



APPEARANCES

COMMISSIONERS

Keith Brackpool, Chairperson

David Israel, Vice Chairperson

Jesse Choper

Bo Derek

Jerry Moss

Richard Rosenberg

STAFF

Robert Miller, Staff Counsel

Jacqueline Wagner, Regulations/Legislation Manager

Dr. Rick Arthur, Equine Medical Director

Mike Marten

ALSO PRESENT

John Alkire, Big Fresno Fair

Michael Wellman, Owner/Breeder

John Harris

Karen Klawitter

Barry Broad, Jockey's Guild

Todd Jones, Huntington Ambulance Service

Stacey O'Bryan, Huntington Ambulance Service

Jack Liebau, Hollywood Park

APPEARANCES (CONT.)

ALSO PRESENT (CONT.)

Darrell Haire, Jockey's Guild

Rod Blonien, Los Alamitos

Rick English, Los Alamitos

Stuart Titus, Humboldt County Fair

Joe Morris, Golden Gate Fields

Chris Korby, California Authority of Racing Fairs

George Haines, Santa Anita

Chris Quinn, Santa Anita

Rick Hammerle, Santa Anita

Gina Lavo, Santa Anita

Calvin Rainey, Golden Gate Fields

Peter Tunney, Golden Gate Fields.

Dave Elliott, Cal-Expo

John Bucalo, Barona Casino

Melanie Frank, TVG Network

Gene Chabrier, XpressBet

Brad Blackwell, Twinpires

John Hindman, TVG

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PROCEEDINGS BEGIN AT 9:10 A.M.

(The meeting was called to order at 9:10 A.M.)

ARCADIA, CALIFORNIA, THURSDAY, NOVEMBER 17, 2011

MEETING BEGINS AT 9:10 A.M.

(Thereupon the California Horse Racing Board Regular Meeting went into a Closed Session at 9:11 a.m., Until 10:08 a.m.)

CHAIR BRACKPOOL: Ladies and Gentlemen, if you'll take your seats, we're going to begin. Thank you. Please take your seats.

VICE CHAIR ISRAEL: Okay. While you're taking your seats, before we go on to the business of the meeting here are a few comments.

The Board invites public comment on the matters appearing on the meeting agenda. The Board also invites comments from those present today on matters not appearing on the agenda during a public comment period if the matter concerns horse racing in California.

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

There's a public comment sign-in sheet for each agenda matter on which the Board invites comments. Also,

1 there's a sign-in sheet for those wishing to speak during the  
2 public comment period for matters not on the Board's agenda if  
3 it concerns horse racing in California. Please print your name  
4 legibly on the public comment sign-in sheet or Commissioner  
5 Brackpool won't be able to read it.

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

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

19           CHAIR BRACKPOOL: Thank you, everybody. Good  
20 morning. First item of business is the approval of the minutes  
21 of the regular meeting of October 6th, 2011. Do I have any  
22 comments from Commissioners on the minutes?

23           COMMISSIONER MOSS: Move.

24           CHAIR BRACKPOOL: I have a motion to approve.

25           COMMISSIONER ROSENBERG: Second.

1 CHAIR BRACKPOOL: Motion made by Commissioner Moss,  
2 seconded by Commissioner Rosenberg. All in favor?

3 ALL COMMISSIONERS: Aye.

4 CHAIR BRACKPOOL: Motion approved.

5 Item number three, public comment. I appear to only  
6 have two public speaker cards. If there are any more -- okay,  
7 coming up.

8 First speaker, John Alkire from the Big Fresno Fair.

9 MR. ALKAI: Morning -- good morning, Mr. Chair.

10 CHAIR BRACKPOOL: Please state your name and  
11 affiliation for the record, and the same with every speaker,  
12 please.

13 MR. ALKAI: Yes, sir. John Alkire, CEO, The Big  
14 Fresno Fair.

15 Mr. Chair, honored Members of the Board, I was asked  
16 to come back and give a report on our race meet of last month.  
17 I want to thank you all for the dates that were allocated to  
18 us. We recognize that it's a privilege and not a given each  
19 year, so we appreciate the dates that were granted this year.

20 I think one of the most significant factors that I  
21 want to bring to your attention today with regard to our meet,  
22 we backed up one day. We've been racing for 129 years in  
23 Fresno, and we backed up from 10 days to 9 days. CARF  
24 recommended to us that we back up because of the horse  
25 population. And that was a good suggestion because all of our

1 numbers are compared to ten -- ten -- or ten days last year.  
2 Our overall handle was up four percent. Our out of state was  
3 up 25 percent. All sources live were up ten.

4           And I want to thank the Board for also allowing us to  
5 try something new. We put the kiddie carnival in the -- inside  
6 of the race track behind the tote board on the grass. That  
7 allowed 76,000 more square feet on the fairgrounds which we  
8 added more rides, more games, which gave a lot more needed  
9 dollars to our bottom line. So I want to thank you for  
10 granting that permission.

11           Also, trying something new, the jumping horses  
12 between the races on turn one on the grass was very successful.  
13 And now we have a group wanting to do competition jumping with  
14 timing events for next year, but I'll bring that to you next  
15 year.

16           The most successful, I think, customer service  
17 entertainment that we offered was on Sundays, our cultural days  
18 that were very, very heavily attended by our Hispanic crowds,  
19 we had the Ayala Mexican Dancing Horses, singers and mariachis  
20 proved to be very, very successful. It gave our customers a  
21 lot more bang for their entertainment buck.

22           In closing I want to thank the chair personally for  
23 coming to the Big Fresno Fair, sharing an afternoon of racing  
24 with us. I know he had just gotten back, I believe, from  
25 Europe. It meant a lot to our board of directors and our fair

1 to have you there personally. Thank you.

2 CHAIR BRACKPOOL: Pleasure. Thank you. It was an  
3 excellent fair.

4 The next speaker -- are we working on some volume  
5 from here? Because I can just --

6 MR. MARTEN: I'm looking for the tech.

7 CHAIR BRACKPOOL: What?

8 MR. MARTEN: I'm looking for the technician.

9 CHAIR BRACKPOOL: Oh. Okay. Because I'm not getting  
10 any microphone -- I'm just hearing the person talk. I'm not  
11 hearing any amplification at all. And I don't know whether  
12 that means people listening in can't -- can't hear. It's just  
13 here? Okay.

14 VICE CHAIR ISRAEL: There. Now there's  
15 amplification.

16 CHAIR BRACKPOOL: Yeah. It seems like there's a  
17 little more amplification. I was getting nothing from -- from  
18 there. So hopefully that's -- that's working.

19 Next speaker, Michael Wellman.

20 MR. WELLMAN: Michael Wellman. Is that better?

21 CHAIR BRACKPOOL: Say something again, Mike.

22 MR. WELLMAN: Owner/Breeder.

23 CHAIR BRACKPOOL: Yeah. No. I think it's getting a  
24 little -- it's getting a little better.

25 VICE CHAIR ISRAEL: Hit -- hit the microphone.

1 MR. WELLMAN: I'm flattered that, you know, you're  
2 fixing it for me. So don't start my time yet. Are we good?

3 CHAIR BRACKPOOL: We're good.

4 MR. WELLMAN: All right. You know, I noticed today  
5 we've got some ADW measures to discuss later on in the agenda.  
6 And since it's so far down I did want to just remind people  
7 that last year, for better or worse, we had SB 1072. And I  
8 came to meetings at the beginning of the year with my own  
9 opinions about it and trying to verify some things in terms of  
10 how the ADW participated.

11 Since then it appears still there's all kinds of  
12 information out there that SB 1072 is strictly for the horsemen  
13 in purses. I think somewhere down the line we've got to get  
14 that straight; 1072 does provide on out-of-state wagers for the  
15 ADWs to participate, where 1072 we can discuss one way or  
16 another the pros and cons, and certainly it has fatalized  
17 purses.

18 There's other factions and facets of the industry  
19 that are hurting due to the reduction in handle. At the same  
20 time ADW is participating by taking a good percentage of handle  
21 that is, in theory, only for purses, taking it for themselves.  
22 I don't know how that was agreed upon. I do recall that  
23 originally both XpressBet and TVG were waiving it, and CDI was  
24 the issue that somehow negotiated and everybody got their  
25 piece. I think considering what has taken place over the last

1 almost year I hope that everybody, horsemen, the CHRB and  
2 everything, is able to modify and make sure that we get the  
3 correct piece of whatever goes forward.

4 CHAIR BRACKPOOL: Thank you, Mike.

5 Next speaker I have I'm going -- now we have too  
6 much. I'm echoing into myself here.

7 The next speaker I have, I can't accurately read  
8 the -- the surname, and nor can Vice Chair Israel. So I'm not  
9 taking the full blame. George Fasching. I apologize, sir.

10 MR. FASCHING: Oh, that's all right. A lot of people  
11 can't pronounce it.

12 CHAIR BRACKPOOL: Can you say it?

13 MR. FASCHING: Fasching.

14 CHAIR BRACKPOOL: It is Fasching?

15 MR. FASCHING: Fasching.

16 CHAIR BRACKPOOL: Well, I got pretty close.

17 VICE CHAIR ISRAEL: Yeah. You got it.

18 MR. FASCHING: It's like the holiday in Germany,  
19 Fasching.

20 COMMISSIONER DEREK: Fasching.

21 MR. FASCHING: Yeah. Good morning. Well, you've  
22 already said my name but I'll repeat it because I'm going to  
23 try and follow what I wrote down last night so I don't -- and I  
24 spent an hour-and-a-half on the freeway getting here.

25 But my name is George Fasching. I'm a native

1 Southern Californian, licensed California thoroughbred owner,  
2 Arcadia resident, Arcadia businessman, and a former mayor of  
3 the City of Arcadia. And now that I've gotten all that out of  
4 the way I will address my reason for being here this morning,  
5 that being my concern for the Oak Tree Racing Association not  
6 being allowed to continue presenting a race meeting.

7           A meeting was established in 1968 and furnished the  
8 financial return necessary to help fund the many organizations  
9 needing their assistance. Some of these are the California  
10 Thoroughbred Horse Foundation, the Winners' Foundation, UC  
11 Davis for Equine Research, and the Horse Rescue and Retirement  
12 Community.

13           While I have briefly mentioned only a few of the  
14 charitable contributions this nonprofit organization has been  
15 involved with, I would also like to give credit to them for  
16 being creative and successful in conducting their own race  
17 meet. Let's not forget that they established the Pick 5,  
18 Rolling Doubles, Rolling Pick 3s, and probably one of the  
19 greatest achievements of all, bringing the Breeders' Cup to  
20 California.

21           I realize things change in today's society. I can  
22 accept change, and the right of each person to run his business  
23 the way they choose. So be it. In my business, car washing,  
24 located seven furlongs from Santa Anita, I get comments from  
25 many customers including trainers, owners and even jockeys all

1 saying that racing sure isn't what it used to be. Well, I  
2 think we all know that. What I see and hear is that we must  
3 maintain to some degree the tradition of horse racing and its  
4 fan base. That, to me, is your responsibility.

5 CHAIR BRACKPOOL: You have one minute left, sir.

6 MR. FASCHING: Well, I'm only going to take 15  
7 seconds.

8 CHAIR BRACKPOOL: Okay.

9 MR. FASCHING: By allowing Oak Tree to continue its  
10 race meet you will be maintaining the tradition and image so  
11 vital to thoroughbred racing. Oak Tree Racing is a class act  
12 in all its endeavors. Thank you.

13 CHAIR BRACKPOOL: Thank you, sir. Okay.

14 A lot of things to get through today. But before we  
15 get started on that part of the meeting it is my pleasure, on  
16 behalf of myself and my fellow commissioners here, to  
17 acknowledge and thank our former colleague, John Harris, for  
18 his great tenure on the Board. (Applause.) John was on the  
19 Board for over ten years. Obviously, each of us have served  
20 with -- served with John. A lot of us have known John. And we  
21 had the pleasure last evening, some of us, of gathering and  
22 just reminiscing and enjoying some good moments.

23 Horse racing, as I said yesterday, horse racing needs  
24 a volunteer army. And John was certainly an extraordinary  
25 force in that volunteer army. He's been a terrific supporter

1 of both the breeding program and the racing program in  
2 California. And so as I say, on behalf of the Board is it my  
3 pleasure and honor to present John with a resolution thanking  
4 him for his time.

5 Step forward, John. Something to hang in the  
6 restaurant, and we even give nails, as well. That's very good.

7 VICE CHAIR ISRAEL: There's no wire though.

8 CHAIR BRACKPOOL: Thank you.

9 MR. HARRIS: Thank you.

10 CHAIR BRACKPOOL: Maybe you could say a few words,  
11 John, at the podium. (Applause.) And I'm just going to ask  
12 John to say a couple of words.

13 MR. HARRIS: Thanks, Keith. I had an interesting  
14 time on the Board and met a lot of wonderful people, and worked  
15 with the staff at CHRB that I always enjoyed working with.  
16 Probably one of the happiest days of my life was a like a boat,  
17 getting on the Board and getting off the Board, the two  
18 happiest days.

19 But it's a wonderful organization that sometimes gets  
20 criticized for things that it doesn't do and doesn't get credit  
21 for things it does. And the public, I think, doesn't  
22 necessarily realize how cumbersome it is to work with a state  
23 agency at times, to no one's really fault. It's just all the  
24 checks and balances that are set into it. But we have a  
25 wonderful Board here, and I was proud to be part of it.

1 I encourage anyone in the horse industry or the  
2 public at large to try to get on this Board or other boards.  
3 It's a real experience. And even though it's not all fun it's  
4 enjoyable at times. So thank you.

5 CHAIR BRACKPOOL: Thank you, John. Thank you.  
6 (Applause.) Okay. We're going to try and move through some of  
7 these items.

8 Item number five, discussion and action by the Board  
9 regarding the distribution of race day charity proceeds of the  
10 Pacific Racing Association in the amount of \$160,436 to 14  
11 beneficiaries. And I was very pleased to -- to note that 93  
12 percent of these distributions are to horse-related charities.  
13 So I would continue to encourage all of these -- these things.

14 So if I have no questions on that item from  
15 Commissioners I would move to approve it. Do I have a second?

16 COMMISSIONER CHOPER: Second.

17 CHAIR BRACKPOOL: Seconded by Commissioner Choper.  
18 All in favor?

19 ALL COMMISSIONERS: Aye.

20 CHAIR BRACKPOOL: Motion passes. Thank you.

21 Item number six, discussion and action by the Board  
22 on the nomination of a member to the Board or Directors of the  
23 California Thoroughbred Horsemen's Foundation. This was a  
24 rollover item from our meeting down at Del Mar where the two  
25 parties had wanted some time to be able to -- to work this out.

1 We understand now that Jorge Gutierrez licensed trainer, owner  
2 and agent has been nominated. Do I have any comments from the  
3 Board on this?

4 So again, I would move that the -- the Board approve  
5 the nomination as submitted.

6 VICE CHAIR ISRAEL: Second.

7 CHAIR BRACKPOOL: Seconded by Vice Chair Israel. All  
8 in favor?

9 ALL COMMISSIONERS: Aye.

10 CHAIR BRACKPOOL: Motion passes.

11 Item number seven, discussion and action by the Board  
12 regarding an update on the status of the proposed amendment of  
13 CHRB Rule 1846.5, Postmortem Examination, which would have  
14 required the preceding six months of veterinary records be  
15 submitted within 48 hours after submission of the Necropsy  
16 Submission Form.

17 Dr. Arthur?

18 DR. ARTHUR: Yes. Dr. Arthur, Equine Medical  
19 Director. I will start out that Counsel, Staff Counsel Bob  
20 Miller chaired a meeting with veterinarians at Santa Anita just  
21 a few weeks ago. And what -- what has come out of that, I  
22 think is quite clear that even though we have discussed this  
23 issue that the Track Safety and Medication Committee a number  
24 of times, the -- as frequently happens is people don't start  
25 paying attention until they get up to the Board.

1           And I think we clearly have not explained ourselves  
2 well. This -- there is a distrust of the Horse Racing Board's  
3 motives in this. There's claims of more paperwork over  
4 regulation, witch hunt, second guessing, liability issues,  
5 redundant paperwork. And we explained to the veterinarians and  
6 the owners and trainers at that meeting that we're very  
7 flexible on the time requirements, we're flexible in the -- in  
8 the format, and have worked to simplify that format and will  
9 continue to do that. An epidemiologist has joined Dr. Stover's  
10 staff that will help us design and allow us to get the  
11 information we need to really fulfill the Board's  
12 responsibility.

13           And if you remember, Executive Director Kirk Breed  
14 takes very seriously Business and Professions Codes 19441.2,  
15 where it's the Board's responsibility to evaluate fatalities  
16 and make recommendations to improve the safety of horses and  
17 riders.

18           So the point I'd like to make is that I still think  
19 this is an important issue. We are collecting pre-race  
20 examination data. We're collecting track surface data. We're  
21 collecting training data. And veterinary medical records are  
22 an important part of that. And certainly in the preliminary  
23 examinations I've done I'm very confident that this will be a  
24 key issue as we evaluate the fatalities in an area that we  
25 really have a core competency here in California, one of the

1 leading programs in the world. And not all of it is second  
2 guessing or -- or putting into question veterinary practices.

3 One of the -- the factors that I find so interesting  
4 is some of these training fatalities with rather overt  
5 preexisting pathology actually have never been looked at by a  
6 veterinarian. And that in itself is important information.

7 So what I would recommend is the Board postpone this.  
8 We have a Track Safety and Medication Meeting at Davis on  
9 January 10th. Dr. Stover is going to present some of the  
10 preliminary findings from the enhanced necropsy program. And I  
11 think we just need to continue to work with veterinarians and  
12 explain to them what we're trying to accomplish. And I think  
13 hopefully their scientific curiosity will encourage them to  
14 support what we're trying to do here.

15 CHAIR BRACKPOOL: Thank you. Commissioner Derek?

16 COMMISSIONER DEREK: Yes, I agree. I think that's --  
17 that's a good idea. I'd like to present something with a  
18 little more consensus and agreement to the Board, probably in  
19 February.

20 CHAIR BRACKPOOL: Okay.

21 COMMISSIONER ROSENBERG: Can I ask a question --

22 CHAIR BRACKPOOL: Yeah, please

23 COMMISSIONER ROSENBERG: -- of Dr. Arthur?

24 I think all of us on the Board or most of us have  
25 heard from veterinarians about their objection, many

1 veterinarians' objections to this idea or concept, but not from  
2 the standpoint of disclosing information that would be helpful  
3 in research to -- to help the -- prevent horse injuries in the  
4 future. They're mainly concerned about the fact that -- I  
5 believe they have concern with the investigation aspects of  
6 this, which I personally feel is a legitimate concern. So  
7 where do you stand on that?

8 DR. ARTHUR: Well, I think --

9 COMMISSIONER ROSENBERG: When I say -- by the way,  
10 when I say you, I presume you're speaking on behalf of the --  
11 yourself as the medical director, and also on behalf of the  
12 medication and safety committee; correct

13 DR. ARTHUR: Yes. And if I got -- or Commissioner  
14 Derek wants to add anything, please, she -- she certainly  
15 should.

16 I think you're absolutely right. The justification  
17 of this is -- is Business and Professions Codes that actually  
18 require the Board to do an investigation in fatalities where  
19 jockeys are involved, and -- and racing fatalities. And  
20 they -- their -- an investigation has a connotation is that  
21 somebody did something wrong.

22 And I think we -- we have been relatively aggressive  
23 in certain cases where there has been some suspicion of  
24 regulatory malfeasance or question of regulatory action where  
25 we have gone after medical records. The Bernadette issue was a

1 good example. There's been others where jockeys have been  
2 injured where we actually subpoena records and do a thorough  
3 investigation.

4 But what we're really trying to do here is we're not  
5 interested in what trainer, what veterinarian. What we're  
6 trying to do is relate veterinary medical records, just like  
7 we're trying to do with track surfaces, just like we're trying  
8 to do with the pre-race examination records with the  
9 fatalities, and trying to identify risk factors so that this  
10 Board, as is required under the law, make recommendations to  
11 improve the safety for horses and riders.

12 So you know, I think some of it is semantic. We've  
13 tried to explain it. But quite clearly regulatory -- nobody  
14 wants to be investigated. And -- and I think that it's a  
15 semantic problem that I think we have to -- to try to convince  
16 people that we're not witch hunting. We don't -- frankly, we  
17 don't have time to do witch hunts, we just don't --

18 VICE CHAIR ISRAEL: The --

19 DR. ARTHUR: -- even if we wanted to.

20 CHAIR BRACKPOOL: Just one -- one second.

21 Commissioner Moss?

22 VICE CHAIR ISRAEL: You don't have time to do it.

23 COMMISSIONER MOSS: I think the -- the big question  
24 is the liability aspect of this whole thing. And how do you  
25 somehow control that, if you can control it or it's to be

1 controlled?

2 DR. ARTHUR: Well, you know, certainly in  
3 information. We're working with university counsel to make  
4 sure the -- the information that goes to the university can be  
5 held confidentially. Bob Miller is -- is aware of those issues  
6 with the Horse Racing Board.

7 But whether those records are available or not does  
8 not affect liability. If somebody has liability they're going  
9 to have liability, whether we hold the records or they hold the  
10 records. So I think it's a little bit of a red herring, to be  
11 honest with you.

12 COMMISSIONER ROSENBERG: Well, except for one thing.  
13 A subpoena is one thing. I would -- I would assume the  
14 veterinarians wouldn't object to a subpoena to disclose their  
15 records. But just for the -- an administrative person to  
16 decide I want to see your records or I want to look into this  
17 is a whole other -- so I think the language has to be worked  
18 out to protect that.

