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13
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MEETING
STATE OF CALIFORNIA
HORSE RACING BOARD

In the Matter of)
)
Regular Meeting)

SANTA ANITA PARK RACE TRACK
BALDWIN TERRACE ROOM
285 WEST HUNTINGTON DRIVE
ARCADIA, CALIFORNIA

THURSDAY, OCTOBER 24, 2013

9:33 A.M.

Reported by:
Cynthia Lamb, CSR 8349

1 APPEARANCES

2 COMMISSIONERS

3 David Israel, Chairperson

4 Chuck Winner, Vice Chair

5 Richard Rosenberg, Commissioner

6 Steve Beneto, Commissioner

7 Bo Derek, Commissioner

8 George Krikorian, Commissioner

9

10 STAFF

11 Robert Miller, Staff Counsel

12 Jacqueline Wagner, Assistant Executive Director

13 Mike Marten

14 Richard Arthur, M.D., Equine Medical Director

15

16 ALSO PRESENT

17 John H. Bucalo, Barona Casino

18 Chris Korby, CARF

19 George Haines, Santa Anita Race Track

20 Bob Elliston, Breeders' Cup

21 Joe Morris, TOC

22 Scott Daruty, Santa Anita Race Track

23 Alan Balch, CTT

24 Brad McKenzie, Los Alamitos Race Course

25 Rick Baedeker, Cal Expo

1 APPEARANCES (CONT.)

2 ALSO PRESENT (CONT.)

3

4 Tawny Tesconi, Sonoma County Fair

5 Cal Rainey, Golden Gate Fields

6 Frank DeMarco, Santa Anita

7 Rick English, Los Alamitos

8 David Jerkins, Golden Gate Fields

9 Dan Cirimele, Golden Gate Fields

10 Ed Cummings, Watch and Wager

11 Ben Kinney, Watch and Wager

12 Chris Schick, Watch and Wager

13 Barry Broad, Watch and Wager

14 Mark Kelegian, Ocean's Eleven

15 Josh Rubenstein, Del Mar

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18

19

20

21

22

23

24

25

INDEX

Action Items:	Page
1. Approval of the Minutes of September 19, 2013	13
2. Public Comment: Communications, reports, requests for future actions of the Board: Note: Persons addressing the Board under this item will be restricted to three (3) minutes for their presentations.	13
3. Discussion and action by the Board regarding the distribution of race day charity proceeds of the Los Angeles Turf Club in the amount of \$129,734 to fourteen beneficiaries.	15
4. Discussion and action by the Board regarding the distribution of race day charity proceeds of the Los Alamitos Quarter Horse Racing Association in the amount of \$36,266 to five beneficiaries.	16
5. Discussion and action by the Board on the Application for License to Conduct a Horse Racing Meeting of the Los Angeles Turf Club (T) at Santa Anita Park Race Track	17

INDEX

1	Action Items:	Page
3		
4	6. Discussion and action by the Board on the Application for License to Conduct a horse Racing Meeting of the Pacific Racing Association (T) at Golden Gate Fields, commencing December 26, 2013 through June 18, 2014, inclusive.	23
10		
11	7. Discussion and action by the Board on the Application for License to Conduct a Horse Racing Meeting of Watch and Wager, LLC (H) at Cal Expo, commencing December 26, 2013 through May 25, 2014, inclusive.	40
16		
17	8. Discussion and action by the Board on the Application for License to Conduct a Horse Racing Meeting of the Los Alamitos Quarter Horse Racing Association (Q) at Los Alamitos Race Course, commencing December 28, 2013 through December 22, 2014, inclusive.	45
23		
24		
25		

INDEX

Action Items:	Page
9. Discussion and action by the Board on the Application for License to Operate a Minisatellite Wagering Facility at the Ocean's Eleven Casino in Oceanside, California, for a period of up to five years.	71
10. Discussion and action by the Board regarding the Arabian race scheduled to be run at the Breeders' Cup on Friday, November 1, 2013 and its placement on the race card.	80
11. Discussion and action by the Board regarding the feasibility of amending CHRB Rule 1433, Application for License to Conduct a Horse Racing Meeting, to add to the license application the take-out rate on the proposed pari-mutuel wagering schedule.	86

INDEX

2	Action Items:	Page
3		
4	12. Discussion and action by the Board regarding	88
5	the proposed addition of CHRB Rule 1500.2,	
6	Daily Drug Testing of Racing Participants,	
7	to allow drug testing of exercise riders,	
8	racing officials and stewards whose names	
9	appear on the official programs, as well as	
10	outriders, starting gate crew, trainers,	
11	hot walkers and grooms.	
12		
13	13. Discussion and action by the Board regarding	89
14	the proposed addition of CHRB Rule 1498.1,	
15	Exercise Rider Physical Examination, to require	
16	that exercise riders undergo an annual	
17	physical examination prior to the race	
18	meeting of the year in which they intend to	
19	participate.	
20		
21	14. Discussion and action by the Board regarding	93
22	technical approval of the Southern California	
23	auxiliary stabling and vanning agreement	
24	for the 2014/2015 racing year.	

25

INDEX

2	Action Items:	Page
3		
4	15. Report and update regarding 2013 signed horse racing legislation.	128
6		
7	16. Discussion and action by the Board regarding the proposed amendment to CHRB Rule 1632, Jockey's Riding Fee, to prohibit the deduction of any portion of entry, nomination, or other fees are paid exclusively by the owner and are not reimbursed by any other person or entity.	128
14		
15	17. Discussion and action by the Board on the report from the Stewards Committee including jockey's use of communication devices in the jockey's room.	134
19		
20	18. Report from the Medication and Track Safety Committee.	145
22		
23		
24		
25		

INDEX

2	Action Items:	Page
3		
4	19. Discussion and action by the Board regarding	147
5	the request to suspend authorization for the	
6	anabolic steroid Stanozolol pursuant to the	
7	provisions of CHRB Rule 1844.1, Suspension	
8	of Authorized Medication, for a period of	
9	twelve months beginning December 26, 2013	
10	through December 25, 2014.	
11		
12	20. Report from the Jockey Welfare Committee.	158
13	21. Discussion and action by the Board regarding	161
14	the proposed amendment to CHRB Rule 1689.1,	
15	Safety Vest Required, to require pony riders to	
16	wear a safety vest.	
17		
18	22. Report from the Northern California Racing	161
19	Ad Hoc Committee.	
20	23. Discussion and action by the Board regarding	162
21	the allocation of the Northern California	
22	2014/2015 racing calendar and related issues	
23	for 2014/2015.	
24		
25		

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX

Action Items:

Page

24. Closed Session.

188

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
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24
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P R O C E E D I N G S

9:33 a.m.

PROCEEDINGS BEGIN AT 9:33 A.M.

(The meeting was called to order at 9:33 A.M.)

ARCADIA, CALIFORNIA, THURSDAY, OCTOBER 24, 2013

MEETING BEGINS AT 9:33 A.M.

CHAIR ISRAEL: Ladies and gentlemen, this meeting of the California Horse Racing Board will come to order, please take your seats. That includes you, Mike.

This is the regular noticed meeting of the California Horse Racing Board on Thursday, October 24, 2013 at the Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California.

Present at today's meeting are David Israel, Chairman, Chuck Winner, Vice Chairman, Steve Beneto, Commissioner, Bo Derek, Commissioner, George Krikorian, Commissioner, Richard Rosenberg, Commissioner.

Before we go on to the business of the meeting, there are a few comments that need to be made. 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 the public comment period if the matter concerns

1 horse racing in California.

2 Two: In order to ensure all individuals have
3 an opportunity to speak and the meeting proceeds in a
4 timely fashion, we will strictly enforce the three-minute
5 time limit rule for each speaker, the three-minute time
6 limit will be enforced during discussion of all matters
7 as stated on the agenda as well as during the public
8 comment period and Mike Marten is the official time
9 keeper and he has it on his computer over there.

10 There is a public comment sign-in sheet for
11 each agenda matter on which the Board invites -- there
12 are actually cards for those of you who might be new
13 because it is Breeders' Cup coming up.

14 Also, there is a sign-in sheet for those
15 wishing to speak during the public comment period for
16 matters not on the Board's agenda if it concerns horse
17 racing in California.

18 Please print your name legibly on the sign-in
19 sheet. When the matter is open for public comment, your
20 name will be called. Please come to the podium and
21 introduce yourself by stating your name and organization
22 clearly.

23 This is necessary for the court reporter to
24 have a clear record of all who speak. When your three
25 minutes are up, the Chairman will ask -- the Chairman. I

1 always speak about myself in the third person -- will ask
2 you to return to your seat so others can be heard.

3 When all the names have been called, I will
4 ask if there is anyone else who would like to speak on
5 the matter before the Board. Also, the Board may ask
6 questions of individuals who speak.

7 If a speaker repeats himself or herself, the
8 Chair will ask if the speaker has any new comments to
9 make. If there are none, the speaker will be asked to
10 let others make comments to the Board. And with that, we
11 will move on.

12 First item on the agenda is approval of the
13 Minutes of the September 19, 2013 meeting. Are there any
14 discussions? Questions? Is there a motion?

15 VICE CHAIR WINNER: So moved.

16 CHAIR ISRAEL: Moved by Vice Chair Winner. Is
17 there a second?

18 COMMISSIONER ROSENBERG: Second.

19 CHAIR ISRAEL: Second by Commissioner Rosenberg.
20 Any objection? The motion passes.

21 Public comment: John Bucalo, Off-Track
22 Betting Manager of Barona.

23 MR. BUCALO: Good morning, Chairman Israel, Vice
24 Chairman Winner and distinguished members of the Board.
25 John Bucalo. I am making this comment representing

1 myself.

2 I recently became aware that the new
3 satellite was opening up and they were going to receive
4 one percent through commission.

5 They were going to have to split a percentage
6 with another satellite who -- because they were in the
7 twenty-mile radius -- and then there was going to be
8 another one point something that was going to go to
9 Sportech.

10 And I think if we are going -- if you are
11 going to open up satellites, you have got to set a
12 satellite up to be solvent, to be successful and giving
13 the satellite one percent as a gross commission is
14 setting them up for failure.

15 There is housekeeping, there is servers,
16 there is all kinds of expenses that the satellite has to
17 pay and if they have to pay that with their gross one
18 percent, what is left over to make any money?

19 Do we not want the satellites to succeed that
20 we are going to open up and if we do, we can't let them
21 open it and set them up for failure and I believe that is
22 what is going to happen.

23 We know what happened in New York, we know
24 what happened in Bakersfield. They just closed down,
25 Tulare is ready to close down. We must make them

1 successful.

2 If it is a positive thing for this business,
3 for the horsemen, the State and everybody, then by God,
4 let's make it successful. Again, I am representing
5 myself with this comment and I appreciate the
6 opportunity. Thank you.

7 CHAIR ISRAEL: Who is about to close down did you
8 say?

9 MR. BUCALO: Tulare.

10 CHAIR ISRAEL: Who?

11 MR. BUCALO: Tulare.

12 CHAIR ISRAEL: Oh, Tulare County.

13 MR. BUCALO: Thank you very much.

14 CHAIR ISRAEL: Okay. Item three. Discussion and
15 action by the Board regarding the distribution of
16 race-day charity proceeds of the Los Angeles Turf Club in
17 the amount of \$129,734 to fourteen beneficiaries.

18 MR. DEMARCO: Frank DeMarco for Santa Anita.

19 CHAIR ISRAEL: Okay, Frank. Do you want to tell us
20 what you did here.

21 MR. DEMARCO: What we did was contribute one
22 hundred percent on the allocable portions to
23 horse-related charities.

24 CHAIR ISRAEL: Okay. Anybody on the Board have any
25 questions?

1 COMMISSIONER DEREK: We collectively thank you very
2 much.

3 CHAIR ISRAEL: Okay. That is it?

4 COMMISSIONER DEREK: I am thrilled. I am thrilled.
5 I would like the other tracks to look at this as an
6 example and maybe a model to follow.

7 CHAIR ISRAEL: Okay. Is there a motion to approve
8 this?

9 COMMISSIONER DEREK: I will.

10 CHAIR ISRAEL: Moved by Commissioner Derek,
11 seconded by Commissioner Beneto. Any opposition?

12 (No audible response.)

13 CHAIR ISRAEL: The motion passes unanimously. See
14 you later, Frank. Thanks.

15 MR. DEMARCO: Thank you.

16 VICE CHAIR WINNER: Thanks Frank. Thanks for
17 coming up.

18 CHAIR ISRAEL: You will be back. Discussion and
19 action by the Board regarding the distribution of race
20 day charity proceeds of the Los Alamitos Quarter Horse
21 Racing Association in the amount of \$36,266 to five
22 beneficiaries.

23 MR. ENGLISH: Good morning, Commissioners.
24 Rick English speaking for Los Alamitos. We presented our
25 proposed distribution and look for your approval.

1 CHAIR ISRAEL: And again, does anybody have any
2 questions or comments? None? Is there a motion?

3 COMMISSIONER ROSENBERG: Motion.

4 CHAIR ISRAEL: Moved by Commissioner Rosenberg.
5 Second?

6 COMMISSIONER DEREK: Second.

7 CHAIR ISRAEL: Second by Commissioner Derek. Any
8 opposition?

9 (No audible response.)

10 CHAIR ISRAEL: Motion passes unanimously. Thank
11 you, Rick.

12 MR. ENGLISH: Thank you.

13 COMMISSIONER DEREK: And thank you for the increase
14 in horse-related charities. Thank you.

15 CHAIR ISRAEL: We love it when people give money to
16 the right people.

17 Okay. Item number five. Discussion and
18 action by the Board on the Application for License to
19 Conduct a Horse Racing meeting of the Los Angeles Turf
20 Club at Santa Anita Park Race Track commencing December
21 26, 2013 through June 29th, 2014, inclusive.

22 MR. HAINES: Good morning. Just before we start
23 this, I would like to announce that Conan O'Brien will be
24 announcing the second race today at Santa Anita.

25 CHAIR ISRAEL: Oh yeah? Do you know who gave him

1 his first job?

2 MR. HAINES: You.

3 CHAIR ISRAEL: That is right.

4 MR. HAINES: Today? Tomorrow.

5 COMMISSIONER DEREK: Tomorrow.

6 CHAIR ISRAEL: Oh tomorrow? Okay. So I won't be
7 here. It is okay. All right, well, frankly, as we
8 discussed yesterday, there is no point in proceeding with
9 the application right now because it is egregiously
10 incomplete.

11 If I had the same personality as the current
12 Chairman of Santa Anita, I would scold you. Consider
13 yourself scolded. Do better. Answer all the questions
14 that need to be asked and the one thing that is
15 important, I think is when you go through the purse
16 structure, don't just compare it to the purse structure
17 of your meet that was run from December 26th until April
18 of 2013.

19 Use Hollywood Park's purse structure in the
20 spring-summer meet, add it to yours because that will
21 give us a more rational point of comparison.

22 It will be almost the same on the racing
23 days, the same calendar days, same dates on the calendar
24 and you know, while it is not completely apples to
25 apples, at least it is apples to crab apples instead of

1 to oranges.

2 So it will a more valid way of comparing the
3 numbers. Hopefully, your numbers will be higher for 2014
4 than the combined numbers were because I fully expect in
5 May, particularly during the Triple Crown days, you will
6 do considerably better than they did by virtue of a lot
7 of things.

8 So please take that into consideration but --
9 and also a full and complete marking plan should be
10 submitted. I know they just started full time in the
11 last week but you have a pretty good template here done
12 by this track called "Golden Gate."

13 So something that is as complete as this and
14 as interesting as this and frankly more complete and more
15 interesting because you have got a lot bigger pot of
16 money and a lot more people to serve than they do. So
17 but that is a good place to start. Anybody else want to
18 make a comment before we move on?

19 COMMISSIONER ROSENBERG: Question.

20 CHAIR ISRAEL: Yeah.

21 COMMISSIONER ROSENBERG: It is kind of late to get
22 this done. What specific items are you having problems
23 getting done? I would like to hear some specifics about
24 what the problems are if that is possible or why is it
25 such a delay? I understand the marketing budget because

1 you have a new staff which has been appointed kind of
2 late.

3 And by the way, I agree with Commissioner
4 Israel and the gentleman who did the Golden Gate
5 marketing plan was really excellent.

6 The only thing missing from that was the
7 amount of money to be spent that I couldn't find but the
8 same thing applies here, yeah.

9 CHAIR ISRAEL: Calvin, you can take a bow later
10 where ever you are. Oh, there you are.

11 MR. HAINES: George Haines, Santa Anita. I think
12 that most items are very near completion. We have been
13 having very good talks with the horsemen, both the TOC
14 and the CTT and anticipate getting agreements with them.

15 The one thing that we are working on and I
16 think is important to the entire industry is the stake
17 schedule.

18 With this extended meet, we want to make sure
19 that the Santa Anita stake schedule is in accordance with
20 Los Alamitos and Del Mar so it is a continuous stake
21 schedule between the tracks and we are going to have
22 those meetings upcoming in about the next two weeks so
23 that we can figure this out.

24 There is no use of us trying to run stakes
25 with the same conditions over each other. So I think an

1 open rapport with the other tracks is essential to
2 getting that done.

3 We are working on the marketing plan as we
4 have talked about. We are considering a number of things
5 that would be innovative in you know, dealing with the
6 six-month meet.

7 Maybe we consider a break, a small break
8 somewhere in the calendar and that we would then reinvent
9 our meet in the second half, maybe we would change post
10 time schedules and maybe a Twilight so all those things
11 are under consideration. I think they are all very good
12 things that would benefit the industry.

13 CHAIR ISRAEL: Yeah, I think it is a radical
14 concept that you be cooperating with another track whose
15 meet bumps up against yours but you know, hey, you know,
16 I voted for change twice in the last five years so this
17 is more change. Change is good.

18 VICE CHAIR WINNER: Does that answer your question?

19 COMMISSIONER ROSENBERG: Yes, thank you.

20 CHAIR ISRAEL: And stake schedules are important,
21 obviously and I think taking that break is an interesting
22 concept.

23 It will rest the race track a little bit and
24 make people more eager to come back. I think it gives
25 you -- if you do it when we talked about in late April --

1 it gives you that big push going into the Derby and you
2 know, you can build up momentum all the way through the
3 end of the meet. And so I think that is a good idea.
4 Anybody else?

5 VICE CHAIR WINNER: I was just going to say that I
6 know that Nate is working on the plan and he and I have
7 chatted I know that by the next meeting he is going to
8 have a very good plan for us to look at.

9 CHAIR ISRAEL: Yeah, I mean I can speak -- I know
10 Chuck and I have discussed this so I can speak for the
11 two of us. We are delighted that Nate is back and that
12 he is not going anywhere, so we are pleased by that.

13 COMMISSIONER ROSENBERG: Just one last question on
14 the stabling issue. There are no issues holding you up
15 there in terms of whether you are going to have the four
16 hundred ninety-five stalls at San Luis Rey Down or is
17 there an issue?

18 MR. HAINES: No, there is no issues. We have
19 already taken a voice vote so it is affirmative and then
20 we are just putting together the document that will be
21 out for signature very shortly.

22 COMMISSIONER ROSENBERG: Okay.

23 CHAIR ISRAEL: Okay. Anybody else? Thank you. We
24 will do better next month. A full and complete
25 application with no -- nothing missing will be much

1 appreciated.

2 Okay. Item six. Discussion and action by
3 the Board on the Application for License to Conduct a
4 Horse Racing Meeting of the Pacific Racing Association at
5 Golden Gate Fields commencing December 26, 2013 through
6 June 15, 2014, inclusive. Actually, yeah through June
7 15th.

