

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of:                    )  
  )  
Regular Meeting                        )  
\_\_\_\_\_                                  )

HOLLYWOOD PARK RACE TRACK

SUNSET ROOM

1050 SOUTH PRAIRIE AVENUE

ARCADIA, CALIFORNIA

THURSDAY, DECEMBER 15, 2011

10:04 A.M.

Reported by:  
Martha L. Nelson

APPEARANCES

COMMISSIONERS

Keith Brackpool, Chairperson

David Israel, Vice Chairperson

Richard Rosenberg

Jesse Choper

Jerry Moss

Bo Derek

STAFF

Robert Miller, Staff Counsel

Jacqueline Wagner, Regulations/Legislation Manager

Mike Marten

ALSO PRESENT

Alan Tse, Churchill Downs

Barry Broad, Jockeys' Guild

Tom Kennedy, Jockeys' Guild

Richard Castro, Local 280

Alan Balch, CTT

Tom Robbins, Racing Secretary

Lou Raffetto, TOC

Michael Wellman, Owner-Breeder

George Haines, Santa Anita

APPEARANCES (CONT.)

ALSO PRESENT (CONT.)

Chris Korby, CARF and CMC

Dyan Grealish, CMC

Shannon McDonald, CMC

Rod Blonien, Los Alamitos

Stacey O'Bryan, Huntington Ambulance Service

Todd Jones, Huntington Ambulance Service

Mike Henderson, McCormick Ambulance

Stuart Titus, Humboldt County Fair

James Morgan, Humboldt County Fair

Joe Morris, Golden Gate Fields

Josh Rubenstein, Del Mar

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  - A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel, considering regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation" as authorized by Government Code section 11126(c).
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  - C. The Board may convene a Closed Session for the Purpose of considering personnel matters as authorized by Government Code section 111256(a).

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PROCEEDINGS BEGIN AT 10:04 A.M.

(The meeting was called to order at 10:04 A.M.)

ARCADIA, CALIFORNIA, THURSDAY, DECEMBER 15, 2011

MEETING BEGINS AT 10:04 A.M.

VICE CHAIR ISRAEL: okay. Calling the meeting to order. Will everybody please be seated.

Jess, are you ready? All right.

I'm going to go through this as quickly as I can.

Ladies and Gentleman, this meeting of the California Racing Board will come to order. Please take your seats. This is the regular noticed meeting of the California Horse Racing Board, Thursday, December 15, 2011, Hollywood Park Race Track, 1050 South Prairie Avenue, Inglewood, California.

Present at today's meeting are: Keith Brackpool, Chairman; David Israel, Vice Chairman; Jesse Choper, Commissioner; Bo Derek, Commissioner; Jerry Moss, Commissioner; Richard Rosenberg, Commissioner.

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

One, 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.

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

7           There's a public comment sign-in sheet for each  
8 agenda matter on which the Board invites comments. Also,  
9 there's a sign-in sheet for those wishing to speak during the  
10 public comment period for matters not on the Board's agenda if  
11 it concerns horse racing in California. Please print your name  
12 legibly on the public comment sign-in sheet.

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

19           When all the names have been called the chairman will  
20 ask if there's anyone else who would like to speak on the  
21 matter before the Board. Also, the Board may ask questions of  
22 individuals who speak. If a speaker repeats himself or herself  
23 the chair will ask if the speaker - of the speaker has any new  
24 comments to make. If there are none the speaker will be asked  
25 to let others make comments to the Board.

1 CHAIR BRACKPOOL: Thank you. Good morning everybody.  
2 Mike, do I have any public comment cards, item number  
3 one, public comment? None?

4 MR. MARTEN: No.

5 CHAIR BRACKPOOL: This is a first. This is a very  
6 welcome --

7 VICE CHAIR ISRAEL: It's a conspiracy.

8 CHAIR BRACKPOOL: So we're moving right along. I  
9 guess I'm actually going to move the -- is that still an  
10 affirmative Mike, none?

11 MR. MARTEN: We've got three, four, seven, nine.

12 CHAIR BRACKPOOL: Okay. Okay. I'm going to move a  
13 couple of items around on the agenda. Let's dispense very  
14 quickly with item number two, discussion and action by the  
15 Board regarding the distribution of race day charity proceeds  
16 of the Del Mar Thoroughbred Club in the amount of \$137,534 to  
17 17 beneficiaries.

18 Do I have any comments from any -- Ms. Derek?

19 COMMISSIONER DEREK: Yes. I'd like to thank Del Mar.  
20 I particularly appreciate the way this -- this pie worked out.  
21 I see that 32 percent of the race day charities went to horse-  
22 related foundations and causes, and I'd like to thank you for  
23 that.

24 CHAIR BRACKPOOL: Well, and 86 percent to equine  
25 related. So overall --

1 COMMISSIONER DEREK: Yes.

2 CHAIR BRACKPOOL: -- so it's very good. Excellent.

3 Do I have a motion in favor of this? Motion posed by  
4 Commissioner Moss. Second by Commissioner Choper. All in  
5 favor?

6 ALL COMMISSIONERS: Aye.

7 CHAIR BRACKPOOL: Motion carries. Okay.

8 I'm now, as long as everybody is here, going to go  
9 immediately to items 9, 10 and 11. And I'm going to do this  
10 agenda somewhat in reverse today due to the time constraints of  
11 various parties.

12 So if we could have representatives from TVG,  
13 XpressBet and Churchill Downs to the front.

14 And, Mike, if I have any comment cards on 9, 10 and  
15 11, let me take a look at those. Thank you. So we're still  
16 waiting -- is the representative from Churchill here?

17 VICE CHAIR ISRAEL: Yeah. Alan Tse is somewhere.

18 CHAIR BRACKPOOL: Somewhere.

19 VICE CHAIR ISRAEL: Yeah. I spoke to him. We can --

20 CHAIR BRACKPOOL: We can certainly --

21 VICE CHAIR ISRAEL: We can go out of order.

22 CHAIR BRACKPOOL: -- look for him. I will -- I tell  
23 you what, while we're waiting for -- for him, why don't we very  
24 quickly go to -- I'm sorry to do this, but why don't we quickly  
25 go to item number five. Oh, no. he's here. He's here. Okay.

1 All right.

2 I'm sorry, Alan. I wanted to get on with this issue.

3 MR. TSE: I'm sorry.

4 CHAIR BRACKPOOL: Okay. All right. Okay.

5 Obviously, we have various speakers on this issue this morning.  
6 And I think it's no great secret that the reason that this  
7 issue was put over last time were various concerns and  
8 questions the Board had about Churchill's determination to no  
9 longer fund its annual contribution to the Jockeys' Guild. And  
10 as I think I stated on behalf of the Board last time, this  
11 Board will certainly go the extra mile to look out for the  
12 welfare, safety and well-being of the jockeys, and we were  
13 extremely concerned about this.

14 Subsequent to that I've had, as I think other Board  
15 members have had many conversations with representatives of  
16 both the Guild and Churchill, etcetera. But you had asked --  
17 Churchill had asked to come and make a statement as to its  
18 position. And I think perhaps if we were to start off allowing  
19 you to make that statement, then perhaps we'll hear from some  
20 other parties. And then I'm sure that the safest bet here  
21 today is that the commissioners are going to have further  
22 questions.

23 So if you'd state your name and affiliation for the  
24 record, and then please give us your statement.

25 MR. TSE: Thank you, Mr. Chairman. My name is Alan

1 Tse. I am the executive vice president and general counsel for  
2 Churchill Downs, and the parent company, Twinspires.com. Thank  
3 you for this opportunity to set the record straight.

4 I think the first thing I want to say is our  
5 commitment to the funding and to Jockeys' Guild has never  
6 questioned, it's just how and in what terms.

7 But let's just start with a couple of things. As I  
8 mentioned in my letter to the Board dated December 1st, I want  
9 to make a very important distinction between the Jockeys' Guild  
10 and jockeys. I think Churchill Downs agrees with you and the  
11 rest of the commission here that the jockeys and their  
12 contribution to -- are greatly valued by Churchill Downs. And  
13 those are not just words. We backed our commitment with real  
14 dollars. We've backed our commitment to jockeys and jockey  
15 safety with industry-leading initiatives, all at our own  
16 expense.

17 This is why when Jockeys' Guild had their financial  
18 problems, due to mismanagement, did not purchase injury  
19 insurance for its members, as promised, Churchill Downs was the  
20 first track to step in to make sure that all jockeys racing at  
21 our tracks have the protection of a \$1 million per accident  
22 contract medical insurance.

23 We've spent over \$4 million in the last five years  
24 purchasing that insurance, over \$770,000 in the last year  
25 alone. And that policy pays out real dollars. That policy

1 has paid out over \$5 million to jockeys in that period of time.  
2 Only a handful of tracks in the United States provide that  
3 level of coverage to tracks. Most tracks provide, you know,  
4 \$100,000 to \$500,000 worth of coverage at most. And those are  
5 large -- some of those are large tracks with casinos attached  
6 to them.

7           In addition to the on-rack injury coverage that we  
8 provide directly to our jockeys, Churchill Downs spends over \$1  
9 million a year in safety-related initiatives, items such as  
10 padded rails, ambulances, and testing of our tracks. The NTRA  
11 has said that our work with respect to jockey safety has the  
12 best practice.

13           Churchill Downs was the very first track to be  
14 accredited by the NTRA Safety Integrity Alliance in 2009, and  
15 all four of our tracks have been re-accredited this year. In  
16 addition, we regularly contribute to organizations like the  
17 Permanently Disabled Jockeys' Fund, a charity that helps  
18 provide funds for jockeys. We are very proud of our commitment  
19 to the welfare and safety of jockeys, and to claim otherwise is  
20 simply not true.

21           This is a significant commitment to help jockeys  
22 comes even though Churchill Downs does not employ jockeys.  
23 They are hired by horse owners and trainers to ride their  
24 horses. Jockeys are paid a mount fee plus a percentage of  
25 purse monies won. Churchill Downs does not control jockey

1 compensation, nor do we control where the money is spent.

2           In addition, the insurance the Jockeys' Guild speaks  
3 of, paid for by the money they are seeking from Churchill  
4 Downs, is not workers' comp equivalent insurance. That  
5 insurance, as I mentioned before, we pay for and far exceeds  
6 the amount of money that the guild is asking from us. The  
7 insurance that they speak of are things like life insurance and  
8 other insurance that most self-employed people purchase on  
9 their own.

10           However, Churchill Downs has made voluntary  
11 contributions to the Jockeys' Guild in the past to assist with  
12 these off-track costs. And we have come to a point where it's  
13 very difficult to justify making those same contributions.

14           As we explained in the letter and background  
15 documents that we provided to you, the Jockeys' Guild has  
16 failed to operate in a transparent manner with respect to  
17 specific terms of our current contract. And guild management  
18 was quick to come before this Board at the November meeting, in  
19 my words, to misrepresent what has transpired since last summer  
20 between our two organizations.

21           The fact is that we have reason to believe the Guild  
22 is in breach of our existing agreement and Guild managers have  
23 failed to provide us information to provide otherwise -- to  
24 prove otherwise, data that we have on record seeking in writing  
25 on multiple occasions. You have copies of those letters where

1 we seek information as to what other tracks were paying during  
2 the term of our current existing agreement. Both requests were  
3 made in September and October.

4           Additionally, the guild has employed a media strategy  
5 with the intent to demonize and defame my company in press  
6 reports here in California and other states where I operate.  
7 They intentionally lied and misrepresented facts at this Board  
8 in an attempt to disrupt and interfere with our ADW business.

9           What troubles us is that according to the Jockeys'  
10 Guild themselves 50 of the 81 tracks running races in the U.S.  
11 today contribute nothing to the cost of the Guild operations.  
12 Yet the Guild management has intentionally singled out one  
13 company, Churchill Downs, who has spent more than \$2.5 million  
14 on jockey insurance health and welfare programs on an annual  
15 basis, and who have contributed over \$1 million in the last  
16 four years to the guild themselves as a target of its attacks.  
17 We're the only company sitting before this commission today  
18 answering these questions.

19           We feel that we have been extremely generous to  
20 jockeys and the Jockeys' Guild and do not believe that we are  
21 being treated fairly. As a public company that is highly  
22 regulated, that must operate with the utmost transparency in  
23 our financial dealings, we simply can not justify continued  
24 voluntary contributions to organizations like the Guild which  
25 uses our company as a scapegoat for its management challenges.

1           We will continue to support jockeys and believe we  
2 can best do that by purchasing on-track accident insurance for  
3 them and funding the health, welfare, and safety programs on  
4 our tracks that directly benefit jockeys. That way we know  
5 that our money is really going to help jockeys not passing  
6 through an organization -- a middle man organization.

7           I apologize for this lengthy explanation, but I just  
8 felt it was necessary to provide this Board with some context  
9 for what has transpired between Churchill Downs and the  
10 Jockeys' Guild over the last few months. Unfortunately my  
11 colleague, Brad Blackwell, was not able to provide this  
12 detailed explanation to you back in November because he was  
13 only prepared to discuss the renewal of the Twinpires ADW  
14 license in California. We did not and still do not see why the  
15 topic or our dispute with a third-party organization is  
16 relevant to the approval of our ADW license, but I'm happy to  
17 address any concerns this Board might have on this issue, and  
18 respectfully ask that this Board approve our ADW license, as  
19 recommended by the CHRB staff.