19 DR. ARTHUR: We do -- we do have subpoena power and  
20 we have done that, yes. But -- but there are -- this -- this  
21 was actually structured under Rule 1842, and it has very  
22 similar language to it. Veterinarians are required to provide  
23 us with this information. And frankly, if we had the IT  
24 capabilities we wouldn't even need to do this because we'd  
25 already have it. So you know, part of it is trying to correct

1 for deficiencies really in the IT capability that the CHRB has.

2 COMMISSIONER CHOPER: I don't understand. If you  
3 already have the information why do you want them to resubmit  
4 it?

5 DR. ARTHUR: It is -- it is -- the way it is  
6 submitted is in a format that is unsearchable.

7 CHAIR BRACKPOOL: Commissioner Derek?

8 COMMISSIONER DEREK: No. I, still, I would like to  
9 work on this on January 10th and present something to the Board  
10 in February.

11 CHAIR BRACKPOOL: Okay. If that's acceptable to the  
12 other Commissioners I would -- we'll move this -- move this  
13 item to the February agenda --

14 VICE CHAIR ISRAEL: That makes sense.

15 CHAIR BRACKPOOL: -- and do that.

16 Just before we do that, I have one speaker on the -- on  
17 the issue, Karen Klawitter.

18 MS. KLAWITTER: Karen Klawitter. I have a few issues  
19 with what Dr. Arthur presented.

20 CHAIR BRACKPOOL: Just pull the microphone closer to  
21 you if you would. Thank you.

22 MS. KLAWITTER: Oh, god, I'm nervous enough without  
23 that thing.

24 CHAIR BRACKPOOL: That comes down.

25 MS. KLAWITTER: What Dr. Arthur left out is that

1 they're already requiring these -- they have an investigation  
2 sheet that's already being filled out. And they're already  
3 requesting veterinary records be submitted. They're already  
4 comparing the veterinary records to the confidentials that have  
5 been turned in. And when they don't jibe the confidential  
6 records might be missing some drug that's actually listed on  
7 the veterinary interview. They call up and question why -- oh,  
8 god, I hate this, this is so nerve racking -- why that is --  
9 hasn't been listed on their confidential as a mistake.

10           They've conducted these interviews since June.  
11 They've requested veterinary records since June. Apparently, I  
12 have not seen it, but apparently there's a directive out there  
13 that actually is a directive from Mr. Breed, and I'm told that  
14 Dr. Arthur's name is on it but I don't have access to that  
15 directive, that they were told in spite of the fact that have  
16 -- that this item has been postponed and they're trying to work  
17 out the legal issues and the liability issues, that there  
18 already is a directive out there that they're working under  
19 which, once again, is an underground regulation and is not  
20 legal in the State of California per the Office of  
21 Administrative Law.

22           COMMISSIONER CHOPER: I don't know what she's talking  
23 about.

24           CHAIR BRACKPOOL: Well, let's -- that's a fairly  
25 strong accusation.

1 MS. KLAWITTER: Yeah.

2 CHAIR BRACKPOOL: So let's have Dr. Arthur respond to  
3 that.

4 DR. ARTHUR: I don't have a clue what she's talking  
5 about.

6 CHAIR BRACKPOOL: Hold on a second. I thought,  
7 ma'am, you said in your -- in your remarks that you had heard  
8 about it but hadn't --

9 MS. KLAWITTER: Oh, the directive?

10 CHAIR BRACKPOOL: -- seen sight of it.

11 MS. KLAWITTER: The directive I have not seen.

12 CHAIR BRACKPOOL: Right.

13 MS. KLAWITTER: I have a copy of the veterinary  
14 interview that's being performed.

15 CHAIR BRACKPOOL: Right, the directive.

16 DR. ARTHUR: The -- the --

17 CHAIR BRACKPOOL: So what -- so the -- the mysterious  
18 directive, we have no idea whether anyone can present us with a  
19 copy. I'd be -- I'd be very happy and interested to see one,  
20 as would --

21 COMMISSIONER DEREK: I would too.

22 CHAIR BRACKPOOL: -- Commissioner Derek. Please  
23 email it to either of us.

24 As far as the --

25 MS. KLAWITTER: I have no access to directives. I

1 have absolutely no access.

2 CHAIR BRACKPOOL: And I've been told by our  
3 executive -- by our EMD that there is -- that there is no such  
4 directive. So if someone has one I'd like to see it.

5 MS. KLAWITTER: They also -- they also said that  
6 there was -- there was not a directive for the financial  
7 complaint, and I finally did receive a copy of that in the back  
8 door. So whether they say that there is not a directive, that  
9 doesn't mean it doesn't exist. I don't know how to go about  
10 finding it.

11 DR. ARTHUR: Well --

12 CHAIR BRACKPOOL: Hold on. Let's just try and take  
13 these points one at a time.

14 Counsel, are we aware of -- of a staff directive?

15 MR. MILLER: I am not aware of any staff directive  
16 regarding veterinary records, requesting it be turned over, if  
17 that's what she's addressing.

18 I -- since this issue has come up --

19 MS. KLAWITTER: I do have a copy of the veterinary  
20 interview that's being performed.

21 CHAIR BRACKPOOL: Right. I'm going to ask you about  
22 that in a second, but I'm just doing -- dealing with the  
23 directive first.

24 MR. MILLER: Since this issue has come forward I am  
25 not aware of any directive that the executive director has

1 issued in this -- regarding this issue.

2 MS. KLAWITTER: I said --

3 CHAIR BRACKPOOL: Before we move --

4 MS. KLAWITTER: -- I just heard it.

5 CHAIR BRACKPOOL: Before we move on to the -- the  
6 interview, veterinary interviews, Commissioner Choper has a  
7 comment.

8 COMMISSIONER CHOPER: Well, I don't mean to interrupt  
9 this exchange. It doesn't relate to --

10 CHAIR BRACKPOOL: Okay. So I'll let you come --

11 COMMISSIONER CHOPER: -- to the directives, so --

12 CHAIR BRACKPOOL: -- come to it in the end.

13 COMMISSIONER ROSENBERG: I just have one question,  
14 Keith --

15 CHAIR BRACKPOOL: So --

16 COMMISSIONER ROSENBERG: -- one question before you  
17 get --

18 CHAIR BRACKPOOL: Yeah. Commissioner Rosenberg.

19 COMMISSIONER ROSENBERG: Are you speaking on behalf  
20 of yourself as an individual veterinarian or are you part of an  
21 organization or -- just curious.

22 MS. KLAWITTER: I work at the equine hospital, the  
23 Santa Anita -- at the equine hospitals. We have hospitals here  
24 at Santa Anita and Hollywood Park. And it's owned and operated  
25 by the Southern California Equine Foundation. Basically I'm

1 just here as a regular taxpayer that finds all this very  
2 frustrating.

3 VICE CHAIR ISRAEL: But are you a doctor?

4 MS. KLAWITTER: No, I'm not.

5 VICE CHAIR ISRAEL: What do you do at the equine  
6 hospital?

7 MS. KLAWITTER: I'm the CEO of the foundation and the  
8 hospital administrator.

9 VICE CHAIR ISRAEL: Oh. Okay. Okay.

10 CHAIR BRACKPOOL: Thank you.

11 MR. MILLER: And -- and you hosted a meeting of the  
12 veterinarians and trainers and owners.

13 MS. KLAWITTER: Yes.

14 MR. MILLER: And we formed a working group --

15 MS. KLAWITTER: Yes.

16 MR. MILLER: -- with regards to this issue.

17 MS. KLAWITTER: Yes, we did.

18 MR. MILLER: And thank you very much for that.

19 CHAIR BRACKPOOL: Okay. Going to the veterinary  
20 inspections, Dr. Arthur, you can just comment on what those  
21 are.

22 DR. ARTHUR: Certainly. There are interview  
23 questions that are provided to the investigators in this  
24 regard. The same thing for trainers. There may be others for  
25 jockeys who are also interviewed, or exercise riders, depending

1 on how the case will be. There certainly may be some  
2 instruction sheet as to what the investigators are supposed to  
3 do in these regards, and they are not directives. And I can't  
4 remember what exactly what those say to do.

5 But just as we do on drug positives or other issues  
6 we give investigators instructions as to the type of question  
7 they're supposed to ask, and that's exactly what that is.

8 CHAIR BRACKPOOL: Commissioner Choper.

9 COMMISSIONER CHOPER: Yeah. I'm probably missing  
10 something, because I want to state the obvious. If the major  
11 objection is submitting this information, and if you already  
12 have the information in a different form, then I'm sure you've  
13 thought of this, but the easy thing is to simply change the  
14 form of the initial submission so you've got it there right in  
15 hand. It sort of moots this whole deal.

16 DR. ARTHUR: You're absolutely right, and certainly  
17 have thought about this. I think that the veterinarians are  
18 actually asking for something that's going to be more -- more  
19 onerous. And there are ways to do that, and certainly we've  
20 been thinking about that. So, yes, you're -- you're absolutely  
21 right.

22 CHAIR BRACKPOOL: If there are no further questions  
23 on this we'll move this item to the February agenda. Thank  
24 you.

25 Item number eight, discussion and action by the Board

1 regarding a report on the status of the Jockey Pension Fund  
2 Plan, presented by the Jockeys' Guild, Inc. and the executive  
3 staff of the Board pursuant to Business and Professions Code  
4 section 19604.

5 Jackie, are you coming up to present this or --

6 MR. MILLER: No. Barry Broad is.

7 CHAIR BRACKPOOL: Barry is coming up. Barry, if  
8 you'd state your name and affiliation.

9 MR. BROAD: Barry Broad. I'm counsel for the  
10 Jockeys' Guild.

11 CHAIR BRACKPOOL: Thank you.

12 MR. BROAD: Basically, we're back with you because on  
13 advice of our counsel, Mr. Miller, myself and my law partner,  
14 Shane Gusman, we serve as the trustees of this fund, which is  
15 jointly managed by the Guild and the CHRB. We are in the  
16 initial stages of putting the whole structure together. We  
17 have -- we picked an investment firm. We picked an accounting  
18 firm. This was all done through, you know, kind of a  
19 competitive bidding process.

20 We ran into a little glitch here which is that --  
21 that the -- we wanted to get -- this doesn't affect anybody's  
22 money or anything. The money is all safe and everything.  
23 Basically, we had to have everybody signed up by December 31st  
24 of 2010. And, unfortunately, the applications were destroyed  
25 by somebody who thought that they didn't need them anymore.

1           So on advice of counsel, because we don't want to  
2 make any mistakes and since it won't -- we're going to -- we --  
3 we ended the trust that you previously approved, and now we're  
4 redoing the trust. And all we would ask you is that you simply  
5 take action to approve --

6           CHAIR BRACKPOOL: Here's my -- here's my question on  
7 it. Right. So I read this and it said that consequently they  
8 can not validate which jockeys enrolled in 2010 and which  
9 enrolled in 2011. And yet you're saying there's no argument  
10 about money. Money accrues interest or earns interest from the  
11 time it's put into an account. So how can the money all be  
12 okay but we don't know when people put their money in?

13           MR. BROAD: Because here's situation. The money  
14 comes in from advance deposit wagering, and it's basically  
15 being held. It has not yet been disbursed for investment.  
16 It's being held by the state treasury in a sub-account. So  
17 it's simply accumulating and earning whatever interest the  
18 state earns, which probably means it's doing better than a lot  
19 of pension funds right now in the stock market because it's not  
20 in the stock market.

21           VICE CHAIR ISRAEL: Right. Right.

22           MR. BROAD: Yeah. So the money is there. It's about  
23 \$2 million.

24           The -- the actual money started to flow in 2008.  
25 It's -- it is distributed to each jockey based on the number of

1 mounts that they have in each calendar year. So anybody that  
2 was licensed in 2008 is eligible. We are then -- the trust  
3 accountant when -- at the end of this year will go back and  
4 allocate all that \$2 million to the account of each jockey.

5 CHAIR BRACKPOOL: Okay. So the -- the real point is  
6 that because it's based on mounts, it's not based on the date  
7 you put your money in, it doesn't really matter when you  
8 enrolled?

9 MR. BROAD: Correct.

10 CHAIR BRACKPOOL: Okay. I understand now. I  
11 understand.

12 Keep the noise back down there. Thank you. Okay.

13 I understand. So this is a very fairly simple motion  
14 for us then to just approve the -- the 2011 document?

15 MR. BROAD: Correct.

16 CHAIR BRACKPOOL: Okay.

17 COMMISSIONER CHOPER: So moved.

18 CHAIR BRACKPOOL: So Commissioner Choper moves the --  
19 the motion, which is to rescind the 2010 Jockey Pension Plan  
20 document and to adopt the 2011 plan document for the California  
21 Jockeys' Retirement Plan.

22 COMMISSIONER ROSENBERG: Second.

23 CHAIR BRACKPOOL: Seconded by Commissioner Rosenberg.  
24 All in favor?

25 ALL COMMISSIONERS: Aye

1 CHAIR BRACKPOOL: Motion approved.

2 MR. BROAD: Thank you.

3 CHAIR BRACKPOOL: And I have you down as a speaker,  
4 but you obviously spoke.

5 Item number nine, discussion and action by the Board  
6 regarding a report from the Huntington Ambulance Company  
7 representative concerning the requirement for paramedics in the  
8 on-track ambulance.

9 Who do I have to speak on behalf of Huntington?

10 MR. JONES: Good morning. Todd Jones, Huntington  
11 Ambulance Service.

12 CHAIR BRACKPOOL: Okay.

13 MS. O'BRYAN: And Stacey O'Bryan, Huntington  
14 Ambulance.

15 CHAIR BRACKPOOL: Would you like to go ahead and make  
16 your statement?

17 MR. JONES: Sure. We sent you some information. Did  
18 the Board have time to look at that and --

19 CHAIR BRACKPOOL: Yeah.

20 MR. JONES: Do you have any questions regarding?

21 CHAIR BRACKPOOL: We certainly do. I asked  
22 Commissioner Derek to take the lead on this under -- under  
23 Safety. So I'll let you fire away with the questions.

24 COMMISSIONER DEREK: Yes. I'm -- I'm concerned that  
25 we -- from what -- the information I got, it seemed that we had

1 a choice of having a paramedic available to an injured rider,  
2 and that they could only be transported one at a time, and our  
3 choice is that or having EMTs and there could be multiple  
4 riders in an ambulance. And I'm just concerned by we have to  
5 make a choice.

6 MR. JONES: Well, the choice is that there's not much  
7 of a choice. You have ALS, which are paramedics, and they're  
8 only allowed to have one patient in their unit, where BLS,  
9 which we do, have the opportunity to take injured -- or  
10 patients at that time. So what you're providing for your  
11 service right now is one-patient care, whereas when we have two  
12 units out here we could take four -- four patients.

13 COMMISSIONER DEREK: That's -- that's your company  
14 particular, but --

15 MR. JONES: That's any BLS company. You chose to go  
16 with an ALS company, which protocol of county and state  
17 requires, you know, two paramedics per one patient. So what --  
18 in all actuality you're getting a lot less care for the amount  
19 of riders that you have out here.

20 COMMISSIONER DEREK: I know.

21 MR. JONES: And that's our biggest concern, is that  
22 there's insufficient coverage for these riders and than --

23 COMMISSIONER DEREK: I'd like to look and see if this  
24 is -- if this is true. I can't believe that -- that we can't  
25 have -- I mean, I think that a defibrillation, I think advance

1 airway maintenance, I think these are -- are vital, aren't  
2 they, to an injury, to a rider?

3 MR. JONES: We do the same thing. We defibrillate.  
4 We can put in an airway or anything.

5 My biggest concern is you're messing around with time  
6 that -- you know, here's -- right here is the hospital where  
7 there's -- that's where the actual lifesaving goes on. I mean,  
8 you know, if you're going to take time to make base hospital  
9 contact, which ALS has to do, they're mandated that they have  
10 to make contact, they have to get a physician okay to push an  
11 medication or drug or anything, I've already got them right  
12 there at -- at a facility that's -- you know, with the full  
13 staff, full team in the amount of time that, you know, we --  
14 you can get another ambulance company out here for backup. I  
15 mean, you don't even have a backup unit right now.

16 COMMISSIONER DEREK: I assume we could have a backup  
17 unit, as well. I -- I'm -- I'd like to hear from another --  
18 maybe another company that -- that does paramedic work that we  
19 can compare to.

20 COMMISSIONER ROSENBERG: There was an email --

21 CHAIR BRACKPOOL: Commissioner Rosenberg.

22 COMMISSIONER ROSENBERG: There was an email we  
23 received last night, I don't know if anyone had a chance to  
24 read it yet, from the -- from the paramedic company stating  
25 something contrary to what you said.

1 COMMISSIONER DEREK: Yes.

2 COMMISSIONER ROSENBERG: So -- and I've -- I've read  
3 the regulations. They're very confusing, the distinction  
4 between these two categories. You know, I understand that you  
5 say that you can't -- that a paramedic team can not  
6 automatically get into the hospital. They have to be -- they  
7 have to call to see if they can get in, as opposed to you have  
8 the authority to go directly to the hospital; is that right?

9 MR. JONES: They have to make base contact.

10 COMMISSIONER ROSENBERG: All right.

11 MR. JONES: Correct.

12 COMMISSIONER ROSENBERG: So it's very confusing.

13 The one thing that impressed me was the -- the letter  
14 from Dr. Allred, who's been in the horse business for years,  
15 who's a doctor, who clearly said in his judgment, you know, an  
16 ambulance with -- what it is, BL -- what's the initials  
17 again --

18 MS. O'BRYAN: BLS, EMTs.

19 VICE CHAIR ISRAEL: Yeah.

20 COMMISSIONER DEREK: EMTs.

21 VICE CHAIR ISRAEL: EMTs.

22 COMMISSIONER ROSENBERG: -- is fine, that he sees no  
23 advantage to having paramedics. So it's very --

24 CHAIR BRACKPOOL: Commissioner Moss?

25 COMMISSIONER MOSS: Is this is a situation pertinent

1 to Hollywood Park, or did this exist prior to this at either  
2 Del Mar or Santa Anita, do you know?

3 MS. O'BRYAN: These regulations come from L.A.  
4 County. So it's Santa Anita and Hollywood Park that these  
5 regulations --

6 COMMISSIONER MOSS: Oh. Okay.

7 MS. O'BRYAN: Every county is different as far as  
8 their -- their regulations.

9 CHAIR BRACKPOOL: My understanding of the history  
10 of -- of this in my time on the Board was that at some stage  
11 earlier this year Del Mar, which is obviously not in L.A.  
12 County, but Del Mar had said they would put paramedics in. And  
13 I think certain of us on the Board considered that to be an  
14 improvement, with perhaps, frankly, not spending the time on  
15 the issue that I wish now I had spent the time on.

16 MS. O'BRYAN: There's a lot of people being affected.

17 CHAIR BRACKPOOL: And -- and so when you raised this  
18 issue at the last meeting I said we have to look into this.

19 I will say, going to Commissioner Derek's point, that  
20 it's difficult for us a Board to respond to one company that  
21 has been the operator of this safety program for a long period  
22 of time that doesn't offer the paramedic service, and you have  
23 every right and probably duty to advocate for your own  
24 interests. And I'm not saying your own interests are not  
25 the -- the greater interests of the sport. I'm just saying

1 that we don't necessarily know until we hear some of the  
2 alternate and opposing, you know, arguments that --

3 VICE CHAIR ISRAEL: Can I add to that?

4 CHAIR BRACKPOOL: -- that are there. Just one  
5 second.

6 VICE CHAIR ISRAEL: Yeah.

7 CHAIR BRACKPOOL: So I -- that's what's going on  
8 here. Nobody's sitting here saying you're not longer adequate,  
9 we're going to go over here. What this Board is trying to do  
10 is act in the very best interests of everybody involved, and  
11 we're just trying to ascertain exactly what that is.

12 I also need to make sure in my mind that if it's a  
13 safety versus cost issue that we're definitely -- you're going  
14 to find this Board, I think, leaning on the side of -- of  
15 safety. And so I want to make sure, again, that when I hear  
16 from tracks, is it the safety, is it the cost issue, and we  
17 just have to work through those.

18 But I have several other Commissioners who wanted to  
19 say something. So Commissioner Choper.

20 COMMISSIONER CHOPER: Well, it seems to me that  
21 everything you've said is right and that we ought to have this  
22 fully considered, first by the Medication Committee who can  
23 hear everybody out, and then come back with a recommendation  
24 for us.

25 CHAIR BRACKPOOL: Commissioner Israel.

1           VICE CHAIR ISRAEL: Well, I think we voted in a new  
2 regulation, did we not?

3           CHAIR BRACKPOOL: It wasn't so much a regulation,  
4 David. What we did was we asked each of the people with a  
5 license application in front of us --

6           VICE CHAIR ISRAEL: Right.

7           CHAIR BRACKPOOL: -- whether they would go with that.  
8 And my understanding is that Santa Anita in the autumn meet  
9 went with the paramedic.

10          COMMISSIONER DEREK: Yes.

11          VICE CHAIR ISRAEL: Right.

12          CHAIR BRACKPOOL: And currently Hollywood Park is  
13 going with them.

14          VICE CHAIR ISRAEL: Right.

15          CHAIR BRACKPOOL: I mean, we've obviously got license  
16 applications in front of us today for winter meets. And so we  
17 just, we did it on a meet-by-meet basis.

18          VICE CHAIR ISRAEL: Right. Okay. Well --

19          COMMISSIONER DEREK: And it was --

20          VICE CHAIR ISRAEL: -- I think it --

21          COMMISSIONER DEREK: And it was voluntary. But no  
22 one ever pointed out that we were sacrificing --

23          VICE CHAIR ISRAEL: Right.

24          COMMISSIONER DEREK: -- one form of safety over  
25 another --

1 VICE CHAIR ISRAEL: Right. Look, I --

2 COMMISSIONER DEREK: -- in this.

3 VICE CHAIR ISRAEL: I think the sensible thing to do  
4 would be to suspend whatever our request was until we have  
5 further consideration to reach a final and absolute conclusion.  
6 And in the meantime, if applications come in with EMTs rather  
7 than paramedics, that should be acceptable for now.

