 agenda for next Friday and it has a solid recommendation for  
3 approval from Cal Expo staff.

4 DR. ALLRED: Ed Allred. And we also support the  
5 harness extension for another week. It makes it better for  
6 both of us. We share expenses and it's a much better deal  
7 when we both race.

8 VICE CHAIR AUERBACH: Thank you.

9 A motion, anybody? A motion please?

10 COMMISSIONER SOLIS: I'll move.

11 COMMISSIONER MAAS: Second.

12 VICE CHAIR AUERBACH: Commissioner Solis moves.

13 Commissioner Maas seconds.

14 Commission Mitchell?

15 COMMISSIONER MITCHELL: Aye. Yes.

16 VICE CHAIR AUERBACH: Commissioner Ferraro?

17 COMMISSIONER FERRARO: Yes.

18 VICE CHAIR AUERBACH: Commissioner Solis?

19 COMMISSIONER SOLIS: Yes.

20 VICE CHAIR AUERBACH: Vice Chair votes yes.

21 Commissioner Maas?

22 COMMISSIONER MAAS: Yes.

23 VICE CHAIR AUERBACH: Commissioner Alfieri?

24 COMMISSIONER ALFIERI: Yes.

25 VICE CHAIR AUERBACH: Commissioner Gonzalez?

1 COMMISSIONER GONZALES: Yes.

2 VICE CHAIR AUERBACH: Thank you. Good luck.

3 MR. SCHICK: Thank you.

4 VICE CHAIR AUERBACH: You guys have been doing  
5 super and we wish you continued good luck.

6 MR. SCHICK: Thank you very much.

7 VICE CHAIR AUERBACH: Thank you.

8 Okay, I think we're ready now for -- am I ready  
9 for public comment?

10 EXECUTIVE DIRECTOR BAEDEKER: I believe you are,  
11 yes.

12 VICE CHAIR AUERBACH: Okay. We have a lot of  
13 people who want to talk in public comment. We do have a  
14 three-minute time limit. I ask you to please be brief and  
15 please state your issues. Some of the Commissioners will  
16 have to leave before but we will do our best to accommodate  
17 everybody.

18 We'll start with Michael -- whose name I  
19 mispronounced before -- Pirrung.

20 MR. PIRRUNG: Madam Vice Chair, you did an  
21 admirable job with my name. You could pronounce it  
22 anyway --

23 VICE CHAIR AUERBACH: Thank you.

24 MR. PIRRUNG: -- you'd like and I would still  
25 answer. Pirrung is my name.

1 VICE CHAIR AUERBACH: Pirrung. Sorry.

2 MR. PIRRUNG: I'm a horseplayer, handicapper,  
3 contest player, a constituency that hasn't spoken yet here,  
4 I would say. I'm, in my day job, a professor of  
5 pharmaceutical science. And I'm interested in the issues of  
6 race-day medications and where we're headed into the future.

7 I think that the future of no race-day medications  
8 and hay, water and oats, I'm all for it. I'm concerned  
9 about the fate of racing in California in the transition  
10 period. And, of course, racing associations and owners are  
11 very concerned about race days.

12 From the standpoint of the horseplayer, we care a  
13 lot more about field size than race days. And given our  
14 horse population, any strategies that the Board can develop  
15 as we transition into the no race-day medication regime that  
16 would keep our field size up would be welcome.

17 And just as an example, I'm very aware that Dr.  
18 Ferraro has made a compelling case that race-day Lasix is  
19 sort of reducing the quality of the gene pool in our horses.

20 And I totally endorse the idea of getting away from  
21 medications to strengthen the gene pool.

22 On the other hand, in the interim, there are  
23 plenty of horses that can never pollute our gene pool, that  
24 is the geldings, who could race on Lasix after the days of  
25 general racing on Lasix might be observed.

1 Thank you.

2 VICE CHAIR AUERBACH: Thank you, Michael. And  
3 thank you for forgiving me for your name pronunciation.

4 Ellen Ericksen.

5 MS. ERICKSEN: Ellen Ericksen, San Diego. I will  
6 talk fast because I have a lot to say now.

7 For the first time in history, people are finally  
8 talking about banning horse racing. California will be the  
9 first state to see this happen. This is a start to finally  
10 putting an end to this cruel industry described as a sport.

11 Racing horses is a profit-driven business. The  
12 horses are not consenting athletes who can give their  
13 permission to be raced. Thousands of failed horses are  
14 commonly euthanized after breaking their legs, bleeds, and  
15 exercise-induced pulmonary hemorrhages, not to mention what  
16 others call fatal accidents on the track. An overabundance  
17 of drugs to enhance their performance masks their pain and  
18 keeps them from sudden cardiac events and pulmonary bleeds.

19 I'd like to talk briefly about the Horse Racing  
20 Integrity Act that went before the senate this year and I  
21 just want to say a few words about it.

22 The Horse Integrity Act suggests that all that  
23 stands between horse racing integrity is a national drug  
24 program overseen by a central organization.

25 In a recent article by Dr. Verlin Jones, a track

1 vet with 30 years' experience, says,

2

3 "Right now in Arizona, we have probably mid-level to low-  
4 level claimers. That population of horses comes with their  
5 own set of problems, so we deal with horses that have a  
6 higher level of injury. I think that right now these  
7 private practitioners on the backside, their hands are  
8 really, really handcuffed. When you're dealing with the  
9 level of horse, they have a lot of problems. Those problems  
10 can be taken care of but we have to use our full arsenal in  
11 order to do that."

12 And he also states,

13 "I really feel like horses today are having to run in  
14 more pain. More pain leads to muscle fatigue. Muscle  
15 fatigue leads to bone fatigue. And bone fatigue leads  
16 to catastrophic breakdowns."

17 How much time do I have?

18 COMMISSIONER MAAS: Fifty second.

19 MS. ERICKSEN: Fifty seconds.

20 "The Horse Racing Integrity Act cannot address the  
21 inherent cruelty and inevitable deadliness of horse  
22 racing. In addition to being torn apart from their  
23 mothers as mere babes, being bought and sold like  
24 common Amazon products and subjugated to lips tattoos,  
25 cribbing collars, nose chains, tongue ties, mouth bits

1 and whips. horse races are innately social -- horses  
2 are innately and social mobile animals and are kept  
3 locked alone in tiny 12-by-12 stalls for over 23  
4 hours."

5 Myself and my fellow activists will continue to  
6 push for a ban of horse racing in the state of California  
7 and it will happen.

8 (Applause.)

9 VICE CHAIR AUERBACH: Please. We -- please. This  
10 is a professional meeting. This isn't a cheerleading  
11 contest.

12 Vivian Pulido-Price please.

13 MS. ERICKSEN: But nothing was said when the pro-  
14 racing people got applause.

15 VICE CHAIR AUERBACH: I wasn't sitting here  
16 when -- I didn't hear any clapping for them. I'm sorry.

17 MS. ERICKSEN: Again, that's convenient.

18 VICE CHAIR AUERBACH: Wow. They just don't quit,  
19 do they?

20 MS. PULIDO-PRICE: Hello. I'm Vivian Pulido-Price  
21 from Lakewood.

22 According to the Equine Welfare Alliance using  
23 USDA data, in the nine-year period between 2008 to 2016,  
24 over 1.2 million American horses were sent to slaughter.