8 I should note Jackie just told me that we got
9 the horsemen's agreement this morning so that is no
10 longer a missing document.

11 So our only missing documents are pertinent
12 2014 contract agreements with ADW providers and horsemen
13 approval of the ADW provider and a publicity manager
14 license has expired which that is a minor thing, I am
15 sure you guys will take care of.

16 Okay. Would you like to present your
17 application?

18 MR. RAINEY: Good morning, Mr. Chairman, Honorable
19 Members of the Board. Calvin Rainey, Scott Daruty,
20 Dan Cirimele, David Jerkins from Golden Gate Fields.

21 We completed our summer meet in September.
22 We had one of our largest attendance in about six years
23 on the first Sunday of the meet in August with over
24 eleven thousand people.

25 Golden Gate Fields raced two extra days

1 compared to the prior year. The all-source handle for
2 the meet was up four percent. California handle total
3 was up seven point two-five percent and the Cal ADW was
4 up twenty-four percent.

5 Our recently -- fall meeting recently started
6 at Golden Gate Fields, we are off to a good start
7 averaging eight starters per race at the current meet and
8 the winter meet beginning December 26th through June 15th
9 we are racing Thursday through Sunday post a hundred and
10 one days, post time 12:45 and we did renew the publicity
11 license for (inaudible.) Thank you.

12 CHAIR ISRAEL: Questions, comments? Anybody?

13 COMMISSIONER BENETO: Yeah, I do. The summer meet
14 was from August to --

15 MR. RAINEY: September 15th.

16 COMMISSIONER BENETO: I got something that says you
17 guys are around twelve percent. Your racing secretary
18 said. I got an email on that.

19 MR. RAINEY: No, I was just talking about the
20 all-source handle so different pieces of that puzzle.

21 CHAIR ISRAEL: Which is -- twelve percent was one
22 piece of the puzzle that was mitigated by some other
23 piece?

24 MR. RAINEY: Correct.

25 CHAIR ISRAEL: So was that on track?

1 MR. RAINEY: That was all source.

2 CHAIR ISRAEL: All source? Something was down
3 twelve percent. What was down twelve percent? Was any
4 aspect down twelve percent?

5 MR. RAINEY: Yes.

6 CHAIR ISRAEL: Which part?

7 MR. RAINEY: I could get my notes over there.

8 CHAIR ISRAEL: Okay. I will let Steve pose the
9 question.

10 MR. RAINEY: Have you got a copy of that email?

11 COMMISSIONER BENETO: Well, I thought I brought the
12 darned thing.

13 CHAIR ISRAEL: We have been presented with an
14 abundance of paper for this meeting, in case -- I don't
15 know if you noticed. The Amazon rain forest no longer
16 exists. Tried to save it but it is gone.

17 COMMISSIONER BENETO: What was your on-track handle
18 compared to the prior year?

19 CHAIR ISRAEL: While Cal is doing that, we can move
20 on to another subject and then Scott can -- the ADW
21 issue, could you please ...

22 MR. DARUTY: Scott Daruty. In my role with
23 Monarch, we negotiate all of the simulcast agreements for
24 all of the California race tracks.

25 As you may remember just a few years ago,

1 each race track as its meet opened went out and
2 negotiated its own contracts and so you were asking this
3 question before every meet.

4 We all got our act together a couple years
5 ago and now the California tracks sell their signals
6 collectively to the out-of-state locations.

7 That is done once a year. The contracts are
8 good for a year and will cover every meet that takes
9 place during 2014.

10 Those contracts are being prepared right now
11 and will go out probably within the next week to ten
12 days. That gives us a few weeks for the receive
13 locations to ask questions and come back to us with
14 signed documents. So they should all be in place by late
15 November.

16 I know the question that I often get is if we
17 could send them out now, why couldn't we have sent them
18 out thirty days ago and therefore be sitting here today
19 and telling you we have signed contracts.

20 The problem is when we are dealing with the
21 out-of-state locations, they simply don't focus on our
22 2014 meets until the end of the year.

23 So if we were to send them out to the thousand
24 simulcast locations throughout the year -- throughout the
25 world, that we sell the signals to, most of them would

1 really not look at them until the end of the year with
2 our meets coming up anyhow.

3 CHAIR ISRAEL: Okay.

4 COMMISSIONER BENETO: Here it is.

5 CHAIR ISRAEL: You got it? Let's just finish this
6 ADW thing. As you know, the ADW licenses are all up for
7 renewal at the end of the year.

8 I would like to put it on the agenda for
9 November for -- to inspire Xpress Bet, TVG and what is
10 the other one called? The new one from North Dakota,
11 whatever. What is it called? Bet America. Okay. Watch
12 and Wager. That is the new one from Ireland or Wales.
13 Where are you from?

14 MR. CUMMINGS: England.

15 CHAIR ISRAEL: England. Okay. Anyhow, so
16 hopefully all that will be done and all these things can
17 be reviewed at one time of a piece and I know they are
18 disparate in some ways but in some ways they should all
19 be taken together.

20 So just be prepared that in November, we are
21 going to be reviewing all the ADW licenses so if there is
22 any problem with any of them, we can rectify it in the
23 meeting.

24 We are going to have a December meeting --
25 brings that up -- on December 17th. I think everybody

1 agreed to the date which is a Tuesday.

2 It will be either here or at Hollywood Park
3 and the purpose of that meeting is to allow for us to
4 clean up business from November and also to get full
5 reports on everybody who is involved in the new stabling
6 if any agreement in the south, to give us updates on
7 their preparations for the move which would take place
8 February 1st.

9 Okay. That said, let's go back to Steve's
10 question about the handle.

11 COMMISSIONER BENETO: This was sent by your Racing
12 Secretary, Jerkins?

13 MR. JERKINS: That is me. David Jerkins, Racing
14 Secretary, Golden Gate Fields.

15 COMMISSIONER BENETO: Did you send this out?

16 MR. JERKINS: I did not send out an email. You may
17 be referring to a DRF article?

18 COMMISSIONER BENETO: It says the -- I will read
19 the bottom part, okay? I won't read everything. It
20 says, "The nineteen days Golden Gate summer meeting which
21 ran August 17th to September 18th showed a decrease in
22 daily handle -- daily average over a seventeen-day 2012
23 meeting. Daily on-track live handle dipped twelve
24 percent to a hundred sixty-five thousand per day against
25 -- or a hundred sixty-five thousand and I guess what it

1 says here this year was a hundred forty-five thousand.
2 Total on-track live handle dipped one point three
3 percent, seven -- one point seven three percent and it
4 goes on from two million eight to two million seven
5 despite having two extra days of racing."

6 MR. JERKINS: That is correct. We were down twelve
7 percent on-track, now that I look at the specific
8 numbers. Like I said, we were up four percent on the all
9 source.

10 We did also drop on the -- some of the ADW
11 and the California ADW was in the positive but the
12 out-of-state ADW was down forty percent.

13 COMMISSIONER BENETO: It says here, "The daily
14 all-source handle to drop seven point zero six percent
15 from two point eight to two point six.

16 MR. JERKINS: The sheet I am looking at shows
17 forty-eight million, forty-nine million, almost fifty
18 million, increase of about four percent to round it off.

19 CHAIR ISRAEL: Did you run more days or fewer days?

20 MR. JERKINS: We ran two extra days.

21 CHAIR ISRAEL: Okay. This is a day-to-day
22 comparison. This is a per diem comparison, not a gross
23 comparison.

24 VICE CHAIR WINNER: My recollection, Mr. Chairman,
25 is that Mike sent that to us in a collection of newspaper

1 articles.

2 CHAIR ISRAEL: But it is compared to different
3 models. You are using the gross model and Steve is using
4 the per diem model.

5 So the question is why were you down on a per
6 diem. I am speaking for him but why were you on a per
7 diem basis?

8 MR. JERKINS: We do -- we still are running an
9 overlap with the fair, the Humboldt County Fair so the
10 overlap situation is never a positive situation,
11 especially in our Northern California area.

12 CHAIR ISRAEL: Right.

13 MR. JERKINS: So that could have an effect on it.

14 CHAIR ISRAEL: Humboldt.

15 MR. JERKINS: Humboldt, yeah.

16 VICE CHAIR WINNER: Well, are you familiar with
17 this article?

18 MR. JERKINS: No.

19 MR. SCHICK: Actually, that article you are
20 referring to, Commissioner, was in the DRF before our
21 meet started on Thursday and Chuck Dybdal was the author
22 and it was before our meet started and then he put the
23 figures from the previous summer meet. That was not a
24 quote from me. My quotes are in the beginning of the
25 article.

1 COMMISSIONER BENETO: He quotes you though.

2 MR. JERKINS: Right, but not about the handle from
3 the summer meet. The quotes are referring to the
4 beginning of the fall meet that started on Thursday.

5 MR. DARUTY: The California ADW was up almost
6 twenty-four percent as far as --

7 CHAIR ISRAEL: What do you attribute that to?

8 MR. DARUTY: The lack of the other vendor for ADW
9 might be part of that reason.

10 CHAIR ISRAEL: What do you mean?

11 MR. DARUTY: We didn't have TVG operating with our
12 meet in the summer.

13 CHAIR ISRAEL: So you are attributing a decline to
14 that?

15 MR. DARUTY: So there was a decline in the existing
16 ADW but not the TVG ADW.

17 CHAIR ISRAEL: Okay. So in other words, having TVG
18 would have been better for your meet?

19 MR. DARUTY: Correct.

20 CHAIR ISRAEL: Okay. Would you like to address
21 that, Scott?

22 MR. DARUTY: I will let that one go.

23 CHAIR ISRAEL: Okay.

24 COMMISSIONER ROSENBERG: The budget for the Golden
25 Gate marketing plan, there is no budget; right?

1 MR. CIRIMELE: Dan Cirimele, Director of Marketing
2 Golden Gate Fields. We hope to have somewhere close to
3 what we had last year. The reason I didn't include it is
4 we are apparently going through our budget process
5 in-house but you can expect the figure to be very similar
6 to what we had last year.

7 VICE CHAIR WINNER: And what was that? Where is
8 that in here, what it was last year?

9 MR. CIRIMELE: It was one point five million.

10 VICE CHAIR WINNER: Yeah, because there is no
11 number in -- I didn't mean to interrupt you.

12 First of all, I thought it was a very good
13 marketing plan and I congratulate you on doing it. It is
14 very thorough, very complete.

15 But usually it is a good idea to see what you
16 are talking about in terms of numbers and I didn't see
17 anything in here about that.

18 MR. CIRIMELE: Okay.

19 CHAIR ISRAEL: It is especially important now that
20 Commissioner Winner is on the Board because he actually
21 knows what he is looking at as opposed to the rest of us
22 who guess that we know -- presume but and by the way he
23 can -- to everybody -- he can be of great assistance and
24 I am volunteering his services to help you with
25 marketing.

1 VICE CHAIR WINNER: Thanks very much. I don't have
2 anything else to do.

3 CHAIR ISRAEL: So since he is one of the leading
4 marketing people in the State of California if not the
5 country.

6 MR. DARUTY: I would like bring up the fact that
7 our purses for the summer were up compared to the year
8 before by five percent so we actually raised our purses
9 for the summer meet.

10 And we did have some positive aspects of that
11 meet. The runners per race were over seven point five
12 and that was a positive number as well.

13 COMMISSIONER ROSENBERG: Do you have a deficit in
14 the purse account?

15 MR. JERKINS: Dave Jerkins, Racing Secretary,
16 Golden Gate Fields. Right now we are operating with an
17 underpayment.

18 CHAIR ISRAEL: With an underpayment? Good. That
19 is great.

20 MR. JERKINS: Slight underpayment.

21 CHAIR ISRAEL: Okay. Let me just change the
22 subject to something on -- how is the track holding up?
23 How is safety? I mean you know.

24 MR. DARUTY: The track is great. We just did a
25 renovation a couple weeks ago adding about sixty tons of

1 Tapeta and taking out some of the older material that we
2 thought may have been kind of worn out.

3 So we have been doing some renovation and we
4 have another application coming up in November of the
5 polymer winterizer for the track.

6 CHAIR ISRAEL: And the turf course did well through
7 the summer?

8 MR. DARUTY: Turf course did great. We ran over I
9 think fifty-five races in the summer.

10 CHAIR ISRAEL: Right.

11 MR. DARUTY: And ran as many as we could on the
12 turf. It really helped us fill the races.

13 CHAIR ISRAEL: Good. And health and welfare safety
14 you know --

15 MR. DARUTY: We were very fortunate. We didn't
16 have any bad instances.

17 CHAIR ISRAEL: You had no fatal breakdowns the
18 entire summer meet?

19 MR. DARUTY: I don't think we did.

20 CHAIR ISRAEL: Wow. Okay.

21 VICE CHAIR WINNER: It is the Claiming Rule.

22 CHAIR ISRAEL: It is the claiming rule. It is all
23 the good work this Board has done so always got to take a
24 victory lap for that one. Okay. Any other questions?
25 George?

1 COMMISSIONER KRIKORIAN: I have a question
2 unrelated to marketing but I was just curious, how many
3 stalls do you have at Golden Gate?

4 MR. DARUTY: We have roughly fourteen -- fifty or
5 so. We use about thirteen, twenty-five for Thoroughbreds
6 and there are some extra stalls for ponies and horses
7 like that.

8 COMMISSIONER KRIKORIAN: And do you have housing
9 for back-side help?

10 MR. DARUTY: We do, yes.

11 COMMISSIONER KRIKORIAN: What would that consist
12 of?

13 MR. DARUTY: We have tack rooms. Most of them are
14 over the barns kind of dormitory style and I believe that
15 is -- I am not sure what the number is. David, do you
16 have the number? Maybe probably about three hundred
17 people housed there I would say.

18 COMMISSIONER KRIKORIAN: Okay. Thank you.

19 MR. DARUTY: Thank you.

20 CHAIR ISRAEL: Is that okay, George? You got your
21 answer? Anybody else?

22 COMMISSIONER ROSENBERG: Just one question, Dan.
23 The marketing plan, you mentioned is a sort of a
24 phenomenon of the Sunday attendance and you sort of get
25 into that as -- you didn't come to a conclusion but it is

1 interesting how -- I never heard of a track like that in
2 this state or maybe anywhere where they have that it is
3 like a ritual from Sundays and it is not because of the
4 marketing budget for Sundays. Could you explain that?

5 MR. JERKINS: Yeah. Every Sunday we offer what has
6 become Dollar Day and it is actually kind of a -- like
7 you say, it is a phenomenon but it has been marketed
8 pretty heavily for the last -- ever since 2007 that is
9 before I got there.

10 But that has kind of just become the ritual
11 day for people to come out to the track and you know, we
12 are starting to -- seeing a younger crowd come out.
13 Starting to see "Sunday-Funday" shirts. It is really
14 starting to become its own culture behind it.

15 COMMISSIONER ROSENBERG: And you mentioned then
16 some Sundays, you have not had any specific reference to
17 Dollar Days and they still come.

18 MR. JERKINS: Yeah. I mean that is the day -- if
19 you go out into the surrounding area, if you bring up
20 Golden Gate Fields, it tends to be the first thing that
21 people bring up is oh yeah, you guys have Dollar Days, it
22 is a dollar to get in.

23 VICE CHAIR WINNER: What happens when they come out
24 and you don't have Dollar Days? Do they get angry?

25 MR. JERKINS: No, I haven't come across anyone else

1 that has been angry.

2 CHAIR ISRAEL: I am going to be honest with you. I
3 have talked to -- you know I work in the television
4 business -- and I have talked to television people who
5 think racing is stuck in an age that no longer exists by
6 making its big day Saturdays.

7 Every other sport does way, way, way --
8 almost every other entertainment venue except for
9 nighttime does way better on Sunday than it does on
10 Saturday, sports in particular.

11 Big games are always played on Sunday
12 obviously in pro football but Sunday is a big day for
13 baseball, Sunday is a big day for professional soccer you
14 know, it is closing day for tournaments and golf and
15 tennis and they actually think horse racing needs to
16 rethink its scheduling and its insistence on running its
17 big races on Saturdays and think about moving them to
18 Sunday because there are more people available.

19 More and more people work on Saturdays now
20 than used to and shopping is -- family shopping is now a
21 family activity because malls are open.

22 So you know, I think you may be sort of on
23 the leading edge here to something not even intending it
24 that we really do have to inspect whether we need to try
25 to run our bigger races on a Sunday.

1 I think Del Mar runs some of its very big
2 races on Sunday and has great success with that. They
3 will be able to answer that for themselves but -- and I
4 don't think it is just a summertime thing. You know, I
5 think you do better in the fall on Sunday too, don't you?

6 MR. DARUTY: That is correct.

7 MR. JERKINS: It is not roses every time. When the
8 Niners are in town or if there is a major league team
9 playing we definitely see a dip in our attendance but it
10 consistently -- every Sunday is our strongest day of the
11 week.

12 CHAIR ISRAEL: And I think you are on to something
13 and maybe leading -- walking point for the rest of the
14 industry. So I think it is something that everybody
15 should take a look at. Okay. Go ahead, George.

16 COMMISSIONER KRIKORIAN: On Sunday, do you have a
17 different demographic to get like a lot of the younger
18 people to attend or ...

19 MR. JERKINS: Yeah, definitely compared to other
20 days in the week we notice the younger college guy that
21 comes out.

22 Like I said, you will see T-shirts and kind
23 of the oddities that you will see at other racing days,
24 like bigger racing days. Like you will see girls coming
25 out in hats and guys wearing the funky seersucker suits,

1 too.

2 COMMISSIONER KRIKORIAN: Okay, good. Thank you.

3 MR. RAINEY: Cal Rainey for Golden Gate. I just
4 want to say that the Sundays have really developed kind
5 of a family day which is something different at racing.

6 You don't often see a whole family with
7 little kids with their parents at the track. And I
8 noticed on Sundays, we get a lot of families and they are
9 able to kind of entertain the kids with the sodas and the
10 hot dogs and popcorn and stuff like that and while they
11 watch the races and it really has brought new groups to
12 the races.

13 CHAIR ISRAEL: I think it is not only young
14 families. You can get young adults in the twenties and
15 thirties who are out on Saturday night together in large
16 groups and they are all sitting there and what are you
17 doing tomorrow? I don't know. Want to go to the race
18 track? And some may say yeah, let's go to the race track
19 and its is timed perfectly. You don't open until 1:00 or
20 2:00 o'clock. And by then, everybody is looking for the
21 bloody mary to get them through the day so it is a good
22 place to have a bloody mary. I mean it is you know, I
23 was young once. I remember that.

24 MR. JERKINS: And it is kind of around 2:00
25 o'clock. That is kind of when we see our peak crowd come

1 through.

2 VICE CHAIR WINNER: Scott, this may apply more even
3 to Santa Anita than it does Golden Gate because we don't
4 have a football team here.

5 CHAIR ISRAEL: Right.

6 MR. JERKINS: Not yet.

7 VICE CHAIR WINNER: It will be a while.

8 CHAIR ISRAEL: Trust me, it ain't happening any
9 time soon. Okay. If there are no other questions, is
10 there a motion to approve?

11 VICE CHAIR WINNER: I move it.

12 CHAIR ISRAEL: Moved by Vice Chair Winner. Is
13 there a second?

14 COMMISSIONER BENETO: I will second.

15 CHAIR ISRAEL: Second by Commissioner Beneto. All
16 in favor? Aye.

17 (The collective Board responds "aye.")