8 MS. O'BRYAN: But with all due respect, that was our  
9 concern to begin with, that you were making a recommendation  
10 without having all the information in front of you. It's like  
11 why make a change until you know whether or not change --

12 VICE CHAIR ISRAEL: Once I agree with you --

13 MS. O'BRYAN: -- is good.

14 VICE CHAIR ISRAEL: -- you don't have to convince me  
15 anymore. All you've got to do is piss off people who don't  
16 agree with you.

17 CHAIR BRACKPOOL: Well, I also think that -- I think  
18 that statement is a little -- a little far reaching because --

19 COMMISSIONER DEREK: Yeah.

20 CHAIR BRACKPOOL: -- it was Del Mar that initially  
21 changed the policy. So obviously people at Del Mar believed  
22 that it was the correct thing to do. So I don't think that --  
23 that it's fair to say that this Board made an immediate  
24 decision.

25 COMMISSIONER DEREK: No. And this came from --

1 CHAIR BRACKPOOL: The Board decided to continue the  
2 practice at Del Mar.

3 VICE CHAIR ISRAEL: Yeah.

4 CHAIR BRACKPOOL: So there is obviously not unanimity  
5 of opinion amongst all of the -- the tracks. And as we've seen  
6 from the various emails we've received on this subject there  
7 isn't unanimity here.

8 So here is -- if we have no further Commissioner  
9 speakers -- Commissioner Derek??

10 COMMISSIONER DEREK: Yeah. I just -- I'm wondering,  
11 Jack Liebau, can you tell us, have you -- because I know you  
12 voluntarily provided a paramedic, is there a lack of safety now  
13 because of that on your track?

14 MR. LIEBAU: Well, I would hope that there's no lack  
15 of safety. I don't know that. But Hollywood Park was under  
16 the impression that that was a requirement as far as licensing  
17 was concerned. And we complied with that and made changes with  
18 our ambulance provider based upon our understanding of what was  
19 required as far as licensing was concerned. I don't know if  
20 I've made a response you can --

21 COMMISSIONER DEREK: No. Thank you.

22 CHAIR BRACKPOOL: All right. Okay. Commissioner  
23 Choper.

24 COMMISSIONER CHOPER: Just one -- one more thing. I  
25 think that we ought to also consider, I mean, whether we're

1 going to have a uniform rule for all race tracks --

2 COMMISSIONER DEREK: Yes.

3 COMMISSIONER CHOPER: -- including, I take it, the --  
4 the county fairs. Because if there's really an issue of safety  
5 involved then I don't think we ought to be governed by the  
6 variations in what one county does or another, or whether they  
7 require it or --

8 CHAIR BRACKPOOL: I agree. I agree.

9 Before we -- you can take a seat for the moment.  
10 Before we wrap up I have two speakers on the issue. The first  
11 is Darrell Haire of the Jockeys' Guild

12 MR. HAIRE: Good morning, Commissioners. As far as  
13 the Jockeys' Guild --

14 CHAIR BRACKPOOL: State your name and affiliation.

15 MR. HAIRE: Darrell Haire, Western Regional Manager  
16 of the Jockeys' Guild.

17 We have been, as far as the Guild goes, going along  
18 with the RCI model rules, and that's to have a doctor at each  
19 track, a first aid room, and at least one certified paramedic.  
20 Justly, we feel with a paramedic -- and, I need to have a  
21 better understanding, also, of what they can do as opposed to  
22 EMTs. That's the whole problem. Riders, when they get hurt  
23 they need the best of care when that ambulance is following the  
24 field to get to them right away. If they need to decompress  
25 their chest or do a trache right away, that's what I'm told the

1 paramedics can do, when it's life-threatening like that in a  
2 situation like that.

3           We've always had a good rapport with the EMTs.  
4 They've done a great job. But in speaking with the riders,  
5 they want someone there right away initially that can do what  
6 needs to be done. And we've had situations in the past where  
7 ambulances have had to change in the parking lot when a rider  
8 is really hurt bad because they can't leave the gate. So it's  
9 a really complex issue. But we want the best care, whatever it  
10 takes, and the backup. The backup is really important to the  
11 rider.

12           CHAIR BRACKPOOL: Let me ask you -- let me ask you a  
13 question, Darrell. You're a western regional manager, so you  
14 cover more than California. What's the policy in some of the  
15 other states, and what's the policy in -- in the other major  
16 racing states?

17           MR. HAIRE: Well, that is the problem. Years ago  
18 there used to be a doctor at every race track. And that's what  
19 we need, too, a doctor at every race track. Los Alamitos  
20 doesn't have a doctor, but there's a fire station right across  
21 the street. So there's different ways that race tracks have  
22 gotten out of it. And that's why the RCI came up with at least  
23 one certified paramedic.

24           MR. BROAD: Barry Broad. I think I need to clarify  
25 something here. We got a bill passed about six years ago, and

1 it requires every track to have a track physician. Los  
2 Alamitos in the legislative process got an exemption from the  
3 physician requirement. So they're the only track in California  
4 without a track physician. The theory was that they have a  
5 fire station right next door and a hospital down the block.  
6 And Dr. Allred, you know, because he's a doctor, made the  
7 argument that somehow there was going to be superior care for  
8 jockeys as a result of it. That has not been the case.

9 VICE CHAIR ISRAEL: Well, the Sid Thompson (phonetic)  
10 case.

11 MR. BROAD: Right. So legally they're not required  
12 to have a track physician. So what needs to happen is there  
13 has to be full -- the -- whatever the highest level licensee,  
14 and I believe that's paramedic, but whatever the highest level  
15 licensee who can do the most triage at the point of injury  
16 needs to be there . Because there have been times when people  
17 have sat in the parking lot, jockeys, and basically died.

18 VICE CHAIR ISRAEL: Okay. Well --

19 MR. BROAD: Okay. So you --

20 VICE CHAIR ISRAEL: Well --

21 MR. BROAD: -- you --

22 VICE CHAIR ISRAEL: -- Barry, I actually think this  
23 is worthy of having a regulation if it doesn't have one now.

24 MR. BROAD: I -- right.

25 VICE CHAIR ISRAEL: And therefore requires, you know,

1 more hearings, more investigation, and some -- some real  
2 considered thought.

3 MR. BROAD: And that's what we would ask. And I'm  
4 not saying that the setup that is there now -- it may -- it may  
5 turn out to be that given the situation that's the  
6 appropriate --

7 CHAIR BRACKPOOL: Right.

8 MR. BROAD: -- thing to do.

9 VICE CHAIR ISRAEL: Right.

10 MR. BROAD: I think we just need to get to the, you  
11 know, to the bottom of the question.

12 CHAIR BRACKPOOL: We -- we -- we're in concurrence  
13 with that. Thank you.

14 The next speaker I have is Rod Blonien from Los Al.

15 MR. BLONIEN: Mr. Chairman and Members, good morning.  
16 Rod Blonien on behalf of Los Alamitos.

17 There is an exception in the law for Los Alamitos and  
18 for Sacramento Harness, as well. Both were put there because  
19 of our immediate proximity to hospitals and the fact that at  
20 Los Al there's a fire station right on -- just outside the  
21 fence. In fact, there are gates in the back side so that an  
22 ambulance can pull right onto the track. And they're -- we  
23 measured it. It's approximately 200 yards away.

24 In Orange -- and the problem you have with adopting a  
25 statewide regulation is every county has a different policy in

1 terms of paramedics and who can have them. In Orange County  
2 only the fire department has paramedics. So ambulance  
3 companies in Orange County may not have paramedics in the  
4 ambulance, only EMTs. And so in L.A. County there's -- it's  
5 different. Orange County is different. And so you're really  
6 going to have to take a survey of all of the counties.

7 In preparation for this meeting I talked to the fire  
8 department in Orange County. They don't have a policy whereby  
9 they would permanently station a paramedic at Los Al or any  
10 other place. And they -- they feel that they have the ability  
11 to offer very good service by pulling onto the track if, in  
12 fact, they're needed.

13 The problem is, apparently, the fire department in  
14 Orange County does not deliver patients to the hospital. But  
15 Huntington Ambulance can take someone to the hospital.

16 So this really is a very complicated thing because of  
17 all of the regulations that vary from county to county. And I  
18 would really encourage you to study this rather than do  
19 something at this time.

20 CHAIR BRACKPOOL: Thank you. Commissioner Rosenberg?

21 COMMISSIONER CHOPER: Can I ask -- can I ask a  
22 question?

23 CHAIR BRACKPOOL: Please, Commissioner. Stay there,  
24 Rod.

25 COMMISSIONER CHOPER: So if this Board has the

1 authority to pass a regulation applicable to all tracks in the  
2 state, and if that regulation is contrary to what a particular  
3 county requires, who prevails?

4 MR. BLONIEN: The county would prevail.

5 COMMISSIONER CHOPER: Pardon me?

6 MR. BLONIEN: The county would prevail. You would --  
7 it would take --

8 COMMISSIONER CHOPER: Even though we --

9 MR. BLONIEN: Yes. And --

10 COMMISSIONER CHOPER: -- have the rule pursuant to  
11 state law?

12 MR. BLONIEN: Yes.

13 COMMISSIONER CHOPER: Can you just give me one  
14 sentence why?

15 MR. BLONIEN: Well, I mean, you have authority and  
16 jurisdiction over horse racing, but you don't have authority  
17 and jurisdiction over -- over fire services and paramedics and  
18 things of that nature.

19 COMMISSIONER CHOPER: No. No. But -- but we're  
20 charged to provide for the safety --

21 MR. BLONIEN: Yes.

22 COMMISSIONER CHOPER: -- of jockeys and --

23 MR. BLONIEN: Yes.

24 COMMISSIONER CHOPER: -- and of the horses.

25 MR. BLONIEN: Yes. But you can't compel the fire

1 department to put --

2 COMMISSIONER CHOPER: No, I understand that.

3 CHAIR BRACKPOOL: No, we're not doing that. But we  
4 are -- the way that we've worked it so far is it's a condition  
5 of the license application. So I don't -- if someone signs a  
6 license application and says we will do the following I think  
7 Commissioner -- Commissioner Choper's point is that they're  
8 obligated to do the following. They can't then claim that the  
9 county rules don't allow them to do the following. That's the  
10 question. But anyway, I'm not going to sit here and spend  
11 everybody's time debating that right now.

12 Did you have something, Richard, before I finish up?

13 COMMISSIONER ROSENBERG: I was going to say that  
14 Commissioner Israel's prior comments be formed into a motion.  
15 I think we should do what he's saying, has proposed --

16 CHAIR BRACKPOOL: Yeah. So here's --

17 COMMISSIONER ROSENBERG: -- but subject to  
18 withdrawal.

19 CHAIR BRACKPOOL: -- here's what I would like to --  
20 like to be able to -- to try and word, David's motion.

21 We have currently, my understanding, Jackie, is we've  
22 actually amended the license application forms to require a  
23 paramedic; right?

24 MS. WAGNER: The amendment -- the amendment  
25 specifically says that the -- they have to certify that the

1 paramedic staff is licensed with their appropriate licensing  
2 agency.

3 CHAIR BRACKPOOL: Right.

4 MS. WAGNER: So we -- that infers that there's  
5 paramedics.

6 CHAIR BRACKPOOL: And previously we had said you have  
7 to certify an EMT?

8 MS. WAGNER: No. We didn't even mention that. We --  
9 you just have to -- we just ask for the ambulance, for them to  
10 tell us who those --

11 VICE CHAIR ISRAEL: So it could have been an  
12 ambulance with some driver who wasn't --

13 MS. WAGNER: We just --

14 VICE CHAIR ISRAEL: -- capable of doing anything?

15 MS. WAGNER: Yeah. We didn't -- we didn't go into a  
16 lot of specifics in terms of what was required in the ambulance  
17 and who had to be in the ambulance. We -- we left that up to  
18 the association.

19 CHAIR BRACKPOOL: Right.

20 VICE CHAIR ISRAEL: Okay. All right.

21 CHAIR BRACKPOOL: Right.

22 VICE CHAIR ISRAEL: Then the motion then should be  
23 that as -- in the license application we require that, for the  
24 time being, any applicant provide an ambulance equipped with  
25 EMT or paramedic --

1 CHAIR BRACKPOOL: Until further notice.

2 VICE CHAIR ISRAEL: -- until -- right.

3 MS. WAGNER: And we can do that at the time that each  
4 application comes before the Board.

5 CHAIR BRACKPOOL: Exactly.

6 MS. WAGNER: Yeah.

7 CHAIR BRACKPOOL: So each application, until we've  
8 done this. And then I would suggest that in the January  
9 medication -- Safety and Medication Committee everybody makes  
10 their presentations, and -- and then the medication -- Safety  
11 and Medication Committee will come back to us with a  
12 recommendation and we'll take it up at the February or March  
13 Board meeting, and then we may determine to go one way or the  
14 other way.

15 In the meantime, each license application will either  
16 have to have EMT or paramedic, and just tell us which they can  
17 go with.

18 VICE CHAIR ISRAEL: Jack, you seem to be -- have a  
19 problem with this?

20 MR. LIEBAU: I understand the problem. We just need  
21 some finality. And maybe we get that --

22 VICE CHAIR ISRAEL: We -- we need to have clarity.

23 CHAIR BRACKPOOL: Well, I don't think you're going to  
24 get finality today.

25 MR. LIEBAU: Oh, no. But --

1 CHAIR BRACKPOOL: Finality today is that --

2 MR. LIEBAU: Mr. Chairman, I'm just saying, you know,  
3 we enter into contracts for these providers. And so if we  
4 could have finality in January or February or sometime that  
5 would be most helpful. But I mean --

6 CHAIR BRACKPOOL: Well, it will be close to February,  
7 I would hope.

8 MR. LIEBAU: Hollywood definitely has -- has made  
9 changes with respect to Huntington because we understood it to  
10 be a requirement.

11 CHAIR BRACKPOOL: Right. And by the time you come  
12 back for your application for your next meet if will have been  
13 determined. Thank you.

14 So all in favor of -- I have -- I'll second Vice  
15 Chair Israel's motion. All in favor?

16 ALL COMMISSIONERS: Aye

17 CHAIR BRACKPOOL: Motion approved. Okay.

18 COMMISSIONER DEREK: He's not finished.

19 MR. LIEBAU: I'm sorry, but there's another  
20 clarification. What are the requirements when we operate as an  
21 off-track facility, which will be December 26th? What -- what  
22 is our requirement?

23 VICE CHAIR ISRAEL: You mean when -- when you're  
24 operating as -- for a training facility?

25 MR. LIEBAU: Yes.

1 VICE CHAIR ISRAEL: I think either one or the other.

2 COMMISSIONER DEREK: That's safe.

3 VICE CHAIR ISRAEL: It would --

4 CHAIR BRACKPOOL: I mean, my understanding is there  
5 is not a license application when they're operating in an off-  
6 track facility. So there must be some code or regulation that  
7 they all operate under when they're off-track.

8 But give us some help on that, Jackie.

9 MS. WAGNER: Right. That will be Rule 1468, and they  
10 will need to have an ambulance on -- at -- at the site.

11 VICE CHAIR ISRAEL: But, wait. Wait.

12 MS. WAGNER: That requirement has not changed.

13 CHAIR BRACKPOOL: Right.

14 VICE CHAIR ISRAEL: Well, then -- and if we decide to  
15 change it we have to put it out for 45-days notice and all of  
16 that?

17 MS. WAGNER: Correct. If we're -- if we're going to  
18 do a regulation that's going to require the 45 --

19 VICE CHAIR ISRAEL: Then how about a common sense  
20 rule that doesn't require us to go through all of these  
21 bureaucratic gymnastics that you have --

22 COMMISSIONER CHOPER: Either one.

23 VICE CHAIR ISRAEL: I know. I'm not a lawyer so I  
24 get to say this. That you have to have an ambulance equipped  
25 whose personnel --

1 COMMISSIONER CHOPER: That's what they all say.

2 VICE CHAIR ISRAEL: -- include either an EMT or -- or  
3 a paramedic, certified people. Is that fair --

4 MR. LIEBAU: Yes.

5 VICE CHAIR ISRAEL: -- until we get this resolved and  
6 passed.

7 COMMISSIONER DEREK: Well, Jack already agreed to it.

8 MR. LIEBAU: Well, I think that there's --

9 VICE CHAIR ISRAEL: That's what you have anyway,  
10 isn't it?

11 MR. LIEBAU: Well, no. We -- we are now going to  
12 paramedics because we thought that was a requirement --

13 VICE CHAIR ISRAEL: But when -- when --

14 COMMISSIONER DEREK: -- both when we're live and when  
15 we're off-track.

16 COMMISSIONER DEREK: For training?

17 VICE CHAIR ISRAEL: I'm talking about for training  
18 during the --

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

20 CHAIR BRACKPOOL: Well, what we're now saying is that  
21 for live or off-track you have to have either --

22 VICE CHAIR ISRAEL: One or the other.

23 CHAIR BRACKPOOL: -- on a go-forward basis. For this  
24 meet you committed to the paramedic. But on --

25 MR. LIEBAU: Right.

1 CHAIR BRACKPOOL: -- on a go-forward basis after your  
2 meet ends each license application applicant will tell us  
3 whether they're going to go with EMT or paramedic, not  
4 necessarily that day but before the -- the meet starts. It  
5 will be a condition, and we'll have that on file as to which  
6 one they're going with.

7 COMMISSIONER DEREK: Right.

8 CHAIR BRACKPOOL: And this rule will be improved upon  
9 by --

10 COMMISSIONER DEREK: February.

11 CHAIR BRACKPOOL: -- February and we'll know where to  
12 go.

13 COMMISSIONER MOSS: Oh. Okay. In other words we --

14 MR. LIEBAU: I guess as -- as an ex-lawyer I think,  
15 you know, that there's a standard of care that's supposedly  
16 accepted and has been determined so far by the -- the board to  
17 be a paramedic. Now I don't think it should be either/or, I'm  
18 afraid, because the tracks are then put in a position of being  
19 second-guessed.

20 VICE CHAIR ISRAEL: Right. But now -- but now we're  
21 told that it -- it varies county by county what --

22 COMMISSIONER DEREK: What we're --

23 VICE CHAIR ISRAEL: -- what people -- what's allowed  
24 and who's allowed to be in an ambulance and do what work. I  
25 mean, that's -- that's our problem. We have to make a rule

1 that applies to every county in the state, not just Los Angeles  
2 County.

3 CHAIR BRACKPOOL: Commissioner Moss.

4 COMMISSIONER MOSS: Well, I think it's been decided  
5 that obviously a paramedic provides the most immediate  
6 satisfactory help. And I don't think we should deviate from --  
7 from that.

8 So when the Medication Committee looks at this I'm  
9 hoping that they come up with the idea that we must have at  
10 least a paramedic.

11 CHAIR BRACKPOOL: Right. Well, the -- the issue --

12 COMMISSIONER ROSENBERG: But there's shouldn't be  
13 conflict on that.

14 CHAIR BRACKPOOL: The first time this issue is going  
15 to arise is the start of the Santa Anita meet, because  
16 Hollywood right now has a paramedic and -- and is a paramedic.

17 COMMISSIONER DEREK: And Del MAR had a paramedic,  
18 and --

19 CHAIR BRACKPOOL: And Del Mar had a paramedic. So I  
20 think that we can't have this committee meeting until January  
21 for various reasons, etcetera. I think that the only issue is  
22 what we do with the license applications in front of us today  
23 on this issue. And maybe what we do, because we have a  
24 December meeting, is maybe we leave the situation as it is  
25 right now at Hollywood, because we're not going to change it

1 today, and maybe we hear the license applications from Golden  
2 Gate and Santa Anita, and maybe in the intervening 30 days we  
3 need to make a determination as to -- maybe we can't wait until  
4 then.

5 COMMISSIONER DEREK: Because I'd like to keep the  
6 paramedics until -- as long as possible, to tell you the truth.  
7 I think these other tracks have worked it out and it seems to  
8 be functioning.

9 COMMISSIONER ROSENBERG: Well, it seems to -- I'm not  
10 too happy with that. I think it's -- reading all the material,  
11 it's very confusing. It's not clear that --

12 VICE CHAIR ISRAEL: I ask you that --

13 CHAIR BRACKPOOL: Just one second.

14 COMMISSIONER ROSENBERG: -- that one statement that  
15 the Jockeys' Guild gentleman made I don't think is -- as a  
16 laymen I think it sounds like paramedics are the only -- from  
17 what I've read it's not clear.

18 CHAIR BRACKPOOL: Well --

19 COMMISSIONER ROSENBERG: And a lot has to do with the  
20 vocabulary.

21 CHAIR BRACKPOOL: I agree it's not clear. What I'm  
22 trying to do is to figure out what we do about it.

23 COMMISSIONER ROSENBERG: Because of the hospital --  
24 because of the hospital rule.

25 CHAIR BRACKPOOL: Right.

1           VICE CHAIR ISRAEL: All right. Where -- where's --  
2 is Rod Blonien still here?

3           MR. LIEBAU: He just went out.

4           VICE CHAIR ISRAEL: He just went out. Would you tell  
5 him to ask Dr. Allred the next time he rolls a grenade into the  
6 room with a letter that makes some sense that he show up so we  
7 can ask him questions about it?

8           CHAIR BRACKPOOL: Yeah. Anyway --

9           VICE CHAIR ISRAEL: You know, that's a real problem.  
10 He's a doctor and he makes a point. Okay.

11           Rick?

12           MR. ENGLISH: I'll speak for Los Alamitos.

13           VICE CHAIR ISRAEL: Okay.

14           MR. ENGLISH: Dr. Allred is the only doctor who's  
15 spoken --

16           CHAIR BRACKPOOL: Rick, would you please state your  
17 name and --

18           MR. ENGLISH: Rick English from Los Alamitos. And I  
19 don't understand what your point is.

20           VICE CHAIR ISRAEL: Well, he wrote a letter that --

21           MR. ENGLISH: Correct.

22           VICE CHAIR ISRAEL: -- I thought was compelling.

23           MR. ENGLISH: Which expressed a medical opinion.

24           VICE CHAIR ISRAEL: Right. But I'd like -- we'd --  
25 I'd like to be in a position to ask him some questions.