25 Let me just remind you, the last equine

1 slaughterhouse on U.S. soil was closed in 2007. Now we just  
2 ship them in horrible, inhuman conditions to Canada and  
3 Mexico to get slaughtered. That 1.2 million translates to  
4 over 134,000 every year.

5           A Wild for Life Foundation study, again using USDA  
6 data, found that from 2002 to 2010, 19 percent of the  
7 American horses slaughtered were thoroughbreds. A separate  
8 study by Colorado State University puts the percentage at 16  
9 percent. But even if we were to use a far lower number, say  
10 12 percent, we're still left with over 15,000 thoroughbred  
11 racehorses butchered annually.

12           For a comparison, the Jockeys' Club official  
13 registry for new thoroughbreds, the foal crop has numbered  
14 roughly 21,000 in each of the past seven years. In other  
15 words, that's around 20,000 baby thoroughbred horses being  
16 born in the U.S. per year and 15,000 thoroughbred horses  
17 being sent out via slaughter.

18           In a recent article in Horse Race Insider, which  
19 is a pro-racing publication, Mark Berner admitted the  
20 following:

21           "The Jockey Club will not support a slaughter-free  
22 industry because it will cost \$120 million per year to  
23 fund the care of the 20,000-plus horses bred each  
24 year."

25           Again, the Jockey Club will not support a

1 slaughter-free industry because of cost. And extended out,  
2 that cost becomes even more staggering. An average 25-year  
3 life span --

4 COMMISSIONER MAAS: One minute.

5 MS. PULIDO-PRICE: -- an average five-year career,  
6 and annual cost of care of \$5,000 per horse, which, by the  
7 way, is less than the \$6,000 horse race Insider used, which  
8 means that in order to guarantee a lifetime safe landing for  
9 each and every member of this foal crop the racing industry  
10 would have to come up with some \$2 billion. And again,  
11 that's just for this year's group. The same would be needed  
12 next year and the year after that and the year after that.  
13 Simply and bluntly put, the horse racing industry is  
14 deliberately creating thousands of animals every year for  
15 which it has neither the desire nor the ability to care for  
16 post-exploitation.

17 Slaughter has been and will remain racing's number  
18 one retirement program.

19 VICE CHAIR AUERBACH: Jerry Jamgotchian.

20 MR. JAMGOTCHIAN: Hi. Jerry Jamgotchian. I  
21 certainly don't share any of those opinions.

22 But one of the issues that I want the new  
23 Commissioners, especially, to focus on, is the mission  
24 statement of the California Horse Racing Board. The mission  
25 of the California Horse Racing Board is to ensure the

1 integrity, viability and safety of the California horse  
2 racing industry." That's the basic lead-in. And I'm  
3 hopeful that the new Commissioners, especially, will focus  
4 on their challenge because this sport is in serious shape  
5 and has been for many years. And it's a shame that these  
6 people might get their wish because of things that the Board  
7 does to actually hurt horse racing.

8           So whenever an issue comes up, I ask all of you to  
9 really focus on the facts and look at the best interest of  
10 the industry and not the people that you might be  
11 supporting, because we're not going to be opening any more  
12 racetracks in California. The handle, as you are well aware  
13 now, is down and will be down, probably, next year. And  
14 everything needs to be looked at in this sport from the top  
15 down.

16           And the new Commissioners who don't have history  
17 on their side, I think you can do a very major job in  
18 helping this industry resurrect itself, independence,  
19 reviewing things honestly, making Staff tell you the truth,  
20 challenging Staff with factual background and support for  
21 what their position is, being fair. Fairness is something  
22 that I'm seeing as really not being fair, the way you're  
23 treating some trainers especially different and have a  
24 double standard for others.

25           I think that the issues here with the recent

1 controversy with the horse Justify with the scopolamine  
2 positive that was essentially hidden by the public, we are  
3 the public. And everybody here wants fair racing. We want  
4 racing to be successful.

5 One of the questions I've asked for the last two  
6 weeks is who's the second horse that allegedly tested  
7 positive on scopolamine? Nobody will disclose that. I'm  
8 going to ask a question of Mr. Baedeker now.

9 Was the second horse Opportunity in the Tokyo City  
10 Stake's race? I think it's fair that you disclose that.  
11 You disclosed Justify. I think if the second horse is  
12 Opportunity, I think you need to disclose that.

13 EXECUTIVE DIRECTOR BAEDEKER: That would be a  
14 violation of California Law. You can -- it's 19577. It's  
15 in the statute.

16 MR. JAMGOTCHIAN: Then why was it different when  
17 you disclosed Justify?

18 EXECUTIVE DIRECTOR BAEDEKER: It was disclosed by  
19 another party, not by the California Horse Racing Board.

20 MR. JAMGOTCHIAN: So your position is that you're  
21 just going to cover this up rather than disclose it to the  
22 public? See, this is what I mean. We, the public, need to  
23 be told the truth.

24 EXECUTIVE DIRECTOR BAEDEKER: I won't --

25 MR. JAMGOTCHIAN: And you just can't --

1 EXECUTIVE DIRECTOR BAEDEKER: -- I won't get  
2 involved --

3 MR. JAMGOTCHIAN: -- cover things up.

4 EXECUTIVE DIRECTOR BAEDEKER: -- in a debate. If  
5 you want me to violate the law, my answer is that I will  
6 not.

7 MR. JAMGOTCHIAN: Well, I think the Board has the  
8 opportunity to provide that information and we'll see if the  
9 Board wants to provide the information.

10 I just want this industry to survive. I'd  
11 like to come back and race in California. But I'm hopeful  
12 that the new Members will take the challenge and help this  
13 industry support -- with more support and direction.

14 Thank you.

15 VICE CHAIR AUERBACH: Martin Valenzuela.

16 Martin Valenzuela?

17 Is he here?

18 Oh, sorry. I didn't see you.

19 MR. M. VALENZUELA: My name is Martin Valenzuela.  
20 I've been a horse trainer and owner for over 30 years. And  
21 I'm here just to comment on, you know, the depiction they  
22 put upon us as horsemen and trainers and owners and  
23 everything under.

24 I'm going to give you a little story real quick  
25 about myself.

1 I have a son, he was a jockey, and he had an  
2 accident at Santa Anita. The horse tripped, it was just an  
3 accident, and the doctor told me he's going to be paralyzed,  
4 basically, for the rest of his life. Okay. I spent four  
5 months in Colorado with him, brought him back, spent another  
6 four months here, not knowing what I was going to do. I  
7 told my older son, which is a licensed trainer, too, "I'm  
8 out, take care of the business, it's all yours," you know,  
9 in confusion and disarray.

10 Well, after about four months at home, Adrian  
11 rolls out in his wheelchair and says, "Dad, I want to go  
12 back to the racetrack. I want to go visit my friends. I  
13 want to see the horses." I was confused, you know?

14 So I came back, granted his wish. When I put him  
15 out in the car to his brother's barn now, the horse that  
16 went down there, we call him The Dude because he's a big  
17 handsome horse, beautiful horse, that's his nickname, and  
18 he's still with us, he rolled up straight to that horse that  
19 he had an accident with. The horse reached down and nuzzled  
20 him and he gave him a big hug. Right then and there we had  
21 our lives back. We were complete again, you know?

22 We came back with more love and more respect than  
23 we even had before for these animals. They gave us our life  
24 back. And just like me, there are a few other people on the  
25 backside that have the same experience I've had. These are

1 big, beautiful, majestic animals that we take care of every  
2 single day with the highest respect and love and care, even  
3 though these depictions that we're abusers are just totally  
4 false.