18 CHAIR ISRAEL: Opposed?

19 (No audible response.)

20 CHAIR ISRAEL: Motion passed unanimously.

21 VICE CHAIR WINNER: Could you send us the numbers
22 when you have them and not wait until the next meeting
23 but just send them to us?

24 CHAIR ISRAEL: Thank you. Have a good meet.

25 Okay. Item seven: Discussion and action by

1 the Board on the Application for a License to Conduct a
2 Horse Race Meeting of Watch and Wager, LLC that is a
3 harness meeting, at Cal Expo, commencing December 26,
4 2013 through May 25, 2014, inclusive.

5 Welcome. Please introduce yourselves.

6 MR. CUMMINGS: Ed Cummings, President Watch and
7 Wager.

8 MR. KINNEY: Ben Kinny, Watch and Wager.

9 MR. SCHICK: Good morning, Chairman Israel,
10 Commissioners. Chris Schick, Watch and Wage.

11 CHAIR ISRAEL: Okay. Thank you. Everything seems
12 to be in order. Are we missing anything in particular?

13 ASSISTANT EXECUTIVE DIRECTOR WAGNER: Occupational
14 licenses.

15 CHAIR ISRAEL: We are missing two occupational
16 licenses for the Horse Identifier and the Patrol Judge
17 Starter.

18 MR. SCHICK: Yeah, I think those licenses are going
19 to expire during the course of the meet. They are active
20 right now. I think we are on notice that those will need
21 to be renewed when they expire.

22 CHAIR ISRAEL: Right.

23 VICE CHAIR WINNER: Before they expire.

24 MR. SCHICK: Right, right before they expire.

25 CHAIR ISRAEL: Okay. I have a question I will turn

1 over to the rest of the Board.

2 On your purse list you -- it is a pretty
3 significant decline and I know you are racing with two
4 fewer days or four fewer days.

5 MR. SCHICK: Seven under this application but we
6 added four on our current meet so it would be -- put
7 together it would be a net drop of three days.

8 CHAIR ISRAEL: Okay. And then the current -- and
9 your purses available are going to drop almost about four
10 hundred thousand dollars; is that right? Am I reading
11 this correctly?

12 MR. SCHICK: I think we are down about two thousand
13 a day.

14 CHAIR ISRAEL: Yeah you are down about twenty-seven
15 hundred a day but the total number is -- which -- given
16 how small purses are in harness, I think the total number
17 is probably more concerning. I mean you are down from a
18 million nine sixty-two to a million five sixty-eight,
19 unless I am reading it wrong.

20 MR. SCHICK: Yeah, part of that is that obviously
21 the seven days of the total purses would be approximately
22 three hundred fifty thousand and then the balance of that
23 would be a drop from obviously about two thousand a day
24 would be from our declining ADW revenue under the sharing
25 that we are under right now.

1 So I think that would kind of -- our purse
2 schedule, let me just be clear that our purse schedule is
3 exactly the same purse schedule that we opened with last
4 fall and have never changed so our overnight purses are
5 the same and we have actually added some overnight
6 stakes.

7 There has been some adjustments in the Sire
8 Stakes Program which may throw a little bit of a wrinkle
9 in that but that is something that we don't directly
10 control.

11 CHAIR ISRAEL: That is the only thing that I had.
12 That is the only question that I have.

13 VICE CHAIR WINNER: So just to be clear -- and I
14 apologize for going back over it -- so you are --
15 according to this, your total purses are down three
16 hundred fifty thousand; correct?

17 MR. SCHICK: That is correct. That would be with
18 seven less days --

19 VICE CHAIR WINNER: Yes, I understand.

20 MR. SCHICK: So at roughly fifty thousand a day you
21 are kind of in the same ballpark.

22 VICE CHAIR WINNER: Thank you.

23 CHAIR ISRAEL: Go ahead.

24 COMMISSIONER ROSENBERG: Is the take-out reduction
25 on some of the bets new this year or did you have the

1 same take-out rate last year?

2 MR. SCHICK: No, we had it last year as well on the
3 Pick Four, the Pick Five and the Pentafecta, the Super
4 High Five. Those were -- we requested those last year
5 and they were approved last year. So we have been
6 operating under them since we started.

7 COMMISSIONER ROSENBERG: On the Twenty-Cent Bet,
8 too?

9 MR. SCHICK: The Twenty-Cent Bet were approved for
10 the first time last fall in our application. Twenty-cent
11 Trifecta and Twenty-Cent Pick Four.

12 COMMISSIONER ROSENBERG: And how did that work out,
13 in your mind, in your judgment? Did it increase the
14 betting? Did it make no difference?

15 MR. SCHICK: Well, so far we have raced three
16 nights. So it is -- and we didn't have any comparable
17 numbers because we didn't race October, last year and the
18 government was shut down when we opened and it has kind
19 of been a lot of things in the mix that make it really
20 hard to give you an honest answer at this point.

21 COMMISSIONER ROSENBERG: We will see this year.

22 CHAIR ISRAEL: Any other questions? Is there a
23 motion?

24 COMMISSIONER ROSENBERG: Motion.

25 CHAIR ISRAEL: Moved by Commissioner Rosenberg.

1 Second?

2 COMMISSIONER KRIKORIAN: Second.

3 CHAIR ISRAEL: Second by Commissioner Krikorian.

4 All in favor of granting an application to -- of granting
5 the license to Watch and Wager, LLC for racing at Cal
6 Expo from December through May 17th?

7 VICE CHAIR WINNER: Aye.

8 CHAIR ISRAEL: Aye.

9 (The collective Board responds "aye.")

10 CHAIR ISRAEL: Motion passes unanimously. Thank
11 you.

12 MR. SCHICK: Thank you.

13 CHAIR ISRAEL: Have a good meet. Okay. Next on
14 the agenda, item eight. We are chugging along, probably
15 thanks to Santa Anita not being up to speed.

16 Discussion and action by the Board on the
17 Application for License to Conduct a Horse Racing Meeting
18 of the Los Alamitos Quarter Horse Racing Association at
19 Los Alamitos Race Course, commencing December 28, 2013
20 through December 21st, 2014, inclusive.

21 Please introduce yourselves.

22 MR. MCKENZIE: Brad McKenzie for Los Alamitos Race
23 Course.

24 MR. ENGLISH: Rick English from Los Alamitos Race
25 Course.

1 CHAIR ISRAEL: Thank you. First let me -- before
2 we get to the meat of the application and actually I want
3 to -- there is an issue that needs to be raised even
4 before we do that, how is everything going on the
5 expansion of the race track?

6 MR. MCKENZIE: It is going well. We have got
7 our -- all of our environmental stuff in front of the
8 City which is being reviewed so we should have our
9 permits to start doing the actual moving of dirt here
10 shortly.

11 We have had several planning meetings with
12 Dennis Moore on our team so we are in good shape getting
13 the barns ready, hopefully allow the thoroughbred guys to
14 start coming over mid January to try to expedite the move
15 so that everybody is not moving right at February 1st so
16 it is going well.

17 CHAIR ISRAEL: Okay. And you are keeping in
18 constant contact with CTT and TOC so they are aware of
19 what is going on and they can give you their two cents
20 before giving -- your two cents costs two million bucks?

21 MR. MCKENZIE: We have been in contact. I wouldn't
22 call it constant contact. And I would think that they
23 are probably going to have more than two cents of advice
24 for us on how we should --

25 CHAIR ISRAEL: You know they are going to have

1 comments on the track so -- and probably on the stable,
2 on the barns, although the barns are there so they can
3 see them.

4 MR. MCKENZIE: Yeah, we have -- in addition to our
5 team that we have already put together, we have also made
6 arrangements with Gary Stevens.

7 He is going to come over and consult with us
8 on the race track on how he would like -- you know, from
9 the jockey's point of view how it should be laid out so
10 we are getting input from as many people as we can.

11 CHAIR ISRAEL: Good. Okay. Before the Members of
12 the Board ask their questions, I don't want people to be
13 wasting their time.

14 I know there is an issue that someone else
15 wants to raise on the license that may result in the
16 consideration of it being put over so why don't we deal
17 with that first and then we can see if we want to ask the
18 questions on the other items on the license.

19 Barry Broad, would you ...

20 MR. BROAD: Mr. Chair and Members, Barry Broad on
21 behalf of my client, Watch and Wager, LLC.

22 There is sort of good news and bad news here.
23 Let me start with the bad news. The Business and
24 Professions Code Section 19596.3B requires the consent of
25 the entity conducting harness racing if out-of-country

1 races are imported by -- at the same time that their meet
2 is running.

3 And currently, Los Alamitos imports
4 approximately twenty-four to thirty Australian
5 thoroughbred races from out of the country.

6 I am not exactly clear where that statutory
7 authority comes from for them to do it, whether they do
8 it on their own or whether they do it on some kind of
9 subcontract with a thoroughbred entity or a fair.

10 But they are importing it, they are acting as
11 the host and it is being distributed to all the satellite
12 wagering facilities.

13 It has a significant impact on my client. It
14 competes with their signal and their live racing. We
15 would like to have that consent -- be able to grant that
16 consent but we have to meet with Los Alamitos to do that.

17 Now the good news is that in the last day or
18 so, there have been fruitful opening discussions on this
19 matter but -- and we have no objection to you granting
20 this license if everything else is in order provided that
21 its condition that these races can't come in unless that
22 consent is granted.

23 And I actually have -- Chris Schick is here
24 if you wish to ask any questions about the economics, you
25 know, how much the handle is, whether it -- how it

1 affects my client economically and so forth but I think
2 it is a simple matter of consent and a series of
3 discussions.

4 CHAIR ISRAEL: That was granted by whom?

5 MR. BROAD: By my client.

6 VICE CHAIR WINNER: By Watch and Wager.

7 CHAIR ISRAEL: By Watch and Wager? Okay.

8 Bob Miller, I know you have talked to attorneys on both
9 sides or just one side?

10 MR. MILLER: So far I have talked to Mr. Broad and
11 I have received -- but I have received some contracts
12 this morning from Jackie Wagner, Assistant Executive
13 Director, that cover the subject. I just haven't had a
14 chance to review all the materials that have been put in
15 today.

16 CHAIR ISRAEL: Rick, do you want to address this or
17 Brad, whichever one?

18 MR. MCKENZIE: Brad McKenzie, Los Alamitos. There
19 is a statute in the law that very clearly sets forth how
20 out-of-country races are brought in and we have been
21 operating under this statute of the law for the past
22 seven years.

23 Now there is a disagreement now which we were
24 notified of and after seven years of doing this, on
25 Friday we were notified by letter that Mr. Broad sent us

1 that he had sent to the Board about now there was a
2 problem with it.

3 And so what we have done is we talked to the
4 harness people, said if we have a disagreement over this,
5 let's talk about it and see if we can get it solved.

6 But the statute, in our mind, is clear. It
7 says that the Thoroughbred Association can make an
8 agreement with a Quarter Horse or -- and the word is "or"
9 -- harness association that is running live at the time.

10 And then in subsection C of that statute, it
11 goes into very specific language on how that Thoroughbred
12 Association can make an arrangement with the track that
13 runs Thoroughbreds in the southern zone which is us.

14 So that is what we have been operating under.
15 This idea that we have just been doing this on our own
16 and that somehow it is -- well, it is ridiculous.

17 Sacramento Harness for the past seven years
18 has had income from the out-of-country races. They have
19 cashed the checks, they have known what is going on. It
20 is not that we did it in secret.

21 The races are on TV, people can see it. Now
22 there is a disagreement that the harness -- about the
23 continued importation of these races.

24 They want to see it under different terms if
25 we continue to bring in these races and we are more than

1 happy to sit down and talk to them about it.

2 MR. ENGLISH: And that is what we told them
3 yesterday in standing conversations and we have told --
4 we would address it outside this meeting.

5 CHAIR ISRAEL: Would you identify yourself.

6 MR. ENGLISH: I am still Rick English.

7 MR. BROAD: But one of the terms now --

8 VICE CHAIR WINNER: But she doesn't know who is
9 talking.

10 MR. ENGLISH: I am still Rick English from Los
11 Alamitos.

12 MR. BROAD: Just so that the Board understands, we
13 have had a proposal because we also have a disagreement
14 over ADW and how that money is split up.

15 So we have been going back and forth and we
16 think we have made some very good strides in coming to a
17 resolution of this.

18 But just recently, just added to the proposal
19 from the harness group about what they would like to see
20 us do in order to solve this issue is to sign a hub
21 agreement with Watch and Wager. Well, we are not going
22 to do it.

23 I mean we are -- they can drag us up here on
24 issues all day long and we are not going to sign a hub
25 agreement with Watch and Wager.

1 We think that we have got every opportunity
2 to come to a good resolution of these issues but we are
3 not going to be stong-armed into signing any hub
4 agreement with anybody.

5 COMMISSIONER ROSENBERG: What does that mean?

6 MR. ENGLISH: They broadcast our races at Los Al?

7 MR. MCKENZIE: They want us to run -- yeah, they
8 want to be the hub for the night quarter horse racing.
9 So it is not going to happen.

10 CHAIR ISRAEL: All right. Bob, is there a legal
11 impediment to the approval of this license by the Board
12 right now?

13 MR. MILLER: Well, yes. I mean there is a question
14 I will say. I don't know about an impediment but there
15 is a question as to the interpretation of the statute
16 cited by Attorney Broad as to this question of consent
17 and there is a disagreement between the two and quite
18 frankly, I have not had a chance to research the matter
19 because it only came up. We haven't had a chance to
20 review the legislative history nor consult with the
21 agency that are we are now under, Business Consumer
22 Services and Housing.

23 MR. ENGLISH: Nor to consult with us.

24 MR. MILLER: Well, I know your position so and I
25 would be happy to talk to your Counsel.

1 The other thing too, I think the Board should
2 be aware of is that although there is a track record as
3 Mr. McKenzie pointed out, that this harness group is only
4 in their second year.

5 That the past operators of harness racing at
6 Cal Expo are no longer in business so we do face a
7 somewhat new position here, a new question so ...

8 MR. ENGLISH: The law applicable here provides that
9 the Thoroughbred Association has the right to bring in
10 out-of-state and out-of-country races.

11 If they want to do it after 5-30, they have
12 to do it with the approval of the Quarter Horse or
13 Harness Association -- correct -- this is a war.

14 MR. BROAD: It scares me.

15 MR. ENGLISH: If I could just finish.

16 MR. BROAD: That is just ridiculous.

17 MR. ENGLISH: Huh?

18 MR. BROAD: That is a ridiculous legal
19 interpretation, I am sorry to say. Obviously, they can't
20 get their own consent when it affects another party.
21 That is ...

22 CHAIR ISRAEL: All right. It is my turn, let me
23 ask a question.

24 MR. BROAD: All right.

25 CHAIR ISRAEL: Would it cause irreparable damage or

1 real hardship if we put this over to next month? In the
2 past, we used to deal with these licenses the month
3 before and give everybody time to vent and to discuss and
4 hopefully to come to some -- some sort of remedy that
5 doesn't require a lot of time in court.

6 MR. ENGLISH: It causes some harm and some
7 practice. We were promised yesterday this wasn't going
8 to happen.

9 MR. SCHICK: Well, what I would like is -- I would
10 like to see -- Chris Schick from Watch and Wager. I
11 would like to see him stand up and if it is their
12 position that they want this Board not to approve this
13 license today, then that is one thing.

14 I think their position is that they want you
15 to approve this license today and we are going to enter
16 into good faith talks to solve this out-of-country
17 problem. I mean that is --

18 MR. ENGLISH: That is the agreement, it just makes
19 it more difficult.

20 MR. MCKENZIE: That is where we were. I would like
21 to hear from Watch and Wager and Chris Schick.

22 COMMISSIONER ROSENBERG: Before he speaks, there is
23 a history here of which Commissioner Choper and I --
24 particularly Mr. Choper -- have been involved -- has been
25 involved in disputes between Los Alamitos and the harness

1 people, ongoing disputes that never seem to get settled
2 and drag on and there are a lot of negotiations.
3 Sometimes there are no negotiations.

4 So just to make that point, that just by
5 approving the license and hoping that you guys settle
6 this, I don't have much hope.

7 We will have to have a committee hearing and
8 hear -- why don't we just put it over for a month? There
9 is no irreparable harm, is there, to Los Alamitos?

10 MR. MCKENZIE: There is no irreparable harm but it
11 is just the fact that after operating under a certain set
12 of rules for many -- you know, seven years and then they
13 raise an objection five days before we are coming up here
14 for our license application and because of that
15 objection, the seven years that we operated before don't
16 mean anything.

17 An objection raised five days before our
18 license application comes up is enough to stop our
19 license from being approved. No, we don't like that.

20 COMMISSIONER ROSENBERG: Answer the question. Is
21 there any irreparable harm in waiting a month?

22 MR. MCKENZIE: I think -- yes, I think there is, I
23 think there is because --

24 MR. SCHICK: I think there is harm done by them not
25 racing when the thoroughbreds stood up to begin with. So

1 it was the thoroughbreds who authorized this to begin
2 with.

3 MR. MCKENZIE: Commissioner Rosenberg, I will tell
4 you what the harm is. Is that we are night Quarter Horse
5 racing. We are trying to keep an industry going.

6 These are difficult times for us and for all
7 of horse racing and for the message to get out among our
8 horsemen and among every -- fans that our license has not
9 been approved because we have to have an issue with the
10 harness racing is not a positive message for the future
11 of Los Alamitos. It is just --

12 MR. SCHICK: That is a nice try.

13 MR. MCKENZIE: Well, no, it is not -- more than a
14 nice try -- it is a fact.

15 CHAIR ISRAEL: Chuck?

16 VICE CHAIR WINNER: Brad, let me just see if you
17 agree at least with the point that Bob Miller made that
18 the seven years is a valid point that you make.

19 But on the other hand, these guys weren't
20 here for seven years. They moved. I mean this is only
21 their second year I think since they have been licensed.
22 The other folks are gone.

23 So from the standpoint of the seven years,
24 yes, there is a precedent and I understand all of that
25 but there is also the issue that you have a new group in

1 town and they have raised a legitimate objection.

2 So what -- I think what all of us are kind of
3 thinking is all right, this is a dispute and before we
4 finish this, I think it would be good to hear from them
5 again.

6 There is an obvious dispute here and it would
7 be good to work it out in a positive way with everybody
8 working together rather than have it forced on one side
9 or the other -- wait just a second -- by forcing a
10 decision at this meeting.

11 I recognize you are saying there is
12 irreparable harm. I am not sure it is irreparable but
13 there clearly is harm to you but it is always better if
14 we can work these things out in a positive way rather
15 than sort of forcing them on one another.

16 MR. MCKENZIE: And I appreciate what you are saying
17 and that was the tone of our discussion with the harness
18 people the other day. But --

19 CHAIR ISRAEL: Which other day, Brad?

20 MR. MCKENZIE: Yeah, yesterday.

21 CHAIR ISRAEL: Where did you meet?

22 MR. MCKENZIE: We had a conference call with
23 Chris Schick, David Neumeister, Ben Kinny --

24 MR. ENGLISH: Not David Neumeister.

25 MR. MCKENZIE: Oh, I am sorry. Ben Kinny, Rick and

1 myself. But --

2 CHAIR ISRAEL: Who is Ben Kinney? Your counsel?

3 Oh, that Ben Kinney. Okay.

4 MR. MCKENZIE: But let me just say something. You
5 are saying that you don't want to -- you know, wouldn't
6 it be better not to, you know, make a decision today but
7 you are making a decision today. You are making a
8 decision not to approve our license.