20           CHAIR BRACKPOOL: Thank you.

21           VICE CHAIR ISRAEL: Alan --

22           CHAIR BRACKPOOL: Vice Chair Israel.

23           VICE CHAIR ISRAEL: -- as I understand it the  
24 payments made in the past were compensation for the right to  
25 use the likenesses of the jockeys for marketing promotion and

1 other materials; is that right?

2 MR. TSE: No, that's not right. In the agreement  
3 itself it clearly states that Churchill Downs did not believe  
4 that those rights exist.

5 VICE CHAIR ISRAEL: Well, then why does the union  
6 believe -- you don't believe those rights exist?

7 MR. TSE: I think it's a position that we  
8 respectfully disagree and agree to disagree on. And it's --

9 VICE CHAIR ISRAEL: So -- so wait. You don't believe  
10 that individuals -- individual performers, athletes, have the  
11 right to control how their likeness is used? You do understand  
12 that performers don't produce a product other than themselves.

13 MR. TSE: I absolutely agree that media rights exist  
14 for jockeys. And if we were to put a jockey image on a T-shirt  
15 and try to sell that, that would be something that we would --  
16 that would be -- we'd have to get a license from the jockeys to  
17 do that. However, as the copyright owners of the race itself  
18 we believe we have a right to broadcast the races and simulcast  
19 those races.

20 VICE CHAIR ISRAEL: But what about promote,  
21 advertise, market, how do -- you need somebody on a horse in  
22 order to have a likeness of a horse and a promotion; correct?

23 MR. TSE: If we have a individual jockey on a horse  
24 that we put on a billboard we absolutely do need that as a  
25 media right. However, we do not -- we just show a race on a

1 billboard with nine -- nine horses on it and its un-descript  
2 race with no jockeys that are recognizable.

3           VICE CHAIR ISRAEL: That's one example. I mean,  
4 but -- all right. Let's cut through a lot of stuff here.

5           First the 80 tracks -- 50 -- there are 81 tracks, 52  
6 don't contribute. There's a major league and a minor league at  
7 stake here. There's a major league -- unfortunately horse  
8 racing is -- is so fractionalized that it doesn't have a  
9 central organization. But if it did, it would recognize that  
10 there's a major league and then a minor league of horse racing.  
11 And the major league are the tracks that Churchill owns, the  
12 tracks that Stronach owns, the NYRA, Keeneland, and a few  
13 others, there are about a dozen in all, perhaps Pennsylvania.  
14 They -- they make up more than 80 percent of the total betting  
15 hand in thoroughbred racing. So that we're talking -- but  
16 let's focus on that and not even discuss this other stuff.

17           If there's a major league of horse racing the  
18 Jockeys' Guild is the representative of the athletes who  
19 perform, just the same as the NFL PA represents football player  
20 and the NBA Players' Association represents basketball players,  
21 major league baseball player's association, etcetera. To my  
22 knowledge all those unions have agreements with their leagues  
23 and -- which means the individual teams -- that a payment is  
24 made into a central fund that the is controlled by the Guild,  
25 or the Players' Association, in exchange for the right to use

1 the likeness of the athletes in marketing promotion, video  
2 games, all that. And then that money -- and because most of  
3 the money -- and most of those promotions and likeness use  
4 involves stars, that money is then disbursed by the union as  
5 it -- as it sees fit to all of its members, because the  
6 stars -- stars feel it's incumbent upon them to take care of  
7 the lesser players because they have no jobs without the other  
8 guys.

9           Why doesn't -- see I think we have to get past this  
10 health and welfare thing to the crux of the matter, which is  
11 compensating the jockeys for the right to exploit them for  
12 marketing purposes, which is -- which is a valid use and  
13 something the tracks need to do more of. They're our stars.  
14 The trainers and the jockeys need to be promoted, but they also  
15 should be compensated.

16           MR. TSE: I think we are in agreement with you in --  
17 in a number of areas, number one, in support of the guild. I  
18 think we've always said in -- in the letters that we provide to  
19 you in our -- our public letters to them that we've always said  
20 that we would sit down and speak with them if we were provided  
21 certain financial information based on -- that we asked for  
22 about how money -- how other tracks have spent. But in -- in  
23 your example alone, not all the major league tracks pay, you  
24 know. The Pennsylvania tracks have not paid a dime in the last  
25 four years and, you know --

1 VICE CHAIR ISRAEL: Well, maybe Pennsylvania.

2 MR. TSE: I understand, but I'm -- that's one of the  
3 points that we would like to make, you know, in terms of, you  
4 know, we -- in my understanding is that we provide -- you know,  
5 we're one of three large companies that have provided funding  
6 to the Guild in the last four years. And we provided over \$1  
7 million, about \$1.2 million to the guild. All we're asking is  
8 how much are others paying? They're quick to put out press  
9 releases with the number that we're paying? They've said many  
10 times to you and -- that we paid 330 --

11 CHAIR BRACKPOOL: You're making the same point you  
12 made in your speech though. Commissioner Choper.

13 COMMISSIONER CHOPER: You know, I don't think anyone  
14 questions Churchill's support of jockey safety and of  
15 compensation for injuries and so forth. And nor would I think  
16 that anyone wants to treat -- at least anyone here wants to  
17 treat Churchill unfairly. Now for me unfairly means equally.

18 There's a great deal of controversy here about this  
19 breach of the agreement. To tell you the truth, I read past  
20 that relatively quickly because I'm looking only for one thing,  
21 and that is the extent to which the agreement affects equality  
22 of payment. So my understanding is that -- that you don't know  
23 how much others paid over the past several years; is that  
24 right?

25 MR. TSE: Correct. So the point I've been trying to

1 make was that, you know, the Guild has publically stated how  
2 much we pay, you know, and there's a \$330,000 per year number.  
3 We've asked them how others pay. They won't tell us.

4           Now we've just had a conversation with Mr. Kennedy  
5 right before this meeting, and he told us -- me that he will  
6 provide that number to me on Monday and we would -- and I told  
7 him that that's we ask, and I will meet with him on Monday in  
8 Louisville.

9           COMMISSIONER CHOPER: Well, is it my understanding  
10 then that given that information that you've been promised to  
11 receive on Monday that -- that you will then make a strong  
12 good-faith effort to have Churchill meet and equal -- I know  
13 that's not -- that's an easy word, but sometimes it's difficult  
14 in application -- but that you'll -- you'll -- you'll at least  
15 discuss equal participation with other major tracks in the  
16 country?

17           MR. TSE: Absolutely. There are other issues that --  
18 that, you know, Mr. Kennedy and I and his client will -- will  
19 have the talk about in terms of how do we get these other  
20 tracks to -- to also step up, you know, because, you know,  
21 frankly we're having the same conversation that we had four  
22 years ago.

23           COMMISSIONER CHOPER: We have no --

24           VICE CHAIR ISRAEL: Look, here's --

25           COMMISSIONER CHOPER: Obviously we have no difficulty

1 with that.

2 VICE CHAIR ISRAEL: And the other track.

3 COMMISSIONER CHOPER: What we're interested in is  
4 seeing that the -- that the jockeys are adequately protected  
5 and that Churchill pays its fair share. Do we have any  
6 disagreement about that?

7 MR. TSE: Professor Choper, we are in violent  
8 agreement with you on that point. We absolutely want to  
9 protect jockeys.

10 CHAIR BRACKPOOL: But -- but let me see. You  
11 continue to refer to the fact that you need to find out what  
12 everybody else is paying. This is not a race the to bottom.  
13 Leaders lead from the front.

14 Churchill prides itself on being one of the leading  
15 race venues in the world. This is \$300,000 a year. This is a  
16 pittance. And you're obsessed with what somebody else is  
17 paying in the hope that you can perhaps get a slight discount.  
18 This is about leading. And sitting here having Churchill in  
19 front of us in various forums every few months, I want to know  
20 that your corporate citizens that care, deeply care about the  
21 welfare of the participants in this fault from which you  
22 profit.

23 So I don't want to hear that you need to find out  
24 what somebody else is paying in the hope that you can get  
25 \$20,000 less. It doesn't -- it just doesn't resonate with me.

1           MR. TSE: And I agree with you, sir, and that's not  
2 why we are asking. I mean, part of what we're asking is the  
3 lack of transparency with respect to that organization and the  
4 fact that we're a public company and we do have an obligation  
5 to --

6           CHAIR BRACKPOOL: You -- you know, a public company  
7 and obligation, again, it's \$300,000 a year. It doesn't begin  
8 to touch any materiality standard of any financial you have.

9           You know, you host the greatest race in our sport  
10 annually every year. You really want this issue hanging over  
11 you when that comes up for \$300,000? You sell more than  
12 \$300,000 of any brand of booze that day.

13          VICE CHAIR ISRAEL: Watered down.

14          CHAIR BRACKPOOL: It just makes no sense to me at  
15 all, this position.

16          MR. TSE: I wish -- you know, I do wish that we  
17 actually made a lot more money on booze than we actually do,  
18 because that's a third-party vendor that does that, with  
19 respect that.

20                 And I agree with you. I mean, this is an issue  
21 where, yeah, at the end of the day, you know, what we're trying  
22 to do is to make sure that -- you know, I'm new to this sport  
23 and part of it is my ignorance. But you know, there's a  
24 history here with this organization in terms of how many has  
25 been spent and how money has been misspent.

1           And one of the things that we feel -- believe that we  
2 have a stewardship over is to figure out and to push them and  
3 to be a leader from the front as to -- you know, when this  
4 first had happened in 2007 when insurance issues and other  
5 things that we were the first to step in we will pay our fair  
6 share. All we ask is for -- that you go out and you go and get  
7 others to pay their fair share too. Four years later, we're  
8 asking the same question. And that is one of the --

9           CHAIR BRACKPOOL: It's the way you're asking the  
10 question that's troubling this Board. I have had numerous  
11 conversations with executives from your organization over the  
12 course of, you know, the last weeks. And one of the things  
13 I've continued to say is if that's your position, if that  
14 really is your position then stand up, be proud and say we will  
15 be honored to continue to support this organization. We just  
16 need a few boxes to be checked to make sure we're okay. And  
17 I'm getting completely stonewalled. So that's why you're  
18 getting this hostility from this Board.

19           So if what you're telling me today -- and I'm not  
20 going to put words in your mouth the way that my esteemed  
21 colleague Professor Choper tried to do, because he'd be much  
22 better at than I -- but if what you're prepared to do is to say  
23 that subject to receiving this information you will once again  
24 be contributing, you know, money, you need to figure out how it  
25 goes, where it goes to be sure, that -- that's something very

1 different than saying, no we're no longer contributing money.

2 MR. TSE: Chairman Brackpool, I am standing before  
3 you as an officer of Churchill Downs to say that we would be  
4 proud to fund the Jockeys' Guild, subject to meeting certain  
5 conditions that we've expressed that we've shown in our letters  
6 in the past. And we'll be meeting with them on Monday. If  
7 they would show us and be as transparent as they said that they  
8 would be to me in part of this meeting and that we would have  
9 that discussion and try to move forward on this.

10 VICE CHAIR ISRAEL: Okay. Wait. And -- can I say  
11 something?

12 CHAIR BRACKPOOL: Commissioner Moss first.

13 VICE CHAIR ISRAEL: Okay.

14 COMMISSIONER MOSS: Perhaps it's a realignment of  
15 insurance policy because I know you have \$1 million situation.  
16 But in recognition of two jocks who had serious accidents, Rene  
17 Douglas, Michael Straight, in Arlington, perhaps the \$1 million  
18 wasn't enough. And I'm thinking maybe you need to realign the  
19 policies in some way. So I bring that up because we know those  
20 guys and we care for them and we don't want that to happen  
21 again.

22 So there has to be sufficient funds to take care of  
23 guys if it's a serious situation like that. I bring that up to  
24 see if there's a realignment, perhaps.

25 MR. TSE: I understand, Commissioner Moss, and

1 unfortunately we are in litigation with those two jockeys. So  
2 there is only limited information I can speak to you with  
3 respect to that. You know, but I do want to make a point that  
4 we do spend a lot of money to try to protect jockeys and we  
5 still get sued by them on this point, unlike California on your  
6 system..

7 CHAIR BRACKPOOL: Thank you. Commissioner Israel,  
8 then Commissioner Rosenberg.

9 VICE CHAIR ISRAEL: I'd like to -- in an act of  
10 fairness, we're all clear that Churchill used to pay \$330,000.  
11 Why doesn't the Jockeys' Guild stand up right now and tell us  
12 what everybody else pays? What's the big secret? I mean, why  
13 wait until Monday? We're trying to make a decision here today.

14 CHAIR BRACKPOOL: Please someone go to the podium.  
15 Name and affiliation for the people listening.

16 MR. BROAD: Barry Broad on behalf of the Jockeys'  
17 Guild. I would like to introduce Tom Kennedy who is our  
18 general counsel who can just tell you this is actually not a  
19 secret. And unfortunately the -- what information we haven't  
20 supplied didn't have to do with the dispute over this \$330,000.  
21 It was requested from us after they had told us they would not  
22 pay into this -- forget it.

23 CHAIR BRACKPOOL: All right. But I don't want a he  
24 said-she said right now. I'd like the answer to Commissioner  
25 Israel's question.

1           VICE CHAIR ISRAEL: Alan said he wants to know what  
2 the other tracks, you know, of similar tracks are paying. I  
3 mean, he doesn't need to know what smaller tracks are paying.  
4 He needs to know what -- what's being paid by the Stronach  
5 group, what's being paid -- you understand? NYRA, Keeneland,  
6 Del Mar.

7           MR. KENNEDY: Tom Kennedy, general counsel for the  
8 Jockeys' Guild. Let me note my appreciation for the Board's  
9 attention to this issue and its obvious concern for the welfare  
10 of -- of riders.