5           If they would take time and go back there and see  
6 the care that these animals -- and the respect they get from  
7 a massive amount, an army of people back there, they  
8 wouldn't be spewing all the bad, lying rhetoric that then  
9 lands upon us.

10           And that's all I have to say.

11           VICE CHAIR AUERBACH: Heather Detert.

12           MS. DETERT: Go ahead and slaughter it. It's my  
13 ex-husband's name. Hello. I'm Heather. And thank you for  
14 your time.

15           I am a horsewoman. I grew up with horses. My  
16 grandfather rode with John Wayne. I grew up by Arcadia. I  
17 have people -- family that work at the track and I've never  
18 been happy about it. My family, they are proud of me for  
19 being here and speaking up for animals.

20           So the Association of Racetrack -- Racing  
21 Commissioners International, Inc., RCI, it oversees tracks  
22 and state fairs. And it's a site that tells you the  
23 countless violations, misuse of whip, excessive,  
24 unnecessary, discriminatory manners. There's careless,  
25 unsafe, improper riding violations, countless

1 medication/drug violations, and that's just in regards to  
2 the horses. And there's also a list of countless, numerous  
3 drug and alcohol violations by the jockeys before, on the  
4 horse, and after. And they're all listed, noted.

5           So the biomechanics of the horse, it's obviously a  
6 very loving, moving, loving being. And, of course, people  
7 say, oh, the horse loves me, this and that, of course,  
8 they're sweet. You know, they're pretty much just like  
9 dogs. I think that they will still love their abuser.

10           So -- and mostly what I'm hearing about today in  
11 these meetings, which is very, very sad, is money, money,  
12 money and drugs. I don't hear and have not heard anything  
13 about the quality and welfare of the horses themselves, just  
14 the owners, their greed, paying their staff, you know, dates  
15 for things like that where the horses are abused.

16           And then, also, it's noted that horses are  
17 considered a livestock and a commodity. And with those  
18 two -- one minute? -- with those two titles, they are still  
19 available to be sold for slaughter.

20           And people are saying that there's no jobs for  
21 horse racing people if there was no horse racing. Well,  
22 there was no problem dissolving that when greyhound racing  
23 shut down, the industry shut down. People are thriving.  
24 And then we shut down Ringling Brothers Circus and there was  
25 no issue in regards to that either. They are thriving and

1 they are doing other things.

2           So there is also somebody named Tony Cobitz. He  
3 is an expert and consultant in horse racing. His quote is,  
4           "This is a game where money invested should be thought  
5 of as a disposable income. The pros in business invest  
6 -- the pros in this business invest in hundreds of  
7 horses with the hope that only a few hit it big and  
8 their profits will make up for all of the money  
9 losers."

10           COMMISSIONER MAAS: Time's up.

11           MS. DETERT: Thank you.

12           VICE CHAIR AUERBACH: Patty Shenker.

13           MS. SHENKER: Patty Shenker, Los Angeles.

14           As a direct result of the 36 horses killed at  
15 Santa Anita between Christmas of last year through June, the  
16 California legislators unanimously and quickly passed SB 469  
17 to reform the rules in hopes that fewer or no horses would  
18 be killed. This new law gave you, the CHRB Board, the  
19 authority to determine when a license should be suspended  
20 which, in and of itself, is ridiculous and criminal. You  
21 are failing miserably to do what this law authorized you to  
22 do, to suspend licenses when necessary to protect the safety  
23 of the horses.

24           Joe Gorachek (phonetic), a former chairman of the  
25 Association of Racing Commissioners International, said,

1 "The system was doomed to fail in California and other  
2 states in which the regulators are in business with the  
3 people they are there to police."

4 So no wonder nothing has changed. Since  
5 Government Newsom signed this bill on June 26th, more horses  
6 have been killed, and the numbers have stayed about the same  
7 as before the bill was passed. In the three months since  
8 this passed, 18 horses have been killed, perhaps 19 if  
9 Gabriel was killed, falling right in line with the number of  
10 deaths from December to June.

11 And what happened to Gabriel, who vanned off at  
12 Golden Gate on August 30th? And why has this information  
13 been withheld? Tomorrow it will be three weeks since then  
14 and we still don't know what happened to him. Why the  
15 secrecy? We demand to know.

16 Your lack of transparency points to the closed-  
17 door criminality of this industry.

18 Equine Veterinarian Craig Kulikowski named it when  
19 he said, "The question is never what is the right thing to  
20 do but, instead, what can they get away with?"

21 The public deserves to know what happens to each  
22 and every horse who dies at these racetracks.

23 Please know that I have already contacted my  
24 senator that SB 469 isn't worth the paper it was written on  
25 and demanding real action

1 Even former NYRA President Charles Hayward said,  
2 "I've come to believe that no one in the state  
3 regulatory offices, in the executive offices of the  
4 racetracks, and certainly not the trainers, nor the  
5 vets want to catch the cheaters."

6 So the corruption is now being brought to light  
7 and the latest scandal concerning Justify will surely be the  
8 death of this industry.

9 I said at the last meeting here that the only sure  
10 bet in horse racing is that more horses will die, will be  
11 killed, and I was sadly dead right.

12 These doping scandals, the corruption, the greed,  
13 the murders, the public's outrage will be the death of this  
14 industry, as it should.

15 Thank you.

16 (Applause.)

17 VICE CHAIR AUERBACH: Elvia Sedano.

18 MS. SEDANO: Hello. My name is Elvia Sedano, Los  
19 Angeles.

20 On April 10th, 2018, blood and urine samples were  
21 delivered to UC Davis, taken from a horse named Justify, and  
22 35 other horses who competed on that -- on the day of the  
23 Santa Anita Derby.

24 On April 18, 2018, two-and-a-half weeks before the  
25 Kentucky Derby, the lab sent notice that Justify had tested

1 positive for scopolamine. Historically, this has resulted  
2 in disqualification, purse reimbursements, fines, and  
3 suspensions.

4           On April 20th, 2018, after learning about the test  
5 results, Dr. Arthur, CHRB Equine Medical Director, sent an  
6 email that was circulated to Rick Baedeker, their lawyers,  
7 and the interim chief investigator, stating that the case  
8 would be handled differently than usual.

9           April 26th, 2018, four days before Justify was to  
10 be shipped to Kentucky, Baffert is notified of the positive  
11 result. So he asked that another sample be sent to another  
12 approved independent lab.

13           May 1st, 2018, four days before the Kentucky  
14 Derby, a confirmation specimen sent, five days after  
15 Baffert's request.

16           May 8th, 2018, the lab confirmed the positive  
17 scopolamine result. Baedeker notified the CHRB. By then,  
18 Justify had already won the Derby.

19           A complaint was never filed. Neither did a  
20 hearing ever take place, as would be customary.

21           August 23rd, 2018, Baedeker states he presented  
22 the Justify case to the CHRB in a private executive session.

23           A step had never taken -- a step he had never taken in his  
24 five-and-a-half-year tenure. Big surprise; the CHRB voted  
25 unanimously to not proceed with the case against Bob

1 Baffert.

2           Horses are not here for you. Where is it written  
3 that they were created for you to race them and endanger  
4 their lives? The horse racing industry sees them as mere  
5 property and that's what separates people in the horse  
6 racing industry from people like animal rights activists,  
7 that we see them as living beings that can also feel pain  
8 and fear, and we care for their wellbeing.