9 CHAIR ISRAEL: No, no, no, no.

10 MR. MCKENZIE: Today, today.

11 CHAIR ISRAEL: Brad, we can -- we have three
12 options; we can vote yes, which is to approve the
13 license, we can vote no, which is means we don't approve
14 the license or we can put it over, we can putt.

15 And that doesn't mean we didn't -- we made a
16 decision not to approve your license. That means we are
17 providing some opportunity so that all of the parties
18 involved in our business, all the stakeholders, we are
19 trying -- you know, one of the goals I would like to
20 accomplish but probably won't before my term is over is
21 that all the stakeholders start working together and
22 pulling in the same direction.

23 MR. ENGLISH: That is what we agreed to yesterday
24 before they brought this up here today.

25 CHAIR ISRAEL: And we did it in the south as we

1 worked our way through the issues that started with
2 Hollywood Park closing.

3 You guys pulled the rope in the same
4 direction as Del Mar and Santa Anita and now we have
5 Santa Anita standing up and George saying we are going to
6 work out our racing schedule so it is seamless with
7 Del Mar going in and out of meets.

8 You know, I -- that is really good news.
9 This is one more thing -- and we took a little time to do
10 that. I mean we didn't want to wait until last month to
11 approve that calendar. We wanted to do that a few months
12 ago but it took some time, we worked our way through it.

13 I think perhaps maybe the judicious thing to
14 do here is to take the extra four weeks. I am going to
15 offer Mr. Miller's services to provide some counsel and
16 mediation. Hello, Bob, are you listening?

17 MR. MILLER: Yes, sir.

18 CHAIR ISRAEL: I just offered you to consult with
19 and to mediate this dispute and it smells to me like it
20 is going to court outside of mediation.

21 MR. ENGLISH: Is there an option other than
22 Mr. Miller?

23 CHAIR ISRAEL: What did you say?

24 MR. ENGLISH: Is there an option other than
25 Mr. Miller?

1 CHAIR ISRAEL: Is there an option other than
2 Mr. Miller?

3 MR. ENGLISH: Yes.

4 VICE CHAIR WINNER: No, he is our Counsel.

5 CHAIR ISRAEL: I would prefer it be him. I am not
6 an attorney.

7 MR. ENGLISH: Okay. Just asking.

8 CHAIR ISRAEL: He is our Counsel. I mean -- and to
9 be honest with you, I don't want to -- neither Chuck nor
10 I really wants to do this again and Steve and Jess have
11 their hands full with Northern California and Richard has
12 done this a hell of a lot in the last few years. I think
13 he probably would rather not do it so ...

14 VICE CHAIR WINNER: Can we hear from Chris?

15 MR. SCHICK: I'd like to hear from Chris, too.

16 Chris Schick Watch and Wager. We did have a very
17 productive conference call yesterday.

18 Our intent coming here today was not to raise
19 objection to the Los Alamitos license application. That
20 might have been what has happened but that wasn't our
21 intent.

22 We certainly hope that you would see fit to
23 approve their license with the contingency that the
24 out-of-state races that are requesting, get our consent.
25 We think we can work that out.

1 I don't know if you can do that but that
2 would be our hope. But we do --

3 CHAIR ISRAEL: You can't do that because what you
4 are saying is you want us to approve the license with the
5 contingency that you consent to their race -- to their
6 out-of-state races. That gives you all the leverage
7 because that is the Board saying you have to consent.

8 Perhaps the resolution doesn't require your
9 consent. I don't know, I am not a attorney, I don't know
10 what the law says. That is what Mr. Miller said, he
11 doesn't know what the legislative history of it is.

12 MR. ENGLISH: I was told this morning by people
13 with Watch and Wager that Mr. Miller is the one who
14 insisted this be brought up today.

15 CHAIR ISRAEL: No, no, Mr. Miller is not the one.
16 Look, Barry Broad approached me, he approached Mr. Miller
17 they -- I mean I knew they were going to bring it up.

18 I just wanted -- and instead of going through
19 and asking a lot of questions about you know, purses and
20 things like that, I wanted to get this out first because
21 this was obviously going to be the contentious issue and
22 everything may fall from this. So go ahead, Richard.

23 COMMISSIONER ROSENBERG: Can we move on to take a
24 vote on this after we ask any other questions we have
25 about the license?

1 CHAIR ISRAEL: Well, we don't have to. If we are
2 going to put it over we don't really need to take a vote.
3 The vote will be yes or no.

4 I just would prefer everybody to -- if we are
5 going to put it over, I mean I just don't see a
6 compelling reason not to put it over because it is not
7 denying you a license. You know, obviously you are going
8 to be licensed.

9 It is just providing some time to get this
10 resolved and it may turn out exactly the way you want it
11 to turn out. This may benefit you rather than be a
12 detriment to you.

13 So I mean time may tell and inspection of the
14 law may say everything you are saying is absolutely right
15 and you don't need to do any business with them.

16 MR. MCKENZIE: Well, and that is fine but just so
17 that the Board understands and if Chris is still standing
18 here, conversation yesterday, phone conference, the guys
19 were going to work this out.

20 Let's not bring it before the Board. We were
21 told -- and Chris you correct me if I am wrong -- we were
22 told no, we will not raise this issue tomorrow at the
23 Board.

24 So we in good faith, we come here, we don't
25 bring lawyers, we don't bring anybody and it is hard to

1 negotiate and it is hard to have good faith negotiations
2 when you are told one thing and then twenty-four hours
3 later here we are.

4 We don't even get to discuss our license
5 application because this issue stops it when we were told
6 specifically in a conference call with Chris Schick
7 yesterday this issue would not come up before the Board,
8 we were going to try to settle it amicably; Chris, is
9 that correct? Is that correct?

10 CHAIR ISRAEL: Nobody conveyed that to me and I am
11 the one running the meeting.

12 MR. MCKENZIE: Is that correct?

13 MR. SCHICK: Right, that is correct.

14 MR. MCKENZIE: All right.

15 COMMISSIONER ROSENBERG: By the way, didn't you get
16 a copy of the letter of October 21st that he makes
17 reference to that you said you received on Friday so that
18 you knew that Counsel had sent a letter to the Board?

19 MR. MCKENZIE: Yes, and that is why we opened up
20 negotiations and that is why we called the harness and
21 said guys, you are letting us know five days before the
22 Board meeting that we have got a problem. Let's talk
23 about it before we drag ourselves before the Board and
24 fight about it.

25 COMMISSIONER ROSENBERG: Unfortunately, it was

1 raised up to the Board so we can't make believe it
2 doesn't exist so I think we should put it over.

3 MR. MCKENZIE: All I am saying is that we were told
4 one thing, something totally different happened. It is
5 hard to have good faith negotiations with people that
6 behave that way.

7 MR. BROAD: Excuse me. Can I address this because
8 I take particular umbrage at this kind of talk.

9 MR. ENGLISH: He wasn't in the conversation
10 yesterday.

11 MR. BROAD: Excuse me, I wasn't in the conversation
12 yesterday. However, we filed a formal objection based on
13 a legal standard that is before the Board.

14 Simply stating your legal rights is not bad
15 faith negotiations, gentlemen. And in fact, these are
16 the rights that almost everybody in the industry, they
17 submit these applications with the consent.

18 The assumption here -- and the only reason it
19 happened five days ago is because my client itself was
20 looking through the Code and said wait a minute, we have
21 the right to consent.

22 It is not like they submitted this consent or
23 agreed to talk about this issue before we submitted the
24 objection.

25 My understanding and my request which you say

1 you can't do, was simply to grant the application and
2 then they just submit this consent like late, you know
3 and then once they consent, they submit the consent and
4 then they import the races.

5 To me, that is -- then everything else moves
6 forward, it is confined to this issue and it is a simple
7 matter but --

8 CHAIR ISRAEL: Well, I didn't say we can't do it.
9 Bob, you are saying it is --

10 MR. MILLER: Robert Miller, Counsel for California
11 Horse Racing Board. My position is that I don't know
12 whether or not consent is required.

13 I haven't had a chance to look at the
14 legislative history here of these two conflicting,
15 apparently conflicting, code sections or the use of the
16 word "or" in there.

17 And I am saying -- my position is I need time
18 -- if you are asking for an opinion from me -- I am
19 telling the Board that I need time to research this
20 question.

21 CHAIR ISRAEL: So I mean what he is saying, this
22 may actually mitigate in your favor, to be honest with
23 you, taking the time it may not require consent and if we
24 vote to approve the license with the contingency that you
25 get their consent, then the Board is active as an agency

1 of the State of California and you have to go get their
2 consent. So you may not -- you may benefit by the delay
3 rather than suffer from the delay.

4 MR. MCKENZIE: If the Board's position is that the
5 only way they can grant our license is that under the
6 terms that we have to get the consent of the harness
7 racing on the out of the country if that is the Board's
8 feeling is that you would grant our license --

9 CHAIR ISRAEL: Yes, since our lawyer doesn't know
10 whether we do or don't, we would actually have to do
11 that. I mean we are bound to abide by his legal advice.

12 MR. MCKENZIE: Well, then you are putting us in a
13 little bit of a tough negotiating --

14 CHAIR ISRAEL: Right. That is why you are better
15 off if we don't. You know, I think everybody is better
16 off if this is put over for a month.

17 I think you know, it will give Barry and his
18 clients an opportunity to make their case, it will give
19 you an opportunity to make your case and I am not sure --
20 I am not even going to pretend to know which one of you
21 is right. I don't think --

22 MR. MCKENZIE: Wouldn't that be a mess?

23 CHAIR ISRAEL: If the legislature wrote two
24 conflicting laws and put them both into the Code. Who
25 the hell knows? You know. So given that information, do

1 you feel a little better about putting this over now? I
2 don't want you unhappy.

3 MR. MCKENZIE: Well, you are fifteen years too
4 late, you know.

5 CHAIR ISRAEL: That is such a good hammer I am not
6 swinging that. Go ahead, Bo.

7 COMMISSIONER DEREK: I just have one question. You
8 shared with us yesterday that you are going to have some
9 new safety protocols imposed on you at Los Alamitos from
10 Orange County. When would those go into effect?

11 MR. MCKENZIE: They are going into effect now. All
12 our EMTs have finished all their classes and the only
13 thing -- the only aspect of it that hasn't gone into
14 effect just yet is the requirement that if a rider goes
15 down during a race, that he has to go to a trauma center.

16 We are going to try to have some meetings and
17 in fact, Barry and I are going to have a conversation
18 after this meeting.

19 I think we got -- we need to try to find some
20 common ground there I think.

21 COMMISSIONER DEREK: With the County?

22 MR. MCKENZIE: With the County, just to try to --
23 just to you know, maybe give some of these guys a little
24 bit of a leeway that if they -- if in our, you know,
25 opinion, that they are not hurt that they don't need to

1 go to a trauma center because that means they are off
2 their mounts for the night.

3 And we don't -- it is a fine line on how do
4 you protect them and how do you let them earn a living
5 and that is the area that we want to discuss with them
6 but all the other aspects are in place.

7 COMMISSIONER DEREK: All right. And then if you do
8 have these new safety protocols, you will provide those
9 in your application or a supplement?

10 MR. MCKENZIE: Yes.

11 COMMISSIONER DEREK: Thank you.

12 VICE CHAIR WINNER: On that point, when does the --
13 you are going to have these conversations with the County
14 and with Barry, et cetera.

15 Under the guidelines of the County, when are
16 they supposed to take effect, the trauma issue, I am
17 specifically talking about?

18 MR. MCKENZIE: They are -- these are supposed to
19 take effect the first of the year.

20 VICE CHAIR WINNER: Okay.

21 MR. MCKENZIE: But the other aspects of it as far
22 as the training, we have already done.

23 COMMISSIONER ROSENBERG: Question: On your
24 management, you don't list the Racing Secretary or
25 Director of Racing. Have you hired anyone yet?

1 MR. MCKENZIE: For our Quarter Horse Meet?

2 COMMISSIONER ROSENBERG: Yeah.

3 MR. MCKENZIE: That must be an oversight.

4 Ron Church is our Racing Secretary.

5 COMMISSIONER ROSENBERG: Okay.

6 CHAIR ISRAEL: Look further back. They are never

7 listed under "Management." They are listed later in

8 every application.

9 COMMISSIONER ROSENBERG: Sometimes they put,

10 "Director or Racing" there.

11 CHAIR ISRAEL: No, no, almost never.

12 COMMISSIONER ROSENBERG: Thanks.

13 MR. MCKENZIE: If Ron Church is listening, yes, you

14 are still our Racing Secretary.

15 CHAIR ISRAEL: You find it later in the

16 application.

17 COMMISSIONER ROSENBERG: This relates to really

18 another question which was maybe irrelevant now but on

19 the stabling, who will be responsible for allocating the

20 thoroughbred stalls? The Race Secretary who you hired to

21 run the thoroughbred meeting or someone else?

22 MR. MCKENZIE: No, the Racing Secretary of the live

23 meet that is running at the time. So Santa Anita, during

24 the time they are racing live, it will be their Racing

25 Secretary who will allocate the thoroughbred stalls.

1 During Del Mar, it will be the Del Mar Racing
2 Secretary who will allocate the thoroughbred stalls at
3 Los Alamitos.

4 COMMISSIONER ROSENBERG: Okay. Thank you.

5 CHAIR ISRAEL: It is on page 8-23.

6 COMMISSIONER ROSENBERG: Is it? Okay.

7 CHAIR ISRAEL: Everyone makes the same error.

8 COMMISSIONER ROSENBERG: You mean the name of the
9 guy?

10 CHAIR ISRAEL: They put the -- no, all of the
11 applications have the Racing Secretary listed under
12 "Racing Officials," not under, "Management," even though
13 he is probably both.

14 Okay. So given the fact that it actually may
15 benefit you, I think you would probably rather have us
16 put this over.

17 MR. MCKENZIE: Well, that seems to be the
18 preference of the Board --

19 CHAIR ISRAEL: -- see you again next month.

20 MR. MCKENZIE: You know us, we just like to get
21 along.

22 CHAIR ISRAEL: Yeah.

23 MR. ENGLISH: We get the experience of -- we get
24 the advantage of Mr. Miller's experience. We can hardly
25 wait for it.

1 CHAIR ISRAEL: Yes. And then we will see you again
2 in December to tell us how you are doing, I mean you
3 know, how the track -- the new track has been installed
4 and how the stalls are doing and all that. Okay.

5 MR. MCKENZIE: This will just give us something to
6 look forward to.

7 CHAIR ISRAEL: Yeah, see, besides Christmas or
8 Chanuka, as the case may be. All right, thank you.

9 Number nine: Discussion and action by the
10 Board on the Application for License to Operate a
11 Minisatellite Wagering Facility at the Ocean's Eleven
12 Casino in Oceanside, California for a period of up to
13 five years. Rick, Sportech?

14 MR. BAEDEKER: Rick Baedeker. I am actually
15 representing Scott today.

16 CHAIR ISRAEL: Okay. That's confusing.

17 MR. KELEGIAN: Mark Kelegian on behalf of Ocean's
18 Eleven as its Managing Partner.

19 CHAIR ISRAEL: Okay. I guess the only thing you
20 are missing in terms of the application is -- Brad?
21 Brad? They don't have association approval for the Los
22 Alamitos Quarter Horse Racing Association.

23 MR. MCKENZIE: Excuse me?

24 CHAIR ISRAEL: These guys don't have your approval.

25 MR. KELEGIAN: This is Ocean's Eleven.

1 CHAIR ISRAEL: Ocean's Eleven. I know you are in
2 favor of these things.

3 MR. MCKENZIE: Approval granted.

4 CHAIR ISRAEL: Okay. You have to sign whatever
5 document you need to sign.

6 MR. BAEDEKER: I will not sign any documents.

7 CHAIR ISRAEL: Mr. English can sign any document.
8 He said he will. Okay, that said, all of your documents
9 are in order so please tell us about your application.

10 MR. BAEDEKER: Well, I will start and then I will
11 give it to Mark but this is an interesting location. It
12 is not the biggest card club in Southern California and
13 that was a question of ours, whether or not there would
14 be enough capacity for the horse racing customers and
15 just to give you a little description of what they are
16 intending to do.

17 They have an existing sports bar restaurant
18 separate from the gaming floors that is going to be
19 converted entirely for use as a mini satellite.

20 And then there is going to be a couple of
21 small pockets of dedicated seating on the gaming floors
22 and -- but in addition to that, during the time of day
23 that at least wagering on thoroughbreds is conducted,
24 there are ten to twelve empty poker tables which are
25 going to be reserved for horse players.

1 So the total capacity is over two hundred
2 twenty-five all in. So and then I will let Mark talk a
3 little bit about his clientele.

4 CHAIR ISRAEL: How does that compare to Commerce,
5 for instance?

6 MR. BAEDEKER: You know, it is about the same in
7 terms of total capacity. Commerce is split into an
8 interior room and then they have a patio that they
9 converted but I can tell you that my impression so far in
10 working with Mark is that this will be a very important
11 part of his business.

12 CHAIR ISRAEL: Okay.

13 MR. KELEGIAN: Ocean's Eleven Casino has been
14 operating as a licensed card room in the City of
15 Oceanside since 1997. We have zero crime on our
16 property, we have fifty gaming tables --

17 CHAIR ISRAEL: Zero crime?

18 MR. KELEGIAN: Zero crime.

19 CHAIR ISRAEL: Sixteen years, whatever?

20 MR. KELEGIAN: About sixteen years but relative --
21 we don't have a criminal element, the Oceanside Police
22 Department is our teammate in that respect. We have
23 great relations with our City.

24 We are the number one poker casino in
25 San Diego County and just frankly, south of Los Angeles

1 County.

2 We are very familiar with the operations of
3 Commerce Casino. My family has an ownership interest in
4 Commerce and my father used to be Chairman of the Board
5 there so we are very familiar with that operation.

6 We have dedicated our sports lounge to the
7 race book, entirely. We have small pockets within the
8 casino for additional seating. We are going to have
9 televisions all over the place.

10 We are working very closely with Sportech on
11 all the equipment and facility issues. Our client base
12 is already a gaming individual.

13 We have -- you know, since we put up a sign
14 that says you know, "Race Book Coming Soon," we are
15 flooded with phone calls and questions from all our
16 players.

17 We know that we have players right now that
18 are excited about it. They -- typically, they have all
19 got their rituals. You know, they will drive up, they
20 will stop off at Del Mar, they will make bets as the
21 choose and then they come and play poker for the rest of
22 the day. And they don't have an opportunity at present
23 to make additional wagers and do other activities.

24 And I think we are going to be a good
25 addition and we know we are going to represent the

1 industry well and we think we will be a good addition to
2 the business.

3 CHAIR ISRAEL: George, I know you would have some
4 questions.

5 COMMISSIONER KRIKORIAN: Well, we have had the
6 opportunity, Commissioner Rosenberg and myself, to visit
7 the site about two weeks ago. It is very clean, very
8 well run, maintained, a lot of parking.

9 I just don't see anything wrong with it. I
10 think the only thing of a potential concern is that it
11 does appear to be busy which is a good thing for you and
12 so if they are competing for places for card players
13 versus you know, horse players, then that might get a
14 little bit difficult but I don't think that is really
15 going to be a problem.

16 CHAIR ISRAEL: Save the footprint if this thing is
17 wildly successful?

18 MR. KELEGIAN: We could expand -- we could expand
19 the building but how much we could, I really haven't
20 given it that much thought. We have additional space on
21 the building -- in the building -- to create an expanded
22 race course in an additional, dedicated area.