1 MR. ENGLISH: Let's have it at the -- have it at the  
2 January medication hearing when it should be. That's the time  
3 to have an extensive documented discussion of it. Now is not  
4 the time, would be my opinion.

5 VICE CHAIR ISRAEL: Well, he wrote the letter.

6 CHAIR BRACKPOOL: Okay.

7 MR. ENGLISH: Correct.

8 CHAIR BRACKPOOL: But let's --

9 MR. ENGLISH: Correct.

10 CHAIR BRACKPOOL: All right.

11 MR. ENGLISH: In response to what the Board is  
12 proposing.

13 CHAIR BRACKPOOL: Thank you, Rick. Thank you.

14 Yes, please.

15 MR. JONES: Sir, my question is if this is a safety  
16 issue and a matter of protection for the riders, and its  
17 further cite to safety and health, you're mandating something,  
18 and tell me what happens when four or five riders go down?

19 CHAIR BRACKPOOL: Okay. But you know, I'm not  
20 getting into --

21 COMMISSIONER DEREK: Yeah.

22 CHAIR BRACKPOOL: -- a series of hypotheticals with  
23 you I a public meeting like this because it's not the -- what  
24 we're here to do.

25 MR. JONES: Well, you're asking for --

1 CHAIR BRACKPOOL: Excuse me.

2 MR. JONES: Yes, sir.

3 CHAIR BRACKPOOL: What we are trying to do is to  
4 figure out what the circumstances are and what we do about them  
5 at this stage. So thank you.

6 I think the -- the issue right now is I'm not hearing  
7 at the moment support for going either way. So I believe what  
8 we should -- what we should do, because Commissioner Moss  
9 didn't --

10 VICE CHAIR ISRAEL: Right.

11 CHAIR BRACKPOOL: -- want to vote for that, and I  
12 know Commissioner Derek --

13 VICE CHAIR ISRAEL: Right.

14 CHAIR BRACKPOOL: -- I believe what we should do at  
15 the moment is bring this back at the December meeting. We're  
16 going to have to do some real work --

17 COMMISSIONER DEREK: Yeah.

18 CHAIR BRACKPOOL: -- in between. That may mean  
19 that -- that all we're doing is a Band-Aid until January.  
20 Nothing's going to happen now. So I think that --

21 VICE CHAIR ISRAEL: Nobody -- nothing's changing now.

22 CHAIR BRACKPOOL: Nothing is changing now.

23 VICE CHAIR ISRAEL: Right.

24 CHAIR BRACKPOOL: We'll leave this as it is. And  
25 when we come to the applications today my -- my guess will be

1 that we make the applications contingent upon them agreeing  
2 with whatever it is we come up with in December. That's the  
3 best we can do today.

4 COMMISSIONER ROSENBERG: That's sounds like you're  
5 right, that we can't do any harm --

6 CHAIR BRACKPOOL: Right.

7 COMMISSIONER ROSENBERG: -- by waiting.

8 However, what's going to happen in December if  
9 there's no medication hearing? What's going to be new that --

10 CHAIR BRACKPOOL: We may just have to have the  
11 hearing in front of us with a lot of people. I've got to see  
12 what the agenda -- I understand.

13 COMMISSIONER ROSENBERG: Yeah.

14 CHAIR BRACKPOOL: I'm just -- but --

15 COMMISSIONER DEREK: We can call another --

16 CHAIR BRACKPOOL: -- it may be --

17 COMMISSIONER DEREK: We can call another -- another  
18 meeting on this -- just this; right?

19 CHAIR BRACKPOOL: Right.

20 COMMISSIONER ROSENBERG: That's a good answer.

21 CHAIR BRACKPOOL: So maybe -- maybe Bo can have that  
22 in between.

23 COMMISSIONER DEREK: No, I'll -- yeah.

24 CHAIR BRACKPOOL: Exactly.

25 COMMISSIONER DEREK: I'll call another meeting --

1 CHAIR BRACKPOOL: Exactly.

2 COMMISSIONER DEREK: -- on just this.

3 CHAIR BRACKPOOL: So maybe we get to this earlier  
4 than January. Okay. Thank you.

5 VICE CHAIR ISRAEL: Make everybody come up to Santa  
6 Ynez.

7 COMMISSIONER DEREK: I know.

8 VICE CHAIR ISRAEL: Short meeting.

9 CHAIR BRACKPOOL: Item number ten, discussion and  
10 action by the Board regarding the Notice of Intent filed by the  
11 California Thoroughbred Horsemen's Association to decertify the  
12 Thoroughbred Owners of California as the organization  
13 recognized by the CHRB, pursuant to Business and Professions  
14 Code section 19613 and CHRB Rule 2040, and related matters.

15 As many of you may have seen from the press release  
16 issued by the CHRB and various parties yesterday, there has  
17 been a settlement of this dispute. I will do my best to, in  
18 simple terms, just quickly explain what the settlement is. And  
19 then this Board is going to be asked to vote on this  
20 settlement. Each member of the Board has a copy of the  
21 settlement proposal in front of them, settlement agreement, and  
22 it will be entered into the record after this -- after this  
23 vote.

24 The -- the summary settlement is that the -- the  
25 Thoroughbred Owners, TOC, will hold a special election of its

1 existing membership and ask that two amendments simply be  
2 adopted prior to December 27th. I believe the ballots are  
3 going to go out for this election next week. The first will be  
4 a bylaw amendment that says anybody who owns an owner license,  
5 irrespective if they hold another multiple license, will be  
6 allowed to vote, and that after 40 percent, 4-0, 6 of the 15  
7 seats of the board of directors of the TOC will now be  
8 available to licensed thoroughbred owners who are also licensed  
9 thoroughbred trainers defined in this agreement as  
10 owner/trainer. At least 1 such board member of the 40 will be  
11 from the Northern Zone, and at least one will be from the --  
12 the Southern Zone, and they will be seated on the -- on the  
13 board.

14           The -- also the final amendment will be that at least  
15 one of those owner/trainers at minimum will be appointed to the  
16 executive committee of the TOC.

17           If the bylaw amendments are adopted by the existing  
18 TOC membership then by -- by December 27th then the entire 15  
19 member board of the existing TOC will resign their seats.  
20 There will be an open election. That election will be  
21 completed by March the 1st, and the results of that will be  
22 announced on March the 10th.

23           If for some reason the TOC membership, existing  
24 membership fails to adopt the bylaw amendments described above  
25 by January the 3rd, 2012 then the TOC and the CHRB would agree

1 that without objection the decertification election would begin  
2 on January the 30th and conclude on February the 29th.

3           So in summary, if the existing TOC membership  
4 approves the three bylaw changes multiple licensees can vote 40  
5 percent of seats to owner/trainers and 1 -- at least 1 member  
6 of the owner/trainer category on the executive board, then  
7 there would be no decertification vote but there would be an  
8 open vote for all 15 TOC seats. And if the existing TOC  
9 membership did not vote in favor of those three bylaw  
10 amendments then there would be a decertification vote which  
11 would commence at the end of January.

12           I'm going to ask the Board for any questions, and  
13 then a motion. As I was involved in these settlement  
14 discussions I will be abstaining from any vote that takes  
15 place. But --

16           VICE CHAIR ISRAEL: Yeah.

17           CHAIR BRACKPOOL: -- Vice Chair Israel?

18           VICE CHAIR ISRAEL: Yeah. So I'd like to move that  
19 we accept the settlement agreement of November 16th between  
20 TOC, CTHA and the CHRB without exception.

21           COMMISSIONER MOSS: I second.

22           CHAIR BRACKPOOL: Seconded by Commissioner Moss. All  
23 in favor?

24           COMMISSIONER ROSENBERG: Aye.

25           COMMISSIONER CHOPER: Aye.

1 COMMISSIONER MOSS: Aye.

2 VICE CHAIR ISRAEL: Aye.

3 COMMISSIONER DEREK: Aye.

4 CHAIR BRACKPOOL: And I abstain. The motion carries.

5 VICE CHAIR ISRAEL: 5-0.

6 CHAIR BRACKPOOL: Thank you.

7 VICE CHAIR ISRAEL: Actually, you recused yourself.

8 You didn't abstain.

9 CHAIR BRACKPOOL: I recused myself.

10 VICE CHAIR ISRAEL: Yeah.

11 CHAIR BRACKPOOL: Correct.

12 Item number 11, discussion and action by the Board

13 regarding the allocation of the 2012 precise race dates and

14 overlap with Pacific Racing Association at Golden Gate and the

15 Humboldt County Fair race meeting at Ferndale.

16 I know there have been various meetings that have

17 been taking place between the parties. Maybe I could ask,

18 first of all, representatives from Ferndale to tell us the

19 current status. Then I would like the representatives from

20 Golden Gate and from CARF to tell us the status. And then

21 we'll have a discussion about what to do.

22 MR. TITUS: Thank you, Mr. Chairman. Stuart Titus,

23 General Manager of the Humboldt County Fair.

24 As -- as you pointed out, we have dedicated a lot of

25 time and energy and personal resources into trying to reach

1 the -- the Board's request from its October 6th meeting to  
2 resolve the differences in -- in these particular race dates.  
3 We have -- we have worked hard to do that. We regret that --  
4 we regret to say that this morning we -- we -- we have to  
5 report that we have not resolved -- resolved this issue with --  
6 with Golden Gate Fields.

7           We think that we have been straightforward and  
8 forthcoming with our reasons and rationale. But again, we  
9 haven't been able to get -- to get a meeting of the minds with  
10 those -- with those issues. We are struggling at this point in  
11 time, a little bit fatigued from the whole process. There may  
12 be an opportunity for additional consideration. And -- but  
13 there's not much more we can offer or -- or to give. But we --  
14 we would leave open the opportunity to perhaps continue the  
15 negotiations.

16           CHAIR BRACKPOOL: Okay. I've got some questions.  
17 But let's hear from the participants first.

18           MR. MORRIS: That was actually -- Joe Morris from  
19 Golden Gate. And -- and that was a good assessment that Stuart  
20 just gave. It's turned into a hot topic. It's an important  
21 topic, obviously, for Humboldt. It's an important topic for  
22 Golden Gate. You know, the -- the Golden Gate Fields is in no  
23 way wanting to put the Humboldt Fair out of business, nor is  
24 the Stronach Group wanting to put the Humboldt Fair out of  
25 business. The talks have been very respectful from both sides.

1 I'm actually looking forward to going to the Humboldt Fair this  
2 year to -- to go to the races.

3 I still remain hopeful that we could work this out  
4 between us. I think we need a little more time if we could get  
5 it. And I think, Mr. Chairman, if -- if you'd be willing I  
6 think it would be helpful maybe if you could join the meetings  
7 as a moderator. We're just kind of stuck. The Golden Gate  
8 Fields is coming, you know, from a business perspective. The  
9 Humboldt Fair, although it has a business component, is really  
10 coming from a passionate view of a long history of a fair. And  
11 we're just stuck a little bit. And I think if we could get  
12 another month and maybe get a little help at the meeting I  
13 would remain hopeful that this could get worked out.

14 Chris?

15 MR. KORBY: I think that -- Chris Korby, California  
16 Authority of Racing Fairs. We took your admonition, brought  
17 the parties together to seek facilitation of an agreement, and  
18 we're unable to reach it, regrettably. I think Joe and -- and  
19 Stuart both recapped it. I don't need to go back over what  
20 they said.

21 I do remain hopeful. With a little more time and  
22 some more discussion I think we -- we still might be able to  
23 find agreement. I would echo Joe's request that maybe Board  
24 participation in the discussion would be helpful.

25 CHAIR BRACKPOOL: You know, one of the things that

1 I've read over and over again in the papers that you've all  
2 submitted is that since Humboldt lost state funding it's  
3 suffered this. But Humboldt wasn't the only fair to lose state  
4 funding; right? Didn't all the fairs lose state funding,  
5 basically at the same time?

6 MR. TITUS: Yes, they did. The allocations of those  
7 funds were not equal to all fairs, but the system overall took  
8 a hit. Yes.

9 CHAIR BRACKPOOL: So what percentage of your  
10 shortfall now that you perceive were you -- were you making up  
11 100 percent of the shortfall through the state subsidy?

12 MR. TITUS: Not 100 percent. Not 100 percent, no.

13 CHAIR BRACKPOOL: So the fair was operating at a  
14 loss, even with the state subsidy?

15 MR. TITUS: No. Well, you know, it was -- it was --  
16 it needed the state subsidies, and -- and in particular with  
17 regards to racing, the supplemental purse funds in order to --  
18 to balance its budget.

19 CHAIR BRACKPOOL: I mean, obviously, the concern we  
20 have here is that I don't think -- I certainly don't detect  
21 on -- on -- the Board any ill will towards continuing fair  
22 racing wherever we can. I've been a big proponent of it in all  
23 of these meetings on that.

24 But we're also living in times at the moment that  
25 have changed considerably. And one year Band-Aids are not the

1 way to solve our problems on a go-forward basis. And what's  
2 concerned me about these discussions to date is what happens  
3 next year and what happens the year after? Because this is the  
4 third time now in my short time on the Board that this issue  
5 has come up and taken, you know, exhaustive amount of not just  
6 our time, everybody's time, etcetera, etcetera. Because  
7 there's a fundamental problem that the structure just has to  
8 change.

9           So what is it that -- that -- you know, if it's a  
10 one-year Band-Aid and we're asking for concessions, then  
11 certainly I don't mind trying to nudge the parties together or  
12 doing something like that. But if this is a case that it is  
13 fundamentally unsound financially to be doing this year in,  
14 year out, then how do we as a Board handle that issue?

15           MR. TITUS: If I may, we did not want to jump along  
16 too far ahead, but we were hoping that perhaps as part of  
17 our -- our discussions over the next few days we could address  
18 that, that longer term issue. Because we don't enjoy coming  
19 back to this battle every year either. And we agree that a  
20 one-year fix is really not the answer. We don't want to be  
21 back here next year. So hopefully that can be a part of the  
22 discussion.

23           CHAIR BRACKPOOL: Well, why don't you just give me  
24 the headlines. What's the type of thing that would make a  
25 permanent fix?

1 MR. TITUS: Perspectives will differ, of course. But  
2 with the changing world around us Humboldt remains the only  
3 fair and racing entity that is not allocated race dates  
4 exclusively during its traditional time, that there's a history  
5 behind that. And for most of that history the state subsidies  
6 kind of helped us hold on, just hold on. That's gone now.  
7 The --

8 CHAIR BRACKPOOL: What level were the state subsidies  
9 annually?

10 MR. TITUS: The baseline allocation for operational  
11 purposes was \$170,000.

12 CHAIR BRACKPOOL: \$170,000?

13 MR. TITUS: Correct.

14 COMMISSIONER CHOPER: That was at a time of total overlap;  
15 is that right?

16 MR. TITUS: Correct. And -- and -- and the one year  
17 when -- when we had the week to ourselves.

18 COMMISSIONER CHOPER: Can I -- can I just make -- ask  
19 one question?

20 CHAIR BRACKPOOL: Please, Commissioner Choper.

21 COMMISSIONER CHOPER: I'm sorry. I don't mean to  
22 interrupt.

23 CHAIR BRACKPOOL: No. No. No. No.

24 COMMISSIONER CHOPER: You know, to me the bottom line  
25 of this is if we were, for example -- if you were, not we -- if

1 you were to accept Golden Gate's proposal, all right, as is --  
2 I finally, I think I figured it out, but it's not important  
3 anymore -- how much money, how many dollars would it take to  
4 come as close as you always have been? I don't quite  
5 understand how that works either. Someone's making up the  
6 shortfall, whatever it was or what have you. But how much  
7 would it take to keep you alive? Okay.

8           And second, I think you ought to discuss what are the  
9 potential sources for those -- for those funds, you know, with  
10 some air of realism in a time when sources don't grow on trees.  
11 That's for sure.

12           So it seems to me that's what it all boils down to.

13           CHAIR BRACKPOOL: Yeah. What -- what is the delta  
14 between the existing proposal -- financial delta between the  
15 existing proposal that's been made to you by Golden Gate and  
16 your -- and -- and -- and your break-even number or the  
17 number -- the small loss that you were operating at, a  
18 sustainable loss number? What's the magnitude?

19           COMMISSIONER CHOPER: Sustainable loss, that's the --  
20 that's the word.

21           MR. TITUS: Based upon our -- our own internal  
22 analysis and some cash flow projections that we've done that  
23 number seems to be between \$175,000 and \$185,000. The easiest  
24 source to start chipping away at that, we would like to --  
25 that's where we're looking for the opportunity to run un-

1 overlapped. We could -- we could -- we could make up a  
2 substantial part of that.

3 VICE CHAIR ISRAEL: But --

4 MR. TITUS: We -- we already --

5 VICE CHAIR ISRAEL: Can I -- can I ask you a  
6 question, Stuart?

7 MR. TITUS: Yes.

8 VICE CHAIR ISRAEL: At whose expense?

9 MR. TITUS: Whose expense?

10 VICE CHAIR ISRAEL: Somebody -- if you're making  
11 money somebody's losing money in this equation.

12 MR. TITUS: Sure.

13 VICE CHAIR ISRAEL: So at whose expense? Is it  
14 owners, trainers, jockeys, grooms, another racing association?  
15 Whose expense?

16 MR. TITUS: Well, we've examined this, I think  
17 before. There are a number of funds and -- and programs that  
18 are recipients of -- of the distributions from horse racing.

19 COMMISSIONER CHOPER: I guess the -- the answer is at  
20 present you're relying exclusively, in answer to Commissioner  
21 Israel's question, you're relying on Golden Gate. I mean,  
22 that's the bottom line.

23 VICE CHAIR ISRAEL: Relying on what?

24 COMMISSIONER DEREK: Golden Gate.

25 COMMISSIONER CHOPER: Relying on Golden Gate to

1 supply all of the funds to make up the shortfall. I mean,  
2 that's what you figure. You figure how many days you have to  
3 operate, how many weekends you have to operate, be the host and  
4 everything else.

5 VICE CHAIR ISRAEL: Yeah. But, Jesse, it's not just  
6 Golden Gate, because there's a trickle-down effect to horse  
7 owners --

8 COMMISSIONER CHOPER: Well, I -- I understand.

9 VICE CHAIR ISRAEL: -- you know, everybody.

10 COMMISSIONER CHOPER: Wherever the revenue from  
11 Golden Gate goes --

12 VICE CHAIR ISRAEL: Right.

13 COMMISSIONER CHOPER: -- it's coming from.

14 CHAIR BRACKPOOL: Well --

15 COMMISSIONER CHOPER: And what -- what I'm -- what  
16 I'm saying is for me the question would be, in fairness, is  
17 there a way to more equitably spread the cost of the gold  
18 that -- you know, everyone who's here says the same thing.  
19 You know, the question is, yes, you can say it, but you've got  
20 to do something to back it up; right? And what are the other  
21 possible sources, instead of just Golden Gate, to make up the  
22 shortfall? Because that's what this --

23 COMMISSIONER DEREK: Yes.

24 COMMISSIONER CHOPER: -- discussion is all about.

25 CHAIR BRACKPOOL: Well, let me ask-- and before you

1 do that it's -- just to put that question into specifics, we're  
2 arguing about un-overlapped days. What is a weekend day host  
3 fee worth, a weekend host at that time of the year?

4 MR. MORRIS: The -- the whole weekend is probably  
5 around \$350,000, \$360,000. So the Friday is -- is somewhere  
6 around \$80,000 or \$90,000. The Saturday would be the next  
7 highest day -- would be the highest day. And Sunday would  
8 be --

9 CHAIR BRACKPOOL: Yes. I understand that. So  
10 it's -- that's -- that's the upshot.

11 Commissioner Rosenberg.

12 COMMISSIONER ROSENBERG: I just want to make an  
13 overall comment that in discussing this subject, which we're  
14 doing, not the specifics of the economics, it's really a  
15 question of -- forgetting the economics, should Humboldt County  
16 Fair be entitled to survive, have dates that they historically  
17 had or with or without overlap? To me that's the underlying  
18 issue. It isn't really solving the problem of who -- you know,  
19 if it falls the other way is Golden Gate entitled to that?

20 COMMISSIONER DEREK: Yeah.

21 CHAIR BRACKPOOL: Right.

22 COMMISSIONER ROSENBERG: What's in the best interest  
23 of horse racing.

24 CHAIR BRACKPOOL: Right. And the balance, and I  
25 think this Board has been debating for the last couple of

1 years, is you've got the arguments that weight more to the ones  
2 that David has just said which are it's -- it's about the money  
3 and it's about the trickle-down effect, and then you've got the  
4 other side of the argument which is about the heritage and the  
5 culture and the history of the sport --

6 VICE CHAIR ISRAEL: Promotion.

7 CHAIR BRACKPOOL: -- and the promotion of the sport.  
8 And to me it's trying to find a balance of those two, not split  
9 the baby but trying to find a balance of those two.

10 And you know, I certainly wouldn't object to joining  
11 in a couple of calls or -- well, I'm not volunteering next week  
12 to drive up to Humboldt, but I wouldn't, you know, object to  
13 joining in a couple of calls and trying to do that. But I  
14 would only be doing it if a one-year solution gave me  
15 confidence that there was a longer term. And I'm not getting  
16 what that longer term is right now. So that's really my  
17 concern.