9           VICE CHAIR AUERBACH: Okay. Thank you.

10          EXECUTIVE DIRECTOR BAEDEKER: Thank you.

11          VICE CHAIR AUERBACH: Casey Phillips.

12          MS. PHILLIPS: Hello. My name is Casey Phillips.  
13 I am a track photographer. I work for Eclipse Sportswire.  
14 But more importantly, I am a registered veterinary nurse  
15 with the State of California. I have worked as a surgery  
16 technician at both Hollywood Park and Santa Anita, as well  
17 as other equine practices. And I've also worked small  
18 animal emergency. I'm pretty well versed with a lot of  
19 medical issues.

20                 Number one, I understand what happened with the  
21 Justify issue. Scopolamine is not normally given to a horse  
22 because it does not enhance his performance. Also,  
23 Justify's urine and blood showed both atropine and  
24 scopolamine, which are indicative of an environmental  
25 contaminant, not administration by a trainer.

1           Secondly, I understand your position. It is very  
2 difficult, in fact, it's illegal for you to give out  
3 information when there's been no complaint. And what the  
4 previous speaker failed to mention is the same rules that  
5 were in place at the time also stated without mitigating  
6 circumstances. Six other horses that same exact weekend  
7 tested positive for scopolamine. Why? Jimson weed. Jimson  
8 weed is prevalent through all California. And any horse  
9 owner who has ever looked at their horses hay will have seen  
10 it. It's very, very prevalent.

11           Animal rights extremist groups are out to --  
12 excuse me.

13           We don't talk when you're speaking, so please  
14 don't talk.

15           UNIDENTIFIED FEMALE: (Off mike.) No one said  
16 anything.

17           MS. PHILLIPS: Bull.

18           Animal rights extremist groups are out to ban  
19 horse racing. We know that. It's all over. In fact, the  
20 group, Horseracing Wrongs, their founder, when asked why --  
21 or what they plan to do with all the horses that they were,  
22 you know, going to -- the 100,000 horses that were going to  
23 be left when horse racing was banned, his comment, and I'm  
24 reading it, I'm quoting it,

25           "The reason you didn't get a reply, at least from me,

1 is because it's a moronic question. Vegans get it all  
2 the time, what to do with all the chickens, cows and  
3 pigs when the world starts eating -- or stops eating  
4 meat? And I typically issue dignifying dumb. But in  
5 the interest of leaving me alone, here's how it goes.  
6 "First, horse racing will not disappear overnight.  
7 Tracks will close, consolidate over time, like" --

8 COMMISSIONER ALFIERI: Time.

9 VICE CHAIR AUERBACH: Patricia Folgar. Tolgar?  
10 Felgar?

11 MS. FOLGAR: On December 3, 1965, my father left  
12 his home country in Guatemala, the same home country where a  
13 lot of your backstretch work -- are from. He left his  
14 family and he promised to come back for them as soon as he  
15 established a life here in America, and that's exactly what  
16 he did. He became an autobody mechanic. And it was not  
17 long before he was able to reunite with his family.

18 My dad, in 1971, a man that worked hard, a blue-  
19 collar worker, who never made more than \$40,000 a year in  
20 his lifetime, and that's gross pay, he was able to secure a  
21 bank loan and he bought his first and only house here in Los  
22 Angeles.

23 And I remember the Friday where he came home with  
24 his head hung low because he and all of his coworkers in his  
25 shop had lost their jobs, all of them. Not only that, the

1 boss wasn't able to provide them their final paycheck. Why?

2 Because he bet all of his money on the horses. And that's  
3 something that hasn't been talked about, this gambling  
4 addiction. He never, ever -- he played all of his money,  
5 lost his home, lost his family, his children, his cars,  
6 everything. And years later, he was living on the streets.

7 This happened to my dad twice in my lifetime that I know  
8 of. Different bosses, same addiction.

9 My question to you is this, there is so much  
10 concern for the backstretch workers. Where is your concern  
11 for the people that give you guys the money, that they lose  
12 everything, their livelihood? They go through humiliation,  
13 embarrassment, they lose everything. Where is your concern  
14 for them? Where is your concern for my family when my dad  
15 didn't have a job for months and didn't know if he was going  
16 to make the mortgage that month? Where was your concern  
17 when my mother was crying and hoping her kids wouldn't hear  
18 her? Where was your concern when she had to put on a  
19 uniform to scrub toilets in order to make ends meet? Why?  
20 Because somebody gambled everything.

21 Horse racing destroys lives. You say you can't  
22 lose it all in horse racing? Well, ask David Milch,  
23 somebody who works in entertainment, who, in 2016, lost  
24 everything, owed the IRS \$17 million and was on \$40.00 a  
25 week allowance. Can you tell me? You tell me.

1 I leave you with this, think about it, all  
2 this -- this ruins lives. You can't smell it on a breath,  
3 you can't see tracks, so all of this is really hard to track  
4 down. But how many families will actually stay intact? How  
5 many will keep their jobs because horse -- this horse abuse  
6 that is masked behind sport is abolished?

7 VICE CHAIR AUERBACH: Martha Sullivan.

8 MS. SULLIVAN: I would like to, in light of the  
9 fact that we have two new Board Members and you will be, as  
10 I understand it, electing a new Chair at your next meeting,  
11 I'd like to just quote Bryce Miller, who's a columnist with  
12 the San Diego U-T, in a recent column which was very, I  
13 thought, incisive and perceptive in terms of next steps.

14 He said that, you know, in the wake of the whole  
15 Justify scandal,

16 "Meanwhile, something more obvious rose above the  
17 doping or no-doping den. The California Horse Racing  
18 Board needs to be rethought, reexamined, reshaped and  
19 re-everythinged, at the absolute very least, re-  
20 somethinged. Moving forward without a full impartial  
21 rethink about structure, personnel and procedure feels  
22 negligent."

23 I saw some of that in the discussion today being  
24 brought to the table by the two new members, talking about  
25 transparency and the need for separation of conflicts of

1 interest and so forth, so that was very heartening. And I  
2 hope to see more of it from this Board, certainly in the  
3 election of the Chair next month.

4 I would also like to use this time just to remind  
5 you and everybody in this room that even though the deaths  
6 of 30-plus horses at the Santa Anita Race Track this last  
7 spring has unleashed a huge public concern translated into  
8 our governor and legislature about the abuse and death of  
9 horses in this industry, the reality is, from your own  
10 records, that 115 horses died just at the three major tracks  
11 in the last fiscal year that you reported on, 115 horses at  
12 three tracks.

13 So it's not just the 30 horses at Santa Anita.  
14 This is not an outlier. It caught fire because in the 21st  
15 century the public is less and less interested in being  
16 entertained by animal abuse. This is going to continue and  
17 this Board needs to really, really face up to it and, again,  
18 take Bryce Miller's words to heart.

19 Thank you.

20 VICE CHAIR AUERBACH: Kelly Brinkerhoff.

21 MS. BRINKERHOFF: I'm a proud owner of several  
22 racehorses. I want to tell you people that don't know, you  
23 can keep making faces all you want, but I'm going to give  
24 you the daily routine of what my horses do.