11           The Guild began negotiating -- and I'll say this very  
12 quickly -- beginning in 1967 a series of contributions which  
13 were per starter at each track. And later, in about 1995,  
14 there was added a per race-day fee, as well. There are three  
15 levels of those contribution amounts. There is a Class A track  
16 level, a Class B track level, and a Class C track level.

17           The following tracks contribute to the guild at the  
18 same rate for -- that Churchill does, which is Arapahoe,  
19 Aqueduct, Arlington, Belmont, Calder, Del Mar, Fairgrounds,  
20 Finger Lakes, Fonner Park, Golden Gate, Gulfstream, Hawthorne,  
21 Hollywood, Keeneland, Kentucky Downs, Laurel, Lone Star Park,  
22 Monmouth, Pimlico, Portland Meadows, Remington, Santa Anita,  
23 Santa Rosa Fair.

24           VICE CHAIR ISRAEL: Okay. Can I stop you?

25           MR. KENNEDY: Sure.

1           VICE CHAIR ISRAEL: You're not answering my question.  
2 How much does Stronach Group, Del Mar, Keeneland, NYRA pay into  
3 the --

4           MR. KENNEDY: Okay. I'm just turning to the --

5           VICE CHAIR ISRAEL: -- for the right to use the  
6 jockey's likeness, which I assume is what the crux of the issue  
7 here is?

8           MR. KENNEDY: All right. As of January 1, 2011 the  
9 tracks I was just advising you that are Class A tracks pay  
10 \$12.11 per starter plus \$120 per race day.

11          VICE CHAIR ISRAEL: And they all have paid in full  
12 other than Churchill, and agree to pay in full going forward.

13          MR. KENNEDY: The Church -- the NYRA and Stronach  
14 tracks have agreed to increase those amounts by two percent in  
15 each of the next three years.

16          CHAIR BRACKPOOL: Right.

17          VICE CHAIR ISRAEL: Okay.

18          CHAIR BRACKPOOL: Thank you.

19          MR. KENNEDY: The tracks that I've mentioned pay  
20 either that rate or the B rate or the C rate, depending how  
21 they are classified.

22          CHAIR BRACKPOOL: I understand. I understand. Okay.

23          VICE CHAIR ISRAEL: Okay. So, Alan, you have your  
24 answer.

25          CHAIR BRACKPOOL: Right.

1           MR. TSE: We have reason to believe that Golden Gate,  
2 Pimlico and Laurel pay \$7.94 in the last agreement. I  
3 understand that it's a moot point, but that is part of what is  
4 the issue here

5           CHAIR BRACKPOOL: That's not a point you should be  
6 making to me right now.

7           Commissioner Rosenberg.

8           COMMISSIONER ROSENBERG: Could you explain, you  
9 alluded to other facts that you want to -- that you would like  
10 to get from the Jockeys' Guild, not just this number. Could  
11 you tell us what those are? Is this bodies buried from before  
12 from this 2007 episode?

13          MR. TSE: No. We just want to make sure that the  
14 money that we spend are going toward towards the jockeys. And  
15 with all due respect to the Guild and the conversation I had  
16 with Mr. Kennedy before, he was open to providing numbers and  
17 to have guarantees to us going forward that the money that we  
18 pay would be -- would benefit the jockeys.

19                 I'm not in disagreement, per se. I just would  
20 like -- we would like as a company to know where our money is  
21 going. Because we believe that this is in support of jockeys  
22 and the jockeys' organization, so we just wanted some  
23 transparency. And if Mr. Kennedy and his organization would  
24 like to -- are willing to provide that to us as part of this,  
25 then -- then we're happy as clams and we will continue and have

1 a productive discussion.

2 COMMISSIONER ROSENBERG: And you can commit to that  
3 on behalf of the company?

4 MR. TSE: Yes, I can.

5 COMMISSIONER ROSENBERG: Okay.

6 CHAIR BRACKPOOL: All right. Before we -- before I  
7 wrap up and make a motion, Barry you and Mr. (inaudible) had  
8 speaker cards, is there anything that you would like to add  
9 that is productive to this issue, before we move on?

10 MR. BROAD: I'm going to go -- I'm not going to go  
11 over old -- old territory. I will say that this is a new and  
12 welcome position of Churchill Downs, that they will sit down  
13 with us on Monday. To that extent we would support continuing  
14 their license for a reasonable period, say 60 days, to see how  
15 we do, and whether they are willing to follow through with  
16 their commitment. We do support the granting of the licenses  
17 for the other two ADW providers.

18 And I wanted to add, based on a question you asked  
19 last month about -- about TVG, TVG, of course, doesn't own  
20 tracks. It isn't signatory to this. However, just so you  
21 know, TVG actually gives the Jockeys' Guild approximately  
22 \$250,000 a year in in-kind broadcasting rights to broadcast a  
23 message to the gaming public about the issues of permanently  
24 disabled jockeys, and so on. So that company has been very  
25 generous and continues to work with us and has committed, in

1 fact, to enhance that in the future.

2           So the other thing I would say is that we just want  
3 to get this done. We're not -- we've never come before this  
4 Board and ever asked for anything like this before. But, as  
5 you can see, our members are here. There's -- they're on a  
6 thin red line. And while it's a corporate policy or some  
7 abstract thing about -- about whether they're independent  
8 contractors or not and all that the reality is, they get  
9 injured, they get hurt. It happens everyday. Some of them get  
10 killed, some of them are made paraplegics, and we have to take  
11 care of them.

12           CHAIR BRACKPOOL: Thank you.

13           MR. BROAD: And that's what it's about. Thank you.

14           CHAIR BRACKPOOL: The longer you keep talking the  
15 more speaker cards I get, so it's better to wrap it up.

16           I have -- John, you had -- but you have nothing else  
17 you need to say? We're -- we're done at the podium up there.  
18 You can take seats, unless there's anything else.

19           And I have Richard Castro who wishes to speak, and  
20 then I'm going to make some motions.

21           MR. CASTRO: My name is Richard Castro, representing  
22 Local 280. I got a little bit concerned when the suggestion  
23 was made that maybe you're going to move some of these dates of  
24 when they take effect for licensing. I don't want to get my  
25 group caught in a trap.

1           So I'm -- if you do something like this, I have  
2 signed contracts with the three companies as required. If I  
3 need to put in another letter 90 days in advance because of  
4 some changes you make, I'd like to know that as well. I just  
5 want to cover my group. Thank you. Happy holidays to all.

6           CHAIR BRACKPOOL: Thank you, Richard.

7           VICE CHAIR ISRAEL: Thank you.

8           CHAIR BRACKPOOL: I would -- let's see the order of  
9 where we are on this. I would -- on items nine and ten, which  
10 are the application for approval to conduct advanced deposit  
11 wagering of ODS Technologies, LP, doing business as TVG, and  
12 item ten, application for license to conduct advanced deposit  
13 wagering of XpressBet, LLC, for wagering, I would make a motion  
14 that we approve both of those for one year, which would take us  
15 through again to December 31, 2012. Do I have a second on  
16 that?

17           VICE CHAIR ISRAEL: Second.

18           CHAIR BRACKPOOL: Seconded by Commissioner Israel.  
19 All in favor?

20           ALL COMMISSIONERS: Aye.

21           CHAIR BRACKPOOL: Those two motions carry for one-  
22 year extensions.

23           And, Alan, let me say that I'm heartened by what  
24 you've said. I really hope there's a willingness to resolve  
25 this. I'm not going to sit here and tell you exactly how you

1 should resolve this, but I think you get the sentiment of this  
2 Board. I think you get the -- the very strong understanding  
3 that in California we really value jockey welfare and jockey  
4 safety, and this Board takes it extremely seriously. So it is  
5 something I'd like to see resolved. I'm hearing all of the  
6 right words from you. I'd like to give you some time to get  
7 this resolved.

8           So I would make a motion that we grant your license  
9 through April 30th of 2013 --

10           VICE CHAIR ISRAEL: '12. '12.

11           CHAIR BRACKPOOL: -- 2012. That's four months. I  
12 would love to hear you back here in the January, February, or  
13 March meeting with the Guild, hearing the issues resolved.  
14 And -- and then we'd be happy to entertain a coterminous  
15 extension with the -- with -- with -- with the balance.

16           MR. TSE: Thank you, Mr. Chairman. I just want to  
17 make sure that they're two things that we are very clear on. I  
18 hope, not just with my words, but in terms of what we as a  
19 company have spent and have shown to support that we've spent,  
20 that we, Churchill Downs, values jockeys and values jockey  
21 safety and welfare. And there is no mistake about that,  
22 irrespective of our dispute with the Jockeys' Guild.

23           CHAIR BRACKPOOL: I'm -- I'm very pleased to hear  
24 those words.

25           MR. TSE: So I hope that the Board understands that.

1 CHAIR BRACKPOOL: Yeah.

2 MR. TSE: And the second is I just want to -- the  
3 point of clarity. Is our ADW license contingent upon us  
4 reaching a deal with the Jockeys' Guild?

5 CHAIR BRACKPOOL: No. I'm just -- I'm making a  
6 motion that your ADW license is extended until April 30th, and  
7 we will listen to all that transpires in the intervening period  
8 before we have an extension. Do I have a second to that  
9 motion?

10 VICE CHAIR ISRAEL: Second.

11 MR. CHOPER: May I --

12 CHAIR BRACKPOOL: Seconded by -- yes, please,  
13 Commissioner Choper.

14 MR. CHOPER: I will vote for it, but I would have  
15 preferred 30 days. Because my experience, not just with any of  
16 the people here but everybody in this industry, is that they  
17 wait until the end. You give them a deadline. I thought only  
18 lawyers operated that way, to wait -- wait to the end.

19 VICE CHAIR ISRAEL: Jess, the only problem with that  
20 is the holidays will make that --

21 MR. CHOPER: Pardon me?

22 VICE CHAIR ISRAEL: The holidays are going to reduce  
23 the number of days they work. Thirty days would be very  
24 difficult.

25 CHAIR BRACKPOOL: Jesse, there's a reason.

1 MR. CHOPER: Pardon me?

2 CHAIR BRACKPOOL: There's a reason.

3 MR. CHOPER: Pardon me?

4 CHAIR BRACKPOOL: There's a good reason.

5 COMMISSIONER CHOPER: Okay. Well --

6 CHAIR BRACKPOOL: I think April 30th works better,  
7 but I hear what you say. And I think the --

8 MR. TSE: I understand your reason, sir.

9 CHAIR BRACKPOOL: I think -- I think the message  
10 that -- the message that you're getting is the earlier you come  
11 back to us and -- we can have further conversations. So I have  
12 a motion seconded by Vice Chair Israel. All in favor?

13 ALL COMMISSIONERS: Aye.

14 CHAIR BRACKPOOL: The motion carries. Your license  
15 is extended through April the 30th. Thank you all for your  
16 participation on that. Okay.

17 VICE CHAIR ISRAEL: I thought they were going to  
18 talk.

19 CHAIR BRACKPOOL: No. No.

20 COMMISSIONER DEREK: Do you want them to?

21 VICE CHAIR ISRAEL: No.

22 CHAIR BRACKPOOL: No. They were here for the -- for  
23 the thing. All right.

24 Moving on --

25 VICE CHAIR ISRAEL: Stay. Enjoy the party. Where

1 are you guys going?

2 COMMISSIONER DEREK: We have so much fun here.

3 VICE CHAIR ISRAEL: They've got great refreshments in  
4 the back.

5 CHAIR BRACKPOOL: Item --

6 COMMISSIONER DEREK: Stay here for the ending.

7 CHAIR BRACKPOOL: Item number three, discussion and  
8 action by the Board regarding the feasibility of amending CHRB  
9 Rule 1865, Altering of Sex of Horse, and possibly CHRB Rule  
10 1974, Wagering Interest, in recognition of repeated problems in  
11 reporting the gelding of horses in the prescribed manner.

12 Jackie, are you -- Mike's going to do it. Okay.

13 MR. MARTEN: Hello. Mike Marten, CHRB staff. The  
14 staff analysis, I can update that now. There have been three  
15 more instances at -- at Hollywood Park where we have a late  
16 reporting of a gelding. Two were caught by the examining  
17 veterinarians the morning of the race, and one was announced 19  
18 minutes before post.

19 This is, by my count, about the seventh time this has  
20 come before the Board over the last 10 or 15 years. And it  
21 seems to be impossible to -- to totally correct. And -- and  
22 Dr. Arthur sent an email out and he said there will -- there  
23 will always be horses slipping through.

24 CHAIR BRACKPOOL: Well, people can have opinions and  
25 people can have other opinions. I mean, it seems to me that I

1 gather that in 2009 the Board considered, you know, raising the  
2 fine to \$1,000 on the basis that would be enough to get the  
3 trainers attention. I think that if it's a genuine mistake it  
4 doesn't matter what the fine is, you're going to get the, you  
5 know, the trainers attention, whether it's \$500, \$1,000 or  
6 \$2,000. What concerns me is if it's not a genuine mistake that  
7 fine is also not particularly a sufficient deterrent.

8           So you know, one of the options in front of us is if  
9 we have this particular occurrence do we have the horse run for  
10 purse money only? Because that certainly becomes more  
11 potentially of -- of a deterrent.

12           So think those -- those are the issues --

13           MR. MARTEN: Yeah.

14           CHAIR BRACKPOOL: -- in front of us.

15           MR. MARTEN: I would like to convey one email from  
16 HANA saying that the -- they believe that the horse should be  
17 scratched.