18 So I'm happy to put this over if it's not affecting  
19 the rest of the fair calendar, Chris, until December. So I'm  
20 happy to put --

21 MR. KORBY: That calendar has been set.

22 CHAIR BRACKPOOL: Right. So the calendar has been  
23 set. So this is just an argument about money, basically --

24 MR. KORBY: Well --

25 CHAIR BRACKPOOL: -- apart from this part of the

1 calendar.

2 MR. KORBY: Apart from this.

3 CHAIR BRACKPOOL: Right. Exactly.

4 MR. KORBY: There's one two-week period --

5 CHAIR BRACKPOOL: Exactly.

6 MR. KORBY: -- in August.

7 CHAIR BRACKPOOL: So I'm happy to put this over until  
8 December. I'm happy, if you guys organize, you know, a couple  
9 of conference calls. And I will have some specifics as to what  
10 is the gap, what is the -- what is the amount, etcetera. But  
11 I'm sending a very, very clear message that I don't have much  
12 interest in solving this on a one-year basis because it just  
13 doesn't make any sense to me. We've got to make a  
14 determination.

15 COMMISSIONER MOSS: I want to ask him --

16 CHAIR BRACKPOOL: Commissioner Moss.

17 COMMISSIONER MOSS: -- does Humboldt have a satellite  
18 wagering facility all year round?

19 MR. TITUS: No.

20 COMMISSIONER MOSS: So in other words, you're only in  
21 operation for this one week a year, nine days or so?

22 MR. TITUS: We are. There was, for a number of  
23 years, a satellite operation at the fair in Eureka.

24 COMMISSIONER MOSS: Uh-huh.

25 MR. TITUS: That went out of business a couple year

1 ago.

2 We are also at this time involved in negotiating  
3 with -- with a local tribal casino to -- to bring back  
4 satellite wagering to Humboldt County.

5 COMMISSIONER MOSS: Yeah. Because if that went out  
6 of business this goes into that 20-mile rule, as well, which  
7 keeps other sports bars and other things not able to open in  
8 that -- in that vicinity.

9 MR. TITUS: We're -- we're exploring these --

10 COMMISSIONER MOSS: And I think that should be  
11 brought up in this discussion, as well.

12 COMMISSIONER ROSENBERG: Mr. Chairman --

13 MR. TITUS: I can -- I can assure you, Mr. Chairman,  
14 that the simple answer to this never having to come back before  
15 this Board again would be to allocate the one week to Humboldt.

16 CHAIR BRACKPOOL: The simple answer to somebody not  
17 having to work again is to win the lottery. So the -- the -- I  
18 understand there's a simple answer. I'm looking for a simple  
19 but somewhat practical and reasonable answer.

20 COMMISSIONER ROSENBERG: We understand your goal to  
21 have a long-term solution. But what's not -- and it's very  
22 difficult in this situation, knowing what's going on with the  
23 racing industry, with Golden Gate possibly being a different --

24 CHAIR BRACKPOOL: Right.

25 COMMISSIONER ROSENBERG: -- a different look.

1 CHAIR BRACKPOOL: And I think that --

2 COMMISSIONER ROSENBERG: So I mean --

3 CHAIR BRACKPOOL: -- that has to --

4 COMMISSIONER ROSENBERG: -- maybe two years --

5 CHAIR BRACKPOOL: -- weigh in the discussion.

6 COMMISSIONER ROSENBERG: -- maybe two or three years.

7 CHAIR BRACKPOOL: Yeah. I mean, that has to weigh --

8 that has to weigh into the discussion.

9 COMMISSIONER MOSS: Yeah.

10 CHAIR BRACKPOOL: So if nobody objects I would

11 recommend that we put this over for one month. And I'll ask

12 you guys to suggest putting together a call. I think on the

13 first call let's get some basic facts down. And then maybe

14 I'll have a couple of private calls. And then we'll try and

15 see if that works.

16 COMMISSIONER CHOPER: Well, you solved the TOC

17 problem. Now you can do this one

18 CHAIR BRACKPOOL: It sounds more complicated.

19 MR. MORRIS: Thank you.

20 CHAIR BRACKPOOL: Thank you.

21 MR. TITUS: Thank you.

22 MR. KORBY: Thank you.

23 COMMISSIONER CHOPER: You set a high standard.

24 VICE CHAIR ISRAEL: No. No. No. This involves

25 money. Jesse, this is a big difference. This involves money,

1 not ego, or both. The other one was just ego.

2 CHAIR BRACKPOOL: Okay. Item number 12, discussion  
3 and action by the Board on the application for license to  
4 conduct a horse race meeting of the Los Angeles Turf Club at  
5 Santa Anita Park Race Track, commencing December 26th, 2011  
6 through April 22nd, 2012, inclusive.

7 Who do we have from Santa Anita to present this?  
8 Okay. State your names and affiliations. And then Jackie will  
9 give us a quick intro here.

10 MR. HAINES: George Haines, Santa Anita.

11 MR. QUINN: Chris Quinn, Santa Anita.

12 MR. HAMMERLE: Rick Hammerle, Santa Anita.

13 MS. WAGNER: Jackie Wagner, CHRB staff. The issue  
14 before you is as the chairman outlined it. LATC has filed  
15 their application to race December 26th through April 22nd.  
16 They'll be racing four days per week, Thursday through Sunday I  
17 January and February, and racing five days per week, Wednesday  
18 through Sunday through -- during the months of March and April,  
19 with the exception of Monday racing on December the 26th,  
20 January 2nd, the 16th, and February 20th. Their first post  
21 time is 1:00 p.m.

22 They have items that need -- that they need to submit  
23 in order to complete their application, and that includes the  
24 vanning and stabling agreement which expires December 31st,  
25 2011. And we are missing the schedule of charges on their

1 package plan on the application.

2           They are here to answer any questions that you may  
3 have.

4           CHAIR BRACKPOOL: Why don't -- before we get the  
5 questions why don't you start off -- oh.

6           Commissioner Rosenberg?

7           COMMISSIONER ROSENBERG: I have some questions on  
8 financials.

9           CHAIR BRACKPOOL: Right. I am the same. But why  
10 don't we start off with a description of what we're going to  
11 do. This is the -- one of the big meets of the year, so tell  
12 us good news.

13           MR. HAINES: Well, the good news is Santa Anita is  
14 applying for a license for it's 77th year of racing starting  
15 December 26th and going through April 22nd. We believe we have  
16 a lot of momentum coming off the Santa Anita autumn meet where  
17 we saw a field size of 8.8 horses per race, which is in these  
18 days and times very outstanding. We have a lot of new ideas  
19 that Chris Quinn is going to tell you about in our marketing  
20 program in regards of how we're going to get out message out,  
21 how we're going to market Santa Anita, new events and  
22 promotions that we're going to do.

23           We also hope to piggyback on the new series *Luck*,  
24 which is on HBO and will be a major production and bring us  
25 into the mainstream media.

1           So things are looking bright for Santa Anita. I  
2 believe the track performed very well during the Santa Anita  
3 autumn meet, and that reflected in the field size. So we're  
4 ready to go.

5           CHAIR BRACKPOOL: And about the marketing plans,  
6 Chris?

7           MR. QUINN: Thank you. With that we just made an  
8 announcement yesterday about the new Daktronics in the infield.  
9 And we're very excited to bring that quality to Santa Anita  
10 with a better image, and with the paddock boards as well.  
11 That's something that was a necessity.

12           We also have -- we're complimenting -- we're using  
13 kind of Del Mar's mobile application, so being able to utilize  
14 technology and -- and betting via your phone and Android phones  
15 at Santa Anita. So we're kind of stepping up our technology  
16 there.

17           We're going to continue the success of our food  
18 trucks, kind of reinvent that. It brings new people into our  
19 facility on Sunshine Millions Day.

20           We have a college ambassador program and tace makers  
21 (phonetic) through a company called Vox Entertainment that is  
22 going to really introduce Santa Anita to a lot of new people.

23           And that's out goal this year, is to -- to -- to  
24 bring the Great Race Place back in 2012 and, as Mr. Haines  
25 said, compliment *Luck* in the cross-promotion with the HBO media

1 mogul and -- and partner with them with appearances,  
2 celebrities, fashion. Utilize Chantel Sutherland, I believe,  
3 this -- this meet.

4 We have a fascinators and fedoras contest on opening  
5 day. And just -- just bring -- bring light back to the  
6 facility. St. Patrick's Day on March 17th is a Saturday.  
7 We're going to utilize that. We're going to partner with  
8 Budweiser.

9 Cultural events, Hispanic and Asian, Lunar New Years,  
10 and two concerts, kind of like Viva Los Dodgers was doing. Law  
11 Enforcement Day on 2/18, which is going to be 7,000 LAPD  
12 officers at our facility. And then the Santa Anita Derby will  
13 be back on NBC, and we're excited about that. And hopefully an  
14 announcement made in the next couple weeks about the -- the  
15 increased distribution in the Los Angeles market.

16 So we're excited. We're going to bring a lot of new  
17 people into Santa Anita. And -- and we'll roll that momentum  
18 into the summer with the Cal Philharmonic. And then obviously  
19 with Breeders' Cup in 2012. So it's an exiting time.

20 CHAIR BRACKPOOL: Commissioner Rosenberg?

21 COMMISSIONER ROSENBERG: I had some questions on the  
22 financials.

23 CHAIR BRACKPOOL: Please, go ahead.

24 COMMISSIONER ROSENBERG: Well, one question was is --  
25 is -- okay. With regard to Golden Gate there was a letter that

1 was sent by Gina Lavo to Jackie saying that these are  
2 standalone statements, basically, for Golden Gate based upon  
3 the waiver requirements. But I didn't see a similar -- so  
4 this -- are your statements standalone for just Santa Anita?

5 MS. LAVO: Yes, they are.

6 COMMISSIONER ROSENBERG: Okay. The second thing is  
7 there are eight months of statements for Santa Anita only or  
8 for Golden Gate only.

9 MS. LAVO: Audited statements, yes.

10 COMMISSIONER ROSENBERG: Right. Right. Audited  
11 statements.

12 MS. LAVO: That was our last audit.

13 COMMISSIONER ROSENBERG: Now we know we're changing  
14 the form, so you'll be required to put standalone --

15 MS. LAVO: Uh-huh.

16 COMMISSIONER ROSENBERG: -- for each meeting. But  
17 why does it take so long, since this only goes through December  
18 31, 2010?

19 MR. MILLER: Miss, could you please state your name  
20 for the record?

21 MS. LAVO: Sure. Sorry. Gina Lavo, Santa Anita.

22 Our audits are done on our fiscal year, which ends  
23 December 31st. So --

24 COMMISSIONER ROSENBERG: So my question really is  
25 when we're faced with this new regulation where you have to

1 provide standalones how are you going to do that without --  
2 with un-audited statements or will they be audited?

3 MS. LAVO: Yes. You should have audited statements.  
4 And you also have -- a stub period through June was provided  
5 with our application. I don't know if you have that. But --

6 COMMISSIONER ROSENBERG: No. But --

7 MS. LAVO: -- those were un-audited.

8 COMMISSIONER ROSENBERG: No. But for the next time,  
9 for the -- when you come -- a new application form changes to  
10 require these new disclosures.

11 MS. LAVO: Well, I believe you will get the December  
12 31st audited statements, which is the only audit we have during  
13 the year. And then you will get whatever interim financials  
14 you want on a standalone basis.

15 COMMISSIONER ROSENBERG: On the -- on the last meet?  
16 For example, when you apply for the fall meeting --

17 MS. LAVO: Right.

18 COMMISSIONER ROSENBERG: -- which is the next time  
19 you'll apply --

20 MS. LAVO: I will -- I will give you whatever the  
21 most recent quarter is that we have on a standalone basis.

22 COMMISSIONER ROSENBERG: By a quarter basis? But how  
23 about if the meeting ends -- lops into April, which it does?

24 MS. LAVO: It will include April.

25 COMMISSIONER ROSENBERG: It will?

1 MS. LAVO: Yeah. It will be a six-month ending.

2 COMMISSIONER ROSENBERG: Okay.

3 MS. LAVO: We probably won't have the first five days  
4 of December because that's a little tricky, but --

5 COMMISSIONER ROSENBERG: All right. The last  
6 question. On page 1240 of the -- the form, and I don't know  
7 what -- what your number is, but on the combined financial  
8 statements for eight months ending December 31 it shows \$8  
9 million in pari-mutuel wagering and pari-mutuel wagering  
10 income, and \$7 million in admissions, parking and other non-  
11 wagering. It's kind of a weird --

12 MS. LAVO: Page 1240?

13 COMMISSIONER ROSENBERG: Page 1240.

14 MS. LAVO: Yes. So what's your question? I'm sorry.

15 COMMISSIONER ROSENBERG: Sorry.

16 MS. LAVO: I don't know what your question is.

17 COMMISSIONER ROSENBERG: My question is that's all --  
18 you've had that much income of -- you have \$7 million in  
19 parking and admissions and whatever other non-wagering is, and  
20 only \$8 million of --

21 MS. LAVO: Yes. Because if -- if you think about  
22 what our calendar looks like there's five live days in there.  
23 So that pari-mutuel only covers five live days of racing, plus  
24 the two percent that we get when we operate as a satellite.

25 COMMISSIONER ROSENBERG: So five days in what, April

1 of --

2 MS. LAVO: In, no, December. Because these were  
3 eight months. They started May 1st. My -- my April meet was  
4 done in this statement.

5 COMMISSIONER ROSENBERG: Oh, I see. I got you. So  
6 this is really basically the -- these we don't need.

7 MS. LAVO: Right. These are kind of irrelevant.

8 COMMISSIONER ROSENBERG: Yeah.

9 MS. LAVO: The June statements are more relevant.

10 CHAIR BRACKPOOL: Exactly. Exactly.

11 COMMISSIONER ROSENBERG: Well, hopefully we'll get  
12 the new information.

13 MS. LAVO: I'll -- I'll get you that.

14 COMMISSIONER ROSENBERG: Thank you.

15 CHAIR BRACKPOOL: Okay. My -- my question was  
16 purses. In 2011 the average daily purse of the 2011 meeting  
17 was 441. In this case we're at 427. I know that at that meet  
18 there was an overpayment. At the last meet there was an  
19 underpayment. So if the 427 a conservative projection or is it  
20 a projection that includes getting some of the -- the  
21 overpayment back?

22 MS. LAVO: It was a conservative number. We actually  
23 have -- since the last meet we've reevaluated and we actually  
24 have new numbers that didn't -- we just went through with the  
25 TOC and reached an agreement this week.

1 CHAIR BRACKPOOL: Right. So what would that number  
2 be? Because I must be higher than that, surely, based on --

3 MS. LAVO: It is. The 400 that you're saying, I'm  
4 thinking overnights.

5 CHAIR BRACKPOOL: Right.

6 MS. LAVO: The overnight number was 289. The  
7 overnight number will be 300.

8 CHAIR BRACKPOOL: Okay. So --

9 MS. LAVO: And I'll let --

10 CHAIR BRACKPOOL: -- this has the stake's number  
11 included in it, as well --

12 MS. LAVO: Correct.

13 CHAIR BRACKPOOL: -- obviously, since Rick.

14 MS. LAVO: And I'll let Rick talk about --

15 CHAIR BRACKPOOL: -- Rick --

16 MS. LAVO: -- what happened on stakes.

17 MR. HAMMERLE: Yeah. What we've done, as you know,  
18 the ability to have a great meet at Santa Anita depends on a  
19 strong stakes schedule and a strong overnight purse schedule,  
20 which we believe after working with the TOC diligently we  
21 have. And the stakes schedule that appears in the packet is a  
22 little different than the original one --

23 CHAIR BRACKPOOL: Right

24 MR. HAMMERLE: -- because the negotiations were going  
25 on. And the one that we are coming out with is a lot stronger

1 than the one you see in front of you. The new stakes schedule,  
2 we've been -- were able to raise nine stakes' purses, which  
3 hasn't been done in the last few years. We have a new Sunshine  
4 Millions Day, as you know, which we're going to combine five  
5 stake races that day which will be dominated by Cal-Bred races  
6 in keeping with the California Sunshine Millions theme --

7 CHAIR BRACKPOOL: Right.

8 MR. HAMMERLE: -- which we think that's going to  
9 continue to be a big day.

10 We've added two California bred races for three-year-  
11 olds with the new Golden State Series Program, two races worth  
12 \$200,000 each will be run in May. And we also -- we've  
13 combined -- we like to have our big days. We have six days  
14 with at least three stakes, a minimum of three stakes on those  
15 days, you know, including opening day, Sunshine Millions Day,  
16 Strub Day, Oaks Day, Oaks Day, Derby Day, Big Cap Day, so we're  
17 going to continue with our tradition of, you know, making the  
18 big days big and -- and keeping that going.

19 And as Gina said, I think last year we averaged,  
20 what, I think it was 287 a day in overnights. We're going to  
21 get it -- we're up to 300 now, which is kind of like a magic  
22 number in the game. So we're real thrilled with that. The TOC  
23 have been very cooperative in, you know, kind of banging these  
24 numbers out.

25 CHAIR BRACKPOOL: And what are we looking like for

1 the underpayment in -- in the fall program that just concluded?

2 MR. HAMMERLE: Yeah, we underpaid there. We have --  
3 we're working once again with the TOC to maybe help that with  
4 the -- the overpayment --

5 CHAIR BRACKPOOL: Right.

6 MR. HAMMERLE: -- that was carried --

7 CHAIR BRACKPOOL: Right.

8 MR. HAMMERLE: -- carried through.

9 CHAIR BRACKPOOL: But there was an underpayment, was  
10 the point.

11 MR. HAMMERLE: Correct.

12 MS. LAVO: Yes.

13 CHAIR BRACKPOOL: Right.

14 MR. HAMMERLE: And through -- through different  
15 circumstances, because the meet was run under -- you know,  
16 it's -- it's basically an extension of our meet, just run at  
17 two separate --

18 CHAIR BRACKPOOL: Right.

19 MR. HAMMERLE: -- times. We're working with the TOC  
20 to kind of use that underpayment to offset some of the  
21 overpayment from last year, which is -- which is great. So  
22 that's why -- part of the reasons we're able to have all these  
23 races.

24 CHAIR BRACKPOOL: Right.

25 MR. HAMMERLE: So we're real happy with that.

1 CHAIR BRACKPOOL: Commissioner Moss?

2 COMMISSIONER MOSS: Well, I would be remiss as an  
3 owner if I didn't ask a couple of questions in regard to just  
4 maiden races, maiden special races, and things like that.

5 MR. HAMMERLE: Yes.

6 COMMISSIONER MOSS: It seems -- you know, I'm  
7 pleased, you know, as George said that, you know, your average  
8 field is 8.8 horses. I'd be interested to know what the  
9 combination is of, let's say allowance races, claiming races  
10 and Cal-Bred races, you know? Because for those of us that,  
11 you know, go to the sales, bring out horses to California that  
12 hopefully will be stars someday, we need the opportunity to get  
13 them to run.

14 MR. HAMMERLE: I agree with you, Mr. Moss.

15 COMMISSIONER MOSS: So what do you do if you have six  
16 fill in for a maiden special and -- against an eight -- eight  
17 field, \$25,000 claiming race?

18 MR. HAMMERLE: We used a maiden race.

19 COMMISSIONER MOSS: Okay. Well --

20 MR. HAMMERLE: You know --

21 COMMISSIONER MOSS: If it's listed I just want to  
22 know if it's -- if it's going to go if you have six or maybe  
23 even five. Because it's -- to build stars you're going to have  
24 to have those races, you know?

25 MR. HAMMERLE: You're 100 percent right. And you

1 know, the -- the time of year that this meet runs, Santa Anita,  
2 the emphasis is on the three-year old races going to the Derby,  
3 which means the younger horses, which means we need to break as  
4 many maidens as we have to. And that's, you know, that's the  
5 mindset.

6 Believe me, a small field of maiden specials is worth  
7 a lot more than, you know, a larger field of -- of claimers,  
8 and that's the mindset we're going to have going into this  
9 meet. Because every maiden that we break, obviously, is a  
10 potential stake horse, and -- and that's what we plan on. And  
11 that's -- this time of year -- and, actually, through the whole  
12 year, but that's the emphasis here is -- is the three-year-  
13 olds, getting them into the right position to hopefully go on  
14 to the Derby or, you know, throughout the year.

15 COMMISSIONER MOSS: Well, I appreciate that. Thank  
16 you.

17 CHAIR BRACKPOOL: Let me ask the question that I  
18 always ask of Santa Anita: television. We obviously were --  
19 were able to get a little something more out of you for the  
20 fall meet. How did that work, that HRTV live? What are we  
21 looking like on further distribution? What's it going to be  
22 like for people? Can they hope to be able to watch a race over  
23 the next few months?

24 MR. QUINN: Mr. Daruty is -- is flying back,  
25 actually, right now from South America.

1 CHAIR BRACKPOOL: He timed that well.

2 MR. QUINN: He did, didn't he? And Mr. -- Mr. Haines  
3 can talk a little bit about the HRTV. But there should be an  
4 announcement in the next couple of weeks about increased  
5 distribution in the Los Angeles market, which Scott is very  
6 well versed in and -- and is in contract phase right now. So  
7 we're excited, and it will -- it will definitely increase with  
8 your -- your support and your help. I think that it's a good  
9 thing.

10 CHAIR BRACKPOOL: George?

11 MR. HAINES: Well, without going into details, we're  
12 looking to go to a must-carry station to -- in the L.A. area  
13 that would go into five million homes. And we would offer two-  
14 and-a-half hours of programming on Friday, Saturday and Sunday.  
15 And you know, that would greatly increase our distribution in  
16 the L.A. area.