25 They wake up to a big can of grain every morning.

1 They are groomed and tacked and wait for their riders. They  
2 are galloped, jogged and worked. They return to the barn  
3 where they are given a hot bath with shampoo, then groomed  
4 some more. They are walked by hand or put on a hotwalker.  
5 And after they cool out, they are returned to their stalls  
6 where they have alfalfa, hay and grass mix. And then their  
7 grooms start working on rubbing their legs, and bandages.

8 They are given supplements, minerals and vitamins.

9 The oats they get are from Canada. The hay can be from  
10 California, Utah, Nevada and Arizona, high-quality feed.

11 They have 24-hour access to a vet. They get  
12 dentistry done so they can eat their oats and hay properly  
13 and get their nutrients.

14 We have a vibrating plate to get on -- they get on  
15 that helps their legs and hooves. Their hooves are cleaned  
16 and then their feet are painted with an oil-based dressing.

17 Every day their stall area is cleaned and new  
18 bedding, either straw or shavings, are applied.

19 We have a nuclear scan available to see things x-  
20 rays can't.

21 More oats at noon. They enjoy cooked oats and  
22 beet pulp later in the afternoon.

23 When needed, fans and fly spray.

24 This goes on in every barn that I know of on the  
25 backside.

1 I know I'm forgetting some of the things. But to  
2 my way of thinking, they are taken better care of than most  
3 of the people in this world, and much better -- you know  
4 what third-world countries are? They don't get this.

5 UNIDENTIFIED FEMALE: (Off mike.) This one.

6 MS. BRINKERHOFF: They don't get this.

7 And much better than the homeless on the streets  
8 here in California.

9 Horses, like other animals, are vulnerable to  
10 accidents. Farm horses, ranch horses do not get this care  
11 but can hurt themselves just as much or more.

12 We love our horses and the people that work in our  
13 barns.

14 You protestors need to get onboard with Governor  
15 Newsom and try to solve the ills that beset California's  
16 homeless.

17 Thank you, CHRB, for giving me a chance to speak.

18 (Applause.)

19 VICE CHAIR AUERBACH: Toni Falcone.

20 UNIDENTIFIED FEMALE: (Off mike.) We're allowed  
21 to clap now, I guess? We're allowed to clap?

22 VICE CHAIR AUERBACH: I just did. You want me to  
23 go up and yell at people?

24 UNIDENTIFIED FEMALE: (Off mike.) Yeah.

25 VICE CHAIR AUERBACH: Toni Falcone. Is that

1 person here?

2 MS. FALCONE: Yes.

3 VICE CHAIR AUERBACH: Oh, sorry.

4 MS. FALCONE: I said this at the least meeting.

5 But since there's some new Board Members, I'll say it again.

6 My name is Toni Falcone. I'm an independent  
7 animal rights activist. I'm a San Diego native, born and  
8 raised.

9 I grew up coming to California, Del Mar Race Track  
10 with my family. My mother recently recalled when I was  
11 quite young seeing a horse go down who was, of course,  
12 killed right on the track. She remembers thinking, gees, is  
13 this really a place I should be taking my child?

14 Not much has changed in the 40 years since that  
15 happened. Horses are still being sacrificed on a daily  
16 basis. The only thing that has changed is that sometimes  
17 the public hears about it.

18 On August 14th, 2010, I came to the track with a  
19 friend. I had the ticket for the horse, pictured in front  
20 of you. Her name was Fantasy Free. She was pushed into a  
21 rail and broke her leg. She was killed right on the track.  
22 It was a horrific thing to witness a beautiful creature,  
23 only three years old, being snuffed out right in the dirt.  
24 And I was complicit placing a \$2.00 bet on her to win.

25 Numerous horses die at Del Mar Race Track every

1 year. In 80 years, there are zero years that no horses have  
2 died. In 2014 there were 16; in 2015, 28; in 2016, 21;  
3 2017, 27. I know these aren't the official numbers but we  
4 kept count.

5 Suddenly, in 2018, instead of the normal week it  
6 takes for the stewards' minutes to come out, it took a  
7 month. Miraculously, 2018 showed only five. 2019 so far,  
8 only five.

9 We have been here all along. We know little to  
10 nothing changed in 2018. We know there are countless dead  
11 horses not accounted for on those stewards' minutes.

12 I'm sorry, your lies aren't going to work. We are  
13 watching, we are monitoring, and we are counting. The days  
14 of vanning off the bodies, never to be heard from again, are  
15 gone. The days of TVG turning the cameras away as a poor  
16 horse takes a spill, never to come up again, are gone.  
17 Everyone has cameras. Everyone has video. People are  
18 paying attention. People are learning that we have no right  
19 to use and abuse animals strictly for entertainment.

20 What I am here -- what am I here to ask this  
21 Board? Absolutely nothing. The California Horse Racing  
22 Board is going to do absolutely nothing. The California  
23 Horse Racing Board protects horse racing, not horses. The  
24 agenda items preceding this, window dressing. The Board is  
25 full of people with conflicts of interest. Oh, yeah,

1 there's not just cameras, there's Google.

2           Horses are still going to die. Horses are still  
3 going to be drugged. Horses are still going to be whipped.  
4 Jockeys are going to get hurt.

5           Horses are not the only victims in this cruel  
6 industry. It is inherent in any industry that exploits  
7 animals that people are also exploited.

8           The Stronach Group, the Thoroughbred Owners of  
9 California, and California Thoroughbred Trainers hire crisis  
10 management consultants whose best defense is taking  
11 exploited immigrant backstretch workers and exploiting them  
12 again by paying them \$15.00 to stand out as counter  
13 protesters at Del Mar and say how much they love their jobs  
14 where they are underpaid and housed in substandard housing,  
15 and some White guys yelling obnoxiously that we are --

16           COMMISSIONER ALFIERI: Time.

17           MS. FALCONE: -- paid by PETA. Del Mar Race Track  
18 is a Ringling Brothers. Del Mar --

19           VICE CHAIR AUERBACH: Ma'am --

20           MS. FALCONE: -- Race Track --

21           VICE CHAIR AUERBACH: -- it's time.

22           MS. FALCONE: -- is Seaworld.

23           VICE CHAIR AUERBACH: We have to allow --

24           MS. FALCONE: Del Mar Race Track is Santa Anita.

25           VICE CHAIR AUERBACH: Thank you.

1 John Valenzuela.

2 MR. J. VALENZUELA: Hello. My name is John  
3 Valenzuela, Pari-Mutuel Employees Guild, Local 280,  
4 President.

5 I just want to comment that I've been out with the  
6 backside stretch workers in counter protest with the animal  
7 activists at Del Mar and other locations throughout the  
8 state.

9 But with that being said, we're here to support  
10 California labor. There is over 17,000 jobs, and if I need  
11 to be corrected, I can be, but about 17,000 union jobs in  
12 the state of California, just that's directly impacted by  
13 horse racing.

14 Just to give you an idea how horse races supports  
15 people, California thoroughbreds economic impact is over  
16 148,000 thoroughbreds, over 50,000 jobs, and \$5.1 billion  
17 direct contribution to the GDP. Thoroughbred racing in the  
18 industry in the U.S. is over \$28 billion direct contribution  
19 to the GDP. Almost 4.2 million people work within the  
20 racing industry every day. Over \$1 billion annual economic  
21 impact.

22 You know, I understand the animal activists'  
23 position. They love horses. We love horses. Now we're  
24 asking for them to come to a medium and to accept reform. A  
25 lot of them don't -- there's a lot that do accept that but

1 there's a lot that are far, far into the right.