18           CHAIR BRACKPOOL: I have one speaker on the issue  
19 before we get to Commissioner comments, Alan Balch, CTT.

20           MR. BALCH: Alan Balch, CTT. First of all, we notice  
21 in the -- in the commentary that the increase in the fine or  
22 all the other things that have gone along with this have  
23 improved the situation. If I read it correctly, there have  
24 been 18 rulings in the last 19 months, as opposed to 44 in  
25 2007. And we certainly agree that we want perfection on this.

1 I've done a lot of sort of field work trying to  
2 figure out how this happens and what could be done to correct  
3 it. We're talking about first starts as geldings, the way I  
4 understand it. And the trainers and the veterinarians  
5 certainly share responsibility. I've heard some suggestion  
6 made that the veterinarian who gelds the horse probably should  
7 be required to register it with the Jockey Club at that point,  
8 because the Jockey Club Information Systems and Encompass are  
9 connected and that would alleviate a lot of the problem.

10 Now part of the problem is in California some of  
11 these situations happen in other states. The papers are  
12 transferred to the racing office. The trainer doesn't even  
13 realize if he has a gelding that it's -- it's currently  
14 registered as a colt. So that's an issue that I think needs to  
15 be addressed.

16 The -- the veterinary inspection in the morning is,  
17 we think, a very important place for the track vet, the  
18 inspecting vet to examine roughly half the horses, the male  
19 horses, and just have a box on the card and make sure as a  
20 last -- a last possible time in the morning of the race that  
21 that is noted. So I think the trainers, the vets, all --  
22 everybody, the racing office, Encompass, everybody needs to  
23 work together to reduce this even further.

24 CHAIR BRACKPOOL: Yeah.

25 MR. BALCH: Thank you.

1 CHAIR BRACKPOOL: Commissioner Derek.

2 COMMISSIONER DEREK: Yeah. I'm -- I still can't  
3 believe this is a problem. It's -- I just -- I don't  
4 understand it but -- that -- that we can't know this in  
5 advance.

6 I think the -- the idea of a fine is working. I see  
7 no -- the numbers have gone down. But I don't see any repeat  
8 offenders in the chart that we got, so I think it did get their  
9 attention. I'd be interested in raising the fine.

10 CHAIR BRACKPOOL: Okay. Commissioner Moss.

11 COMMISSIONER MOSS: Of the three incidents, I assume  
12 they're all different trainers; correct?

13 MR. MARTEN: Of -- even -- even among the 18 that are  
14 reported and the most recent 3, all different trainers.

15 COMMISSIONER MOSS: All different trainers. So no  
16 repeat --

17 COMMISSIONER DEREK: No repeats.

18 COMMISSIONER MOSS: -- no repeat people?

19 MR. MARTEN: I get your pardon?

20 COMMISSIONER MOSS: No repeat? No repeats?

21 MR. MARTEN: No repeats, right.

22 COMMISSIONER MOSS: And of the 18 -- I'm just -- just  
23 finding this out, how many winners in that group?

24 MR. MARTEN: We didn't check that out.

25 COMMISSIONER MOSS: Oh. Okay. Because we know

1 the -- the big one was a big price paid for somebody that --

2 MR. MARTEN: Correct.

3 COMMISSIONER MOSS: -- that was part of a Pick 6 and  
4 had ramifications and all that.

5 MR. MARTEN: Yes.

6 COMMISSIONER MOSS: And that was the one that was the  
7 19 minutes mentioned?

8 MR. MARTEN: No. That was actually like 30 minutes.

9 COMMISSIONER MOSS: Thirty minutes. Okay.

10 MR. MARTEN: The 19 minutes finished third.

11 COMMISSIONER MOSS: Oh. Okay.

12 COMMISSIONER CHOPER: Could I ask --

13 CHAIR BRACKPOOL: Yeah.

14 COMMISSIONER CHOPER: -- either you or Alan Balch if  
15 he's still here, why is it that we have this many non-reports?  
16 I mean, you could say it could be gelded outside of the state.  
17 I just don't think we have that many situations.

18 Do you have any idea what their excuse is? I mean,  
19 this is not -- you know, I'm like Commissioner Derek. I don't  
20 understand why.

21 MR. MARTEN: Well, the one -- the -- the one from  
22 last week that was reported 19 minutes before --

23 COMMISSIONER CHOPER: Yeah.

24 MR. MARTEN: -- that was -- a horse went to a farm  
25 and was gelded at the farm, and returned. And the farm manager

1 didn't tell the trainer.

2 COMMISSIONER CHOPER: Uh-huh.

3 MR. MARTEN: And it came back to the same trainer but  
4 the -- it had no -- he didn't check.

5 CHAIR BRACKPOOL: Frankly, that really stretches my  
6 imagination to believe that's true.

7 VICE CHAIR ISRAEL: They gelded the horse and didn't  
8 tell --

9 CHAIR BRACKPOOL: They gelded the horse, didn't tell  
10 the trainer they gelded the horse, then sent it back and  
11 miraculously the thing improve by ten lengths. I -- you know,  
12 but it is Christmas, I will agree with you.

13 Commission Rosenberg first.

14 COMMISSIONER ROSENBERG: It's very interesting  
15 that -- that Dr. Arthur sent an email to the Board, because  
16 he's out of town, and he mentioned -- I'll read it. He said,  
17 "This is for the most part a California issue, mainly a  
18 Southern California issue. Many jurisdictions simply  
19 don't care, probably because the fans never know there was  
20 an error. I understand" -- anyway.

21 The point, I'm surprised at that, that other  
22 jurisdictions don't care. How many other jurisdictions? So  
23 it's sort of -- I'm as amazed -- as amazed as everyone else at  
24 this, that there are that many violations. And I don't know,  
25 \$1,000 is a pretty stiff fine. And if you'll notice, of the 18

1 fines in the last 19 months or whatever, there were -- there  
2 were only a couple under \$1,000. There were a couple from  
3 mitigations -- mitigating circumstances, \$750. So --

4 CHAIR BRACKPOOL: What -- if we wanted to either  
5 raise the fine or perhaps in this particular instance, you  
6 know, maybe the fine is the trainer doesn't get his share of  
7 the purse money --

8 COMMISSIONER DEREK: Uh-huh.

9 CHAIR BRACKPOOL: -- you know, that's, I think, kind  
10 of an interesting one. You know, I'm just waiting to see how  
11 long it is before Alan jumps up again. But I -- but I thought  
12 that was kind of an interesting one.

13 COMMISSIONER DEREK: Yeah.

14 CHAIR BRACKPOOL: If we wanted to do something like  
15 that, what's our process?

16 MS. WAGNER: We have to go through the -- we have to  
17 do the 45-day comment period, develop language that we would  
18 want the Board to adopt.

19 CHAIR BRACKPOOL: Okay. That was Jackie Wagner  
20 giving me informal advice for the people listening on the web.

21 So why don't we -- why don't we do this, we may bring  
22 this back --

23 COMMISSIONER MOSS: We'll discuss.

24 CHAIR BRACKPOOL: -- we'll discuss it, bring it back.  
25 And perhaps you could bring us back two options for the rule,

1 one of which would be, you know, an increase in the fine and  
2 make it \$2,500 or something, I mean, whatever number we come up  
3 with, and the second alternative would be that the trainer is  
4 not entitled to trainer's share of purse money in such an  
5 event, and we can debate it.

6 COMMISSIONER ROSENBERG: That's fine. One more --  
7 one more comment. There was also reference to the fact that --  
8 that for several years there was a procedure where the race --  
9 where the entry slips had a box where you had to fill in the --  
10 the sex of the horse --

11 CHAIR BRACKPOOL: Right.

12 COMMISSIONER ROSENBERG: -- and that didn't work  
13 either.

14 CHAIR BRACKPOOL: Right.

15 COMMISSIONER ROSENBERG: My question is how could  
16 that possibly -- if the person doesn't fill out the box why --  
17 why would the race secretaries take the entry? I mean, that to  
18 me might be an effective way to make them focus on it. Maybe a  
19 race secretary could answer that question.

20 COMMISSIONER MOSS: I think -- I think in all  
21 fairness, the trainers have to be more curious, you know? And  
22 there's got to be a box that's filled out or something. But 18  
23 is too many.

24 VICE CHAIR ISRAEL: Can I -- can I ask if -- if it  
25 would be all right to add, additionally, that the horse could

1 only -- can't run for -- for purse money?

2 CHAIR BRACKPOOL: Yeah. So let's add that as a third  
3 alternative.

4 VICE CHAIR ISRAEL: But what -- and so if it doesn't  
5 run for purse money is it still in the pari-mutuel field?

6 CHAIR BRACKPOOL: No. It does run for purse money.

7 VICE CHAIR ISRAEL: It runs for purse money?

8 CHAIR BRACKPOOL: It's no in the pari-mutuel field.

9 VICE CHAIR ISRAEL: It's not in the pari-mutuel  
10 field.

11 CHAIR BRACKPOOL: Right. Correct.

12 VICE CHAIR ISRAEL: Because I have a sneaking  
13 suspicion --

14 CHAIR BRACKPOOL: It's the other way around.

15 VICE CHAIR ISRAEL: -- that will be even more of a  
16 problem for certain trainers --

17 COMMISSIONER DEREK: Yeah.

18 CHAIR BRACKPOOL: Right.

19 VICE CHAIR ISRAEL: -- if they can't --

20 COMMISSIONER CHOPER: Can I --

21 VICE CHAIR ISRAEL: -- bet the horse.

22 COMMISSIONER CHOPER: Would you -- is there some  
23 reason not also to consider the suggestion that was made about  
24 having the vet file a report to the proper people? I mean, you  
25 know, the vet is there. He or she does it. It seems to me to

1 be --

2 CHAIR BRACKPOOL: Okay. Mike, your response to that?

3 MR. MARTEN: The vets are checking. As I just  
4 indicated, there have been three, since this staff analysis was  
5 written, there have been three, and two were caught by the vet  
6 in the morning. So the vets are -- the vets are checking.

7 CHAIR BRACKPOOL: No. Yeah.

8 MR. MARTEN: But -- but they --

9 COMMISSIONER CHOPER: No. No. The vets don't --  
10 he's referring to something else.

11 CHAIR BRACKPOOL: Exactly. But at the end of the day  
12 we have to have somebody who is ultimately responsible. If you  
13 don't have somebody in a chain ultimately responsible then all  
14 of the links in the chain will break down. So we -- we need it  
15 to be the trainer. We need to move on. We've got so much --

16 VICE CHAIR ISRAEL: And the fine --

17 CHAIR BRACKPOOL: Yeah.

18 VICE CHAIR ISRAEL: -- what did -- what did you  
19 recommend about the fine?

20 CHAIR BRACKPOOL: \$2,500.

21 VICE CHAIR ISRAEL: Well, what about if it -- if it's  
22 a horse that hits the finish first, you know, hits -- hits the  
23 board the fine is commensurate amount with the ten percent that  
24 the trainer would be paid?

25 CHAIR BRACKPOOL: Well, there's lots of ways to get

1 to the same thing. But, yeah, let's try and -- let's try and  
2 do that.

3 We have one speaker. Name and affiliation for the  
4 record.

5 MR. ROBBINS: Tom Robbins, racing secretary. I'm  
6 hearing all of this, and -- and I wish that we could have 100  
7 percent compliance. And -- and I do tend to agree a little bit  
8 with Rick Arthur in that these always -- there will be an  
9 incident where it will simply slip through the cracks.

10 I'm not a believer to try to address some of the  
11 suggestions out there. I'm not a believer in allowing a horse  
12 to run for purse money only. I'm not sure that's going to help  
13 the situation.

14 CHAIR BRACKPOOL: Okay. Well, it's not --

15 MR. ROBBINS: The -- the owners --

16 CHAIR BRACKPOOL: Right now that's not on the agenda.  
17 We're going to have this item on the agenda and then --

18 MR. ROBBINS: Okay.

19 CHAIR BRACKPOOL: -- that will be the right time to  
20 address your concerns --

21 MR. ROBBINS: The -- the simple --

22 CHAIR BRACKPOOL: -- about it.

23 MR. ROBBINS: The simple thing is, and -- and, Mike,  
24 you can help me with this one because I only heard about it  
25 last night so I'm at a little bit of a disadvantage, the one

1 that happened yesterday at Hollywood Park was a case where the  
2 horse was gelded at the farm, and the farm had the ability to  
3 go in through the Jockey Club Information System, make the  
4 change so it shows up on our system. The horse ran as a  
5 gelding in the program, I believe. It just simply didn't say  
6 that it was a first-time gelding.

7 To -- to answer the question about private practicing  
8 veterinarians castrating horses on the backside, they are  
9 reporting that, not 100 percent compliance. But in the case of  
10 the horse that does go to the farm and is castrated at the  
11 farm, that's not going to happen. They're -- they're not going  
12 to recognize that.

13 CHAIR BRACKPOOL: Well, there's going to be  
14 consequences for it.

15 COMMISSIONER DEREK: Yes.

16 CHAIR BRACKPOOL: That's all this Board is saying.

17 MR. ROBBINS: Well, and I believe in what  
18 Commissioner Derek is saying, simply increase the fines for the  
19 trainers. We have what we put out today, Hollywood Park is  
20 taking entries for Sunday. There will be an overnight put-out,  
21 probably within the next hour or two, well in advance of  
22 Sunday's races. On that overnight is the sex of the animal as  
23 it will appear in the program. If trainers can't look at that  
24 overnight and see and check their own horse and say we have a  
25 problem --

1 CHAIR BRACKPOOL: Yeah.

2 MR. ROBBINS: -- it's incorrect, and not correct it  
3 24 hours ahead of time so it's correct in the program, then  
4 it's -- you know?