17 CHAIR BRACKPOOL: Well, as you know, we still need to  
18 get more and more and more, because that's going to help a  
19 certain -- I mean, I know what you're talking about. So that's  
20 going to help certain people. It's still not going to help  
21 certain people. So I trust that the continued drive to try and  
22 work something out on -- on a larger scale is --

23 MR. HAINES: It's for everybody's benefit. And we're  
24 working as hard as we can on getting more distribution.

25 CHAIR BRACKPOOL: Chris?

1           MR. QUINN: Yeah. A question for you is I've -- I've  
2 talked to -- to Mr. Israel and to Louis Harregy (phonetic) and  
3 Darrell Haire. We'd like to do a jockey camera on -- during  
4 racing. And with -- with the help of the TOC and the CHRB we'd  
5 like to get that on the agenda to see if we can do that, just  
6 on an allowance race. And -- and then put that back on  
7 SantaAnita.com as part of our initiative to introduce racing to  
8 a whole new genre of fans.

9           CHAIR BRACKPOOL: I think that's very cool. Why  
10 don't we -- Jackie, let's get that on the December agenda  
11 and -- and let's do whatever work is necessary to -- to hear  
12 that on the December agenda. Okay.

13           COMMISSIONER MOSS: With the fact that, you know, NBC  
14 is now going to broadcast the Derby preps, and certainly  
15 feature the Santa Anita Derby, can you do anything locally with  
16 NBC, you know, as far as their sports department is concerned  
17 to get a little more coverage, so to speak? Is that possible?

18           MR. HAINES: Those are things we're working on right  
19 now. And NBC is very aggressive. They have a new sports  
20 channel, which is versus what would now be NBC Sports. So  
21 they're a good partner.

22           COMMISSIONER MOSS: Even to run a piece of the  
23 feature every day would be very helpful, you know?

24           CHAIR BRACKPOOL: Okay. Do I have any other  
25 commissioner comments? I have not speakers on the issues. So

1 do I have a motion to approve the meet?

2 VICE CHAIR ISRAEL: So moved.

3 CHAIR BRACKPOOL: Motion approved by Vice Chair  
4 Israel.

5 COMMISSIONER MOSS: Second.

6 CHAIR BRACKPOOL: Seconded by Commissioner Moss. All  
7 in favor?

8 ALL COMMISSIONERS: Aye.

9 CHAIR BRACKPOOL: Motion approved unanimously. Have  
10 a great meet.

11 MR. QUINN: Thank you.

12 MR. HAINES: Thank you very much.

13 MR. HAMMERLE: Thank you.

14 CHAIR BRACKPOOL: We now move on to Golden Gate.

15 Discussion and action by the Board on the application for  
16 license to conduct a horse race meeting of the Pacific Racing  
17 Association at Golden Gate Fields, commencing December 26th,  
18 2011 through June 17th, 2012, inclusive.

19 Names and affiliations for the record?

20 MR. MORRIS: Joe Morris, General Manager, Golden Gate  
21 Fields.

22 MR. RAINEY: Calvin Rainy, Assistant General Manager,  
23 Golden Gate.

24 MR. TUNNEY: Peter Tunney, Golden Gate Fields.

25 CHAIR BRACKPOOL: Briefest of summaries.

1 MS. WAGNER: Jackie Wagner, CHRB staff. Golden Gate  
2 Fields will be racing four days per week. They're racing  
3 Thursday through Sunday with eight races weekdays and nine on  
4 weekends and holidays. The first post time is 12:45 p.m.

5 The analysis lists their CTT agreement is  
6 outstanding. We have received that. There are a number of --  
7 there are three items that need to be updated during the course  
8 of this race meet. They include the fire clearance which  
9 expires December 29th, the Albany (phonetic) fire clearance and  
10 vanning and stabling agreement.

11 CHAIR BRACKPOOL: Thank you. Joe, you want to tell  
12 us a little about the meet?

13 MR. MORRIS: Yeah. Thank you. We're -- as George is  
14 going for the 77th at Santa Anita, this will be the 71st straight  
15 running at Golden Gate. Excited for the meet. We're  
16 actually -- we're -- we've got some pluses going up there right  
17 now.

18 Since October our -- our handle is up five percent  
19 ontrack and in the north. Our attendance is up five percent  
20 compared to the comparable days a year ago.

21 Through -- through the summer meet we averaged 7.7  
22 starters, which although that doesn't sound that high is much  
23 improved from where we were. And we're still at a little over  
24 7.5 starters per race in the fall meet. So we've -- we've got  
25 some positives going there, and we're looking to roll them into

1 next year.

2           On the marketing side, our schedule is set. It was  
3 in the book. We have four strategies that we're drilling into.  
4 The first strategy is marketing ourselves to ourselves, and  
5 that's just having a strategy. It's a grind-it-out kind of  
6 track, and we forget about telling ourselves all the good  
7 things that go on there. It's year-round racing. It's the  
8 only year-round racing within the state. So we're going to  
9 develop some flyers and some marketing pieces that we'll use  
10 for owners, trainers, employees. Our trainers aren't always  
11 the best marketers themselves. If you put this in their hands  
12 they can use it for their owners, they can use it hopefully to  
13 recruit some new owners.

14           Another part, we're doing that on the owners' side,  
15 that's worked real well, and I call it the Perella (phonetic)  
16 Program because Pete Perella actually gave me the idea, but  
17 we've started for three weeks now calling owners after the  
18 draw. So we call them and say, you know, this is so and so for  
19 Golden Gate. We want to thank you for racing your horse there.  
20 It's important to us. Are you coming to the races that day?  
21 Can we get you some passes? Can we make you a dining room  
22 reservation? This last weekend we had twice the number of  
23 horsemen dining room reservations than we'd been having in  
24 recent times.

25           In that same area, you know, we've got some other

1 gems up there. We have Russell Baze. Every time he wins a  
2 race it's a new world record, and we plan to, you know, promote  
3 that out a little bit.

4 And another colony we have within our trainers, I  
5 think we have more lady trainers than probably any other track,  
6 and we're going to try to have some fun with that also and get  
7 that story out locally.

8 The second part of the strategy is just our  
9 mainstream advertising. And as I've lived up there for the  
10 last 45 days they've kind of forgotten about the place.  
11 Everybody drives by it every day, and we just got to keep the  
12 noise out there and keep giving people reasons to come back  
13 into Golden Gate. So we'll do that with our -- our Dollar Day  
14 promotions, our Day On Us promotions, giveaways we have  
15 scheduled, mailers, emailers, group sales. And we've -- we're  
16 quite successful in those programs and we're going to keep  
17 those going.

18 The other -- another one of the four strategies is  
19 our ethnic activities. We had a Asian and an Hispanic Days  
20 this last year. They were two -- two of our highest attendance  
21 days. Two days we drew over 6,000 people. The -- the  
22 agency -- and we didn't have an agency of record this year --  
23 the agency that pulled that off for us is now our agency of  
24 record. And so we have an ad agency there with us. And not  
25 only will be doing Asian and Hispanic, but we also are going to

1 try some activities on the African-American front and on the  
2 gay and lesbian front for up there, and we think we can make  
3 some big days out of that.

4           With the concerts like we did, we also want to, in --  
5 in August and September when we're up against Del Mar, try the  
6 twilight racing on Friday nights. We have lights there. We  
7 think we can move our post time to 4:30, the same as Del Mar,  
8 do some bands, do the -- the -- the ethnic promotions, and just  
9 try to do something different there and -- and -- and bring  
10 some people in.

11           And then the last part is the high roller part.  
12 We're -- we're looking at developing a room for high rollers.  
13 And we are looking at different campaigns to get more of the  
14 whales, as we call them, into the track and treat them  
15 specially.

16           CHAIR BRACKPOOL: Have you asked Commissioner Choper  
17 what he'd like to see in that room?

18           MR. MORRIS: So -- so --

19           COMMISSIONER CHOPER: Just as an observer.

20           VICE CHAIR ISRAEL: Two-dollar window.

21           MR. MORRIS: So you know, in a nutshell, that's the  
22 plan, to get some excitement back in, to remind people we're  
23 there and get the word coming up, and we should be in good  
24 shape.

25           CHAIR BRACKPOOL: I like it. I like it.

1 Commissioner Choper.

2 COMMISSIONER CHOPER: Oh, go ahead, if you -- I  
3 just -- my own -- my own surmise is that the increased  
4 attendance and handle is attributable to the increased horse  
5 population. I don't know, you can't prove that.

6 But -- but my question is -- but this -- how do  
7 you -- what is it that's resulted in a bigger horse population?

8 MR. MORRIS: I think the south has actually gotten  
9 some also. And Golden Gate has had programs to do horse  
10 recruitment over the years. I think that is also a part of it.  
11 And -- and we're actually --

12 COMMISSIONER CHOPER: I know. But -- but they've  
13 been there in prior years.

14 MR. MORRIS: For years, yeah. I, you know, I --

15 COMMISSIONER CHOPER: You don't know?

16 MR. MORRIS: I don't know.

17 COMMISSIONER CHOPER: That's all -- I think --

18 MR. MORRIS: The only thing I know on any turnaround  
19 it's never just one thing that does it. You've got to get a  
20 lot of different things moving to -- to make it work. So I  
21 would say there's a number of factors to that.

22 CHAIR BRACKPOOL: So on that, what was the average  
23 number of starters last year --

24 MR. MORRIS: The --

25 CHAIR BRACKPOOL: -- in a race?

1 MR. MORRIS: The -- you know, the early -- the early  
2 meet -- this meet we're actually applying for right now --

3 CHAIR BRACKPOOL: Right.

4 MR. MORRIS: -- a year ago was around 6.5.

5 CHAIR BRACKPOOL: And what was it in the -- in -- in  
6 the recent meet?

7 MR. MORRIS: The summer meet was 7 -- almost 7.8.  
8 And we're at over 7.5 for the year right now. We've taken the  
9 6.5 and it's at 6.91 right now. So the -- the improvement is  
10 there.

11 We're also doing some strategies with CARF working  
12 with Chris. But it makes a lot of sense on horse recruitment  
13 to do that together so that as we're recruiting people for late  
14 spring they come, they get their first couple of starts at  
15 Golden Gate, and then roll into the fair season. And we're  
16 looking at commingling some of our activities right now to --  
17 to work that.

18 COMMISSIONER CHOPER: How do are -- how do our  
19 purses --

20 CHAIR BRACKPOOL: Well --

21 COMMISSIONER CHOPER: I'm sorry. You go ahead.

22 CHAIR BRACKPOOL: Well, let me just finish on that  
23 one. You -- to me the -- the criticism one always hears about  
24 Golden Gate is the limited number of starters per race and not  
25 an attractive betting proposition, etcetera; right? When we

1 had that meeting of the racing secretaries last year before you  
2 came out we spent a lot of time trying to determine what is the  
3 right balance mix between how many races a day and yet, you  
4 know, trying to have those fuller fields.

5           Are you doing anything there differently to try and  
6 expand that, contract, perhaps, some of the races but increase  
7 the number of starters?

8           MR. MORRIS: Yeah. We're working on things across  
9 the board. We're working with TOC, working with the CTT. We  
10 just made a change in race secretaries --

11           CHAIR BRACKPOOL: Right.

12           MR. MORRIS: -- so we've got new secretary in there  
13 with ideas also. Nothing more important to gambling than full  
14 fields. You've got to have the people there also. But if you  
15 have full fields --

16           CHAIR BRACKPOOL: Right.

17           MR. MORRIS: -- I think whether -- whatever kind of  
18 racing it is, it's proven over and over again that they bet  
19 more on full fields.

20           CHAIR BRACKPOOL: Yeah.

21           MR. MORRIS: And that's our number one priority.

22           COMMISSIONER CHOPER: How do our purses compare to  
23 Turf Paradise, Emerald Downs, and the two Canadian tracks?

24           MR. MORRIS: I know we're paying -- you know, with  
25 the stakes schedule in the spring we're probably paying \$160 --

1 \$160,000 a day. So it's really closer to \$130,000 is what the  
2 overnights are. Emerald is in the 80s, 90.

3 COMMISSIONER CHOPER: 80s and 90s?

4 MR. MORRIS: Yeah.

5 COMMISSIONER CHOPER: And then Turf --

6 MR. MORRIS: Hastings is higher. I'm not sure what  
7 Turf is, but it isn't any higher than that.

8 COMMISSIONER CHOPER: Because those, at least in the  
9 past, have been natural sources for trainers bringing in horses  
10 to it.

11 MR. MORRIS: And we've got more out of -- for this  
12 year right now we've got more out of Washington. But we've got  
13 two or three out of Canada, and that's probably the biggest  
14 difference in purse fields right now. And that's from our --  
15 our previous secretary going up there and recruiting.

16 CHAIR BRACKPOOL: Commissioner Rosenberg.

17 COMMISSIONER ROSENBERG: Yeah, just one question.  
18 First of all, I have a comment. I think that these plans sound  
19 great. Some of them sound new, and I encourage that.

20 But could you just tell us, in terms of your  
21 promotional budget, advertising promotion budget, is it higher  
22 or lower or the same as last year, dollars?

23 MR. MORRIS: The -- it's -- well, dollar-wise it's  
24 going to be a little less. You know, we -- we -- actually, on  
25 the promotion side of the marketing we spent about \$1 million

1 last year, and we're going to spend about \$1 million this year.  
2 The sum dollars that we spent, in overall we probably spent  
3 \$1.7 million in that whole category, and we're probably going  
4 to spend \$1.5 million or \$1.6 million this year.

5 But by switching the activities and the energy,  
6 picking up the phone and calling with the Perella Program and  
7 things like that, we're replacing some of those dollars for  
8 what I know to be a more effective campaign. So the -- the  
9 energy and the activity is going to be higher. The dollars are  
10 going to be a little less.

11 CHAIR BRACKPOOL: Well, look, I'm encouraged. Let's  
12 do whatever we can on the -- on the -- on the starter front. I  
13 still think that that's, you know, one of the crucial issues  
14 for Golden Gate, I really do. But I'm encouraged.

15 If I have no further comments, I would make a motion  
16 to approve the meet. Seconded by --

17 VICE CHAIR ISRAEL: I'll second.

18 CHAIR BRACKPOOL: -- Vice Chair Israel. All in  
19 favor?

20 ALL COMMISSIONERS: Aye.

21 CHAIR BRACKPOOL: Have an excellent meet.

22 MR. MORRIS: Thank you.

23 CHAIR BRACKPOOL: Thank you. Fourteen, discussion  
24 and action by the Board on the application for license to  
25 conduct a horse race meeting of the Cal-Expo and State Fair

1 Harness Association at Cal-Expo, commencing December 26th, 2011  
2 through June 30th, 2012, inclusive.

3 Name and --

4 MR. ELLIOTT: Dave Elliott, Cal-Expo.

5 CHAIR BRACKPOOL: Jackie?

6 MS. WAGNER: Jackie Wagner, CHRB staff. The  
7 application before you is as the chairman outlined. They will  
8 be racing December 26th through June 16th [sic]. This is 70  
9 days, 5 more than they raced last year. They'll be racing  
10 three nights per week, Thursday through Sunday -- Saturday,  
11 Thursday through Saturday, with a first post time of 5:30 p.m.  
12 daily.

13 The analysis indicates that they have outstanding  
14 fire clearance and their agreement for their ADW providers. We  
15 have received the outstanding items. Their representatives are  
16 here for any questions you may have.

17 CHAIR BRACKPOOL: Dave, you want to tell us about the  
18 meet?

19 MR. ELLIOTT: Sure. We went -- we went New Year's  
20 Eve last year to some -- with some success. It was a day -- I  
21 think it was a Friday last year. We just couldn't give up the  
22 Friday. And this year we'll be doing the same thing. I  
23 noticed on Los Alamitos's application they're going on Friday  
24 and Saturday, you know, the 30th and 31st, as well. So  
25 hopefully that -- that kicks it off.

1           We have an agreement right now with TVG. TVG is  
2 televising our four races on Thursday nights that -- our -- our  
3 late Pick 4 races. It has shown a bump in the handle. I think  
4 we've -- it's been done three weeks in a row. They're --  
5 they're -- they've done -- they've done a great job. They have  
6 a couple of commentators on at night now that, you know,  
7 obviously know harness racing.

8           So on Thursday nights we have -- every single night  
9 that we race, Thursdays, Fridays and Saturdays, all of our Pick  
10 4s have a takeout of 15 percent, every single Pick 4 that we  
11 have, which is a total of 6 for three racing nights. All of  
12 our late Pick 4s on Thursday, Friday and Saturday night have a  
13 \$10,000 guarantee. I know it's not much in the overall scheme,  
14 but for us it's -- it is a guarantee and that has proven  
15 successful, as well.

16           On Friday -- on Friday and Saturday nights we do have  
17 a partnership with the United States Trotting Association  
18 Strategic Committee in which if we ever fall short of the  
19 guarantee they'll -- they'll partner with us and the horsemen  
20 to pick up the shortfalls of the guarantee.

21           On Saturday nights we continue to have the -- it's  
22 basically a zero percent takeout for winners with Twinpires.  
23 If you make a wager on Twinpires.com or ontrack at Cal-Expo  
24 and you are successful you basically get a rebate. It's not a  
25 zero percent takeout, it's basically a reward, it's a rebate.

1 It comes out of our -- it comes out of our -- our pocket and we  
2 pay that. It's -- it has nothing to do with takeout really,  
3 it's --

4 CHAIR BRACKPOOL: I understand how it works.

5 MR. ELLIOTT: Yeah.

6 CHAIR BRACKPOOL: It's a promotion.

7 MR. ELLIOTT: Yeah. We, again, we -- those are the  
8 things that we're concentrating on right now is basically the  
9 handle. We've -- we've made a lot of improvements. I'm -- I  
10 don't look at the stewards' minutes anymore because I am not  
11 told that there's anything on there that -- that -- regarding  
12 our tote board with -- with Sportech. We've -- we've refaced  
13 our entire tote boards. Sportech has their LED indicators in  
14 there. It looks really nice. There have been no issues as  
15 we're on fiber now. Sportech has also brought their video  
16 board in there, so we basically have live video ontrack in the  
17 infield every single night. So all of that has worked out  
18 well.

19 We have new finish line poles, so we've -- new  
20 paddock tent structure. We've -- we've made some improvements  
21 to the facility.

22 CHAIR BRACKPOOL: Great. Commissioner Rosenberg.

23 COMMISSIONER ROSENBERG: Dave, this -- do you work  
24 for the fair board, for the fair?

25 MR. ELLIOTT: I work for the fair.

1 COMMISSIONER ROSENBERG: For the fair?

2 MR. ELLIOTT: I'm an employee of the California State  
3 Fair, yes, sir.

4 COMMISSIONER ROSENBERG: All right. And normally  
5 don't you apply for both meetings at this time of year, or do  
6 you -- or the second half?

7 MR. ELLIOTT: No. We -- we -- we always have three  
8 license applications in front of this board. We always have  
9 three license applications per year, two harness and one state  
10 fair --

11 COMMISSIONER ROSENBERG: I meant for --

12 MR. ELLIOTT: -- one thoroughbred.

13 COMMISSIONER ROSENBERG: I meant for the harness.

14 MR. ELLIOTT: No. It's always two.

15 COMMISSIONER ROSENBERG: Oh. Then do you apply later  
16 for the second one usually?

17 MR. ELLIOTT: Yes, sir. Yes.

18 COMMISSIONER ROSENBERG: My question is related to, I  
19 guess there was a fair board meeting where they talked about  
20 possibly not having harness racing anymore; is that correct?

21 MR. ELLIOTT: Yes, sir. The -- our board right now,  
22 a decision may be made in December, January or February  
23 regarding the future of Cal-Expo operating a harness meet on  
24 our grounds.

25 COMMISSIONER ROSENBERG: Have you had any interest

1 from others to operate the --

2 MR. ELLIOTT: There's -- there's always interest.

3 There's always phone calls. Has anybody walked in our door

4 ready to sign an agreement with us to lease and operate our

5 facility for a harness meet? No. That has not occurred yet.

6 COMMISSIONER ROSENBERG: When is this --

7 MR. ELLIOTT: But our door is open.

8 COMMISSIONER ROSENBERG: So when is the decision

9 going to be made by the fair board? How much notice to you

10 have to give, by the way? I don't know.

11 MR. ELLIOTT: We have to give the CHHA 180-day notice

12 if we are going to be out of -- if we are not going to operate.

13 And that 180-day notice period, which lines up with the fall

14 meet, would be February 24th.

15 CHAIR BRACKPOOL: So you will let us know? I assume

16 we would be a recipient of a copy of that --

17 MR. ELLIOTT: Of course.

18 CHAIR BRACKPOOL: -- notice.

19 MR. ELLIOTT: Of course. And we -- we -- we also,

20 if -- if the Board wishes for us, we -- we don't have the

21 allocation of harness dates, our choice, for the fall meet yet.

22 And if it's the Board's choice, if you would want us to just go

23 ahead and send it over. We didn't want to do it this month

24 with our license application up. Just there's plenty, you

25 know, plenty to do.

1 CHAIR BRACKPOOL: Well, I think we should -- I think  
2 we'd like to know whether you're going to be in the business or  
3 not before we award you the dates.

4 MR. ELLIOTT: Sure.

5 CHAIR BRACKPOOL: So --

6 VICE CHAIR ISRAEL: Has any effort been made by the  
7 board, the fair board, to attract interest from somebody who  
8 might want to run? I mean, you just said nobody walked in the  
9 door.

10 MR. ELLIOTT: Have we -- have we put out a notice for  
11 an RFP or an RFQ in the *Daily Racing Form*? No, we have not.

12 VICE CHAIR ISRAEL: You have to go through the same  
13 RFP process as almost every other public agency?

14 MR. ELLIOTT: Well, there's -- there's a question to  
15 that. Some say yes, some say no. I believe if an operator  
16 came forward I believe that legally we could probably work a  
17 deal with an operator to come forward to operate a harness meet  
18 at Cal-Expo, or a thoroughbred meet for that matter. It's been  
19 tested in the courts.