2           But I would like to tell you is that the ideology  
3 that they're sitting and following, I'm going to state,  
4 which earlier one of our people from the -- Casey Phillips  
5 mentioned, was trying to state -- give me a second here --  
6 she was trying to finish,

7           "First, horse racing will not disappear overnight.  
8           Tracks will close, consolidate over time, like what's  
9           happening now, with that, businessmen being  
10          businessmen, less breeding. In other words, the  
11          racehorse population will gradually decrease according  
12          to time-tested economic principles. When the time  
13          arrives for the last track or clusters of tracks to  
14          close, there will be an ample fund to rehome what's  
15          left, then," and I quote this, "then sterilize to  
16          extinction a planet devoid of thoroughbreds, Quarter  
17          Horses, Standardbreds, and everything in between.

18          "Hope this wasn't too complicated for you."

19                 And this is a quote from Patrick Battuello, if  
20 I -- I hope I didn't butcher his name, but Battuello, from  
21 horseracingwrongs.com. This is their ideology of taking  
22 care of horses, to extinction. Really?

23                 COMMISSIONER ALFIERI: Time.

24                 MR. J. VALENZUELA: Thank you.

25                 VICE CHAIR AUERBACH: April Montgomery.

1 UNIDENTIFIED FEMALE: (Off mike.) We didn't hear  
2 the name.

3 EXECUTIVE DIRECTOR BAEDEKER: April Montgomery.

4 MS. MONTGOMERY: Don't start the clock please. My  
5 name is April Montgomery. I'm an animal rights activist and  
6 the founder of banhorseracing.com, a grassroots advocacy  
7 campaign that exists to ban horse racing in California  
8 through legislation.

9 Until horse racing is banned, racehorses will be  
10 killed. Californians will not back down, we will not be  
11 silent, and we will not surrender to claims made by this  
12 Board and the racing industry that dead, dying and drugged  
13 horses are just part of the game.

14 According to last year's annual Board report,  
15 Chairman Winner said this, quote, "Admittedly, even one  
16 death of a racehorse is too many, but it is a sign of  
17 progress that the industry is finding solutions to a problem  
18 that, for far too long, has perplexed all of us who care  
19 deeply about the safety and welfare of horses," end quote.

20 My response, bull crap. Mr. Winner's statement is  
21 not only dishonest rhetoric but it is also an admission  
22 against interest. To the horse racing industry the  
23 racehorse is just a lottery ticket. The racehorse, horse  
24 racing is a deathtrap. Racehorses break their legs,  
25 collapse, bleed from the nostrils, suffer from heart

1 attacks, die in their stalls, starve, and are discarded when  
2 they are not winning. Nobody talks about this deep, dark  
3 secret.

4 We are fed up with your excuses, surface track  
5 conditions, weather stories, drug regulations, Lasix  
6 modifications, people-will-be-homeless narratives, freak  
7 accidents, necropsies, and patronization that you love  
8 horses. The general public is waking up.

9 Thirty racehorses died at Santa Anita this past  
10 season. No answers from this Board or from a fake, phony  
11 D.A. investigation, just business as usual, and more so-  
12 called safety measures.

13 Despite these safety measures, horses keep dying,  
14 including a four-year-old gelding named Zeke suffered a  
15 pelvic injury on the training track at Santa Anita on  
16 Monday. He's dead.

17 June 26th, Governor Newsom signed Senate Bill 469  
18 into law but the law is useless. It doesn't protect horses.

19 It was passed to make the public feel better about horse  
20 racing. This law is not mandatory. 469 gives this Board  
21 the authority to, at any time, immediately suspend a license  
22 to conduct a racing meeting when necessary to protect the  
23 health and safety of the horses or riders. This Board is  
24 the same Board who stood down when it came to reallocating  
25 race dates back in April while 30 horses were dropping like

1 flies at Santa Anita Park. Now you have 469 and you are  
2 still standing down because racing deaths are just part of  
3 the game.

4           So the question becomes, Board Members, how many  
5 horses have to break their legs, collapse, bleed and die for  
6 it to be necessary to protect them under 469? At least 20  
7 horses have died on California's racetracks since 460 became  
8 law, so where's the necessity for Charge a Bunch and Carson  
9 Valley, killed in a head-on collision. Bri Bri, a broken  
10 pelvis. Cuervo Foose, shoulder fracture. Mister Frank  
11 (phonetic), collapsed, heart attack. Sander Smiles  
12 (phonetic), a sudden death. You can't protect these horses,  
13 Board, because they're dead.

14           This is the same Board that cleared Hall of Fame  
15 Trainer Bob Baffert of any wrongdoing for the 2018 Triple  
16 Crown winner Justify, who failed a drug test a month before  
17 winning the Kentucky Derby, claiming what, contaminated  
18 feed? This is the same Board that cleared Mr. Baffert of  
19 any wrongdoing --

20           VICE CHAIR AUERBACH: Time please.

21           MS. MONTGOMERY: That was not three minutes.

22           EXECUTIVE DIRECTOR BAEDEKER: Yeah, it was.

23           COMMISSIONER ALFIERI: Yes, it was.

24           VICE CHAIR AUERBACH: Yes, it was.

25           COMMISSIONER ALFIERI: It was a little over.

1 MS. MONTGOMERY: (Off mike.) We're going to ban  
2 horse racing.

3 VICE CHAIR AUERBACH: Scarlet.

4 MS. TIMPHONY: Good afternoon. My name is Scarlet  
5 Timphony and I am with We Support Horse.

6 I was a racehorse owner and wife of owner Trainer  
7 Vincent Timphony, who trained inaugural Breeders' Cup  
8 Classic Winner, Wild Again. I spent 35 years of my life in  
9 horse racing. I am a Democrat.

10 After seeing so many insidious lies, half-truths  
11 and false equivalencies being spread in the press, I have  
12 been compelled to come forward and fight back.

13 A true journalist listens to both sides and  
14 investigates the truth. We must know our enemy and our  
15 enemy is misinformation. We must be prepared to answer the  
16 uninformed and educate a public that is being brainwashed.

17 This year several tracks, including Saratoga,  
18 broke all-time records and handle was up seven percent.

19 In California, we contribute \$5.1 billion directly  
20 to the GDP. And over 300,000 jobs are directly and  
21 indirectly impacted by horse racing.

22 California is the gold standard for drug testing  
23 and spends more than all other states combined. We fund  
24 more in equine health research than in any other state.

25 A racehorse weighs an average of 1,100 pounds. A

1 rider averages between 110 and 117. If horses didn't  
2 consent the rider would know. No rider wants to take a sick  
3 or injured horse on the track.

4 As for horses being love slaves, totally  
5 ridiculous. Only 28 percent of owners have income in the  
6 six figures. There are very few trainers making millions.  
7 When a horse is lost only five percent are insured.  
8 Therefore, most owners have no monetary recourse.

9 All California tracks banned stall applications to  
10 owners and trainers who let racehorses go to slaughter. We  
11 oppose -- we support anti-slaughter legislation.

12 CHRBR tracks all horses who are retired from the  
13 track for the first year. There are 9.2 million horses in  
14 the U.S.; 840,000 are racehorses. The annual on-track  
15 deaths are 0.001 percent, one-thousandths-of-one-percent.  
16 Fifty percent of horses in the wild never reach their first  
17 year. Twenty-eight percent of pet horses die from leg  
18 injuries. Ninety-eight percent of all thoroughbreds reach  
19 maturity. In the wild, they would lie down and starve to  
20 death if injured.