5 CHAIR BRACKPOOL: I agree. Thank you, Tom.

6 MR. ROBBINS: You're welcome.

7 CHAIR BRACKPOOL: Okay. So we're not taking action  
8 right now on this. But we're coming back at a subsequent  
9 meeting with those recommendations.

10 Item number four, discussion and action by the Board  
11 regarding the feasibility of amending CHRB Rule 1658, Vesting  
12 of Title to Claimed Horse, which allows a claim to be void if a  
13 claimed horse suffers a fatality during the running of the race  
14 or before it is returned to be unsaddled.

15 This was a highly controversial issue in front of the  
16 Board a few months ago. The Board voted in split fashion on a  
17 new rule. That new rule went through the entire boring rule-  
18 making process. And the issue that the opponents of the rule  
19 change have been concerned about happened within the first  
20 two -- two weeks where, sadly, a horse did not return but was  
21 not euthanized on the track, and so the claim was not void.

22 So this issue is back before us. Commissioner Derek  
23 has a comment and a recommendation, so I'm going to let her  
24 speak first.

25 COMMISSIONER DEREK: Thank you. I would like to,

1 before anybody gets too excited, I'd like to say that I would  
2 like to recommend that this be postponed and brought up again  
3 at a further meeting. I'm glad it's here. I hope that we  
4 start getting some comments. We will be taking this up at a  
5 future Safety and Medication meeting on January 10th at -- at  
6 U.C. Davis, and I would like all your input. But we -- I would  
7 like to be presenting this to the Board soon with some language  
8 that would clear up the problem that happened with the horse  
9 Dave's Revenge.

10 CHAIR BRACKPOOL: Okay. I have three speakers on the  
11 issue. I would very much like them to take into consideration  
12 what Commissioner Derek just said, that the recommendation is  
13 going to be to have this fully debated and discussed at the  
14 Medication Committee before this Board takes any further  
15 action.

16 First speaker, Lou Raffetto, TOC. I trust you heard  
17 my warning.

18 MR. RAFFETTO: I'm sorry, what was that, the warning  
19 about -- I didn't, to be honest with you.

20 CHAIR BRACKPOOL: Oh. About the fact that we don't  
21 intend to take this up today. So I hope this isn't going to be  
22 a very long --

23 MR. RAFFETTO: No. I'm done, in other words.

24 CHAIR BRACKPOOL: Okay.

25 MR. RAFFETTO: That was just in case.

1 CHAIR BRACKPOOL: Excellent. Thank you very much. I  
2 like that speech.

3 Next speaker, Michael Wellman.

4 MR. WELLMAN: Michael Wellman, owner-breeder. I'll  
5 accept what Chairperson Derek had said. I would like to just  
6 add two different things to this equation.

7 First of all, when it does get modified I hope  
8 there's 45 days for responding before it becomes --

9 CHAIR BRACKPOOL: There will be.

10 MR. WELLMAN: -- whatever.

11 CHAIR BRACKPOOL: There will be.

12 MR. WELLMAN: Because in July you did modify and got  
13 through and got to a final decision.

14 Second of all, in the -- for the time --

15 COMMISSIONER DEREK: No.

16 MR. WELLMAN: -- for the time being --

17 VICE CHAIR ISRAEL: We didn't do anything without  
18 following --

19 MR. WELLMAN: Excuse me.

20 VICE CHAIR ISRAEL: -- the proper procedures.

21 MR. WELLMAN: Okay. I understand. You modified what  
22 was originally stated. That's all.

23 In addition -- in addition, for the time being if  
24 you're going to go and have a meeting in January, and I don't  
25 know when it's going to be back on the agenda, what is the

1 status of the rule?

2 CHAIR BRACKPOOL: The status of the rule is as -- as  
3 it states right now.

4 MR. WELLMAN: Well --

5 CHAIR BRACKPOOL: Alan Balch, CTT.

6 MR. BALCH: Alan Balch, CTT. What Mr. Raffetto said,  
7 ditto.

8 CHAIR BRACKPOOL: Excellent. All right. So we all  
9 agree that we're going to let Commissioner Derek handle this,  
10 and then come back with some suggestions.

11 Item number five, discussion and action by the Board  
12 regarding an update from Santa Anita Park Race Track regarding  
13 its repair efforts to the track following the recent severe  
14 windstorm damage.

15 MR. HAINES: George Haines, Santa Anita. About two  
16 weeks ago, as everybody knows, Santa Anita was hit by a  
17 windstorm that we haven't seen in this area for a long time,  
18 near 100-mile-an-hour winds. Santa Anita received significant  
19 damage to roofs on the grandstand and on the backside. We lost  
20 about 100 trees, signs, but no structural damage. We were very  
21 lucky not to have any equine or human injuries, so everything  
22 went fine. We canceled business the next day on the Thursday.  
23 We also canceled training because we had the rail blow down.  
24 The protective cover on the backside of the rail blew down. We  
25 worked 24 hours straight and got that rail back on, resumed

1 training on Friday.

2           We've resumed normal operations. We're undergoing  
3 repairs now to the roofs. I want to thank the backside  
4 personnel for helping us and our crew. We got the damage  
5 cleaned up and out of the way, and now we're undergoing  
6 repairs. The repairs will probably take months on the roofs.  
7 We have had the insurance people out. They've looked at  
8 everything from top -- top to bottom. We're following  
9 procedures and we're getting quotes and everything. We have  
10 roofing companies onsite already. We have three crews working,  
11 but it's going to take some time.

12           But the -- the facility is safe. And we'll be up and  
13 running to 100 percent capacity on December 26th.

14           CHAIR BRACKPOOL: So the structural -- the structural  
15 damage concerns were looked at and found to be of no concern?

16           MR. HAINES: They're not a concern. We vacated --  
17 there's three barns that had structural damage that actually  
18 lost stalls. The -- the walls blew down. But the ones with  
19 roof damage are still -- we can use -- still use those. We've  
20 put plastic tarps and sandbags on the top to prevent water from  
21 getting in, so --

22           CHAIR BRACKPOOL: And the grandstand had no damage?

23           MR. HAINES: The grandstand did have damage. We've  
24 had damage on the roof. That is being repaired right now. We  
25 hope to have it done by Saturday, so --

1 CHAIR BRACKPOOL: But no structural damage?

2 MR. HAINES: No structural damage.

3 VICE CHAIR ISRAEL: So the structural integrity of  
4 the track by December 26th will be completely positive?

5 MR. HAINES: Absolutely. There's no problem at all.

6 VICE CHAIR ISRAEL: So opening day --

7 MR. HAINES: We've been open for business every  
8 day --

9 VICE CHAIR ISRAEL: Right.

10 CHAIR BRACKPOOL: Right.

11 MR. HAINES: -- except that first day after the wind.

12 CHAIR BRACKPOOL: But you had modified training  
13 hours. Have you changed --

14 MR. HAINES: Yes, we did.

15 CHAIR BRACKPOOL: -- those back now?

16 MR. HAINES: No, we haven't. We -- we lost the  
17 lights on top of the grandstand. And for safety reasons we've  
18 modified training hours to 6 to 11 o'clock.

19 CHAIR BRACKPOOL: And will you be changing those  
20 back?

21 MR. HAINES: As soon as we get the lights back.

22 CHAIR BRACKPOOL: Approximately when?

23 MR. HAINES: Next week, late next week.

24 CHAIR BRACKPOOL: Okay. You should have the lights  
25 in by then?

1 MR. HAINES: We hope to, yes.

2 CHAIR BRACKPOOL: Right. Okay.

3 MR. HAINES: Uh-huh.

4 CHAIR BRACKPOOL: Well, I just want to say, I think  
5 it was extraordinary piece of good fortune that we didn't have  
6 a single horse or a single human --

7 MR. HAINES: Yeah.

8 CHAIR BRACKPOOL: -- injured in those just --

9 MR. HAINES: We're very thankful.

10 CHAIR BRACKPOOL: -- remarkable --

11 MR. HAINES: Yeah.

12 CHAIR BRACKPOOL: -- windstorm. So --

13 MR. HAINES: Yeah.

14 CHAIR BRACKPOOL: -- thanks to you and your team,  
15 George, for -- for a very good job.

16 VICE CHAIR ISRAEL: I just have one question. On  
17 the -- on the backstretch people, has everybody been, who lost  
18 any housing, been relocated and --

19 MR. HAINES: I'm not sure. I don't think so. Maybe  
20 some people have been relocated.

21 VICE CHAIR ISRAEL: Well, how -- where are they  
22 living?

23 MR. HAINES: We -- we have capacity.

24 VICE CHAIR ISRAEL: Oh, you do? Oh, so -- so they  
25 are -- they were relocated? Okay.

1 MR. HAINES: Yeah.

2 VICE CHAIR ISRAEL: So you had other places? Well,  
3 that's what I meant.

4 MR. HAINES: Uh-huh.

5 CHAIR BRACKPOOL: Good. Well, on behalf to the  
6 Board, thank you for --

7 MR. HAINES: Thank you.

8 CHAIR BRACKPOOL: -- all your efforts.

9 VICE CHAIR ISRAEL: Thanks.

10 CHAIR BRACKPOOL: Item number six, discussion and  
11 action by the Board regarding a report from the California  
12 Marketing Committee, CMC, regarding it's 2012 marketing and  
13 promotion plans pursuant to Business and Professions Code  
14 section 19605.73(b).

15 Names and affiliations for the record please.

16 MR. KORBY: Chris Korby, executive director of  
17 California Authority of Racing Fairs, and currently serving as  
18 co-chair of California Marketing Committee.

19 MS. GREALISH: Dyan Grealish, co-chair of the  
20 California Marketing Committee.

21 MS. MCDONALD: Shannon McDonald, California Marketing  
22 Committee staff.

23 CHAIR BRACKPOOL: Okay. Let's go.

24 MR. KORBY: With the Chairman's permission I'd -- I'd  
25 like to lead off with a very brief description of the CMC, kind

1 of a quick overview of -- of what we are and the landscape in  
2 which we're operating right now.

3 First of all, the -- the CMC is -- is a state-level  
4 marketing organization set up in statute to -- to promote horse  
5 racing in California. Its -- its members, voting members who  
6 determine the allocation of funds and -- and govern the  
7 operation of the fund are made up of two representatives each  
8 from thoroughbred racing associations, thoroughbred --

9 CHAIR BRACKPOOL: Okay. Are you telling us something  
10 we don't know? Because we know all this.

11 MR. KORBY: Good.

12 CHAIR BRACKPOOL: Okay.

13 MR. KORBY: We'll skip that then.

14 CHAIR BRACKPOOL: Okay. That would be good. I mean,  
15 unless it's something new.

16 MR. KORBY: No. The -- with respect to the -- the  
17 general landscape in which we operate, I think it's important  
18 to note that there were recent changes in legislation which  
19 have quite dramatically reduced the amount of funding that's  
20 available to the CMC. By way of comparison, we -- we pulled  
21 some figures together in advance of this meeting. In 2010 the  
22 CMC had available --

23 MS. MCDONALD: Three point four.

24 MR. KORBY: -- \$3.4 million, and the budget for 2012  
25 is \$1.8 million. That's made it necessary for us to become

1 more targeted, more deliberate in the programs that we  
2 maintain.

3           Our programs are designed to compliment and  
4 supplement track marketing efforts, not supplant them. They  
5 operate at a state level, unlike individual race track  
6 marketing programs which are more devoted to the marketing for  
7 any individual race track and -- and -- and their meeting.

8           So we make every effort to involve the entire  
9 industry in -- in our deliberations. We have the committee  
10 itself which meets regularly and periodically. There's also a  
11 subcommittee of that committee which meets even more frequently  
12 and involves more industry representation. So there's --  
13 there's a full opportunity for the industry to come forward  
14 with any ideas and concepts that -- that anyone thinks may  
15 benefit racing in California.

16           With -- with that -- with that I just want to -- want  
17 to note the -- the -- the programs that we are operating for  
18 2012, and we can -- we can go into those as -- as the Board  
19 desires. We have a significant player program, we call it,  
20 which is a rewards program. It's been in place for some time.  
21 It's designed to keep California -- big California betters  
22 betting at California sites in California. Our satellite  
23 marketing program is -- is --

24           COMMISSIONER CHOPER: Can you say why you reduced  
25 that as much as you did? Or wait a minute. Am I wrong about

1 that?

2 COMMISSIONER ROSENBERG: It's not much. It's only --

3 COMMISSIONER CHOPER: It went from \$700,000 to  
4 \$500,000.

5 MS. MCDONALD: Right. It's an estimate based on our  
6 actuals from this year. So we're projecting --

7 COMMISSIONER CHOPER: I see.

8 MS. MCDONALD: -- for next year.

9 COMMISSIONER CHOPER: Same standards just --

10 MS. MCDONALD: Correct.

11 MR. KORBY: Uh-huh. Reflecting current  
12 circumstances.

13 CHAIR BRACKPOOL: Here's where we're getting your  
14 rebates, Commissioner Choper.

15 COMMISSIONER CHOPER: Who -- who looks into  
16 determining what the percentages are, what the qualifications  
17 are for -- for the simple purpose of keeping these people  
18 betting at the track? I mean, that -- that's, I guess largely  
19 what it's all about so far as we're concerned.