20 VICE CHAIR ISRAEL: Right. A single-service  
21 provider. Yeah.

22 MR. ELLIOTT: Yes.

23 COMMISSIONER ROSENBERG: Wouldn't it be -- so if a  
24 private group wanted or a nonprofit wanted to come in and  
25 operate the fair meeting -- I mean the harness meeting alone,

1 those two meetings, it would probably be better for them to  
2 wait until after you give notice than to approach you now to  
3 work out a deal, I presume.

4 MR. ELLIOTT: Our door, sir, has always been open to  
5 anybody that wanted to come forward and talk to us about any  
6 type of --

7 COMMISSIONER ROSENBERG: No. No. What I meant, in  
8 terms of economics, would -- would the fair expect any kind of  
9 compensation for giving up the meeting?

10 MR. ELLIOTT: Oh, yes, sir. Yes, sir. We -- we  
11 would charge rent.

12 COMMISSIONER ROSENBERG: No, I know that. I'm asking  
13 about --

14 MR. ELLIOTT: Is that -- is that -- is that the --

15 COMMISSIONER ROSENBERG: I was asking about the  
16 timing of when someone would approach you, that's all, before  
17 or after you give notice?

18 MR. ELLIOTT: I'm sorry, Mr. Rosenberg, I don't --

19 COMMISSIONER ROSENBERG: Am I making myself clear to  
20 anybody else? Maybe not. It doesn't matter. Let's forget  
21 about it.

22 MR. ELLIOTT: I'm sorry.

23 CHAIR BRACKPOOL: Yeah.

24 MR. ELLIOTT: I'm sorry

25 CHAIR BRACKPOOL: I think what's going to happen is

1 that you're trying to speculate what might happen between now  
2 and February, and I don't really think --

3 VICE CHAIR ISRAEL: Well, I --

4 CHAIR BRACKPOOL: So --

5 VICE CHAIR ISRAEL: -- I just have one -- I have one  
6 more quick comment. How many employees are we talking about  
7 here?

8 MR. ELLIOTT: Approximately -- for harness racing,  
9 approximately 60.

10 VICE CHAIR ISRAEL: Yeah. People whose, you know,  
11 livelihood is --

12 MR. ELLIOTT: Whose livelihood is --

13 VICE CHAIR ISRAEL: -- is jeopardized --

14 MR. ELLIOTT: Yes, sir.

15 VICE CHAIR ISRAEL: -- by failure to run a meet?

16 MR. ELLIOTT: Yeah. About 65 to 70 total employees,  
17 part-time employees. Yes, sir.

18 VICE CHAIR ISRAEL: No. No. Not just of the fair.  
19 I mean, including trainers, drivers --

20 MR. ELLIOTT: Oh, trainers?

21 VICE CHAIR ISRAEL: -- grooms --

22 MR. ELLIOTT: -- you could -- you could add on  
23 another --

24 VICE CHAIR ISRAEL: -- everybody in the backstretch.

25 MR. ELLIOTT: You could add on another 200 probably

1 as far as trainers, grooms, feed people, vets, those types of  
2 persons as well.

3 VICE CHAIR ISRAEL: So there are --

4 MR. ELLIOTT: I thought you meant employees of Cal-  
5 Expo.

6 VICE CHAIR ISRAEL: -- no -- 265 --

7 MR. ELLIOTT: Approximately.

8 VICE CHAIR ISRAEL: -- to 300 employees --

9 MR. ELLIOTT: Yes, sir. Yes, sir.

10 VICE CHAIR ISRAEL: -- derive their livelihood from  
11 harness racing?

12 MR. ELLIOTT: Harness racing at Cal-Expo.

13 VICE CHAIR ISRAEL: Well, you know, given the economy  
14 and given the fact that you are a state agency, I think it's  
15 incumbent upon you to try to find a way to keep this alive.  
16 And -- and if that means reaching out to get -- to make a  
17 greater awareness that -- that this is in jeopardy and that --  
18 and that you'd be willing to entertain offers for somebody to  
19 run the meet, you need to do it.

20 MR. ELLIOTT: Yes, sir.

21 VICE CHAIR ISRAEL: Okay. Thank you.

22 CHAIR BRACKPOOL: Do I have a motion to approve the  
23 meet?

24 COMMISSIONER MOSS: Move.

25 CHAIR BRACKPOOL: Commissioner Moss makes the motion.

1 COMMISSIONER ROSENBERG: Second.

2 CHAIR BRACKPOOL: Seconded by Commissioner Rosenberg.

3 All in favor?

4 ALL COMMISSIONERS: Aye.

5 CHAIR BRACKPOOL: Have a good meet.

6 MR. ELLIOTT: Thank you.

7 CHAIR BRACKPOOL: Item 15, discussion and action by  
8 the Board on the application for license to conduct a horse  
9 race meeting of the Los Alamitos Quarter Horse Racing  
10 Association at Los Alamitos Race Course, commencing December  
11 the 30th, 2011 through December the 23rd, 2012, inclusive.

12 Names and affiliations for the record, and then  
13 Jackie.

14 MR. ENGLISH: Rick English, Los Alamitos.

15 MR. BLONIEN: Rod Blonien, Los Alamitos Race Course.

16 MS. WAGNER: Jackie Wagner, CHRB Staff. Los Alamitos  
17 will be racing 154 days. This is three days more than they  
18 raced in 2011. They are proposing to race three nights per  
19 week, Friday through Sunday, except February the 5th, 7 to 15  
20 live races per night, and 8 to 16 simulcast races.

21 Their application is complete. There -- there are  
22 two things that -- I'm sorry -- there are two things that need  
23 to be updated during this license term. That includes the fire  
24 clearance which expires April 4th, 2012, and their workers'  
25 compensation expires January 1, 2012.

1 CHAIR BRACKPOOL: And tell us about the meet.

2 MR. ENGLISH: Yes, sir. First of all, I'd like to  
3 start off my discussion by saying the takeout will include the  
4 two percent that was approved two years ago. It was requested  
5 last -- it's included in our application. I assume it's there.

6 Looking forward to another year of quarter horse  
7 racing at Los Alamitos. We have a full year schedule again.  
8 Our main promotions are going to be aimed at the satellites.  
9 That's where most of our handle is in California. We'll  
10 handle -- we're going to have numerous handicapping contests at  
11 the satellites and work with the satellite managers. And I'd  
12 be happy to entertain any questions you have.

13 CHAIR BRACKPOOL: Okay. Do I have any questions on  
14 the Los Alamitos application?

15 COMMISSIONER DEREK: Yeah. I have one question,  
16 because I didn't realize that you're not required to have a  
17 doctor on the track?

18 MR. BLONIEN: Correct.

19 COMMISSIONER DEREK: I'm just wondering why.

20 MR. BLONIEN: The --

21 COMMISSIONER DEREK: That is required at all the  
22 other tracks; right?

23 MR. BLONIEN: Not at Cal-Expo either, Commissioner.  
24 When -- when the -- the statutory provision was drafted and put  
25 in the law by the legislature six or seven years ago Los

1 Alamitos made a case, as did Cal-Expo, for the immediate  
2 proximity to the hospitals. And also we had testimony  
3 presented that the better thing to do was to transport  
4 immediately to the hospital, rather than to try and give  
5 treatment. And so it's a statutory provision. If you'd like I  
6 can give you the code section. It's in the same code section  
7 where it provides for a physician, and it says that Los  
8 Alamitos and -- and Cal-Expo are exempted.

9 COMMISSIONER DEREK: Thank you.

10 CHAIR BRACKPOOL: No further questions? I'd make a  
11 motion to -- oh, Commissioner Moss?

12 COMMISSIONER MOSS: Just one question. Your  
13 satellite handle, has it gone up, I would say?

14 MR. ENGLISH: No, it has not. As a daytime  
15 satellite? No. It's down slightly, along with the rest of the  
16 state. We're -- we're -- our fluctuation is slightly less than  
17 the other satellites but it's down slightly.

18 CHAIR BRACKPOOL: Okay. Oh, you want to speak on  
19 this issue? Okay. John Bucalo from Barona wishes to speak on  
20 the issue.

21 MR. BUCALO: John Bucalo, Barona Casino, Offtrack  
22 Betting. I just wanted to thank and let the Board know that  
23 Los Alamitos is doing a terrific job with their promotions.  
24 They've had several at Barona Casino where they've had a  
25 handicapper and their TV Commentator Les Onaka appear at our

1 casino. We've made the announcements. About 30 days prior to  
2 that we started announcing it, that they were having  
3 handicapping contests with cash awards. And out of the last  
4 three that we've had women have one two of those handicapping  
5 contests. So we'd like to see the guys redeem themselves. But  
6 they've been doing a very good job.

7 And we do have one coming up on the 26th, and they  
8 will be giving sweatshirts away to -- to our guests. So we  
9 really appreciate that, and I thought the Board should know.

10 CHAIR BRACKPOOL: Thank you for those comments.  
11 Thank you. All right.

12 Well, I will make a motion to approve the meet.

13 COMMISSIONER MOSS: Second.

14 CHAIR BRACKPOOL: Seconded by Commissioner Moss. All  
15 in favor?

16 ALL COMMISSIONERS: Aye.

17 CHAIR BRACKPOOL: Have an excellent meet. Thank you.

18 VICE CHAIR ISRAEL: Thank you very much.

19 CHAIR BRACKPOOL: All right. We're now on to the ADW  
20 companies. I'm going to have -- I don't think we need to this  
21 individually, do we?

22 MS. WAGNER: No. No.

23 CHAIR BRACKPOOL: We can do this collectively?

24 MS. WAGNER: Yes.

25 CHAIR BRACKPOOL: So I'm going to take items 16, 17

1 and 18 together, which are applications to conduct advance  
2 deposit wagering by ODS Technologies, doing business as TVG, by  
3 Churchill Downs Technology, doing business as Twinpires, and  
4 by XpressBet, LLC.

5 So can I have names and affiliations for the record?

6 MS. FRANK: Yeah. Melanie Frank, TVG Network.

7 MR. CHABRIER: Gene Chabrier, XpressBet.

8 MR. BLACKWELL: Brad Blackwell on behalf of  
9 Twinpires.

10 CHAIR BRACKPOOL: Okay. I just want to make a point  
11 that earlier, a lot earlier in the year we had these  
12 discussions and we came up with a one-year extension of the  
13 licenses, not a two-year, in the hope that there would be some  
14 continued dialogue between all of the participants as to what  
15 changes we thought, what modifications were necessary,  
16 etcetera.

17 I have to say that I have not received an outpouring  
18 of comments from people saying that there should be major  
19 structural changes to this. So I -- I'm not going to force  
20 the -- force the issue if it's not an issue to -- to people for  
21 sure.

22 On the other hand, I think that there are continuing  
23 discussions and negotiations going on between industry  
24 participants at all times. So although these applications are  
25 for a two-year process there's nothing to stop this board, once

1 again, doing it for just one year at a time or -- or whatever.  
2 So I want to make that point particularly clear, that these are  
3 not necessarily two-year applications that we're -- that we're  
4 going with.

5 Jackie, I mean, everybody has, I believe, provided  
6 what they need to provide; correct?

7 MS. WAGNER: They have, except for we're -- we have  
8 not received the agreement between Monarch and the Thoroughbred  
9 Racing Associations. When last I spoke with Scott Daruty they  
10 were still in negotiations, and he had anticipated those being  
11 concluded by the beginning of December, well in advance of the  
12 December 26th.

13 CHAIR BRACKPOOL: So probably 24th?

14 MS. WAGNER: Yes. We'll have that before. No. He  
15 said --

16 CHAIR BRACKPOOL: And I've seen this movie before.

17 MS. WAGNER: He said well before we start our 2012  
18 race meeting. So I'm taking him at --

19 CHAIR BRACKPOOL: Right

20 MS. WAGNER: -- taking him at his word.

21 CHAIR BRACKPOOL: Right. Right. Right. Right.

22 Right.

23 David, do you want to --

24 VICE CHAIR ISRAEL: Should I go or should Barry go?

25 CHAIR BRACKPOOL: Well, we have -- we have a speaker.

1 Let's have a public speaker on the issue first, and then we'll  
2 go. Barry Broad of the Jockeys' Guild.

3 MR. BROAD: Mr. Chair and Members, Barry Broad on  
4 behalf of the Jockeys' Guild. I have the, I think somewhat sad  
5 request to ask you not to take action at this time on Churchill  
6 Downs, Twinspires license request. This corporation has acted  
7 so completely irresponsibly with regard to the jockeys.

8 We have negotiated with them and with all the tracks  
9 since 1967, a means through the, essentially, buying the media  
10 rights of the jockeys, a way of taking care of jockeys who are  
11 injured. All the California tracks pay. The tracks owned by  
12 The Stronach Group, NYRA, they all do this. This is how it's  
13 done.

14 In Kentucky where Churchill Downs is located they  
15 don't have to supply -- they don't pay for workers' comp. No  
16 workers' comp. No healthcare. No retirement. It's nothing  
17 like what we have in California where the industry has always  
18 been very traditionally, and this Board, supportive of the  
19 jockeys.

20 What they would pay is \$330,000 a year, but that --  
21 and not paying --

22 VICE CHAIR ISRAEL: They being -- they being  
23 Churchill Downs?

24 MR. BROAD: Churchill Downs.

25 VICE CHAIR ISRAEL: All right.

1 MR. BROAD: That would be their share, \$330,000 a  
2 year. And --

3 CHAIR BRACKPOOL: How -- how is that amount derived?

4 MR. BROAD: It is -- it is sort of a formula that  
5 they have figured out based on the riders and the tracks, and  
6 that's for all their properties.

7 The -- in July they informed the guild that they were  
8 no longer going to pay. They had a meeting. They said there's  
9 nothing to negotiate, we will not pay this, we will not discuss  
10 it, we simply will not pay it. There was no precipitating  
11 event. There was no conflict between the guild and Churchill  
12 Downs.

13 Churchill Downs comes to this state -- they're an  
14 out-of-state corporation -- they come to this state, they make  
15 use of the betting that is done at tracks in an industry that  
16 does pay this, they carpetbag into California and then don't  
17 meet the basic standards of the entire rest of the horse racing  
18 industry, and do it in the most mean, callous and nasty way.  
19 They sit -- this is aggressive cost cutting on the backs of  
20 injured jockeys.

21 VICE CHAIR ISRAEL: Okay.

22 MR. BROAD: And it's -- it's just -- and we would ask  
23 that you not take any action on their application. There is no  
24 downside here. There are two other competitors. The betters  
25 can go to them. And when they are prepared to sit down and

1 discuss this as they should then we would support you taking  
2 action.

3           So we would ask that you simply not take action and  
4 approve the other two. Thank you.

5           VICE CHAIR ISRAEL: Thanks. Brad, I know it's  
6 probably not fair to make you the spokesperson for Churchill on  
7 this issue, but what does fair got to do with anything?

8           I'm sympathetic, although I'd leave out some of those  
9 adjectives, to Barry's comments. You -- you want to come in  
10 here and operate the business. You want people in California  
11 to bet on a show you put on in Kentucky. You're going to  
12 derive financial benefit from that. And it's the feeling of  
13 the people -- of the people of the State of California that  
14 performers have insurance, and that if they suffer some  
15 disability somehow they're protected. Therefore, I think it's  
16 incumbent upon us to make sure that happens in the context of  
17 the money that's supplied from California.

18           How would you respond to that?

19           MR. BLACKWELL: Well, first of all, Brad Blackwell on  
20 behalf of Twinpires. First of all, I think this is the  
21 improper forum for this particular issue. I don't think it's  
22 related to Twinpires application. But with that said, I don't  
23 want this issue to be mischaracterized. I'm not aware of every  
24 issue related to this particular issue. But Churchill Downs,  
25 Inc. Does take responsibility for the safety and wellbeing of

1 jockeys at each of our facilities.

2           One of the things that, you know, should be mentioned  
3 is that Churchill Downs led the way a few years ago to  
4 establish the gold standard in the industry for coverage at a  
5 race track. The coverage I think started off more along the  
6 lines of \$100,000, and Churchill helped lead the way to where  
7 that coverage is now \$1 million per incident at each race  
8 track. And we bear the full amount of that cost, even though  
9 jockeys are not our employees. So that's a cost that we  
10 contribute to.

11           The other thing is that we -- each of our facilities  
12 complies with the requirements set forth by the NTRA with  
13 regards to safety and integrity related to the safety and  
14 wellbeing of jockeys. Each of our race tracks go through a  
15 continuous accreditation process for that, and it's something,  
16 again, that we comply with.

17           So again, I think that this issue is maybe being  
18 misconstrued. Certainly, we take these issues seriously, and  
19 we have contributed to various ways to improve the situation  
20 for jockeys.

21           The other thing with regards to --

22           COMMISSIONER CHOPER: In California?

23           MR. BLACKWELL: I'm sorry?

24           COMMISSIONER CHOPER: The jockeys who run in  
25 California?

1 MR. BLACKWELL: This is with regards to our  
2 particular race tracks. The issue that was raised was with  
3 regards to Twinspires parent company, Churchill Downs, Inc.

4 VICE CHAIR ISRAEL: Is Churchill Downs the  
5 fairgrounds in Louisiana, Arlington Park --

6 MR. BLACKWELL: And --

7 VICE CHAIR ISRAEL: -- and Calder in Florida; right?

8 MR. BLACKWELL: Correct. Correct.

9 VICE CHAIR ISRAEL: And --

10 MR. BLACKWELL: So we own four --

11 VICE CHAIR ISRAEL: -- all four of them have the  
12 same --

13 MR. BLACKWELL: Yes.

14 VICE CHAIR ISRAEL: -- situation? Illinois doesn't  
15 require --

16 MR. BLACKWELL: I'm not --

17 VICE CHAIR ISRAEL: -- the kind of insurance  
18 coverage --

19 MR. BLACKWELL: I'm not --

20 VICE CHAIR ISRAEL: -- that we require in California?

21 MR. BLACKWELL: I'm not sure about the requirements  
22 in each of those states. But what I did mention before in  
23 terms of the coverage that we pay for at each of those race  
24 tracks --

25 COMMISSIONER CHOPER: No. I understand. But the

1 question is that if you get the benefit of the California  
2 market to which, quite plainly, jockeys make, I guess an  
3 indispensable contribution, it seems to us that you -- it  
4 seems, at least to me intuitively, unless I hear something to  
5 the contrary, is that you ought to be able to or you ought to  
6 be willing to contribute to that which is feeding you.

7 MR. BLACKWELL: And we do feel that we fairly  
8 contribute. Like I said, we have coverage for each of those  
9 race tracks. So certainly we distribute those signals into  
10 California and a number of states where we're sending and  
11 paying for the protection at that particular facility, and  
12 sending those signals into various states so that there is a  
13 contribution to the state.

14 And one other thing I do want to point out because  
15 this, you know, seems to be, you know, forgotten --

16 COMMISSIONER CHOPER: Is it true that you treat  
17 jockeys better in -- in Kentucky than you do in California,  
18 even though you benefit from the contributions of both of them?

19 MR. BLACKWELL: Well, we have -- obviously, we're in  
20 a different situation in Kentucky where we own that facility  
21 and we take responsibility for that facility.

22 VICE CHAIR ISRAEL: The point -- the point I was  
23 making is if we license you, you're going to be taking bets  
24 from California citizens in the millions of dollars. I mean,  
25 you're very successful. You have a wonderful service. I've

1 seen it. And they're going to be betting on races run at  
2 Churchill Downs and the fairgrounds in Calder and Arlington  
3 Park. You're going to be, obviously, reaping the benefits of  
4 the money that is spent in California in the way of handle on  
5 those races, and yet you're not treating those jockeys fairly  
6 by the -- and in accordance with the way that in California we  
7 require our race tracks to treat jockeys.

8           So that's the problem before the Board is the -- is  
9 the standard of care and coverage offered by the Churchill  
10 Downs tracks to its jockeys and its relationship with the  
11 Jockeys' Guild. I mean, that's -- that's the objection being  
12 raised by -- by the Jockeys' Guild, if I -- if I'm not  
13 mistaken. And Barry can -- can, you know, further comment on  
14 that.

15           So it's -- I'm not sure I'm comfortable voting to  
16 approve your license in the absence of an agreement to provide  
17 the kind of insurance coverage that the people of California  
18 believe jockeys deserve and should get and -- and is required,  
19 if I'm not mistaken, by either regulation or statute. So I'm  
20 having a hard time reconciling this.

21           In fact -- in fact, the irony is we spent so much  
22 time today discussing ambulances that follow the jockeys around  
23 on the race track because -- and it's the only sport in which  
24 an ambulance is on the playing field because it's so damn  
25 dangerous. And -- and that there's a reasonable,

1 unfortunately, expectation of an injury to a jockey that will  
2 require an ambulance.

3 MR. BLACKWELL: Vice Chairman Israel, I agree with,  
4 you know, your trouble to reconcile this issue because I'm not  
5 certain how it's related to the application before you right  
6 now. And the point I was trying to make a couple of times  
7 before, one is that Twinpires is a California business.  
8 Twinpires is located in Mountain View, California. So the  
9 suggestion that, you know, Churchill or Twinpires comes in and  
10 takes advantage of the California markets --

11 VICE CHAIR ISRAEL: But -- but you are a wholly owned  
12 subsidiary --

13 MR. BLACKWELL: -- is a --

14 VICE CHAIR ISRAEL: -- of Churchill Downs; right?

15 MR. BLACKWELL: That is correct.

16 VICE CHAIR ISRAEL: Okay.

17 MR. BLACKWELL: And again, I don't see where that  
18 issue comes into play with this particular license. And  
19 Churchill Downs and Twinpires are one of many participants in  
20 this industry. And so certainly, you know, we feel that we  
21 fairly contribute to the, you know, safety and wellbeing of  
22 jockeys. That's not an issue that we take lightly. Again, we  
23 feel that we've done things to move the needle in the right  
24 direction in terms of that coverage that's offered at the  
25 tracks.