23 As far as our footprint, our tables go right
24 now, during the hours of the operation --

25 MR. KELEGIAN: -- of operation of the tracks --

1 CHAIR ISRAEL: Right.

2 MR. KELEGIAN: -- when the betting would go, those
3 are not our peak gaming hours.

4 We typically have as many as twelve to
5 fifteen on the average, day in, day out, tables that are
6 available that we will be dedicating for customer --

7 CHAIR ISRAEL: Open on Sunday?

8 MR. KELEGIAN: Yes. During those hours --

9 CHAIR ISRAEL: Right. From 1:00 to 5:00; right?

10 MR. KELEGIAN: Right. Gaming is primarily a
11 nighttime activity.

12 CHAIR ISRAEL: Right. So from -- so when racing
13 starts in the East around 10:00 o'clock, 9:00 o'clock
14 until 5:00. 6:00 you are --

15 MR. KELEGIAN: Those are our slower hours in the
16 day for gaming.

17 CHAIR ISRAEL: Good. Is your clientele -- does it
18 include a fair number of those stationed at Camp
19 Pendleton or --

20 MR. KELEGIAN: Not in particular. We don't make a
21 lot of effort to attract the service men --

22 CHAIR ISRAEL: Right.

23 MR. KELEGIAN: -- to come in because the base is
24 not, you know, a big fan of us going out of our way to do
25 that and so we respect that.

1 CHAIR ISRAEL: And they don't get paid that well.

2 MR. KELEGIAN: Yeah, and we respect that.

3 CHAIR ISRAEL: Okay. Rick?

4 MR. BAEDEKER: I just wanted to follow up on your
5 question about the Commerce Club.

6 Another way that this is different, Commerce
7 restricts the wagering on horses to those two specific
8 areas.

9 But at Ocean's Eleven, in addition to that
10 dedicated sports bar that I talked about where of course
11 there will be a clerk, there is another area on one of
12 the gaming floors that will be a mutual counter with room
13 for up to three clerks if the business warrants it and
14 then there will be self-service machines in all three of
15 the gaming rooms so it will be very convenient for
16 somebody to get up from a poker table and make a wager
17 anywhere in the facility.

18 CHAIR ISRAEL: Good. Chuck?

19 COMMISSIONER ROSENBERG: In consulting with
20 Commissioner Krikorian I learned that day that is unique
21 to them as compared to like a O.C. Tavern where the City
22 actually required that you know, only people over twenty
23 -- eighteen -- twenty-one -- would go in the room.

24 There is a guard at the entrance to this
25 place that checks people in to start. So that is why

1 they are able to put terminals outside of that one sports
2 bar. They can put it anywhere in the location.

3 MR. BAEDEKER: Our entire property is twenty-one
4 and over because we offer gaming in all areas.

5 VICE CHAIR WINNER: I was just wondering if you are
6 planning to do anything to encourage your customers to
7 visit Del Mar when Del Mar is in season since one of our
8 goals is to try to get people also to go to the race
9 track.

10 MR. BAEDEKER: I don't think we --

11 VICE CHAIR WINNER: I realize it might be a
12 conflict, but at the same time there is something about
13 getting people to go to the live race and then they would
14 probably would come even more.

15 MR. BAEDEKER: I see that on the surface there
16 would be a conflict but we think very long term. We have
17 been in North County you know for eighteen -- almost
18 eighteen years.

19 We are not going anywhere. We like to have
20 good relations with everyone, including Del Mar, Surfside
21 and we certainly will do nothing to discourage them from
22 going there.

23 When the meet is there, we are not going to
24 be you know, triple discount witching hours to come here
25 and not go there.

1 I think we are going to work very well with
2 Tim and Josh and I think we have already talked about
3 doing some type of cross-promotions to help both of us.

4 VICE CHAIR WINNER: Good. Thank you.

5 COMMISSIONER KRIKORIAN: One last thing. My
6 understanding is that most of the TVs or the monitors
7 will be silent and it would be just as a suggestion or a
8 recommendation, if you could put in some kind of a sound
9 system that would -- so that people would hear something
10 maybe a minute before the race is run so that they could
11 go look at the -- you know, look at the screens because
12 they are not going to have a lot of sound.

13 MR. BAEDEKER: On the gaming floor, there won't be
14 a lot of sound but as far as announcements go, we talked
15 about -- I remember we talked about that and we will --
16 we haven't worked out exactly how we are going to do it
17 yet, whether it is going to originate from the race book
18 or originate from our gaming work floor, work stations,
19 but announcing upcoming races that are about to start
20 will certainly be factored in some way.

21 CHAIR ISRAEL: Okay. If there aren't any other
22 questions, is there a motion?

23 COMMISSIONER KRIKORIAN: I will make a motion.

24 CHAIR ISRAEL: Moved by Commissioner Krikorian,
25 seconded by Commissioner Rosenberg even though he didn't

1 say -- he nodded. All in favor? Aye.

2 (The collective Board responds "aye.")

3 CHAIR ISRAEL: Good luck. Motion is passed
4 unanimously. When are you going to open, by the way?

5 MR. KELEGIAN: Oh, in November-ish.

6 CHAIR ISRAEL: So you are going to miss the
7 Breeders' Cup?

8 MR. KELEGIAN: Yeah, we are going to miss it,
9 construction issues, we have to start --

10 CHAIR ISRAEL: Right. But you will be open in time
11 for -- to celebrate Santa Anita's opening?

12 MR. KELEGIAN: Oh, absolutely, absolutely.

13 CHAIR ISRAEL: Okay. And Los Alamitos is new?

14 MR. KELEGIAN: Absolutely.

15 CHAIR ISRAEL: Okay. Because they are going to
16 run. No matter what Broad does.

17 Item ten: Discussion and action by the Board
18 regarding the Arabian race schedule to be run at the
19 Breeders' Cup on Friday, November 1st, 2013, and its
20 placement on the race card.

21 There is -- actually, not really. Action to
22 take -- I know Bob is here to just update us on the
23 actual race schedule which was made public yesterday or
24 the day before by way of a press release but I will just
25 say that there was some concern among some interested

1 parties, including me, about the Arabian race being
2 included in the Pick Five and/or the Pick Six.

3 And there was an initial schedule that had it
4 included in the Pick Five and I am very pleased that it
5 did not become an issue, that Breeders' Cup was able to
6 devise a schedule that worked for everybody and the Pick
7 Five will be all thoroughbred races and the Pick Six will
8 be all thoroughbred races.

9 MR. ELLISTON: Thank you, Mr. Chairman.
10 Bob Elliston, Chief Operating Officer for the Breeders'
11 Cup.

12 I did want to take the opportunity, because
13 at the last meeting when you did amend the Los Angeles
14 Turf Club license and application to permit this race,
15 there was some question as to how the wagering on the
16 race would be handled.

17 So as the Chairman mentioned, we did publish
18 that yesterday. I just want to give you an update on the
19 race, itself.

20 We have had thirteen horses nominated but we
21 expect twelve to enter on Monday. One will be a foreign
22 horse and the rest would be domestic.

23 So we are pleased at the support for the
24 race. As the Chairman mentioned, it will be carded as
25 the eleventh race on Friday's card which will be right

1 after the Distaff.

2 This is exactly how it was handled at the
3 Arch de Triumph, for example. On the Arch itself, there
4 was an Arabian race right after that.

5 So we are excited about the reception that it
6 has received domestically and internationally for that
7 matter and we think it will actually bring some
8 additional eyes to the Breeders' Cup itself from
9 international audiences.

10 It will be included as -- in terms of
11 multi-light wagers, the only multi-light wager that will
12 be included, it will be part -- in the end of the last
13 Pick Three. It will not be part of any Pick Fours, it
14 will not be part of any Pick Fives or Pick Sixes as the
15 Chairman mentioned and it will have the full array of
16 in-wagering menu as the other races will.

17 I will be happy to answer any questions you
18 have relative to that outstanding item from the last
19 meeting when we didn't know exactly how it would be
20 handled.

21 CHAIR ISRAEL: Any questions?

22 MR. ELLISTON: Mr. Chairman, if you would like me
23 to, I briefly give you an update on Breeders' Cup per se.

24 CHAIR ISRAEL: Sure. That would be great. That is
25 fine.

1 MR. ELLISTON: If you would like that.

2 CHAIR ISRAEL: Okay.

3 MR. ELLISTON: We did also announce yesterday the
4 pre-entries for the races and we -- to say we were exact
5 would probably be an understatement.

6 A hundred seventy-two individual horses with
7 cross entries, a hundred ninety-two pre-entries. Of
8 that, there is nine returning champions from last year in
9 these races.

10 CHAIR ISRAEL: How many races?

11 MR. ELLISTON: Be fourteen races.

12 CHAIR ISRAEL: That is right. Okay.

13 MR. ELLISTON: Nine returning champions,
14 seventy-one individual grade-one or group-one winners.
15 So to say we have an exceptionally deep menu of horses
16 from all over the world would be, I think appropriate, so
17 much so that something of interest to our wagering
18 community, we have upped the guarantees of the pools
19 to -- in total, ten million dollars worth of guaranteed
20 wagering pools will be available to wagerers on the
21 Friday and Saturday.

22 So that speaks I think to our confidence in
23 the quality of the races and our willingness to step up
24 like that and make these pools available to the wagering
25 public.

1 CHAIR ISRAEL: How does that manifest itself? How
2 does the ten million dollars --

3 MR. ELLISTON: Let me take you through the exact
4 pools. On Friday, the Pick Five will be a guaranteed
5 half million dollars. The Pick Six will be a million
6 dollar guarantee. The late Pick Four will be one point
7 five million dollars.

8 On Saturday, the Pick Five again, half a
9 million dollars. The early Pick Four will be a million.
10 The Pick Six will be two and a half million and the late
11 Pick Four will be a three million dollar guaranteed pool.

12 So that totals up to ten million dollars and
13 I am not aware of any race card ever that has had ten
14 million dollars worth of guaranteed pools on it.

15 COMMISSIONER KRIKORIAN: That is better than going
16 and buying a lottery ticket.

17 MR. ELLISTON: We hope it is like --

18 CHAIR ISRAEL: Yeah, if you could pick winners.

19 MR. ELLISTON: I would also say that our friends --
20 working with our friends at the TOC as well as our host
21 track, Santa Anita, we have made an arrangement to permit
22 the Pick Six as it has been already, carrying from Friday
23 to Saturday but there is an opportunity now for it to
24 carry into Sunday, the closing day of the Santa Anita
25 meet and this will have -- and we hope -- well, I don't

1 know if I should say we "hope."

2 It would be beneficial to be able to carry it
3 for a third day because the arrangement financially that
4 has been made between Breeders' Cup, the host track and
5 TOC would dramatically affect all three of us positively.

6 It would help Breeders' Cup, it would help
7 the host track and it would help the horsemen in
8 California because it would drive all that money into
9 that third day of the Pick Six, which hasn't happened
10 before.

11 CHAIR ISRAEL: I have forgotten. Do you have a
12 Distaff classic double available?

13 MR. ELLISTON: We do. We do have, and that is
14 actually one of the reasons why I didn't mention there
15 was a multi-leg daily double into the last race on
16 Friday.

17 CHAIR ISRAEL: Right.

18 MR. ELLISTON: We actually didn't do that last year
19 either because we have a special late double from the
20 Distaff to the classic.

21 CHAIR ISRAEL: Okay.

22 MR. ELLISTON: So we couldn't be more excited about
23 it. We can't thank you enough for all the hospitality of
24 California Horsemen, our host track and the Racing Board.

25 CHAIR ISRAEL: Great. Thanks. Any questions?

1 (No audible response.)

2 CHAIR ISRAEL: Fantastic.

3 MR. ELLISTON: Thank you.

4 CHAIR ISRAEL: Have a great Breeders' Cup. We will
5 all be here next week. Thanks Bob.

6 Okay. Item eleven: Discussion and action by
7 the Board regarding the feasibility of amending CHRB Rule
8 1433, Application for License to Conduct a Horse Race
9 Meeting, to add to the license application the take-out
10 rate on the proposed pari-mutuel wagering schedule.

11 Richard, I think this is your issue so just
12 update us on it.

13 COMMISSIONER ROSENBERG: Not really. No, I just
14 raised the question of -- which is being looked into by
15 staff about amending the rules to -- no, I am sorry.
16 This is another item. That is being checked too, on the
17 license application. This is just the --

18 CHAIR ISRAEL: The program --

19 COMMISSIONER ROSENBERG: Not just the program. It
20 will show on the license application, yeah.

21 CHAIR ISRAEL: But also on the program.

22 COMMISSIONER ROSENBERG: Right.

23 ASSISTANT EXECUTIVE DIRECTOR WAGNER: Jackie Wagner,
24 CHRB staff. What you have before you is the proposal
25 to amend the license application to include capturing

1 the take-out information for the race card.

2 We would be amending both application CHRB 17
3 and the 18. That is the application for the Racing
4 Association and the Fairs.

5 And in your packet, the amendment that we are
6 proposing is noted on page 1110 in the pari-mutuel
7 wagering program. The Racing Association will be
8 required to indicate the take-out percentage for each
9 race on the race card.

10 CHAIR ISRAEL: Okay. Any comments by
11 Commissioners? Anybody in the public comment on it?
12 Nobody? Wow.

13 COMMISSIONER KRIKORIAN: I have a question.

14 CHAIR ISRAEL: Yes, go ahead, George.

15 COMMISSIONER KRIKORIAN: Isn't the -- I thought
16 that the take-out rates were set for all meets, they were
17 equal. Are they different?

18 ASSISTANT EXECUTIVE DIRECTOR WAGNER: They are.
19 There are provisions in the statutes that allow the
20 associations and if they come together with the specific
21 parties to adjust those take-outs.

22 COMMISSIONER ROSENBERG: It is a range in statute.
23 It is between what is it ten and twenty-five percent. So
24 you can negotiate with the stake holders within that --

25 CHAIR ISRAEL: The association --

1 COMMISSIONER ROSENBERG: Within that --

2 CHAIR ISRAEL: -- agreement.

3 COMMISSIONER KRIKORIAN: Okay, I got it.

4 CHAIR ISRAEL: I mean that is how the fifteen
5 percent Pick Five came to be here, fourteen percent Pick
6 Five.

7 It started with Hollywood Park in 2000 --
8 anybody hear from Hollywood Park? Anybody work at
9 Hollywood Park any more? Started in 2010, I think; right
10 George, Pick Five? Yeah.

11 All right. Well, is there a motion on this?
12 Moved by Commissioner Rosenberg, seconded by Commissioner
13 Beneto. All in favor? Aye.

14 (The collective Board responds "aye.")

15 CHAIR ISRAEL: Motion passes unanimously.

16 Okay item twelve we are going to put over at
17 the request of the Medication and Track Safety Committee
18 so we are not going to deal with that today.

19 Item thirteen -- is that right? I am told
20 you want me to put it over.

21 VICE CHAIR WINNER: Yeah. I think it is actually
22 the Jockey Committee, isn't it?

23 CHAIR ISRAEL: Whatever committee it is. I am kind
24 of sad about that because I frankly was going to propose
25 that we drug test the Commissioners.

1 VICE CHAIR WINNER: That was actually suggested
2 yesterday. Bo and I -- Commissioner Derek and I
3 volunteered to agree.

4 COMMISSIONER DEREK: I'm leaving.

5 CHAIR ISRAEL: I think it is only fair and I know
6 Bo and I are leaving, so ...

7 COMMISSIONER DEREK: No problem.

8 COMMISSIONER ROSENBERG: We agreed.

9 CHAIR ISRAEL: I like to torture my successors in
10 some way.

11 Item thirteen: Discussion and action by the
12 Board regarding the proposed addition of CHRB Rule
13 1498.1, Exercise Rider Physical Examination, to require
14 that exercise riders undergo an annual physical
15 examination prior to the race meeting of the year in
16 which they intend to participate. I believe Chuck, this
17 is yours?

18 VICE CHAIR WINNER: Yeah. We heard evidence on
19 this or had discussion on this in our meeting and I
20 believe it was a suggestion actually of Brad McKenzie
21 because of the insurance issues involved with exercise
22 riders and I think we discussed this at prior meetings.

23 Perhaps Brad would like to make a comment on
24 this but the point is that what we are talking about here
25 is providing that every exercise rider will have to take

1 a physical before the meet or the first meet in which
2 they ride in the year and the reason again is because
3 there are so many workers' comp claims that it is evident
4 that we have accidents among exercise riders that we
5 don't take into consideration generally when we are
6 talking about safety.

7 Historically, we have talked more about the
8 jockeys and race day in the afternoons rather than the
9 accidents that occur in the morning with exercise riders.

10 And as I recall, this was a recommendation by
11 Mr. McKenzie and those of us on the Commission felt it
12 was an extremely good idea.

13 MR. MCKENZIE: Brad McKenzie from Finish Line Self
14 Insurance Group. Yeah, just as a very quick background.
15 In the State of California this coming year to provide
16 workers' compensation coverage for the thoroughbred and
17 quarter horse business horsemen are going to have to pay
18 sixteen point five million dollars to provide this
19 coverage.

20 In the thoroughbred world in particular, we
21 take great care as far as jockey physicals -- well, not
22 as much care as we should -- but jockey physicals and
23 because they are performing a very physically challenging
24 and dangerous job.

25 But exercise riders are basically asked to

1 perform somewhat the same job and exercise riders account
2 for sixty-four percent of the incurred losses in the
3 thoroughbred world in workers' comp. Sixty-four percent,
4 just from that one category.

5 And so in order to assure that we have people
6 out there on the backs of these horses who are physically
7 capable of doing it, I think is very important.

8 Right now there is no physicals at all
9 required to perform what is a very physically demanding
10 job.

11 VICE CHAIR WINNER: Thank you. I should also
12 mention that we are working with the tracks to try to
13 improve the environment, the track conditions in the
14 morning or at least the back stretch conditions, the gap
15 conditions and so forth to try to improve safety in the
16 mornings as well.

17 Vehicles in the back stretch at the time that
18 training is going on, we are trying to improve all of
19 those things. Tracks have been very helpful in working
20 with us on that.

21 But the point being here that we are doing
22 everything we can to improve safety. The matter that we
23 put over, number twelve, item number twelve on the agenda
24 that has to do with drug testing and alcohol testing,
25 that will be heard again in committee next month and

1 hopefully November. That will be on the Board agenda
2 which will include drug testing and alcohol testing for
3 exercise riders as well.

4 So based on the numbers that we have heard,
5 plus the safety of the individuals and the horses that
6 they are riding, we think it is very important to have.

7 Some of the stories that Brad told us in
8 committee about some of these exercise riders who are
9 actually getting back on horses and riding when clearly
10 they are physically not able to do it, at least based on
11 the evidence that he gave us, this is something that we
12 strongly support. Commissioner Derek may want to
13 comment.

14 COMMISSIONER DEREK: Well, I think this is very
15 important and it is another one of those items that you
16 just assumed it was being done and I was very surprised
17 to find out it hasn't been.

18 VICE CHAIR WINNER: So I move adoption unless there
19 is other comment.

20 COMMISSIONER DEREK: I will second.

21 CHAIR ISRAEL: It is moved by Commissioner Winner
22 and seconded by Commissioner Derek. Are there any other
23 questions or comments?

24 (No audible response.)

25 CHAIR ISRAEL: All in favor? Aye.

1 (The collective Board responds "aye.")

2 CHAIR ISRAEL: Motion passes unanimously.

3 Item fourteen: Discussion and action by the
4 Board regarding technical approval of the Southern
5 California Auxiliary Re Stabling and Vanning Agreement
6 for the 2014/2015 racing year.