21 We agree that reforms were necessary for the  
22 safety of horses and the riders. Reforms are being  
23 implanted. We need to allow trainers to be able to be  
24 innocent until proven guilty.

25 One of the leaders of the protest on Sunday was

1 asked, "What about our workers?"

2           The woman looked with venom at us and said, and I  
3 quote, "I don't give" -- an expletive -- "about your  
4 workers."

5           There are 77,000 workers who are directly on the  
6 track. Most of them are Latino immigrants who are  
7 generational. Okay.

8           We love our horses.

9           VICE CHAIR AUERBACH: Amanda Lundberg please.

10          MS. TIMPHONY: We love our horsemen.

11          VICE CHAIR AUERBACH: Please.

12          MS. TIMPHONY: We support horse racing.

13          VICE CHAIR AUERBACH: Amanda Lundberg?

14          UNIDENTIFIED FEMALE: (Off mike.) She had to  
15 leave.

16          VICE CHAIR AUERBACH: Did she live?

17          UNIDENTIFIED FEMALE: Yeah.

18          VICE CHAIR AUERBACH: Is she the lady that left?

19          UNIDENTIFIED MALE: (Off mike.) She just left.

20          VICE CHAIR AUERBACH: Okay. Thank you.

21          Efrain Cordero.

22          MR. CORDERO: Hello. Hi. Afternoon, good, bad,  
23 and ugly people, excuse me for that.

24                 I've been in the horse business for 44 years, all  
25 my life. And I've been an exercise rider, horseshoer,

1 owner, I tried to do everything with the horses. Why?

2 Because I like it because I love horses, I love animals.

3 Yes, ma'am, I do.

4 And we are not killers, like people do -- like  
5 people say. No. We don't need horses. We love horses.

6 And we like the business. Sometimes we play as a father, as  
7 a mother. We have to live with the horses, too, when they  
8 get sick on the side of the door next to them. You people  
9 don't know nothing about animals. I don't know if you  
10 people have whatever you got, dogs, you have some, I don't  
11 know what they do. We're not going to talk about it. We  
12 love horses and we love horses.

13 If you've got a horse (indiscernible). And we're  
14 not killers. We need the jobs, we really do. I don't know  
15 where -- how you guys get a living, what do you do? If you  
16 had a husband, you're supposed to be taking care of your  
17 son, your husband.

18 EXECUTIVE DIRECTOR BAEDEKER: Sir?

19 MR. CORDERO: So --

20 EXECUTIVE DIRECTOR BAEDEKER: Sir, excuse me, can  
21 you please address the Board?

22 MR. CORDERO: Yes. Yes. So we need the jobs.  
23 Thank you. Thank you. Thank you.

24 VICE CHAIR AUERBACH: Oscar de la Torre please.

25 UNIDENTIFIED FEMALE: (Off mike.) That's sexist.

1 UNIDENTIFIED FEMALE: (Off mike.) You just got an  
2 example of what we heard at Del Mar this last summer, okay?

3 VICE CHAIR AUERBACH: Oscar de la Torre, are you  
4 still here?

5 MR. DE LA TORRE: Yes.

6 VICE CHAIR AUERBACH: Oh, sorry. Didn't see you.

7 MR. DE LA TORRE: Oscar de la Torre, Los Angeles,  
8 here also being supported by backstretch workers who work  
9 here at Los Alamitos, been working here for 30 years.  
10 (Speaking Spanish.) Thirty years.

11 And how many years? (Speaking Spanish.)

12 UNIDENTIFIED FEMALE: (Speaking Spanish.)

13 MR. DE LA TORRE: Twenty-two years. (Speaking  
14 Spanish.)

15 UNIDENTIFIED FEMALE: (Speaking Spanish.)

16 MR. DE LA TORRE: About 30 years, as well, in this  
17 industry.

18 We're here to represent the view that we support  
19 the reform effort that will strengthen the protections for  
20 the horses that are under our care. On that, we agree.

21 We also want to make sure that the compassion that  
22 we have for the horses extends to the workers that take care  
23 of the horses. These are the individual's right here, and  
24 there's thousands of them working the backstretch at Los  
25 Alamitos, Santa Anita, Del Mar, racetracks throughout the

1 country, that work every day taking care of the horses.  
2 They love their job. It's a culture. It's generations.  
3 (Speaking Spanish.)

4 UNIDENTIFIED FEMALE: Tres.

5 MR. DE LA TORRE: Three. Three children.

6 (Speaking Spanish.) All of them work in the industry, in  
7 the horse racing industry, so it's generational. It's a  
8 culture. It's a way of life.

9 Thousands of workers would be negatively impacted  
10 by an extreme ban on horse racing. People may joke, they  
11 say, oh, well, you know, you can't say that they're going to  
12 end up homeless. There's housing that's provided here. The  
13 housing market is very hard in Los Angeles right now. It's  
14 hard to get -- to find an apartment, even for \$1,500 a  
15 month. The loss of jobs, the loss of income, the loss of  
16 housing, clinics that are provided, scholarships for  
17 backstretch workers that are provided, those are all real  
18 losses.

19 And, yes, the fear is real that if you lose all  
20 that, you end up homeless in the City of Los Angeles. And  
21 to end up homeless is a death sentence in the City of Los  
22 Angeles. Fifty-nine thousand people are homeless in the  
23 City of Los Angeles and counting. We don't want to  
24 exacerbate the social problem.

25 So that's why we don't agree with those that are

1 saying they want a ban on horse racing. We think that the  
2 reform effort is working. Del Mar is one great example of  
3 that work and how it can have a positive impact.

4           The point that I want to make today is that there  
5 is a human cost to an extreme ban on horse racing. We have  
6 to understand that. We love the horses. Horse racing  
7 advocates are here. We don't have advocates for a lot of  
8 the workers in the backstretch and these are vulnerable  
9 populations, immigrant populations, hardworking people that  
10 don't want welfare, don't want unemployment. They just want  
11 an opportunity to feed their families.

12           Commission Mitchell, you mentioned about public  
13 safety at Del Mar. And we agree that when we do protests  
14 and counterdemonstrations, we can keep our people separated.

15           I've talked to Alan about that in the past and I think we  
16 can agree on that. Everyone has a right to freedom of  
17 speech, freedom of expression, in this country.

18           But what would you do if someone's at your  
19 doorstep calling for an end to your job, calling for an end  
20 to your ability to feed your family? You will fight back.  
21 You will speak out. And that's what people have a right to  
22 do in this country and that's what the people in the  
23 backstretch are doing every time that we will have to  
24 confront these protests.

25           Thank you.

1 VICE CHAIR AUERBACH: Heather Wilson.

2 MS. WILSON: All right, let's try this again. So  
3 I have some questions regarding the recent events with  
4 Justify.

5 On April 18th, 2018 the lab at UC Davis sent  
6 notice that Justify had tested positive for scopolamine.  
7 Was this positive result from radial amino acetate or from  
8 gas chromatography mass spectrometry?

9 EXECUTIVE DIRECTOR BAEDEKER: Make your  
10 statements. We're not responding.

11 MS. WILSON: No answer? Okay. Transparency.

12 So on April 26th, Mr. Baffert is notified of the  
13 positive results, so he asks that another sample be sent to  
14 an approved independent lab. Was this a fresh sample or was  
15 this from a split specimen that was obtained on April 10th?