1           So do we share in the responsibility? Absolutely,  
2 yes. But I think there's others in the industry that share in  
3 this responsibility, as well, and I don't think it's fair to  
4 single out, you know, Twinpires on this particular issue at  
5 this particular time.

6           VICE CHAIR ISRAEL: Well, XpressBet is -- is owned by  
7 The Stronach Group; is that right?

8           MR. BLACKWELL: Correct.

9           VICE CHAIR ISRAEL: And The Stronach Group provides  
10 the insurance coverage that we're discussing here at all its  
11 tracks, whether they're in California or not?

12          MR. BLACKWELL: Correct.

13          VICE CHAIR ISRAEL: So Gulf Stream?

14          MR. BLACKWELL: All of them.

15          VICE CHAIR ISRAEL: Laurel, Pimlico?

16          MR. BLACKWELL: All of them.

17          VICE CHAIR ISRAEL: For Meadows, and the California  
18 tracks?

19          COMMISSIONER CHOPER: I take it TVG is also doing  
20 that apparently.

21          CHAIR BRACKPOOL: Well --

22          VICE CHAIR ISRAEL: TVG doesn't own race tracks.

23          CHAIR BRACKPOOL: That's -- that's -- that's the  
24 complicated issue, but TVG does not own it.

25          COMMISSIONER CHOPER: But no race track.

1 CHAIR BRACKPOOL: Right.

2 COMMISSIONER CHOPER: No. I understand that. Let me  
3 ask you a different question. I'll try one more time.

4 CHAIR BRACKPOOL: Right.

5 COMMISSIONER CHOPER: I don't think it will make much  
6 difference, but let me -- let me try a hypothetical.

7 Suppose California passed a statute, right, that said  
8 that anyone who does business in the state and takes money from  
9 the state -- out of the state, right, has to pay a  
10 proportionate amount for doing that based on the receipts taken  
11 out which applies to everybody who does business in the state.

12 Would you comply with that law or would you simply say that  
13 it's -- you're not going to? Because after all you do make big  
14 contributions, which I'm not questioning at all as to how you  
15 treat jockeys at -- at Calder and -- and the fairgrounds and  
16 Churchill Downs. But suppose California passed such a statute?

17 MR. BLACKWELL: Well, Commissioner Choper, I think  
18 that, you know, we've established ourselves as someone who's,  
19 you know, going to follow the law. The approach that you're  
20 suggesting -- suggesting sounds like a more consistent and fair  
21 approach than singling out, you know, Twinspace before this  
22 Board right now. Because you know, as was just mentioned, you  
23 know, there's another licensee sitting before you that's in a  
24 similar situation as Twinspace, and yet the same questions are  
25 not being asked of them.

1           However, you know, our parent company comes into  
2 play. And I've mentioned what we have done and what we feel is  
3 fair and in compliance, you know, with the various state  
4 laws --

5           COMMISSIONER CHOPER: Well, wait. Does --

6           MR. BLACKWELL: -- that we operate under.

7           VICE CHAIR ISRAEL: Can I interrupt you for a minute?  
8 I just have one thing.

9           COMMISSIONER CHOPER: Does TVG pay -- Mr. Broad,  
10 you're there.

11          MR. BROAD: This is a question of tracks.

12          CHAIR BRACKPOOL: Right.

13          COMMISSIONER CHOPER: Tracks? I see.

14          MR. BROAD: It's a question of tracks. And I would  
15 just respond by saying Churchill Downs has singled itself out.

16          COMMISSIONER ROSENBERG: Can I ask a question?

17          MR. BROAD: All the other major tracks comply with  
18 this and pay this. It's a voluntary agreement. There's  
19 nothing --

20          CHAIR BRACKPOOL: Right. Barry --

21          MR. BROAD: -- illegal about them doing what they're  
22 doing.

23          CHAIR BRACKPOOL: Barry, let me -- let me see if I  
24 can bring some clarity to this just for -- for -- just -- just  
25 for -- go ahead and ask your question, Richard.

1           COMMISSIONER ROSENBERG: The question is if Churchill  
2 Downs decided to voluntarily stop the program they're presently  
3 providing for jockeys in the state of -- the states where they  
4 operate -- we don't know about Illinois, but the others, all  
5 those states -- and took that money and said, okay, we'll join  
6 the program and we'll put our \$330,000 in, would you be  
7 satisfied with the coverage? Is the -- in other words, is the  
8 coverage better now that they're providing? How would that  
9 work out?

10           MR. BROAD: Okay. There's a little bit of confusion  
11 here. In the states that don't have workers' compensation  
12 insurance they used to do -- they had this like \$100,000  
13 accident policy for ontrack accidents. And several years ago a  
14 jockey was made a quadriplegic, as several are every year.  
15 And, of course, the \$100,000 ran out immediately. It was very  
16 embarrassing to the industry because they just let the guy  
17 languish. Okay. And so they've raised it, finally, to \$1  
18 million. California has workers' comp insurance. Other states  
19 have workers' comp insurance. They don't do it in those states  
20 because they don't need to do it in those states.

21           But this is -- and because jockeys are not employees  
22 everything that we normally see covered, either by the state's  
23 sort of security net for workers or that comes with employment  
24 doesn't happen for them. So long-term disability, short-term  
25 disability, life insurance, they've got to figure out how to do

1 all this themselves, and it's pieced together in different  
2 parts. This is one the parts. And it's not a super expensive  
3 part but it's a vital part, because the Jockeys' Guild provides  
4 this through its organization --

5 CHAIR BRACKPOOL: Right. But Barry --

6 MR. BROAD: -- to the jockeys.

7 CHAIR BRACKPOOL: -- let me -- let me interrupt you  
8 for a second, because we've got to try and bring some closure  
9 to this. So --

10 MR. BROAD: Okay. I'm sorry. I didn't --

11 CHAIR BRACKPOOL: -- I'm not arguing with the equity  
12 of the argument that -- that -- that you're making. But under  
13 your current agreements it's a voluntary contribution by all of  
14 the tracks; correct?

15 MR. BROAD: That's correct.

16 CHAIR BRACKPOOL: Why is it voluntary and why have  
17 you not contractually tried to -- to get to -- to some  
18 contractual agreement?

19 MR. BROAD: Historically we have. And historically  
20 the tracks have insisted that they're doing this voluntarily,  
21 that they're not -- they will not -- they don't want to concede  
22 the argument that jockeys actually have media rights. So they  
23 basically feel they own the jockeys media rights, but they  
24 don't want to get into a litigation thing. So since 1967 we  
25 have had this agreement, kind of modus vivendi on this issue

1 that they would purchase this thing may or may not be media  
2 rights and that would be the industry standard, and all of a  
3 sudden they don't want to do it. There's nothing to compel  
4 them. It is an ethical and moral issue.

5 CHAIR BRACKPOOL: I understand.

6 MR. BROAD: Thank you.

7 CHAIR BRACKPOOL: So -- so going to the -- go ahead,  
8 Commissioner Choper.

9 COMMISSIONER CHOPER: I'm sorry. Now I didn't  
10 understand the facts before. You -- are there any tracks  
11 outside of California who go along with this voluntary  
12 agreement?

13 MR. BROAD: All the major tracks.

14 COMMISSIONER CHOPER: New York?

15 MR. BROAD: New York.

16 CHAIR BRACKPOOL: Everybody --

17 COMMISSIONER CHOPER: Everybody pays -- pays --

18 CHAIR BRACKPOOL: Everybody was going along with this  
19 until --

20 COMMISSIONER DEREK: Until --

21 CHAIR BRACKPOOL: -- until July when CDI decided to  
22 withdraw from the program.

23 COMMISSIONER CHOPER: Wait a second. So New York  
24 makes a voluntary contribution --

25 VICE CHAIR ISRAEL: Right. Right. Right.

1 COMMISSIONER CHOPER: -- to you?  
2 MR. BROAD: What they --  
3 COMMISSIONER CHOPER: Okay.  
4 MR. BROAD: -- basically do is --  
5 COMMISSIONER CHOPER: I understand.  
6 MR. BROAD: -- sign a contract.  
7 COMMISSIONER CHOPER: All right.  
8 MR. BROAD: They sign an agreement to buy --  
9 COMMISSIONER CHOPER: That's fine.  
10 MR. BROAD: -- media rights.  
11 COMMISSIONER CHOPER: Because they benefit from it  
12 because they're --  
13 MR. BROAD: Because they --  
14 COMMISSIONER CHOPER: -- taking --  
15 MR. BROAD: Right. Because they --  
16 COMMISSIONER CHOPER: -- they're getting revenue from  
17 California race tracks?  
18 MR. BROAD: No. Because --  
19 COMMISSIONER CHOPER: No?  
20 MR. BROAD: No.  
21 COMMISSIONER CHOPER: That's what I don't understand.  
22 MR. BROAD: I mean, the California tracks do this.  
23 All the -- all these tracks do this because they understand  
24 that the jockeys need to be taken care of, and they're not --  
25 and they help contribute to do it. And it is, in effect, the

1 industry social safety net --

2 VICE CHAIR ISRAEL: Look --

3 MR. BROAD: -- for jockeys.

4 VICE CHAIR ISRAEL: -- I can explain this in --

5 maybe in a simpler way so you can get it. Jockeys are not all  
6 that dissimilar in the way they are living from musicians.

7 They are independent contractors. They have a skill. They go  
8 out and do their job.

9 What's different is what they do is a little more  
10 life threatening and they're -- they basically are subject to a  
11 monopoly in where they can perform. Okay. There aren't 100  
12 theaters in Louisville where they can go perform, or clubs.

13 COMMISSIONER CHOPER: I understand.

14 VICE CHAIR ISRAEL: There's one race track. In, you  
15 know, in Los Angeles there's one race track that's open -- open  
16 at any given time. So in recognition of that they get  
17 compensated in some way for the media rights, which is their  
18 appearance. You know, they put on a show. And -- and that  
19 additional compensation comes in the form of this kind of  
20 insurance coverage. That's -- that's -- and, you know, that --  
21 and -- and because they're not musicians and they're engaged in  
22 much more dangerous activity with fewer venues in which to  
23 work --

24 COMMISSIONER CHOPER: But the question here is -- is  
25 not -- the question here is who pays?

1 CHAIR BRACKPOOL: Well --

2 COMMISSIONER CHOPER: And I know I'm going to ask --  
3 I know the answer. And I say, well, why isn't TVG making these  
4 contributions? Well, TVG doesn't own any race tracks. I  
5 didn't understand clearly. I understood. I thought that  
6 they're --

7 CHAIR BRACKPOOL: Right. So --

8 COMMISSIONER CHOPER: -- not making the race track  
9 standard contribution but they're making some contribution.

10 MR. BROAD: Well, I will only say this --

11 COMMISSIONER CHOPER: Here -- here -- here --

12 MR. BROAD: -- about TVG, as a company it has been  
13 most supportive of the jockeys. It led the way so that we  
14 could retirement in this state. So we've -- you know, but the  
15 media rights are purchased by tracks because the tracks  
16 televise what is at -- happening at their track.

17 COMMISSIONER CHOPER: I understand. Okay.

18 MR. BROAD: So --

19 CHAIR BRACKPOOL: Let me see if I can bring this  
20 to --

21 MR. BROAD: Thank you. Thank you for indulging me.

22 VICE CHAIR ISRAEL: Of course.

23 CHAIR BRACKPOOL: I am -- I'm troubled by two things.  
24 I am obviously troubled by the decision to withdraw from the  
25 fund with no explanation as to why, apart from we still believe

1 in the general betterment and welfare of people in the world.

2 I'm assuming there has not been a response by the  
3 corporation to the Jockeys' Guild letter asking why it was  
4 done. And from what I have heard a lot of the angst is that  
5 there was no communication, it was just a decision to stop  
6 paying. So I'm troubled with that, and I'm going to come back  
7 to that in a moment.

8 I'm further troubled in this particular conversation  
9 because whilst at the moment under the application this should  
10 have nothing to do with it this Board, trust me, all the time  
11 I'm involved in this Board will do whatever it can to protect  
12 the welfare and safety and wellbeing of jockeys. And if that  
13 means we look to good corporate citizenship as one of the  
14 tests, then that's one of the tests we're certainly going to --  
15 going to look to.

16 But I'm also troubled by the fact that in this  
17 particular argument we have one participant applicant sitting  
18 at the table that under the current structure doesn't have any  
19 responsibility to -- to make those payments. So we have to  
20 work that through and understand.

21 But go to the first concern I had as to the decision  
22 was made. It was made with no apparently reasoning given, just  
23 we are no longer paying this, and no explanation or response to  
24 the Jockeys' Guild letter that I'm aware of. Is there a  
25 response?

1 MR. BLACKWELL: To be honest, I'm not certain. I  
2 certainly did not, you know, approach this meeting expecting  
3 this issue, so I did my best today to explain, you know, some  
4 of our thoughts on the issue.

5 CHAIR BRACKPOOL: Right.

6 MR. BLACKWELL: And I think, Chairman Brackpool, you  
7 know, you hit the nail on the head before when you said this is  
8 a voluntary agreement. And Mr. Broad, you know, commented  
9 that, you know, it is a voluntary agreement. There is nothing  
10 illegal about this in terms of something --

11 CHAIR BRACKPOOL: Right.

12 MR. BLACKWELL: -- that, you know, should be of major  
13 concern. And I certainly appreciate, you know, your position  
14 and appreciate, you know, your view of things. You know, this  
15 is somewhat a business decision. But certainly we're, you  
16 know, cognizant of and appreciate --

17 CHAIR BRACKPOOL: Right.

18 MR. BLACKWELL: -- you know, people's opinions on the  
19 issue.

20 CHAIR BRACKPOOL: Right. So I think the best thing  
21 to do here is -- because I don't think that -- I'm certainly  
22 not hearing that this Board is comfortable with the fact that  
23 it's not there. But in the application in front of us today we  
24 couldn't necessarily make you comply with that, so maybe we  
25 take 30 days and figure out how we're going to make sure that

1 these payments are -- are made there, equitably made, and what  
2 that means for an ADW provider that, at present, has not had to  
3 pay into such -- such a system. Because I think just to go  
4 ahead for me and approve all of these agreements at this stage  
5 without any knowledge as to what the resolution of this is  
6 going to be is -- is certainly troubling.

7 COMMISSIONER CHOPER: May I make one point too?

8 CHAIR BRACKPOOL: Please.

9 COMMISSIONER CHOPER: I thought you made a good point  
10 when you said TVG is not making a contribution; right? But  
11 that's been rebutted by Mr. Broad. Am I right about that?  
12 Just nod.

13 MR. BROAD: Yes.

14 COMMISSIONER CHOPER: Yes. Now it may be a different  
15 kind of contribution. I -- you know, we don't know the  
16 background of these details.

17 I also know that you don't have the authority here to  
18 make any commitments, or at least I assume that. All right.  
19 You should ask for an increase in salary for --

20 MR. BLACKWELL: Thank you. I certainly hope that's  
21 reflected in the transcript of this.

22 COMMISSIONER CHOPER: -- for coming to these  
23 meetings. On the record. But I do think that you can call it  
24 a moral obligation. I don't think it is a moral obligation. I  
25 think it's a matter of fairness among -- the three equal

1 participants here are the three ADW companies. For me that's  
2 the issue, whether they own a race track or they don't own a  
3 race track. They are benefiting in the same way for that which  
4 this license is granted; right? And that's to take the signal  
5 here, or at least to service -- make money from California  
6 residents betting on race tracks.

7 VICE CHAIR ISRAEL: The other -- the other troubling  
8 aspect for us --

9 COMMISSIONER CHOPER: Yeah. So I -- no. I would  
10 just -- one more sentence. So therefore I'm so far relying on  
11 the -- on the Jockeys' presentation that the other two  
12 companies are making a fair contribution. And --

13 CHAIR BRACKPOOL: It's not -- it's not exactly --

14 COMMISSIONER CHOPER: -- I understand that --

15 CHAIR BRACKPOOL: -- an apple to apple in one of the  
16 cases. But --

17 MR. BLACKWELL: And if I -- and if I may,  
18 Commissioner Choper, you know, one of the things that you just  
19 mentioned was that, you know, there was a mention of the  
20 contributions that, you know, TVG has made. And I think  
21 sometimes, you know, Churchill Downs, you know, we certainly  
22 have a lot of, you know, history and -- and expectations upon  
23 us. And I think sometimes we may be, you know, held to an  
24 unfair standard. Because one of the things that I think was  
25 not really recognized was the contribution that we have made,

1 and what I mentioned before, in terms of, you know, leading in  
2 increasing the coverage up to \$1 million.

3           And so again, we feel that we are contributing to  
4 this issue. You may disagree with, you know, how we're  
5 contributing the way that we're contributing. But certainly  
6 our intent is not to ignore the responsibility.

7           VICE CHAIR ISRAEL: Brad -- Brad, can I -- I just  
8 want to add one thing. I mean, one of our obligations is to  
9 protect Californians, and that includes protecting jockeys who  
10 reside in California.

11           COMMISSIONER MOSS: That's right.

12           VICE CHAIR ISRAEL: Now our jockeys frequently will  
13 go run at your race tracks, whether it's Derby weekend at  
14 Churchill or Arlington Millions Weekend, or Arlington, you  
15 know, probably not so much Calder, but fairgrounds during Derby  
16 prep week at the time. And if -- should one of them get hurt,  
17 say at Churchill, they probably would come back to California  
18 and it would be the responsibility of the State of California  
19 to care for them, but that insurance would not apply because  
20 the injury occurred in Kentucky.

21           So we've got to find some way to equalize that  
22 because horse racing, unlike every other major sport, major  
23 professional sport in America, is not -- does not have a  
24 national oversight body. It's doesn't have the NFL, Major  
25 League Baseball, NBA, I mean, NASCAR, you can go for anywhere.

1 There is no central way of assuring the health and welfare of  
2 our participants. And so we have to do it state by state. And  
3 in California we've got to find a way to protect Californians  
4 who may go to work in Kentucky. That's part of what's driving  
5 us.

6 CHAIR BRACKPOOL: Did you want to say something,  
7 Melanie?

8 As I say, to me this is -- this is -- this is  
9 troubling. I'm troubled by what happened. But I'm also  
10 troubled by the fact that at the moment, and sitting here  
11 today, this -- this is not an issue before us, but I want to  
12 make it an issue that gets resolved. And the best way we can  
13 work on making this an issue that gets resolved is we all spend  
14 some time and all of your spend some time over the course of  
15 the next couple of weeks trying to see if there's a resolution  
16 to this matter that's satisfactory. And we'll entertain some  
17 discussions during that time. And if there's not a resolution  
18 then we'll make a resolution in the December meeting. Your  
19 licenses are still valid through the end of this year; correct?

20 So I'm sorry, it means that you're going to have to  
21 come on back, but we've got to do what we've got to do to  
22 protect the safety and welfare of those we represent. So --

23 COMMISSIONER MOSS: And why is -- why are the other  
24 two affected?

25 CHAIR BRACKPOOL: Because -- because I think we need

1 to figure out whether or not this becomes, you know, some form  
2 of -- of responsibility. So that's just something that -- that  
3 I think we need to -- to look at --

4 COMMISSIONER MOSS: Okay.

5 CHAIR BRACKPOOL: -- in doing that. So if -- go  
6 ahead. If you want to --

7 MS. FRANK: We -- we do want to -- Melanie Frank,  
8 TVG. I'm going to let John Hindman address this issue. We do  
9 want to address the issue because we're being grouped into  
10 organizations with their own tracks that have the media rights.  
11 And from my understanding it's a media rights agreement. We  
12 don't have the media rights because we don't own a track.  
13 So --

14 CHAIR BRACKPOOL: I understand your position. But go  
15 ahead.

16 MR. HINDMAN: And the media rights -- excuse me.  
17 It's John Hindman from TVG. The media rights that -- that --  
18 that are issue in this agreement are media rights the tracks  
19 use to broadcast races at the tracks and OTBs, ADWs,  
20 television, all over the world, not just through one outlet or  
21 one provider. So it customarily has been the race tracks  
22 that -- that do those things since they're the ones that are  
23 producing the product and distributing the product. We're --  
24 we're basically a secondary distributor of -- of horse racing  
25 signals.

1 CHAIR BRACKPOOL: I understand how it's worked in the  
2 past. What's happened now is that it's no longer working  
3 because it was a voluntary agreement and the money is not  
4 there. And I just want to see if we can work out some way over  
5 the course of the next couple of weeks to resolve this.

6 VICE CHAIR ISRAEL: And thanks, frankly, to TVG  
7 betting on horse racing is not longer a local activity, it's a  
8 national activity. And so we have to look at some of these  
9 issues as national in scope.

10 CHAIR BRACKPOOL: Commissioner Rosenberg.

11 COMMISSIONER ROSENBERG: And just to clarify, TVG  
12 does produce product; correct?

13 VICE CHAIR ISRAEL: But not races.

14 COMMISSIONER ROSENBERG: No. But they produce  
15 product which include -- they include visuals of -- visuals of  
16 the race track directly and -- and jockeys' interviews.

17 VICE CHAIR ISRAEL: They're the distributor. You got  
18 to look at the -- look at it from the Hollywood model.  
19 They're -- they're the distributor, the race track is the  
20 producer; you see what I'm saying?

21 CHAIR BRACKPOOL: Okay.

22 VICE CHAIR ISRAEL: It's like producing a TV show  
23 for -- they're NBC.

24 CHAIR BRACKPOOL: Okay. What I was going to say,  
25 apart from the inconvenience of having everybody come back I



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TRANSCRIBER'S CERTIFICATE

I, Martha L. Nelson, attest that the foregoing proceedings were transcribed to the best of my ability.

I further certify that I am not a relative or employee of any attorney of the parties, nor financially interested in the action.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated this 23rd day of November, 2011.

          /s/ Martha L. Nelson          

Martha L. Nelson, CERT\*\*367