7 Would the parties to that agreement please
8 come forward. That would be Santa Anita, Los Alamitos,
9 Fairplex, TOC -- who am I leaving out? Del Mar.

10 COMMISSIONER ROSENBERG: Los Al.

11 CHAIR ISRAEL: I said Los Al. Brad, where are you?
12 CTT. But you are not part of the agreement with CTT.
13 You can come forward if you wish but you don't have to
14 Alan. It is up to you.

15 Okay. Who is going to speak for -- I guess
16 Joe, are you the one who does this or Scott or Josh? I
17 don't care, whoever.

18 MR. DARUTY: Scott Daruty on behalf of Santa Anita.
19 We were requested last month to submit to this Board a
20 copy of the agreement reached between Santa Anita, TOC,
21 Los Al and Del Mar relating to stabling for 2014 and
22 beyond.

23 CHAIR ISRAEL: And Fairplex.

24 MR. DARUTY: Sorry, and Fairplex. And we did in
25 fact submit that agreement and are here I guess to

1 address any questions.

2 CHAIR ISRAEL: Okay. To that end, are you waiving
3 confidentiality?

4 MR. DARUTY: I should mention that the document was
5 submitted as a confidential document, given the
6 confidential nature of some of the business agreements
7 contained therein. That confidentiality has not been
8 waived so it might make some of the questions a little
9 tricky.

10 CHAIR ISRAEL: Okay. And I am -- am I to
11 understand from Counsel that confidentiality is permitted
12 under the law in this --

13 MR. MILLER: That is correct. Robert Miller,
14 Counsel for California Horse Racing Board. Pursuant to
15 the Public Records Act, this material was submitted on a
16 confidentiality basis and therefore is not a public
17 document.

18 With regards to questions that the
19 Commissioners would have, you will see the staff analysis
20 there that covers certain points in the agreement. That
21 is the public record and you can question the individuals
22 about those things. As to any other items in the
23 agreement, no, not in public session.

24 CHAIR ISRAEL: Okay. That said, does anybody have
25 anything they would like to say or -- go ahead, Richard.

1 COMMISSIONER ROSENBERG: I have a problem with the
2 procedure because I can't understand how you could, as a
3 Commissioner, be provided with a confidential agreement
4 which you are permitted to read in confidence and then
5 ask questions about the subject matter of various
6 paragraphs without violating the confidential nature of
7 the agreement.

8 So my feeling is -- and I was told this by
9 Commissioner Israel that he didn't intend to allow us to
10 ask questions, so the Board -- yeah, that it would --
11 well, I think we are allowed. I think the point of it is
12 that we cannot technically approve an agreement that we
13 don't approve -- really approve -- because we are not
14 permitted to discuss in public open questions about
15 the --

16 CHAIR ISRAEL: We are not technically approving the
17 agreement. We don't -- as I understand it --

18 COMMISSIONER ROSENBERG: That is what exactly it
19 says. Technically approving.

20 CHAIR ISRAEL: No. We are technically approving
21 the calendar. That is what we voted on. We actually
22 don't vote on the stabling venue agreement. Am I
23 understanding this right, Robert?

24 COMMISSIONER ROSENBERG: No.

25 MR. MILLER: That is correct.

1 COMMISSIONER ROSENBERG: No, but the wording of
2 this agenda item is very clear.

3 CHAIR ISRAEL: Then it is worded incorrectly.

4 COMMISSIONER ROSENBERG: So what are we doing here?

5 CHAIR ISRAEL: We are approving the calendar. This
6 is final approval of the calendar. And we demanded to
7 see --

8 COMMISSIONER ROSENBERG: We put this over to see
9 the agreement and to --

10 CHAIR ISRAEL: You can ask questions on the general
11 items listed.

12 COMMISSIONER ROSENBERG: But just because they have
13 chose those items prevents me from asking questions about
14 other items, which is fine with me.

15 So my point is this: I think -- and I want
16 to make it clear -- that I don't believe that any
17 Agreement amongst shareholders is outside the
18 jurisdiction of the Board and the fact that they chose to
19 submit it as a confidential document totally avoids --
20 the Board becomes a rubber stamp. They say,
21 "confidential," so we have to -- we can't discuss it in
22 public. Makes no sense.

23 CHAIR ISRAEL: Well, they wouldn't have submitted
24 the agreement. They would have just said that we
25 submitted the signature pages without --

1 COMMISSIONER ROSENBERG: Right to turn it down
2 then.

3 CHAIR ISRAEL: As I understand it, this happens in
4 government all the time, doesn't it? The government
5 looks at -- that the government doesn't have an issue --
6 a position in but reviews the contract for whatever
7 reason and then doesn't make that contract public. That
8 happens.

9 MR. MILLER: That is correct.

10 COMMISSIONER ROSENBERG: Who is the government?

11 CHAIR ISRAEL: The State of California. You
12 represent the State of California.

13 COMMISSIONER ROSENBERG: What government?

14 MR. MILLER: California and its various agencies.

15 COMMISSIONER ROSENBERG: Receive confidential
16 documents and review them? What if they have questions?

17 MR. MILLER: The banking regulators receive
18 confidential documents, the insurance industry receives
19 confidential documents.

20 COMMISSIONER ROSENBERG: Are they permitted to ask
21 questions when they receive those documents without going
22 to a public meeting?

23 MR. MILLER: No.

24 COMMISSIONER ROSENBERG: They just receive the
25 documents, read them and if they are terrible they have

1 to approve them?

2 MR. MILLER: Well, no. There is no approval here.
3 You are not approving this document.

4 CHAIR ISRAEL: We have no authority over this
5 document.

6 COMMISSIONER ROSENBERG: Well, okay. That is the
7 key question. My objection as a Commissioner is that we
8 do have authority over this. I think Counsel
9 acknowledged that last time that we have authority.

10 CHAIR ISRAEL: Here is what then I propose; I am
11 going to move that we approve the calendar and we will
12 take a vote and see if we approve the calendar. So the
13 motion is made. Is there a second?

14 COMMISSIONER ROSENBERG: I have a question.

15 CHAIR ISRAEL: Is there a second?

16 COMMISSIONER ROSENBERG: Does approving the
17 calendar include approving this agreement?

18 CHAIR ISRAEL: Yeah.

19 COMMISSIONER ROSENBERG: Okay. Then make the
20 motion.

21 COMMISSIONER KRIKORIAN: I have a question. I
22 would like to at least -- more to this than just moving
23 forward and rubber stamping it. I don't like it.

24 CHAIR ISRAEL: Well, you are going to have to get
25 your own lawyer. We are not a party to the contract.

1 COMMISSIONER KRIKORIAN: I didn't know being a
2 Commissioner requires you to have to have a lawyer.

3 CHAIR ISRAEL: We do have a lawyer.

4 COMMISSIONER KRIKORIAN: Well, our attorney has
5 said before that we have the right to address any issues
6 and --

7 CHAIR ISRAEL: Confidentiality then --

8 MR. DARUTY: Well, I believe maybe -- Scott Daruty
9 on behalf of Santa Anita. We may be making this more
10 complicated because we don't know what the question is.
11 So it may be best to ask the question and we will answer
12 it as best we can and --

13 CHAIR ISRAEL: You have to weigh the
14 confidentiality. I am perfectly happy to have him ask
15 questions as long as you are not going to sue us for
16 violating your confidentiality. That is all I care
17 about.

18 COMMISSIONER ROSENBERG: Why don't we approve the
19 calendar and put this over so we have time to think -- if
20 they are willing to waive their confidentiality, approve
21 the calendar, get that over with so there is no delays
22 and then we can ask questions next month.

23 CHAIR ISRAEL: We have done that.

24 COMMISSIONER ROSENBERG: No, we haven't.

25 CHAIR ISRAEL: Yeah, we did. We approved the

1 calendar pending this.

2 COMMISSIONER ROSENBERG: Thank you. We are not
3 approving it.

4 CHAIR ISRAEL: No, but we didn't -- we just wanted
5 to see it. What we said and what is in the Minutes, if I
6 remember correctly; right?

7 ASSISTANT EXECUTIVE DIRECTOR WAGNER: That is
8 correct.

9 CHAIR ISRAEL: -- is that we conceded we didn't
10 have approval over it but we wanted to review it, just
11 for our own satisfaction to make sure it got done.

12 COMMISSIONER BENETO: Mr. Chairman?

13 CHAIR ISRAEL: Yes, sir.

14 COMMISSIONER BENETO: Why do we have to have
15 confidentiality? Can't we operate with both hands on top
16 of the table and start communicating with one another?

17 When we get into this confidentiality, it
18 makes me a little nervous as a Commissioner. I want to
19 know exactly what goes on in the racing business.

20 MR. MORRIS: Joe Morris with the TOC. You know we
21 were asked by the Commission to come up with an
22 agreement.

23 We did that after a lot of pain-staking
24 meetings in front of the Chairman and the Vice Chairman.
25 We did it. We got everybody on the same page. You asked

1 to see the document. We gave you the document. I don't
2 understand what more we need to do with all of this.

3 We voted the stabling and vanning. We have
4 stabling set for 2014. I mean you guys have -- we talked
5 about the racing schedule. The racing schedule I mean is
6 in your hands for fourteen and fifteen are out there.

7 We have talked about the television
8 distribution. We have talked about the industry fund. I
9 don't understand what more there is.

10 COMMISSIONER ROSENBERG: It is simple, Joe. We
11 have jurisdiction over what is good for horse racing and
12 if something in that agreement later comes up in dispute
13 among the parties, where are you going to come to? You
14 are going to come to us. You are not going to go to
15 court right away.

16 So if we can't talk about this agreement and
17 ask questions about it in public, I don't see why would
18 you object to this?

19 Why do the parties object to confidentiality?
20 It is a -- it puts us in a position of saying okay,
21 whatever you guys do is okay but if there is a problem,
22 we hope we are approving what you are doing.

23 MR. DARUTY: Scott Daruty. We have been taking a
24 little sidebar over here and I don't think that we are
25 sitting here saying we are prepared to waive blanket

1 confidentiality and have the document you know, published
2 but I think we are all sitting here saying we are waiving
3 confidentiality to the extent you want to ask us
4 questions and we will answer --

5 CHAIR ISRAEL: It is on the record then. I am
6 going to open it for questions. I just don't want you
7 getting a lawyer and suing -- half of you are lawyers
8 anyway.

9 I don't want to get sued or the Board to get
10 sued for no reason. So if you are waiving that
11 confidentiality, fire away.

12 COMMISSIONER ROSENBERG: I would prefer putting it
13 over to next month --

14 CHAIR ISRAEL: I am not putting it over --

15 COMMISSIONER ROSENBERG: Well, you told us we
16 couldn't ask questions so I want to review it in detail.

17 CHAIR ISRAEL: Richard, this is your chance. Take
18 it or forfeit it; okay? We are not putting it over.

19 COMMISSIONER ROSENBERG: Does anyone have
20 questions, have you read the agreement?

21 CHAIR ISRAEL: Yes, I have.

22 COMMISSIONER ROSENBERG: Okay. I have no
23 questions. And you have no questions?

24 CHAIR ISRAEL: I have had it all week. I have no
25 questions.

1 COMMISSIONER ROSENBERG: I have one question that
2 doesn't relate to anything mentioned, by the way, in the
3 staff analysis on Monarch licensing the signal that Los
4 Alamitos shall become a member of Monarch. And I
5 understand that you said earlier today that all tracks in
6 California use Monarch to license the signal, the
7 importing and exporting of signal; correct?

8 MR. DARUTY: That is correct. Scott Daruty on
9 behalf of Santa Anita and I am also President of Monarch.

10 Just to clarify, that is correct with respect
11 to all thoroughbred tracks and racing fairs in
12 California.

13 We do not represent the nighttime industry.
14 When Los Al was -- we were all in discussions about Los
15 Al getting thoroughbred dates for the first time ever,
16 daytime thoroughbred dates.

17 I think everybody in the discussions thought
18 it made sense for them to be a part of Monarch so that
19 when we sell the signals of Santa Anita, Del Mar,
20 Fairplex, Golden Gate Fields and CARF as a package to
21 purchasers outside the State of California, that package
22 of content would include the Los Al thoroughbred meets.

23 MR. MCKENZIE: Brad McKenzie for Los Alamitos. We
24 are happy to be a part of Monarch. We think their buying
25 and selling power because of all the other associations

1 they represent can only be beneficial to us as we
2 negotiate our contracts.

3 MR. DARUTY: I would also like just to add that
4 sometimes we forget that the 1072 purse money which was
5 passed in I think 2010, the implementation of that can be
6 tricky if each race track were negotiating its own host
7 fees and simulcast agreements without a state location.

8 You might have the 1072 money be negotiated
9 one way by Del Mar and a different way by Santa Anita and
10 a third way by Los Alamitos.

11 So that was a big part of what drove these
12 tracks in California to decide it was best to sell all
13 the content as a package.

14 COMMISSIONER ROSENBERG: The purpose in raising
15 that specific question was not to be critical of it. It
16 is actually an example of why I think it is ridiculous to
17 submit agreements that are confidential when it relates
18 to the overall racing industry in California for which we
19 are responsible.

20 That this should be a public -- this should
21 be something that should be out there in the public to be
22 aware that the Stronach Group, coincidentally a major
23 owner of race tracks around the country, happens to be
24 running Monarch.

25 Now it seems to be satisfactory to the other

1 tracks and if it is working, fine. But this is just an
2 example of why I don't think confidentiality should be
3 allowed when it comes to this type of agreement involving
4 horse racing, for which we are responsible.

5 CHAIR ISRAEL: You have the dates. It is not
6 confidential because it is in every license application.

7 COMMISSIONER ROSENBERG: What is?

8 CHAIR ISRAEL: That Monarch is selling their
9 signal.

10 COMMISSIONER ROSENBERG: This is an example of --

11 CHAIR ISRAEL: It's confidential.

12 COMMISSIONER ROSENBERG: This is information which
13 is not normally discussed in public, that is all.

14 CHAIR ISRAEL: You can bring it up any time
15 somebody comes in for a license. Who is selling your
16 signal?

17 COMMISSIONER ROSENBERG: There are plenty of things
18 that are not in the license application that are in this
19 agreement.

20 And by the way, stabling and vanning is a
21 statutory provision for which we are responsible.

22 CHAIR ISRAEL: That is in every license
23 application.

24 COMMISSIONER ROSENBERG: Over which this agreement
25 -- the details are not in every license agreement. The

1 details -- what are you talking about? How much they get
2 reimbursed and how it is calculated and how they split up
3 if certain things don't happen that is in this agreement?

4 CHAIR ISRAEL: It is in every license agreement.

5 COMMISSIONER ROSENBERG: Which you don't want to go
6 into right now.

7 CHAIR ISRAEL: No, it is not in every license
8 agreement.

9 COMMISSIONER ROSENBERG: It is not in every license
10 agreement. It is only in it as to the specific race --

11 CHAIR ISRAEL: Richard, read the license
12 application. It says -- we are understanding how much
13 they are paying per stall.

14 COMMISSIONER ROSENBERG: It doesn't say what it
15 says in this confidential agreement which we are not
16 supposed to talk about as to how the future will be
17 handled if certain things don't happen, how much will be
18 paid in the event certain events occur. And there is
19 plenty else in this agreement that will not be -- but
20 anyway.

21 CHAIR ISRAEL: But the fact of the matter is, in
22 every license application, it is required to say in
23 detail, we are stabling our horses at the following
24 venues. We are paying --

25 COMMISSIONER ROSENBERG: That is not what I am

1 talking about.

2 CHAIR ISRAEL: Let me finish. You did enough
3 talking, Richard. We are paying this much per stall, we
4 are stabling this many horses at each one of these
5 venues. It is in every license application. Those are
6 made public for everybody to see before we even come to
7 the meeting.

8 COMMISSIONER ROSENBERG: Would you like me to read
9 some specific paragraphs in this agreement that are what
10 I am talking about that will not be on license
11 application?

12 MR. DARUTY: Scott Daruty on behalf of Santa Anita.
13 I apologize and all the others I am sure feel the same
14 way that we are not trying to create a bigger issue here
15 by requesting the confidentiality than there really
16 needed to be.

17 There are however, dollar amounts in the
18 agreement that were negotiated and agreed to between the
19 parties as to how much somebody was going to spend on
20 something and those were really the issues we were
21 getting at in terms of saying this wasn't really a
22 document we felt was proper for public dissemination.

23 The questions you have about Monarch, are
24 those along the same lines conceptually how the agreement
25 works. Again, we are happy to answer those questions, we

1 are happy to sit here and listen to your questions and
2 answer them.

3 MR. MORRIS: And Joe Morris with the TOC. On the
4 stabling issue of that, that agreement doesn't add or
5 take anything away from the stabling committee and it is
6 the stabling committee that actually makes the motions,
7 controls the dollars and votes on what stabling happens
8 and that is all public.

9 COMMISSIONER ROSENBERG: What is your objection to
10 having the public -- what Scott just mentioned -- what is
11 wrong with the public knowing how much is being spent by
12 Santa Anita on San Luis Rey Downs and that your owners --
13 you represent the TOC owners.

14 There are many people on that Board who know
15 the deal so why do we have to keep it out of the public
16 eye? I don't get it. I don't see why you would object
17 to it or do you object to it on behalf of the TOC?

18 MR. MORRIS: It is a private business agreement
19 between four different businesses. Five. TOC is a
20 business.

21 COMMISSIONER ROSENBERG: It is a statutory body
22 created. Anyway.

23 CHAIR ISRAEL: Well, it is a corporate so I guess
24 it is a business. George, did you have some questions?

25 COMMISSIONER KRIKORIAN: Well, I have a couple

1 comments. I don't like all of the language in your --
2 with respect to stabling and in the funds.

3 I mean I think I have said it before I think
4 that purses are more important than creating an industry
5 fund and you know for the people that own horses and high
6 purse structures are critical to the continued success of
7 racing in California.

8 So you know, I don't like that. All the
9 stabling agreements in here in the agreement, I don't
10 like it. I don't think it is in the best interest of
11 horse owners and the people who work on the back side.

12 There is also a provision here on the
13 stabling if there is a reduction of -- lost my page --
14 but I think it is more than fifty percent of the stalls.

15 So you have to reduce your stalls by fifty
16 percent before you would be penalized for being in
17 violation. To me, it should be a much lower threshold
18 than fifty percent.

19 For example, saying you have nineteen hundred
20 stalls, you would have to go down to nine hundred fifty
21 stalls before they were in violation of anything.

22 It should be the other way. There should be
23 an agreement that they maintain nineteen hundred stalls
24 and if it drops below nineteen hundred, then the Board
25 should have the right to recall the license agreement.

1 That is what I feel.

2 MR. DARUTY: Scott Daruty. If I might address the
3 provision you are referring to, what it talks about is
4 the four parties have agreed how to split up a finite
5 amount of stabling and vanning money for stabling and we
6 hear your comment that you know, you think that should be
7 directed to purses as opposed to paying for stabling at
8 all I suppose.

9 But the race tracks and the horsemen believe
10 that there do need to be adequate stables and that we are
11 all willing to pitch in money to pay for those.

12 So the allocation of that dollar amount among
13 the four parties was one of the most challenging parts of
14 our negotiation and why it went on forever and the four
15 parties ultimately did agree on how the money would be
16 allocated, at least in 2014.

17 The provision you are referring to says that
18 if one of the four stabling locations has less than fifty
19 percent occupancy, in other words, at Santa Anita for
20 example, if there is nineteen hundred stalls here at
21 Santa Anita but only nine hundred fifty horses actually
22 want to stay here, then at that point, Santa Anita is not
23 being fully utilized and would no longer get the
24 reimbursement under the agreement.