20 MR. KORBY: That's -- I would call that a pretty  
21 continuous review of --

22 COMMISSIONER CHOPER: Uh-huh. Okay.

23 MR. KORBY: -- of the dynamics of -- of those  
24 parties. Because we --

25 COMMISSIONER CHOPER: Because I saw that --

1 MR. KORBY: -- we noticed that they're --

2 COMMISSIONER CHOPER: -- at the top it's about three  
3 percent; is that right?

4 MS. MCDONALD: Correct.

5 MR. KORBY: Right.

6 COMMISSIONER CHOPER: Does that make -- that makes a  
7 different to people?

8 MS. MCDONALD: I think it does.

9 MR. KORBY: It does.

10 COMMISSIONER CHOPER: Uh-huh. And you know, you --  
11 you so often hear about these offshore operations making deals  
12 and so forth and so on. Does anyone have any idea what  
13 percentage they get off?

14 MS. MCDONALD: Well, I don't know exactly, but I  
15 would say it's probably higher. But just from my experience I  
16 think you do have players that like to go to the track, that  
17 like to wager at the track. And we'd like to keep them there.  
18 And I think this program helps us do that.

19 COMMISSIONER CHOPER: No, I understand. But it seems  
20 to me that when you have, you know, stiff competition like that  
21 from outside we ought to take a look and see if there's  
22 anything feasible. I mean, I just hope you're doing that. I  
23 don't know how to do that. But -- but I would just hope that  
24 you're -- that -- that you're doing that. Because, I mean,  
25 sure, some people like to go to the track. But I think the

1 people who are supplying most of the handle at the tracks, they  
2 don't -- you know, going to the track is -- that's for ancients  
3 like me. They -- they're -- they're in it to -- to make a  
4 living, and they're going to make it in the most efficient way  
5 possible. To the extent we can get them, I think that's really  
6 good.

7 MR. KORBY: Well, we -- we -- there -- there is a  
8 program that's a component of the satellite wagering facility  
9 promotions program that -- that does that on -- on a somewhat  
10 smaller scale where there's a rewards program for frequent  
11 patrons who are at satellite facilities.

12 COMMISSIONER CHOPER: Yeah.

13 CHAIR BRACKPOOL: All right. But the big -- the big  
14 item in here is the \$500,000 for product enhancement, which was  
15 not even a line item in previous years. So take us through  
16 what's in the \$500,000 because that's --

17 COMMISSIONER ROSENBERG: Before we finish satellite  
18 marketing, just a question. That was previous called fair  
19 marketing. I remember last year asking that question, what is  
20 that all about. And the -- what is this -- what's the change  
21 here, if any, number one? And number two, I see this \$10,000  
22 allocated per facility for mini-satellites, for new mini-  
23 satellites or for all satellites -- all satellites?

24 MR. KORBY: Let me talk about -- there are two parts  
25 in the answer to that --

1 COMMISSIONER ROSENBERG: Okay.

2 MR. KORBY: -- two part question.

3 First of all, with respect to the -- the -- the  
4 satellite marketing program, it's an expansion of what was  
5 previously called fair marketing. Fair marketing was marketing  
6 and promotion for satellite facilities at fairs. We've  
7 expanded that now to include tribal facilities. Any satellite  
8 facility that's operating in California is -- is -- can be a  
9 recipient of -- of this program --

10 COMMISSIONER ROSENBERG: So the --

11 MR. KORBY: -- benefits of this program.

12 COMMISSIONER ROSENBERG: So the gentleman from Barona  
13 that always complains about not getting any money --

14 COMMISSIONER DEREK: He's very happy now.

15 COMMISSIONER ROSENBERG: Yeah.

16 MR. KORBY: I was hoping he'd be here because he sent  
17 us some very nice thank you emails. He has been included, yes.

18 COMMISSIONER ROSENBERG: And how does it work? Would  
19 you just write a check to these people and they spend it the  
20 way they want or --

21 MR. KORBY: No.

22 COMMISSIONER ROSENBERG: -- how will the money be  
23 disbursed?

24 MR. KORBY: No. We -- we have a structured and  
25 managed program that's managed by CARF on behalf of the

1 satellites --

2 COMMISSIONER ROSENBERG: By CARF?

3 MR. KORBY: -- including those that are not CARF  
4 members.

5 COMMISSIONER ROSENBERG: So CARF gets the money and  
6 distributes it to the satellites; correct?

7 MR. KORBY: No. We actually operate the programs.

8 COMMISSIONER ROSENBERG: They do? Okay.

9 MR. KORBY: So there -- there's not -- there's not  
10 money actually flowing to those satellites.

11 COMMISSIONER ROSENBERG: Okay.

12 COMMISSIONER MOSS: How many locations, satellite  
13 locations are there in all in California?

14 MR. KORBY: Twenty-seven --

15 MS. MCDONALD: Twenty-seven, yes.

16 MR. KORBY: -- I believe it is.

17 COMMISSIONER MOSS: Just 27?

18 MS. MCDONALD: Uh-huh.

19 COMMISSIONER MOSS: Yeah. And how many of those are  
20 like -- well, the numbers -- anyway, we should look at those,  
21 as well.

22 So there's just 27 satellite locations, that's what  
23 we're saying, in --

24 MR. KORBY: Right. These are locations that operate  
25 satellite facilities only --

1           COMMISSIONER MOSS: Right.

2           MR. KORBY: -- not -- not race tracks --

3           COMMISSIONER MOSS: Not race tracks, right.

4           MR. KORBY: -- some of the year and -- and -- and

5 satellites part of the year, another part of the year.

6           COMMISSIONER MOSS: Right. And still no -- nothing

7 in Santa Barbara? Nothing has popped in Santa Barbara?

8           MR. KORBY: Actually, we have a relatively new

9 program to support mini-satellites if there is a mini-satellite

10 that -- that opens or one under development. There -- there is

11 funding available to help them promote that opening.

12           COMMISSIONER MOSS: But that has to be within that

13 20-mile rule; correct?

14           MR. KORBY: Well, it has to be a licensed satellite

15 facility.

16           COMMISSIONER MOSS: Yeah. Right. And --

17           MR. KORBY: Once -- once that -- once the facility is

18 established there is money here to support that. We're --

19 we're working with Rick Baedeker at -- at the recently

20 established mini-satellite in Santa Barbara, for example.

21           COMMISSIONER MOSS: Right.

22           CHAIR BRACKPOOL: Okay. Commissioner Rosenberg, do

23 you have a simply question --

24           COMMISSIONER ROSENBERG: Not on that, no.

25           CHAIR BRACKPOOL: -- before we get to the \$500,000?

1           COMMISSIONER ROSENBERG: Yeah. I'd like to get to  
2 the branding thing, too, but, okay --

3           CHAIR BRACKPOOL: Yeah.

4           COMMISSIONER ROSENBERG: -- yeah, the \$500,000.

5           CHAIR BRACKPOOL: So what's in the \$500,000?

6           MR. KORBY: The -- the -- the primary --

7           CHAIR BRACKPOOL: I'm just curious with the phrase  
8 "product enhancement".

9           MR. KORBY: Right. No. The -- the -- the intent  
10 here is that we -- we target the -- the -- the racing product  
11 itself with funding that -- that will improve that and make  
12 that and make it more attractive to horsemen and to betters.  
13 And the way -- the way that we intend to do that is with  
14 funding that creates stakes series that have that  
15 attractiveness.

16           CHAIR BRACKPOOL: So it's -- Tom, I have other  
17 speakers. If you're going to -- if you're going to stand up  
18 and speak I need a card --

19           COMMISSIONER DEREK: Can he --

20           CHAIR BRACKPOOL: -- to get in line.

21           COMMISSIONER DEREK: Can he come sit up here and join  
22 us?

23           CHAIR BRACKPOOL: Or you can come sit up here. But I  
24 am not -- I mean, carry on.

25           I just want to know what's in the \$500,000.

1 MR. ROBBINS: Two components; stakes -- supplemental  
2 money for stakes races --

3 CHAIR BRACKPOOL: Right.

4 MR. ROBBINS: -- and money for recruitment, money for  
5 recruitment from out of state.

6 CHAIR BRACKPOOL: Right.

7 MR. ROBBINS: Encouraging horsemen to bring horses  
8 into California as a mechanism to enhance our field size.

9 CHAIR BRACKPOOL: And what's the split between the  
10 two? What's the split between -- between the supplement for  
11 stakes' races and the recruitment out of the \$500,000?

12 MR. ROBBINS: If --

13 CHAIR BRACKPOOL: How is it divided up?

14 MR. ROBBINS: Maybe -- maybe Tom can answer that, the  
15 racing -- this is a concept that came forward from the racing  
16 secretaries.

17 CHAIR BRACKPOOL: I just want to know what the split  
18 is of the money.

19 MR. ROBBINS: Okay. The \$500,000 is split one-third  
20 Northern California, two-thirds Southern California.

21 CHAIR BRACKPOOL: Right.

22 MR. ROBBINS: The stakes' program was designed, if I  
23 can go into some detail, if you give me an opportunity to talk  
24 about it, when Breeders' Cup announced in the last few years  
25 two-year-old juvenile turf stakes, and most recently the

1 juvenile sprint, California was lacking in having any kind of  
2 two-year-old grass stakes program.

3 CHAIR BRACKPOOL: Right.

4 MR. ROBBINS: And we felt that as other states  
5 offered two-year-old grass programs that if we could get  
6 together, certainly with 1072 all of our purse money was  
7 dedicated to the overnight purses, so there's been very little  
8 money allocated to stakes, that if we could design a program to  
9 hopefully attract younger horses, two-year-olds, to California  
10 that would hopefully then race as three-year-olds and four-  
11 year-olds, we think that it would be beneficial to our programs.

12 CHAIR BRACKPOOL: Right.

13 MR. ROBBINS: So if -- if you would like, Del Mar is  
14 offering two new -- will be offering two new grass stakes at  
15 \$100,000 each. A portion of -- of -- of that \$100,000 stakes,  
16 one for colts and one for fillies, is going to be funded  
17 approximately \$35,000.

18 CHAIR BRACKPOOL: So \$35,000? I'm going to get the  
19 answer to this question somehow. It may take awhile, but I'm  
20 going to get the answer to this question.

21 Out of the \$500,000 how much is going toward  
22 supplement -- supplementing stakes' races and how much is going  
23 towards recruitment of out-of-state horses?

24 COMMISSIONER ROSENBERG: Well, before -- before --  
25 excuse me for interrupting. There's a third thing.

1 CHAIR BRACKPOOL: Maybe I'll never get the answer.

2 COMMISSIONER ROSENBERG: The goal to -- yeah, but  
3 we're missing something. This -- Tom is speaking about this --  
4 this new concept of --

5 CHAIR BRACKPOOL: Right.

6 COMMISSIONER ROSENBERG: -- the two-year-old races.  
7 The -- there's a Golden State Series, which I asked Chris about  
8 last night and he was going to talk about it today, which I had  
9 heard the CMC was funding for \$400,000 a year. Well, I don't  
10 see that in the budget, is the point.

11 MR. KORBY: Uh-huh.

12 MR. ROBBINS: Well, to answer your question, how much  
13 for recruiting out-of-state horses, approximately \$100,000 in  
14 Northern California, and about the like amount in Southern  
15 California.

16 CHAIR BRACKPOOL: So \$200,000 of the \$500,000 goes  
17 towards recruitment of out-of-state horses, and \$300,000 goes  
18 towards supplementing these stakes races?

19 MR. ROBBINS: Approximately. This program is still  
20 being developed.

21 VICE CHAIR ISRAEL: Can I -- can I ask a question?  
22 Chris, need you to pay attention. Define -- to -- to go to  
23 Keith's point, define what recruitment is? Is recruitment  
24 using that money in the way that Del Mar did last summer by  
25 basically giving bonuses to horses that shipped in if they want

1 to race, or is it actively getting people on the ground out of  
2 state, visiting race tracks, asking trainers and owners to  
3 bring their -- their -- their stables here? What -- what is  
4 recruitment?

5 MR. ROBBINS: Well, I think it's both, and that's  
6 what's being developed. The answer for Northern California may  
7 be different than the answer for Southern California. What --  
8 what we did last summer at Del Mar, we're not intending to use  
9 any of that recruitment money for the ship-and-win program.

10 VICE CHAIR ISRAEL: So that -- none of that was used  
11 for that? Okay.

12 MR. ROBBINS: No.

13 MS. MCDONALD: No.

14 MR. ROBBINS: No.

15 VICE CHAIR ISRAEL: And then none of it will be?

16 MR. ROBBINS: No.

17 CHAIR BRACKPOOL: Okay. So now -- so now -- so now  
18 to go back to Commissioner Rosenberg's missing \$400,000.

19 MR. KORBY: This -- this is a question that I think  
20 Shannon is best qualified to answer.

21 MS. MCDONALD: Okay. Commissioner Rosenberg, hello.  
22 Nice to see you. I think you're referring to the Cal-Bred  
23 program.