16 You're clearly not going to answer. These are  
17 just gold standards in drug testing.

18 Dr. Rick Sams ran the drug lab in Kentucky for  
19 many years. He stated that the amount found in Justify, 300  
20 nanograms per milliliter was excessive, suggesting that it  
21 was intentional. According to a 2014 article from the  
22 Veterinary Journal titled, "Scopolamine in Racing Horses,"  
23 the regulatory threshold in the United States is 75. In  
24 Europe, it is even lower at 30. Therefore, according to  
25 U.S. standards, Justify was at four times the allowable

1 amount.

2           The technology for differentiating between  
3 synthetic and naturally-occurring scopolamine has been  
4 available for many years. According to the National  
5 Institutes of Health, Solanaceae, or nightshade plants,  
6 including jimson weed, have naturally-occurring scopolamine  
7 and other anti-muscarinic compounds, such as atropine. The  
8 scopolamine in plants, the molecular weight is 303.35 grams  
9 per mole. Synthetically manufactured scopolamine,  
10 hydrobromide, is much heavier at 384.3 grams per mole.

11           I need a little help here. Here, hold that up for  
12 me. Thank you. Since we've got too many posters.

13           The synthetic version has a hydrobromide salt  
14 added in the pharmaceutical manufacturing, making is  
15 significantly heavier, as well as giving it a distinctly  
16 different chemical structure.

17           According to a 2015 study by the University of  
18 Veterinary Medicine in Vienna, equine hair growth, namely  
19 the tail, is one centimeter every 13 days in domestic  
20 horses. Therefore, a hair sample would have shown months of  
21 scopolamine and exposure to other drugs and medications.

22           With millions of dollars at stake, why not spare  
23 no expense to exonerate Baffert with the most sophisticated  
24 scientific methods available?

25           Instead, you, the CHRB, deliberately chose to not

1 file a complaint or to hold a hearing.

2           The very fact that we have to discuss drug testing  
3 animals is a clear depiction that this is all about you.  
4 You want to win at any cost. Horses don't want to take  
5 drugs, have contaminated feed, or be drug tested. Horses  
6 don't care about wining your races or your \$2.00 bets. And  
7 horses definitely do not want to be the center of your  
8 selfish scandals, your lies, and your coverups.

9           COMMISSIONER ALFIERI: Time.

10          VICE CHAIR AUERBACH: Ana Makshanoff.

11          UNIDENTIFIED FEMALE: (Off mike.)

12 (Indiscernible.)

13          VICE CHAIR AUERBACH: Ana Makshanoff?

14           Do we have this lady here?

15           Ana Makshanoff? Okay.

16           I'm assuming that person isn't here.

17           Andrew Lesser.

18          DR. LESSER: Hi. Dr. Andy Lesser, Redondo Beach.

19           I wasn't going to mention this but now I've seen  
20 the effect. I was really, really disappointed to see that  
21 the public comment section was moved to the very end of the  
22 meeting because a lot of what I've said I've either said  
23 before this Board before, and I know I'm not going to change  
24 the minds of the people involved in horse racing. I'm just  
25 really sad in that it looks like 90 percent of the media has

1 already left to go somewhere else.

2           As I've said before, I grew up in New York around  
3 horse racing tracks, harness tracks. My family owned  
4 Standardbred horses. We raced at New York, Pennsylvania,  
5 Delaware, Florida tracks. We even flew across the country  
6 from New York to California to watch our horses night race  
7 at Hollywood Park, a horse racing venue that, like many, is  
8 no more.

9           Now, just as when I was a child, I am awestruck  
10 every time, including this morning, of the sight of a track  
11 in all its beauty, its splendor, its elegance as it unfolds  
12 before me from the clubhouse or grandstand, or even from  
13 this Finish Line Room. It's awesome. And the feeling,  
14 combine that with excitement in the air on a race day that  
15 builds as first post time approaches, it is intoxicating.

16           Unfortunately, it's so intoxicating that, along  
17 with the allure of dollars, it allows those involved in  
18 horse racing, the Board, the owners, trainers, and  
19 spectators to consider racing-related horse deaths, although  
20 sad, even heartbreaking, as inevitable and acceptable  
21 losses.

22           I want the public to know that even with the new  
23 safety measures, and even if there were a complete ban on  
24 drugs, the sport of horse racing is actually an industry  
25 dependent on betting that is and will continue to be deadly

1 for horses.

2 I am proud to be a representative of Horseracing  
3 Wrongs, an organization that believes that just the death of  
4 one horse is an unacceptable loss.

5 Thank you.

6 VICE CHAIR AUERBACH: Valerie Traina.

7 MS. TRAINA: Ladies and gentlemen, my name is  
8 Valerie Traina and I am an independent activist here on  
9 behalf of racehorses.

10 According to your mission statement, your Board  
11 exists to ensure the integrity, viability and safety of the  
12 California horse racing industry.

13 I've read many accounts about the recent case of  
14 Triple Crown winner Justify that have convinced me that Bob  
15 Baffert doped him and your Board covered it up. I'm sure  
16 that, had I been paying close attention over the years, I'd  
17 have learned about many prior cases like this one.

18 I've also noticed in my perusal of the newspapers  
19 that you count the number of horse deaths solely when they  
20 die during a race, as though the horses who die while in  
21 their stalls or while training for the big day don't matter.

22 I know that you don't count them because the higher that  
23 number gets the more opprobrium you'll receive from the  
24 public. Best to hide as much horror as you can. The horse  
25 racing industry has but a casual acquaintance with the

1 concept of integrity.

2           And as regards safety, surely you jest if you mean  
3 the safety of the equines. First, you force them to race at  
4 a tender age when their bones can't safely carry their  
5 weight at high speeds, hence, the broken necks and legs.  
6 Then you drug them to elicit their best performance.  
7 Furthermore, you race them in the hottest of temperatures.  
8 I've been out there on race days. You put them through  
9 hell, especially when whipping them to exceed their top  
10 speed.

11           You don't give these social animals time to  
12 socialize with other equines.

13           Worst of all are the accounts I've read regarding  
14 the way horses are patched to, sometimes literally with  
15 glue, to get a few more races out of them. Disgraceful.

16           Horse racing is a business, not a sport. And to  
17 borrow a line from Ralph Nadar, "It's unsafe at any speed."

18           VICE CHAIR AUERBACH: Can we adjourn? I think  
19 we're all through. Do we want to --

20           EXECUTIVE DIRECTOR BAEDEKER: A motion?

21           VICE CHAIR AUERBACH: Motion to adjourn please,  
22 somebody?

23           COMMISSIONER FERRARO: Motion to adjourn.

24           COMMISSIONER ALFIERI: Second.

25           VICE CHAIR AUERBACH: Dr. Ferraro moves and

1 Commissioner -- I'm sorry, I'm losing my mind here --

2 EXECUTIVE DIRECTOR BAEDEKER: Alfieri.

3 VICE CHAIR AUERBACH: -- Commissioner Alfieri

4 seconds. We're adjourned.

5 (The regular meeting of the California Horse Racing Board

6 concluded at 2:57 p.m.)

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## CERTIFICATE OF REPORTER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of September, 2019.



MARTHA L. NELSON, CERT\*\*367

## CERTIFICATE OF TRANSCRIBER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.



MARTHA L. NELSON, CERT\*\*367

September 26, 2019