25 COMMISSIONER KRIKORIAN: I understand that part of

1 it but what happens if you -- what holds your feet to the
2 fire to maintain nineteen hundred stalls?

3 MR. DARUTY: That would be in our license to run
4 our race meet.

5 COMMISSIONER KRIKORIAN: So what happens if you
6 reduce -- go below nineteen hundred?

7 CHAIR ISRAEL: They don't meet the license
8 application that you have approved.

9 COMMISSIONER KRIKORIAN: So what recourse do we
10 have as a Board?

11 CHAIR ISRAEL: Shut them down.

12 VICE CHAIR WINNER: We can remove the license, pull
13 the license.

14 COMMISSIONER KRIKORIAN: Okay. Well, I wasn't
15 aware that we could actually do that. I thought we had
16 to put something --

17 CHAIR ISRAEL: When we vote on a license
18 application for a race meet, if they don't maintain the
19 standards that are required in that application, they are
20 in violation of it and they are subject to significant
21 penalty.

22 That is a matter before the Racing Board
23 every time a license comes up. That is why they are
24 licensed on a meet-by-meet basis because they have to
25 meet those criteria.

1 The issue that you raise is actually Santa
2 Anita was a bad example because it was never -- it is
3 almost -- it is ninety-nine point nine percent going to
4 be in demand.

5 It is Fairplex or Los Alamitos or San Luis
6 Rey only have a hundred and fifty horses, it is
7 economically unfeasible -- or infeasible, whatever the
8 right word is -- to keep it open. It makes no sense.

9 Therefore, that particular venue would be
10 closed and the horses would be disbursed to the available
11 stalls at the other venues. That is what that refers to.

12 So it would be a savings of money that would
13 then go back to purses; right?

14 COMMISSIONER KRIKORIAN: Right.

15 CHAIR ISRAEL: So that -- and it goes to your
16 benefit as an owner. But the Board doesn't give up any
17 rights in this thing. The Board has the right to license
18 every meet, it has the right to license every individual
19 and anybody in violation of the standards required by
20 license is subject to penalty or forfeiture of the
21 license.

22 COMMISSIONER KRIKORIAN: So you are saying that the
23 -- for example, the Santa Anita license states that they
24 will maintain nineteen hundred stalls? That is in the --

25 CHAIR ISRAEL: They have to have nineteen hundred

1 stalls.

2 COMMISSIONER KRIKORIAN: That is in the agreement?

3 CHAIR ISRAEL: That is in the agreement. Required
4 by law.

5 COMMISSIONER KRIKORIAN: Okay.

6 CHAIR ISRAEL: Chuck?

7 VICE CHAIR WINNER: Yeah. Mr. Chairman, I think
8 that what we are saying here is an issue about
9 transparency which is a very fair issue that Commissioner
10 Rosenberg raised, Commissioner Krikorian I think agrees
11 with and I think it is very important.

12 And on the other hand, we work very hard to
13 get all these guys sitting at the table to get together
14 and reach an agreement and they work very hard to reach
15 an agreement.

16 And from my perspective, the agreement is
17 between private parties, private companies and those
18 companies have reached an agreement and I think they have
19 been fairly transparent in answering the questions that
20 have been raised --

21 CHAIR ISRAEL: Excuse me, Barry, Chris, take it
22 outside. Go ahead.

23 VICE CHAIR WINNER: I think that they are doing the
24 best they can to answers questions that are not economic
25 questions that involve the private parties involved.

1 So I think everybody is right here. That is
2 to say that I think the questions about transparency and
3 the rights of the Board are critical but I also think, as
4 we have seen with respect to the last issue, a lot of the
5 issues being discussed are in the licensing agreement.

6 So therefore, we have recourse for stabling
7 and vanning that has recourse. So I would like to see
8 this move along so that we can achieve what we have been
9 trying to achieve for several months with respect to
10 training and stabling going forward.

11 CHAIR ISRAEL: Yeah, and we also have audit rights
12 over every one of the individual entities that are party
13 to this agreement.

14 So we can go and take a look at that and if
15 anybody is playing fast and loose with the facts, our
16 auditors should be able to determine that and protect the
17 rights of the other private parties as well as the
18 public, in particular, the public. The private parties
19 engaged in the deal can generally protect themselves.

20 But if the public is damaged, that is who we
21 have to protect. We have to protect the consumer and the
22 little guy and if grooms and hot walkers, exercise riders
23 and jockeys are adversely affected by this, you know, we
24 really have to protect them and trainers.

25 The corporations do a pretty good in looking

1 out for themselves. So I am not too concerned about one
2 of them violating the rights of another one. You know,
3 they will work that out. Any other questions, comments?

4 COMMISSIONER ROSENBERG: Just a comment.

5 Commissioner Winner's comments are correct. This is
6 about transparency and also private -- the right to keep
7 things private.

8 I just think that in the future -- this all
9 came up as a unique item to me and since I have been on
10 the Board I never heard this come up before, that if we
11 -- the Board feels they want to know the terms and
12 conditions of an agreement that it is within our
13 jurisdiction we should make it clear to the parties that
14 we do not want -- we won't accept a confidential document
15 which we didn't do here but I think that would be a good
16 procedure going forward.

17 COMMISSIONER KRIKORIAN: I have a last comment too.
18 I mean this is a -- this is a pretty serious document and
19 to be giving it just a few days before the meeting, not
20 really having time to digest it, not have the opportunity
21 to discuss it with the other Commissioners, except right
22 now.

23 CHAIR ISRAEL: You are not, by law, allowed to
24 discuss it with the other Commissioners except right now.

25 COMMISSIONER ROSENBERG: Yes, you can, you can

1 discuss it with the Public Commissioner.

2 COMMISSIONER KRIKORIAN: Okay. But that being the
3 case then, what we should do is we should have a meeting
4 like we are having today just for discussion and not for
5 taking action and then the next time we take action so
6 the people have time to digest it, talk about it,
7 research things not just be force fed something and have
8 to make a decision on it --

9 CHAIR ISRAEL: Well, first of all --

10 COMMISSIONER KRIKORIAN: -- which is what we are
11 doing right now.

12 CHAIR ISRAEL: I don't think that is what we are
13 doing right now. I mean frankly we deal with almost
14 everything we have on the basis of we get this notebook,
15 we get it six days before the meeting, it arrives on
16 Friday before the meeting, invariably.

17 It gives you plenty of time to go through it.
18 I don't know how much more in advance you could actually
19 get it.

20 And then we deal with the issues as they
21 arise in the next meeting. I mean that is standard
22 operating procedure on every license application and
23 every other item we got.

24 Now maybe you didn't have time to look at
25 this one or maybe it is just your general practice not to

1 do that. I don't know.

2 But this is no different from any other item
3 and we have discussed this frankly -- every one of these
4 terms and conditions has been discussed in public over
5 the last four months in a succession of meetings in which
6 we went over and over and over the Southern California
7 dates.

8 It has been on the agenda in every meeting
9 that we have had and we have reviewed all these things.
10 This is just a version that is memorialized.

11 But I think every one of these items has been
12 subject to questioning and -- I mean frankly, you know,
13 the fact that it was a confidential document to me seemed
14 kind of silly because we have discussed everything on
15 here, including -- I mean despite what Scott said -- how
16 much money you were spending because you have bragged
17 about how much money you were spending.

18 MR. DARUTY: We spend a few million dollars every
19 day making the improvements.

20 COMMISSIONER ROSENBERG: That's why we shouldn't
21 accept confidential documents in the future.

22 VICE CHAIR WINNER: You just broke your
23 confidentiality agreement.

24 COMMISSIONER DEREK: I just have one comment that
25 if we do receive any more confidential documents, I would

1 like some kind of -- something from staff explaining.
2 This little stamp was not enough to tell me that I
3 shouldn't talk about this to anybody. I didn't, but I
4 could have. It would have been helpful to know that if
5 this was confidential, we shouldn't talk about it.

6 CHAIR ISRAEL: All it means is that it can't be
7 included in the public record which I frankly think is
8 silly but short of a court order, was the only way we
9 were going to get the damned thing and --

10 VICE CHAIR WINNER: When was this agreement reached
11 and when was it submitted to staff? Yeah, the date is on
12 it. My question really gets to --

13 CHAIR ISRAEL: Signed 9-18 by some parties --

14 VICE CHAIR WINNER: My question gets to the point
15 that Commissioner Krikorian raised which is really an
16 issue for staff which is when we have situations like
17 this and I don't know exactly where one would draw the
18 line, but where there is an issue of this import which is
19 listed as a confidential document, it would be helpful if
20 it doesn't come five or six days before the meeting as a
21 part of the book but rather we are given a heads up in
22 advance about it so that we can have the time to review
23 it and I believe we can talk to -- what is it? Two
24 Commissioners, about it?

25 CHAIR ISRAEL: Two others.

1 VICE CHAIR WINNER: Two others without being in
2 violation so that would give us an --

3 CHAIR ISRAEL: But then those Commissioners can't
4 talk about it because it is a serial meeting and it is --

5 VICE CHAIR WINNER: Yeah, right, exactly.

6 CHAIR ISRAEL: And then whatever action is taken,
7 then I mean the remedy -- first of all, the remedy is a
8 fine but it is also a fine against the individuals and
9 criminal prosecution of the individuals. But also then
10 the action has to be retaken and --

11 VICE CHAIR WINNER: Since I don't think any of us
12 are prepared to go to jail over this.

13 CHAIR ISRAEL: No.

14 VICE CHAIR WINNER: But to allow us to see it in
15 advance and do whatever is appropriate in advance on a
16 document such as this and the import of it would be
17 helpful.

18 MR. ELLISTON: Without even getting the whole
19 package, if you get something that is more significant
20 you know, if we get a draft of it in advance.

21 CHAIR ISRAEL: What did you get?

22 VICE CHAIR WINNER: That's why I was asking what
23 the date was.

24 ASSISTANT EXECUTIVE DIRECTOR WAGNER: You know, I
25 would have to check my --

1 CHAIR ISRAEL: Are they time stamped when they come
2 in?

3 ASSISTANT EXECUTIVE DIRECTOR WAGNER: Yes, yes.

4 CHAIR ISRAEL: Okay. Go ahead. Did you want to
5 say something?

6 MR. RUBENSTEIN: Yeah, Josh Rubenstein at Del Mar.
7 Just to follow up a little bit on the context, when it
8 was official that Hollywood Park was closing and there
9 was going to be a new calendar for 2014 and '15, there
10 was some disagreement at this table in terms of what
11 dates would go where and the directive we received from
12 the Board was in order for the Board to approve and
13 allocate dates, that there would be four conditions that
14 the parties at this table would have to agree to.

15 The first is stabling, the second was an
16 industry fund which was a TOC initiative, the third was
17 television and the fourth was a calendar that we would
18 all agree to and basically we have done that.

19 CHAIR ISRAEL: But no, you are in violation of one
20 of them but we are going to take care of that next month.
21 You are in violation of the TV agreement.

22 VICE CHAIR WINNER: I think there was also a
23 backstretch issue.

24 CHAIR ISRAEL: Santa Anita backstretch in
25 particular and you presented us with a plan.

1 VICE CHAIR WINNER: Right.

2 MR. RUBENSTEIN: No, my point is we were told to
3 figure out an agreement amongst the parties and we have
4 done that.

5 COMMISSIONER ROSENBERG: Thank you. But why does
6 it have to be confidential? Okay. Let's not get into
7 that again. We wasted all this time. If the stamp
8 wasn't on there, we wouldn't be going through this.

9 VICE CHAIR WINNER: So the action that is required
10 is that we codify or that we --

11 CHAIR ISRAEL: No, all we got to do is approve the
12 calendar. That is really all -- because we threw up our
13 hands and surrendered on TV, but that is not going to be
14 good for the ADW companies come next month because I
15 think it is apparent we can withhold those licenses
16 unless TVG and HRTV work out something.

17 So Scott and Twinpires and TVG you are now
18 on notice that you need to speak and you need to get
19 something worked out for 2014 and frankly, if Golden -- I
20 you know, there seems to be a zero sum game going on in
21 this TV business that makes no sense to me.

22 It is very clear to me that -- and there is
23 statistical proof of this that both Santa Anita and
24 Golden Gate do infinitely better which means the horsemen
25 do better which means the trainers, the jockeys, and

1 everybody else do better when TGV is also broadcasting
2 your races so and I think Del Mar will do better when
3 HRTV is broadcasting its races as will Fairplex and Los
4 Al has already agreed to being broadcast by both.

5 So I think it is to everybody's benefit in
6 California, everybody's benefit in California to work
7 this out so we don't have to threaten to withhold
8 licenses for the ADW companies because that is the only
9 recourse you have given us.

10 And by failure to make an agreement on
11 television and you know, everybody is going to say that
12 is a suicide mission to cut off ADW revenues to
13 California? Well, see who blinks first.

14 That said, I move that we approve final
15 approval of the calendar for 2014 and 2015 Southern
16 California Thoroughbred Racing be made.

17 ASSISTANT EXECUTIVE DIRECTOR WAGNER: These are the
18 dates that were approved last month.

19 CHAIR ISRAEL: Okay. The dates that are in the --
20 everybody knows what the dates are. We are not going to
21 go through it again. Okay. I am not going to take a
22 voice vote. We will go one by one. George?

23 COMMISSIONER KRIKORIAN: I am not a proponent of
24 the industry fund and there is no distribution agreement
25 for the TV so I am voting, no.

1 CHAIR ISRAEL: Bo?

2 COMMISSIONER DEREK: I vote yes.

3 CHAIR ISRAEL: I vote yes. Chuck?

4 VICE CHAIR WINNER: I vote yes.

5 COMMISSIONER ROSENBERG: I vote no.

6 COMMISSIONER BENETO: No.

7 CHAIR ISRAEL: Three-three. In the event of a tie,
8 what happens, Bob?

9 MR. MILLER: You need four votes for any action by
10 this Board.

11 CHAIR ISRAEL: All right.

12 MR. MILLER: Take a break?

13 CHAIR ISRAEL: No. So it is put over.

14 MR. DARUTY: Scott Daruty on behalf of Santa Anita.
15 I find it a little ironic that we were beat up earlier
16 this morning about not having our license application
17 completed for our 2014 meet and now we are being told we
18 don't have a license to conduct our 2014 --

19 CHAIR ISRAEL: Calendar. Don't blame me.

20 MR. DARUTY: Thank you.

21 CHAIR ISRAEL: You have just seen the future.

22 VICE CHAIR WINNER: Did you want to take a break to
23 discuss this or what was your purpose?

24 MR. MILLER: Yes.

25 MR. MORRIS: Joe Morris with the TOC. Can you lay

1 out what happens now? I mean it goes to the next month.
2 I mean this is a pretty important issue. We have done as
3 an industry what the Board asked us to do and now we are
4 being told that what we did didn't work.

5 VICE CHAIR WINNER: Hold on just one second.

6 COMMISSIONER ROSENBERG: The clarification of the
7 motion -- because in my mind the motion -- because of
8 what Chairman said earlier, not during the motion -- was
9 by approving the calendar we would be approving the
10 agreement or technically approving it. That is why I
11 voted no and that is why Commissioner Krikorian --

12 CHAIR ISRAEL: I did not say that. I said we don't
13 have any engagement in the agreement. It is not part and
14 parcel of our business to approve that agreement.

15 MR. MORRIS: This is a first in the history of
16 doing a two-year calendar. It should be very positive
17 for our industry letting people know there is stability
18 in California.

19 It is just getting the fourteen and fifteen
20 dates approved but not even the specific but the calendar
21 approved because you get it -- you get the final say when
22 you have the applications in front of you.

23 CHAIR ISRAEL: Every one of the items in that --
24 the agreement they made among themselves is subject to
25 approval -- are you listening to me, Richard? You want

1 an explanation and then you fucking talk.

2 Okay? You know, every one of -- I apologize
3 for using that word.

4 COMMISSIONER DEREK: There goes your per diem.

5 CHAIR ISRAEL: Yeah, that's right. The Disabled
6 Jockey's Fund just made a hundred bucks.

7 Anyway, the agreement -- everyone has an
8 agreement is subject to review every time a license comes
9 up.

10 So the agreement is so they can do business
11 among themselves. It doesn't really affect how the Board
12 does business. The Board can make its demands every time
13 a license comes up.

14 COMMISSIONER ROSENBERG: So the motion did not
15 include approval of the agreement --

16 CHAIR ISRAEL: No --

17 COMMISSIONER ROSENBERG: Let me finish -- or
18 technical approval of the agreement?

19 CHAIR ISRAEL: No. The agreement is not subject to
20 the approval of the Board.

21 COMMISSIONER ROSENBERG: I would move to revote
22 then.

23 CHAIR ISRAEL: I moved to approve the calendar.
24 That is what I moved.

25 COMMISSIONER ROSENBERG: Only.

1 CHAIR ISRAEL: Yeah.

2 COMMISSIONER BENETO: I misunderstood.

3 COMMISSIONER KRIKORIAN: For 2014 and 2015?

4 CHAIR ISRAEL: 2014 and 2015. The calendar dates
5 as we agreed to them on a tentative basis in the meeting
6 that was held -- what month was that? October,
7 September. Okay.

8 COMMISSIONER BENETO: I didn't see it in the packet
9 on my dates and I thought we were voting on something
10 else.

11 CHAIR ISRAEL: This thing is written wrong.

12 VICE CHAIR WINNER: Okay. Let's start all over
13 again. I make a motion --

14 CHAIR ISRAEL: Okay. I move that we approve the
15 calendar for Southern California -- the Thoroughbred
16 Racing for Southern California for 2014 and 2015 as the
17 calendar was described in the tentative approval that was
18 granted in the September CHRB Board Meeting and approved
19 in that meeting.

20 COMMISSIONER BENETO: Thank you, Mr. Chairman.

21 CHAIR ISRAEL: Okay. Let's go again. George
22 Krikorian?

23 COMMISSIONER KRIKORIAN: I will approve it.

24 CHAIR ISRAEL: Bo Derek?

25 COMMISSIONER DEREK: Yes.

1 CHAIR ISRAEL: Yes, Israel.

2 VICE CHAIR WINNER: Aye.

3 COMMISSIONER ROSENBERG: Yes.

4 CHAIR ISRAEL: Steve?

5 COMMISSIONER BENETO: Yes.

6 CHAIR ISRAEL: Okay. The motion passes
7 unanimously.

8 MR. DARUTY: Thank you.

9 CHAIR ISRAEL: And I will give a extra hundred
10 bucks to CARMA too just to cover my ass.

11 VICE CHAIR WINNER: That is another hundred.

12 CHAIR ISRAEL: No, no ass is not included. Try to
13 do something good and everyone makes it so hard. So ...

14 COMMISSIONER BENETO: You weren't paying attention.

15 CHAIR ISRAEL: Well, that I am well aware of. I
16 only have to do this twice more. That is all I care
17 about.

18 COMMISSIONER BENETO: You'll be around a while.

19 CHAIR ISRAEL: Yeah, yeah, yeah, yeah, yeah. I
20 can't wait for item --

21 COMMISSIONER BENETO: Won't have any fun without
22 you.

23 CHAIR ISRAEL: We are going to have fun. We are
24 going to have fun on item twenty-two and twenty-three.
25 That where we are going to have real fun because those

1 are Steve's items.