24 COMMISSIONER ROSENBERG: With all the state's series  
25 and --

1 MR. KORBY: Correct.

2 MS. MCDONALD: No. No. What -- what Mr. Robbins was  
3 just speaking about is the Golden State Series.

4 COMMISSIONER ROSENBERG: Okay.

5 MS. MCDONALD: That is in cooperation with the  
6 recruitment portion; correct, Tom?

7 MR. ROBBINS: No.

8 COMMISSIONER ROSENBERG: No.

9 MR. ROBBINS: No. No. No.

10 MS. MCDONALD: Because the Cal-Bred program, we had  
11 set an accrual from 2011 from unspent funds because that's a  
12 program that we needed to kick off in October of 2011. So  
13 that's what I think you're referring to, the -- the \$400,000  
14 that was committed by the CMC --

15 COMMISSIONER ROSENBERG: Whatever it's called.

16 MS. MCDONALD: -- for the Cal-Bred program.

17 MR. ROBBINS: Yeah. That --

18 COMMISSIONER ROSENBERG: That's separate.

19 MR. ROBBINS: What I just spoke about --

20 COMMISSIONER ROSENBERG: I understand.

21 MR. ROBBINS: -- is separate.

22 COMMISSIONER ROSENBERG: It's separate.

23 MR. ROBBINS: The two-year-old program --

24 COMMISSIONER ROSENBERG: But my question is, if  
25 they're funding that in 2011, in 2012 it's not in the budget?

1 MS. MCDONALD: Because we set -- we set aside the  
2 funds for that program because it -- we needed to communicate  
3 that program and begin to market that program in October of  
4 2011. So the Board made a decision to set aside the funds  
5 from -- from unspent -- projected unspent 2011 funds we set  
6 aside an accrual for that program.

7 CHAIR BRACKPOOL: I understand.

8 COMMISSIONER ROSENBERG: So my --

9 MS. MCDONALD: So it's not reflected in the --

10 COMMISSIONER ROSENBERG: So what --

11 CHAIR BRACKPOOL: I understand. So let -- but let me  
12 see if I can track this then. So you've got \$1.9 million that  
13 was your budget for 2011, and you're saying that you spent  
14 \$400,000, approximately, \$400,000 less than that \$1.9 million,  
15 and that \$400,000 is sitting somewhere and that's going to be  
16 used for the supplementing California stakes' races; correct?

17 MS. MCDONALD: Correct. We had some reserves.

18 COMMISSIONER ROSENBERG: But one thing, you're using  
19 the prior surplus, aren't you? You're not just using the 2011  
20 surplus.

21 MS. MCDONALD: We have an accumulated surplus that --

22 COMMISSIONER ROSENBERG: Which -- which will be gone  
23 after this year?

24 MS. MCDONALD: I don't know. I would certainly --  
25 I'll need to update the CHRB with our financial situation once

1 we close out 2011. So --

2 COMMISSIONER ROSENBERG: Okay.

3 CHAIR BRACKPOOL: I have to say that it's one thing  
4 to get a budget, but it would be something else to know that  
5 the -- the amount, the \$400,000 was being dedicated to a  
6 particular program. I think that's something the Board would  
7 like to hear and be able to talk about. And when you show us a  
8 budget and say, oh, but we didn't include a budget, a slush  
9 fund that we had over here that had, you know, X hundred  
10 thousand in it and we just dedicated some of that money, how  
11 are we supposed to follow what's going on?

12 MS. MCDONALD: I understand.

13 VICE CHAIR ISRAEL: Can I ask a question?

14 CHAIR BRACKPOOL: Hold on. But -- but understand is  
15 one thing. But -- so is someone going to give us that  
16 information? Is someone going to supplement us --

17 COMMISSIONER ROSENBERG: Why don't we --

18 CHAIR BRACKPOOL: -- with that information?

19 COMMISSIONER ROSENBERG: Yeah.

20 MS. MCDONALD: Yes, I can.

21 MR. KORBY: We'll -- we'll --

22 CHAIR BRACKPOOL: I mean, it's very hard to sit here  
23 and have, you know, an intelligent conversation about it when  
24 we hear about another program, it's not here, and we say, oh,  
25 well, that wasn't really included in the numbers. I mean --

1 COMMISSIONER ROSENBERG: Actually --

2 CHAIR BRACKPOOL: -- it's not \$10,000, it's \$400,000.

3 MR. KORBY: Right.

4 COMMISSIONER ROSENBERG: Actually, this happened in

5 the November meeting too. It was in the November thing they

6 submitted to us. Why don't we postpone this to --

7 CHAIR BRACKPOOL: I think we should bring this

8 back --

9 COMMISSIONER ROSENBERG: -- to get their --

10 CHAIR BRACKPOOL: -- in January --

11 COMMISSIONER ROSENBERG: Yeah.

12 CHAIR BRACKPOOL: -- with some more detail.

13 COMMISSIONER ROSENBERG: Or February. Yeah.

14 CHAIR BRACKPOOL: Yeah.

15 MR. KORBY: We'd be -- we'd be glad -- we'd be glad

16 to give you --

17 VICE CHAIR ISRAEL: And -- okay. Chris --

18 MR. KORBY: -- a report that reflects this.

19 VICE CHAIR ISRAEL: -- but when you do I'd like --

20 somebody needs to measure the efficacy of all this stuff. This

21 has been going on since I have been on the Board. And you

22 know, nobody knows what works. And so there's these

23 expenditures without any results measurement.

24 MR. KORBY: I'd -- I'd like to offer one response to

25 that, and specifically with respect to the -- the recruitment

1 component of what we're talking about with product enhancement.  
2 We have some very good measurements of what the impact of the  
3 recruitment programs that have been done by CARF and by Del Mar  
4 have been. And that's one reason that I think there was --  
5 there was general -- a general sense of wanting to go in this  
6 direction because they -- they were effective, they were  
7 demonstrably effective.

8 VICE CHAIR ISRAEL: We need to -- we need to  
9 understand if this is working. Because, you know, I still am  
10 of the opinion that the race tracks would probably do a better  
11 job promoting themselves, but -- you know, and the money should  
12 be redirected.

13 CHAIR BRACKPOOL: All right. So when you come back,  
14 and we'll figure out whether it's January or February, we'd  
15 like not just a budget but we'd like to know what else is left  
16 over, allocated, spent elsewhere. Let's go through it program  
17 by program and let's explain the programs. And if you've got  
18 the data that shows --

19 MR. KORBY: Uh-huh.

20 CHAIR BRACKPOOL: -- that recruitment works, let's  
21 hear it; right? But don't make us --

22 MR. KORBY: So we'll -- we'll --

23 CHAIR BRACKPOOL: -- drag it out of you like this.  
24 This is painful.

25 COMMISSIONER ROSENBERG: Also, one more thing, could

1 you also bring to us a report -- we've spent a lot of money,  
2 the CMC spent a lot of money --

3 MR. KORBY: Uh-huh.

4 COMMISSIONER ROSENBERG: -- on a marketing study.  
5 That marketing study, aside from the logo design --

6 MR. KORBY: Uh-huh.

7 COMMISSIONER ROSENBERG: -- the marketing study, a  
8 lot of time was spent by a lot of people.

9 MR. KORBY: Uh-huh.

10 COMMISSIONER DEREK: And we still haven't gotten that  
11 survey --

12 COMMISSIONER ROSENBERG: It's --

13 COMMISSIONER DEREK: -- information.

14 COMMISSIONER ROSENBERG: It's available. That should  
15 be -- the summary of that should be reported to us. I'm sure  
16 that the marketing guys at the race tracks have it. But it  
17 should be reported to us and to the public as to what was  
18 discovered as to the --

19 COMMISSIONER DEREK: I asked for it --

20 COMMISSIONER ROSENBERG: Yeah.

21 COMMISSIONER DEREK: -- some time ago.

22 CHAIR BRACKPOOL: Okay. So we have marching orders.

23 MR. KORBY: We'll come back with a comprehensive  
24 report for you.

25 CHAIR BRACKPOOL: All right. That concludes item

1 number six.

2           Item number seven -- boy, there's nothing contentious  
3 here today -- discussion and action by the Board about  
4 requiring paramedics in the on-track ambulance.

5           COMMISSIONER DEREK: Yes.

6           CHAIR BRACKPOOL: Commissioner Derek, would you lead  
7 us in song?

8           COMMISSIONER DEREK: Yes. I apologize, Chairman  
9 Brackpool. I was hoping there was something that we could take  
10 action on today. It's a very complicated issue, the paramedic  
11 versus EMT. It's taken longer than expected because I think  
12 there was some confusion and dissention among the riders. But  
13 I believe as of this morning they are in agreement that there  
14 should be at least one paramedic in the ambulance.

15           Now that we know the difference in care I don't think  
16 we can go back to the status quo of basic life support. I  
17 think we have to provide advanced life support to our injured  
18 riders. It's just a matter of logistics now, one ambulance or  
19 two, all paramedics or mixed team of paramedics and EMTs,  
20 paramedics during training. I would ask the race tracks to  
21 continue to provide at least one paramedic to their ambulance  
22 crew as they are now on a voluntary basis because it's the  
23 right thing to do. And this should apply, I believe, to  
24 morning training also.

25           In the meantime, because of various county

1 regulations and protocols where race tracks are located, I  
2 recommend that a committee look into adopting the Del Mar  
3 example to each race track. Del Mar and Kim Jacobson in  
4 particular in her position as risk manager has worked on this  
5 for some time and developed a very high standard of safety at  
6 Del Mar's meet earlier this year. Kim has offered to serve on  
7 this committee.

8 I would also ask that the race tracks be sure to work  
9 with our safety steward, Louie Jauregui, to be sure that the  
10 ambulance crew have sufficient orientation to the race track  
11 and the particular scenarios involved in horse racing  
12 accidents. I think that this wasn't the case at Hollywood this  
13 meet and I think there were some problems that have been worked  
14 out now. But I think they could have been avoided if there was  
15 some kind of orientation to the new crew.

16 CHAIR BRACKPOOL: Yeah. I have a couple of  
17 questions. But we -- we have some speakers on this issue, so  
18 I'm going to let the speakers speak. And then perhaps we can  
19 figure out where we go, because I want to make sure that we're  
20 not one foot in each boat on this at the moment --

21 COMMISSIONER DEREK: Uh-huh.

22 CHAIR BRACKPOOL: -- which I fear we might be a  
23 little bit. Okay.

24 First speaker, Rod Blonien from Los Alamitos. Yeah.  
25 It's easier for the web is you're on that microphone.

1 MR. BLONIEN: Thank you, Mr. Chairman, and good  
2 morning, Members. First of all --

3 CHAIR BRACKPOOL: Name and affiliation for the  
4 record.

5 MR. BLONIEN: Oh. Rod Blonien, Los Alamitos Race  
6 Course.

7 First of all, I would like everyone to know that at  
8 Los Al we take the safety of our riders very, very seriously.  
9 Los Al is owned by Dr. Ed Allred, who is a medical doctor, and  
10 who at one time even worked here at Hollywood Park providing  
11 medical services to injured riders and to patrons that were  
12 here at -- at the track.

13 In addition to that I should tell you that Los Al  
14 provides workers' comp insurance for about 95 percent of the  
15 riders in the State of California. We -- a number of years ago  
16 we formed a workers' comp entity to provide workers' comp for  
17 the riders at Los Al and backstretch employees. And we had one  
18 or two thoroughbred trainers that were part of that group,  
19 including Bob Baffert. Currently many more thoroughbred  
20 trainers get their workers' comp from Los Al. And if anyone  
21 has an interest in seeing that the riders are protected and  
22 given adequate medical care it's Los Alamitos.

23 In order to make the workers' comp program work Dr.  
24 Allred has to personally guarantee, I think it's around \$15  
25 million umbrella coverage in order to get the workers' comp

1 carrier to put the program together for Los Al. So we are  
2 certainly more invested than any other race track in California  
3 in seeing that our riders and backstretch employees are given  
4 the best medical care possible.

5           And it is for that reason that we have two ambulances  
6 at Los Al at all times that racing is conducted and at all  
7 times when training is being conducted. We have four EMTs and  
8 we have a program that integrates our ambulances that we get  
9 from Huntington Ambulance with the paramedics -- excuse me,  
10 with the EMTs and with the county paramedics.

11           In Orange County the only individuals that may give  
12 paramedic services are those that are employed by Orange County  
13 Fire Department. In Orange County they have an emergency  
14 medical services director. He had reviewed our medical care  
15 program and feels that it is a very good program. We've spoken  
16 to him in the last week, and we intend to get together with him  
17 and some of our riders early next year to go over the program  
18 again and to talk about the program.

19           I think some of you have seen the NRTA Safety and  
20 Integrity Alliance Medical Director Committee's report. And I  
21 just want to quote from one sentence from that report that  
22 says, "The Alliance does not advocate or endorse a one-size-  
23 fits-all for all race tracks in the country." We think that is  
24 particularly true in terms of Los Alamitos.

25           The fire department that gives assistance to Los Al

1 paramedic services is less than 100 yards from the back gate of  
2 Los Al. If there is an emergency that the ambulance service  
3 feels needs paramedic services there is a call made to the fire  
4 department. They roll right over. They have an electronic  
5 opener to open the back part of the gate, and they're on the  
6 track. How often does that occur? That occurs one or two  
7 times a year.

8           And also, again, a little difference in terms of  
9 Orange County, the fire department does not transport injured  
10 workers to the hospital.

11           COMMISSIONER DEREK: I know.

12           MR. BLONIEN: A private ambulance --

13           CHAIR BRACKPOOL: I take it a lot of this details is  
14 going to be good --

15           COMMISSIONER DEREK: Yes.

16           CHAIR BRACKPOOL: -- for the meeting that -- that  
17 Chairperson Derek is going to hold for her -- her committee.  
18 If there's something in particular now you want to wrap up  
19 with, now would be a good time to do it.

20           MR. BLONIEN: Well, I -- we certainly welcome the  
21 opportunity to work with Commissioner Derek on this issue.  
22 I -- because it says for discussion and action, I felt I needed  
23 to give a more in-depth briefing.

24           CHAIR BRACKPOOL: And as she just said, we are  
25 unlikely to be taking action on it today. But thank you for

1 your --

2 COMMISSIONER DEREK: Can I just ask one question?

3 When you're -- you're --

4 MR. BLONIEN: Bo, you can ask two or three questions.

5 COMMISSIONER DEREK: When your EMTs take an injured  
6 rider to the nearest emergency room is that a trauma room?

7 MR. BLONIEN: Depending upon the seriousness of the  
8 injury. If -- if we need to we can transport to trauma, or we  
9 can transport to the --

10 COMMISSIONER DEREK: But your closest one?

11 MR. BLONIEN: The closes hospital is Los Alamitos  
12 Hospital which is about a mile-and-a-half away. And in terms  
13 of trauma, I'm not certain where that is located.

14 COMMISSIONER DEREK: Okay.

15 MR. BLONIEN: Thank you.

16 COMMISSIONER DEREK: Thank you. We'll find out in  
17 the committee.

18 CHAIR BRACKPOOL: Okay.

19 MR. BLONIEN: Thanks.

20 CHAIR BRACKPOOL: I have two speakers from Huntington  
21 and two speakers from McCormick. I would admonish the  
22 speakers, this is not a competition. If you have something  
23 different to say from each other, you have something different,  
24 but let's go first whoever would like to speak on behalf of  
25 Huntington.

1 MS. O'BRYAN: Stacey O'Bryan, Huntington Ambulance.  
2 And since we're not going to make any decision today, I think  
3 everybody is aware of my position. And like you said, it is  
4 not a competition between the two ambulance companies at all.

5 CHAIR BRACKPOOL: Right.

6 MS. O'BRYAN: It's all about the riders. So as long  
7 as they're aware of both sides then I'm happy.

8 CHAIR BRACKPOOL: Exactly. Todd, did you have  
9 something to add to that that's different?

10 MR. JONES: Yes. Todd Jones, Huntington Ambulance.  
11 I just wanted to state, also, that we work with the paramedics  
12 for a lot of years and we have the most -- utmost respect for  
13 them, and we work along with them. But my contestant is  
14 getting the riders over to a higher level of care is, I think,  
15 the imminent and the main goal here, is getting them to the  
16 highest level of care.

17 CHAIR BRACKPOOL: Thank you for those words.

18 So I have either Mike Henderson or Carol Meyer from  
19 McCormick.

20 MR. HENDERSON: Good morning. Mike Henderson,  
21 McCormick Ambulance. I'm the vice president of operations and  
22 a licensed L.A. County paramedic. I'm also here with Carol  
23 Meyer who is the former director of EMS for Los Angeles County.  
24 We're simply here as a resource for you should you have any  
25 questions, if there's anything that we can clarify for you.

1 She's very familiar with the history of the policies and  
2 procedures in Los Angeles County.

3 CHAIR BRACKPOOL: Right. Well, as I -- as  
4 Commissioner Derek had -- had said this has been an issue in  
5 front of us now for several meetings. We intend to get this  
6 right. So we're going to keep working it and working it.

7 I have one last speaker on the issue, Barry Broad,  
8 Jockeys' Guild.

9 MR. BROAD: Barry Broad on behalf of the Jockeys'  
10 Guild. I just wanted to say that we've reached the conclusion  
11 after exhaustively looking at the scope of practice, of EMTs  
12 versus paramedics, and all the issues related to it that it's  
13 clear to us that paramedics provide a much higher level of  
14 service. They're able to do things in the first several  
15 minutes before transportation that an EMT simply can not do  
16 that in some circumstances that is absolutely necessary to save  
17 someone's life, that immediately transporting them to the  
18 nearest hospital is not always the best choice because the  
19 nearest hospital, if it's not a trauma center, may not be able  
20 to deal with the issue, and then they have to be transported  
21 again, and that has occurred.

22 So that's our view of the situation. And we'd like  
23 to keep, you know, talking about it, but that's the conclusion  
24 we've reached. Thank you.

25 CHAIR BRACKPOOL: Thank you. Thank you, Barry.

1           So, Commissioner Derek, if I can just summarize where  
2 I think we are, because we've imposed and some tracks have  
3 volunteered --

4           COMMISSIONER DEREK: Yes.

5           CHAIR BRACKPOOL: -- different structures. At the  
6 moment we have granted a license to, obviously, the existing  
7 last few days of Hollywood, but we've granted a license to Los  
8 Angeles Turf Club for the Santa Anita meet, and they're going  
9 with the paramedic. So what your plan is, is to hold a  
10 committee meeting, have all of this testimony in great detail,  
11 and then come back with an absolute recommendation to this  
12 Board as to how we should proceed?

13           COMMISSIONER DEREK: Yes. Because I think there  
14 has -- there has to be a standard of protocols. But because of  
15 county holding -- being in charge of those protocols over the  
16 state I think that we will have to make some adaptations for  
17 those specific counties and their rules. I don't think it's an  
18 impossibility, but I don't think we can just throw out our  
19 demands and make every track adhere to them.

20           CHAIR BRACKPOOL: And we obviously have the county-  
21 to-county -- county-by-county issue --

22           COMMISSIONER DEREK: Exactly.

23           CHAIR BRACKPOOL: -- as well. So how are you  
24 intending to work through that?

25           COMMISSIONER DEREK: I think we can talk to some

1 various -- hopefully some paramedic companies in the -- in  
2 those specific counties and talk about different scenarios.

3 CHAIR BRACKPOOL: This is the issue, that each county  
4 seems to have a different regulation --

5 COMMISSIONER DEREK: Exactly.

6 CHAIR BRACKPOOL: -- as to who's authorized or not.

7 COMMISSIONER DEREK: And Orange County seems to have  
8 a monopoly on this -- on this situation. So -- and we're  
9 looking at possibly hiring -- having -- making the tracks hire  
10 fireman who are -- who are off duty --

11 CHAIR BRACKPOOL: Right.

12 COMMISSIONER DEREK: -- and paying double-time and  
13 things like that. So I think that's just a matter of -- of the  
14 logistics and trying to get the best care for the riders on the  
15 scene.

16 CHAIR BRACKPOOL: I mean, I just -- I want you to  
17 keep working on this because --

18 COMMISSIONER DEREK: Yes.

19 CHAIR BRACKPOOL: -- I think that this Board could do  
20 little better with its, you know, time and process than to  
21 resolve this issue for the betterment --

22 COMMISSIONER DEREK: Yes.

23 CHAIR BRACKPOOL: -- of the jockey care once and for  
24 all. So if there's --

25 COMMISSIONER DEREK: Yes.

1 CHAIR BRACKPOOL: -- any improvement we can make I  
2 think that's a great --

3 COMMISSIONER DEREK: And I'd like to thank  
4 specifically Hollywood Park and Los Angeles Turf Club and Del  
5 Mar for doing this voluntarily in the meantime.

6 CHAIR BRACKPOOL: Right. Commissioner Moss.

7 COMMISSIONER MOSS: Yeah. I just was curious, what's  
8 the difficulty in just assuring that there's a paramedic on  
9 each ambulance?

10 COMMISSIONER DEREK: Particularly in Orange County  
11 that becomes complicated because the county is in charge and  
12 the fire department is in charge of all paramedics, or  
13 something to that effect.

14 CHAIR BRACKPOOL: Right. But this is what we're  
15 going to work through, and work through the details and come  
16 back with a comprehensive recommendation. So we may have this  
17 for the February meeting?

18 COMMISSIONER DEREK: Yes, I believe so.

19 CHAIR BRACKPOOL: Good. Good. All right. No  
20 further on that one.

21 And this one is going to surprise you all. The  
22 monthly discussion and action by the Board regarding the  
23 allocation of 2012 precise races dates and overlap between  
24 Golden Gate and Humboldt County Fair at Ferndale, we have a  
25 solution.

1 COMMISSIONER DEREK: No.

2 VICE CHAIR ISRAEL: We have to approve it though.

3 CHAIR BRACKPOOL: So I'm going to ask the victorious  
4 negotiators to step forth. All right. Names and affiliations  
5 for the record please.

6 MR. TITUS: Stuart Titus, General Manager, Humboldt  
7 County Fair.

8 MR. MORGAN: James Morgan, Special Counsel, Humboldt  
9 County Fair.

10 MR. RAFFETTO: Lou Raffetto, President, TOC.

11 MR. MORRIS: Joe Morris, General Manager, Golden Gate  
12 Fields.

13 CHAIR BRACKPOOL: Okay. Josh, are you joining this  
14 esteemed group here please? And just name and affiliation for  
15 the record.

16 MR. RUBENSTEIN: Josh Rubenstein, Del Mar.

17 CHAIR BRACKPOOL: Okay. I think the simplest way to  
18 do this is probably just to go through the dates that have been  
19 agreed, and then I'll say a few words. So if we could read I  
20 so that Jackie in particular can take down the -- the exact  
21 dates that would be terrific.

22 MR. MORRIS: Okay. Mr. Chairman, Joe Morris, Golden  
23 Gate Field. And thank you for your involvement and your  
24 helping us settle it. This is the group here at the table that  
25 has worked this scenario out.

1           We'll start on August 15th, and August 15th and  
2 August 16th, Wednesday, Thursday, will be -- Ferndale will be  
3 the host, and we'll have those dates un-overlapped. On the  
4 17th, 18th and 19th Golden Gate will be the host, and we will  
5 run overlapped with the Ferndale Fair. On the August 22nd and  
6 23rd, the Wednesday, Thursday, again Ferndale will be the host  
7 and they will run un-overlapped. And on August 24th, 25th, and  
8 26th Golden Gate will be the host and we will run overlapped on  
9 that weekend. Those are the dates involved.

10           CHAIR BRACKPOOL: Thank you. Humboldt?

11           MR. MORGAN: That's consistent with our  
12 understanding. We appreciate the efforts that you have made,  
13 Mr. Chairman, to facilitate this. I think it's important for  
14 the record to note some of the financial arrangements that  
15 are -- made this deal possible. Josh Rubenstein of Del Mar has  
16 pledged that Humboldt shall receive 75 percent of the on-track  
17 wagers for Northern California, and the ITW monies for the  
18 overlap dates of August 17th, 18th and 19th, recognizing the  
19 economic reality that Del Mar benefits from having Ferndale run  
20 with that overlap.

21           CHAIR BRACKPOOL: I just want for this purpose to do  
22 the dates because the --

23           MR. MORGAN: Oh, that's fine.

24           CHAIR BRACKPOOL: -- the interaction between, you  
25 know, all of the different arrangements are not something that

1 the audience particularly, especially on web, needs to sit and  
2 spend --

3 MR. MORGAN: That's --

4 CHAIR BRACKPOOL: -- a whole lot of time --

5 MR. MORGAN: That's fine.

6 CHAIR BRACKPOOL: -- listening to the detail. We'll  
7 work that out between us. But -- but I just wanted you to  
8 confirm Joe's reading of the dates and the overlaps and --  
9 and -- and not overlapped dates.

10 MR. MORGAN: That is confirmed.

11 CHAIR BRACKPOOL: Okay. And, Lou, on behalf of the  
12 TOC?

13 MR. RAFFETTO: Yeah. We -- we wanted to see this  
14 come to an end, as everybody else did. And we're more -- more  
15 than willing to cooperate to help bring that, as -- as Del Mar  
16 did. And again, we appreciate the chairman's help in this and  
17 cooperation of everybody involved.

18 CHAIR BRACKPOOL: Okay. So I would just conclude  
19 by -- by saying that, you know, this is again a one-year  
20 resolution of this issue. I spent some time with, you know,  
21 both of you over the last few weeks and again today. You know,  
22 I urge you to think as broadly as possible as to what else we  
23 can do to encourage sponsorship, etcetera. I very much wanted  
24 to see this fair continue, having been there. I think it's --  
25 it's a wonderful spectacle. I think it's a great thing. I'd

1 like to be able to do it. But we all have to look at the  
2 economic realities, as well.

3           So I think it's great that it's -- it's been able  
4 to -- to come together. And I'd especially like to thank the  
5 other participants, TOC, Golden Gate and Del Mar for their help  
6 in this, as well.

7           Before I make a motion to approve the dates,  
8 Commissioner Choper has a question.

9           COMMISSIONER CHOPER: Yeah. I don't want to touch  
10 what happened this year. And I want to express the Board's  
11 appreciation to the chairman for knocking some -- I mean,  
12 negotiating the matter successfully.

13           You know, I was taken in preparing for this the --  
14 the notion -- no, the fact that you put it in and includes a 6-  
15 and-a-half -- \$6.4 million impact on the surrounding  
16 communities. The future has not been settled yet. In my  
17 judgment they ought to make some contribution too. They are  
18 major beneficiaries of the continuation of the Humboldt Fair.  
19 And just as has been expressed up here all the time, we would  
20 like to see it go too.

21           But you folks ought to make some real effort, may I  
22 urge you, to -- I don't know what the, you know, relevant  
23 agencies are that you can get the money for, and I understand  
24 we're helped a great deal by Del Mar and Golden Gate by this,  
25 but my point is they ought to contribute. That's all I want to

1 say.

2 CHAIR BRACKPOOL: Good point. If there are no  
3 further comments I would like to make a motion to approve the  
4 dates as read into the record for the Humboldt County and  
5 Golden Gate, which then completes the absolutely racing  
6 calendars for 2012.

7 Can I have a second on that? Seconded by  
8 Commissioner Moss. All in favor?

9 ALL COMMISSIONERS: Aye.

10 CHAIR BRACKPOOL: The motion is approved. That  
11 concludes the open portion of this meeting. Thank you.

12 (Thereupon the California Horse Racing Board Regular Meeting  
13 went into a Closed Session at 11:42 a.m., then was adjourned.)

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