2 Okay. Sixteen: Discussion and action by the
3 Board regarding the proposed amendment to CHRB Rule 1632,
4 Jockey's Riding Fee, to prohibit the deduction of any
5 portion of entry, nomination or other fees from a
6 jockey's riding fee unless such entry, nomination, or
7 other fees are paid exclusively by the owner and are not
8 reimbursed by any other person or entity.

9 I think this is particularly pointed at the
10 -- Barry has got a comment, I know. Did I skip fifteen?
11 I did. I am skipping fifteen because I am abbreviating
12 this meeting.

13 Those are things that we can all read
14 ourselves and -- okay?

15 COMMISSIONER DEREK: Oh great. Thank you.

16 CHAIR ISRAEL: Okay. Otherwise, I mean we can all
17 discuss that stuff later. That is not for everybody
18 else.

19 Anyway, sixteen is what I just read and
20 Barry, this goes to the heart of the Breeders' Cup Win
21 And You Are In.

22 MR. BROAD: Barry Broad of the Jockey's Guild.
23 First of all, this is a cumbaya deal here.

24 CHAIR ISRAEL: Right.

25 MR. BROAD: Okay. Following the last one so this

1 is not controversial. I just want you to all know that.
2 I promise.

3 Okay. So basically the way California pays
4 its jockeys, when the horse that they are riding wins,
5 places or shows is they get a percentage of the winning
6 purse.

7 In a stakes race or a handicap race, the
8 jockey is paid after the owner is -- paid on a percentage
9 of the purse after the owner's entry or nomination fee is
10 deducted.

11 In the Win And You Are In type of race, in
12 the Breeders' Cup, the Breeders' Cup actually pays those
13 entry and nomination fees. Legislation was passed --

14 CHAIR ISRAEL: For everybody's benefit, you can do
15 this simpler by using examples. In a stakes race that
16 pays a hundred thousand dollars; okay? That the entry
17 fee is say -- what would it be? George, what is the
18 entry fee for a stakes that pays a hundred thousand
19 dollars?

20 COMMISSIONER KRIKORIAN: Maybe a thousand dollars.

21 CHAIR ISRAEL: Okay. So the winning owner gets
22 fifty-nine thousand dollars.

23 MR. BROAD: Right.

24 CHAIR ISRAEL: The jockey is paid ten percent of
25 fifty-nine thousand dollars; is that what you are saying?

1 MR. BROAD: Ninety-nine. The winning share, yes.
2 So all this statute does which is AB 1226 is just says in
3 a situation where the owner doesn't actually pay the fee,
4 then you don't deduct that off the top or calculate the
5 jockey's winning.

6 CHAIR ISRAEL: So if the Breeders' Cup
7 million-dollar race requires -- where is Bob? He is not
8 here.

9 Is it a hundred thousand? No, it is a thirty
10 thousand entry fee, right? Twenty or thirty. Let's say
11 it is thirty.

12 Okay. And I know the winning percentage
13 isn't really sixty percent but let's just say it is sixty
14 percent so it is six hundred thousand so if it is a Win
15 And You Are In, they pay the purse on the full six
16 hundred thousand, not on five hundred and seventy
17 thousand?

18 MR. BROAD: Exactly.

19 CHAIR ISRAEL: Okay.

20 MR. BROAD: Now the bill was an urgency bill which
21 means it is in effect now in time for this year and what
22 we would ask is obviously, you can do regulations at your
23 leisure but the bill is self-executing, we just want the
24 staff to communicate with the Paymaster of Purses at
25 Santa Anita like tomorrow or today that how this is to be

1 calculated in the Win As You Are In races so the jockeys
2 get paid in accordance with the law.

3 CHAIR ISRAEL: Okay. Is that something staff can
4 do?

5 ASSISTANT EXECUTIVE DIRECTOR WAGNER: Yes.

6 CHAIR ISRAEL: Okay. But in the meantime, we
7 should go ahead and approve this rule so that it is
8 memorialized and you don't have to deal with it in the
9 future.

10 MR. BROAD: Correct. Thank you.

11 CHAIR ISRAEL: And would this apply -- are there
12 any Win And You Are In California -- does Santa Anita or
13 Del Mar run any stakes races that are Win And You Are In
14 that don't require a pay? Are there any that don't
15 require an entry fee to be paid? George, do you know of
16 any? Steve?

17 COMMISSIONER KRIKORIAN: No, I don't but I have a
18 question though.

19 CHAIR ISRAEL: Chuck? No?

20 COMMISSIONER KRIKORIAN: You have a Win And You Are
21 In race and the purse is a hundred thousand dollars let's
22 just say; okay?

23 And then there is an additional thirty
24 thousand dollar benefit that is earned because you know,
25 you are getting this fee. Why isn't that jockey getting

1 that money?

2 MR. BROAD: Well, they are getting their share of
3 it because they are getting essentially --

4 COMMISSIONER KRIKORIAN: Share of the bonus. You
5 are giving a bonus to the guy who rides the horse in the
6 Breeders' Cup. It is something to think about.

7 CHAIR ISRAEL: If you change jockeys, why don't you
8 change jockey --

9 VICE CHAIR WINNER: You are talking about changing
10 jockeys.

11 MR. BROAD: What I am saying is the Ship and Win is
12 a -- that the jockey that earned the money was on the
13 horse -- on the Ship And Win right, and he is not getting
14 the benefit. The benefit is going to the jockey who
15 rides the horse in the Breeders' Cup.

16 CHAIR ISRAEL: The Ship And Win or stakes Win And
17 You Are In?

18 MR. BROAD: We are taking about Ship and Win here;
19 right?

20 CHAIR ISRAEL: Win And You Are In and greater
21 stakes that require big entry fees. We are not talking
22 about overnight Ship And Win or anything like that.

23 MR. BROAD: I thought you were talking about the
24 Breeders' Cup and Ship And Win program.

25 CHAIR ISRAEL: No. Breeders' Cup program is Win

1 And You Are In.

2 MR. BROAD: Okay. That's what I am saying.

3 CHAIR ISRAEL: No. Actually, there was an instance
4 last year, I think Darryl may remember, where there was a
5 jockey change on a horse that had won, got in the race,
6 and then won the race with a different jockey and if this
7 were in effect -- I think Mike Smith was the jockey or
8 somebody was hurt. I don't remember. I think Mike was
9 the beneficiary.

10 Anyway, yeah. You know what? I think that
11 is just kind of luck of the draw. You can't really
12 legislate that. You can't start saying owners, you can't
13 change --

14 COMMISSIONER KRIKORIAN: Just having a conversation
15 here.

16 CHAIR ISRAEL: That is something that the jockeys
17 can work out among themselves and they have.

18 I know when Johnny V. got the mount on the
19 Derby winner for Pletcher after -- was it Alvarado got
20 hurt or was suspended, whatever happened. I've talked to
21 him about it. He gave Alvarado some of the commission.

22 COMMISSIONER ROSENBERG: Make a motion?

23 COMMISSIONER KRIKORIAN: I have a question. I
24 would actually like to hear from Alan or maybe you know
25 the answer to this. How are the trainers affected by

1 this? Isn't -- doesn't what applies to the jockey apply
2 to the trainer as well?

3 MR. BROAD: It could but the trainers declined to
4 be in the legislation. And they -- as I understand it --
5 have an option whether to participate in this Win And You
6 Are In thing.

7 But they are not -- the statute only applies
8 to jockeys. The trainers, we offer them to be part of
9 this because they -- the same thing exists for them and
10 they declined to be a part of it so and the legislation
11 was supported by all aspects of the industry at the end.

12 COMMISSIONER KRIKORIAN: Thank you.

13 CHAIR ISRAEL: All right. Is there a motion?

14 COMMISSIONER ROSENBERG: Move to adopt the
15 amendment.

16 CHAIR ISRAEL: I will second it. All in favor?

17 (The collective Board responds "aye.")

18 CHAIR ISRAEL: Motion passes unanimously.

19 Item seventeen: Discussion and action by the
20 Board on the report from the Stewards Committee including
21 jockeys' use of communication devices in the jockeys'
22 room.

23 Okay. Chuck and I held a Stewards Meeting on
24 Monday. It included all the Stewards from around the
25 State save one who had a family obligation,

1 John Herbuveaux from Northern California.

2 Jackie was there, Bob Miller was there, other
3 staff, including Sharyn Jolly, Bill Westerman,
4 Victoria Thornton and Mike Marten was there and at the
5 beginning of the meeting, we had representatives of the
6 jockeys there, Gary Stevens, Mike Smith and Aaron Gryder
7 to go over a couple of these items and then we continued
8 to meet with just the Stewards.

9 When the jockeys were in the room,
10 Gary Stevens had previously contacted me and raised an
11 issue about there was going to be enforcement of a rule
12 that prohibited the jockeys from using cell phones and/or
13 I-pads and any tablet device, you know computer device
14 within the jocks' room and the rule was going to be
15 enforced and the electrical devices were going to be
16 taken from them as of next Monday I think.

17 It is a rule that is impractical and dates
18 back to years and years and decades ago when there was an
19 option to past-post which no longer exists because of the
20 way racing signals are disseminated.

21 And we had much more concern about inside
22 information changing hands and everybody in the room
23 agreed that these rules were outdated and impractical so
24 within reason, jockeys and -- will be allowed to use
25 their electrical devices, many of them review races on

1 their I-pads. Excuse me?

2 PUBLIC SPEAKER: Certain electrical devices.

3 CHAIR ISRAEL: Communication devices. Not
4 machines, although that is a different subject
5 altogether. Where is Gio when we need him?

6 Anyway, jockeys are going to be allowed to
7 have their cell phones and I-pads and other items in
8 jocks' rooms they have to do business.

9 Gary pointed out to me that five or six of
10 jockeys in the Southern California colony represent
11 themselves and they are hustling rides.

12 And frankly, what sports entities have
13 discovered is more information is good in uncovering any
14 kind of scandal that might occur.

15 Cell phones and I-pads produce a permanent
16 record that anybody -- that those skilled at computer
17 forensics can discover.

18 So with the proper subpoena, it can aid in
19 uncovering any kind of mal or misfeasance that might
20 occur and the other thing is somebody like Gary, Tweets
21 and he has a lot of followers, thousands and thousands
22 and thousands of followers and we need that kind of
23 publicity.

24 It helps market the game, it helps sell the
25 game, it is -- you know, Chantal is good for the game,

1 Gary is good for the game, Joe Talamo has a lot of
2 followers and they are going to be self-policing.

3 The leaders in the jocks' room, people like
4 Smith and Stevens, Espinosa, they are not going to stand
5 for anybody playing games. It is a self-policing thing.

6 So we would like for the associations, none
7 of which seem to be represented in here except for Los
8 Alamitos, to remove from the walls in the jocks' room the
9 antiquated signs that say, "No use of telephones." Those
10 rules are no longer going to be enforced.

11 The second thing that we discussed was about
12 changing the minimum suspension for jockeys. It was
13 proposed that we reduce it from three days to two because
14 the number of days -- the number of meet days has been
15 reduced per week. But frankly, there was no real --
16 people were opposed to that and rough riding is a
17 problem.

18 The consensus was that if anything, that we
19 should give more severe penalties to make riding safer,
20 to make it safer for the horses, to make it safer for the
21 other jockeys and what we are is -- was proposed and
22 staff is going to work on doing is actually finding a way
23 -- George, were you here when I said to remove from the
24 jocks room? Okay.

25 -- to find a way to reduce the amount of

1 appeals and I mean I read in the Board package -- saw
2 that we are dealing this month with two appeals of
3 suspensions by jockeys.

4 And so what the proposal was is to use a
5 system that has been very effective in New York which the
6 minimum penalty is five days but two days will be stayed
7 so it is reduced to three if there is a stipulated
8 agreement and the jockey agrees not to appeal.

9 It is a plea bargain and that will save time
10 and money and impose a penalty in the proper time frame
11 so that nobody has forgotten what it is for but it will
12 save us -- it has the benefit of saving the Board a lot
13 of money because every time we go to court on one of
14 these things, we have to pay for it. So the Stewards all
15 thought that was a good idea. Chuck and I thought it was
16 a good idea.

17 COMMISSIONER ROSENBERG: Can you repeat that again,
18 David? Five days minimum.

19 CHAIR ISRAEL: Five days, reducible to three, so
20 stayed two days, automatically by stipulated agreement if
21 part of the stipulated agreement is that they will not
22 file an appeal.

23 It is an accepted penalty. So but if they
24 file the appeal, then they are risking five days. It is
25 pretty much the same thing that happens in a courtroom.

1 VICE CHAIR WINNER: And it is escalated, second
2 offense.

3 CHAIR ISRAEL: Yes. Then if it is seven -- if the
4 next penalty is seven days and it would be reducible to
5 five. If the next penalty is ten days, it would be
6 reducible to eight.

7 So because multiple infractions result
8 obviously, in longer penalties. So everybody in the room
9 and many of our Stewards are former jockeys.
10 Darryl McHargue, Paul Nicolo, Luis Jauregui, they are all
11 in the room.

12 COMMISSIONER ROSENBERG: Are the jockeys still in
13 the room?

14 CHAIR ISRAEL: Not when we finally decided that.
15 So that is one other thing. We have -- when we hold
16 hearings now, all the hearings would be recorded and the
17 State will provide tape recorders or recording devices --
18 since there are no longer tape recorders actually -- to
19 all of our Stewards so that they can record all the
20 hearings so there is no confusion over what is said, who
21 said what, there is not a lot of he-said, she-said.

22 The Claiming Rule, with the exception of one
23 Steward, was universally supported. They all think it is
24 working, they haven't had any problems with it and they
25 think it has made racing a lot better and you know, Chuck

1 and I both heard from many trainers in fact, many of whom
2 were opposed to the changes in the Claiming Rule
3 initially, that it is really working well and that it is
4 resulting in more claims because there is a lot more
5 assurity, confidence that you are getting a healthy
6 horse.

7 There is a proposal that we are going to see
8 that everybody seems to agree with that pony riders have
9 to wear vests. We are going to deal with that. I think
10 that is on this agenda; right?

11 VICE CHAIR WINNER: It is. That was in our
12 committee, yes.

13 CHAIR ISRAEL: Okay. We talked about the
14 difference in penalties. The Stewards up north frankly
15 have a lot more inquires, take down horses more
16 frequently than the Stewards in the South in thoroughbred
17 Racing. It is not as prevalent -- it is not prevalent at
18 all.

19 I mean first of all, there is no north and
20 south in harness racing. There is just the north and
21 there are very few inquires and Quarter Horse Racing is
22 its own animal.

23 But there is a real disparity between north
24 and south but when we discussed it, they seem to be
25 applying the rules in an equal fashion, it is they think

1 it is a difference in the quality of the horses, a
2 difference in the quality of the jockeys resulting in the
3 fact that there are more inquires up north on a
4 percentage basis and it is a significant number.

5 Chuck and I have discussed over a period of
6 time the concept of rotating Stewards around. Well, it
7 is not practical to rotate Stewards geographically
8 because we just frankly don't have the money to move them
9 around the State and a lot of them have families and it
10 would just be very difficult.

11 We also discussed among -- when we have three
12 Stewards upstairs and one is a Safety Steward -- maybe
13 among the four of them just creating a rotation so that
14 we constantly have different Stewards rotating into the
15 booth.

16 But Rick who is on the backstretch a lot more
17 than any of the rest of us, didn't think that would be a
18 good idea and a lot of the Safety Stewards have very
19 specific skills and very specific knowledge and it is
20 built up over a period of time that it would be
21 detrimental to health and safety for the horses and the
22 people to change them and to rotate them out. So we
23 decided to leave well enough alone.

24 Something Chuck and I didn't know that we
25 learned in the last couple weeks is that there is no

1 uniform magnification standard for resolving photo
2 finishes around the State.

3 So staff is going to be working with the
4 Stewards to find out what that uniform magnification
5 standard should be and issue an edict so that every photo
6 finish is -- around the State is decided in the same way.

7 And then there was some discussion about the
8 process on decisions and hearing process. We have all
9 processed stuff that is not particularly interesting to
10 the public. It is how they do business.

11 Chuck, do you want to make a --

12 VICE CHAIR WINNER: That was actually a very full
13 and complete report. The only thing -- I would add two
14 things: One is the issue of rotating Stewards, either
15 north to south, south to north or within the jurisdiction
16 itself, it was really interesting because the key issue
17 was consistency.

18 So if we have something where there are far
19 more disqualifications up north, far more Stewards
20 inquires up north than there are down south, more
21 disqualifications up north, the concern is the
22 consistency to the public, to the game -- to the gambling
23 public and to the public that appreciates racing.

24 But after we discussed it at length, it
25 became very clear from the discussion of all the

1 Stewards, and I think both Chairman Israel and I agreed
2 that what we do have currently is consistency.

3 The people know that there is -- there are
4 going to be more disqualifications up north and they know
5 there are going to be fewer down south but there is
6 consistency within each jurisdiction and it became clear
7 to start, as David said, to leave well enough alone was
8 probably the best approach because every option that we
9 evaluated seemed to be worse than the option that we
10 currently have. So that was the reason that we reached
11 that conclusion.

12 The other thing that I did want to point out
13 is that this was -- I am told by Gary Stevens -- this was
14 the first time that the jockeys have been invited into a
15 meeting such as this and Chairman Israel deserves all the
16 credit for this because it was his idea.

17 And they were really, really appreciative
18 that we took into consideration their views on these
19 issues which affect them every day in their lives and I
20 think it is something that we should keep in mind as we
21 go forward that the constituents of the very decisions
22 that we are making ought to have a voice in those
23 decisions, at least as we discuss them in advance or in
24 committees.

25 CHAIR ISRAEL: Yeah, actually if the trainers could

1 ever get together and agree on anything. Alan, where are
2 you? And the next --

3 MR. BALCH: Hiding from the electronic device.

4 CHAIR ISRAEL: Oh, okay, yeah. I am buzzing you
5 now so. You know, I think it would be a good idea
6 perhaps -- I will be gone but Chuck will be here and
7 Richard, George, Steve.

8 And so the next time the Stewards Committee
9 meets, I think it would be a good idea if the trainers
10 came in with you know, just for fifteen, twenty minutes
11 at the beginning of the meeting and discuss whatever
12 issues they have and if you know, I am sure Hollendorfer
13 might say wait, I am getting a different set of rules up
14 north than I am getting down south and you know, but he
15 is probably the only really affected by it in any real
16 way.

17 MR. BALCH: There are lots of us both north and
18 south and we would very much appreciate the opportunity.

19 CHAIR ISRAEL: Okay. Thanks. I am sorry I didn't
20 think of it before but I have only been doing this for a
21 while.

22 Any questions? Anybody on the Board?
23 Questions? George, you got anything?

24 COMMISSIONER KRIKORIAN: No.

25 CHAIR ISRAEL: Bo?

1 COMMISSIONER DEREK: No.

2 CHAIR ISRAEL: Okay. You are up next. Report from
3 medication, Track Safety Committee. Eighteen.

4 COMMISSIONER DEREK: We had a meeting here
5 yesterday and discussed the proposal to suspend
6 authorization of the anabolic steroid, Stanozolol in
7 racing for twelve months beginning December 26, 2013.
8 This would be the next item on today's agenda.

9 This would complete the job we started a few
10 years ago when we eliminated all the other anabolic
11 steroids in racing.

12 Stanozolol was the lone exception in that we
13 established a low threshold level. Dr. Arthur explained
14 this would be in accordance with the national movement.
15 Dr. Arthur can respond to any questions and concerns that
16 you might have here today. The Committee recommends
17 approval of this proposal.

18 Next, we discussed requiring racing and
19 auxiliary training facilities to have a veterinarian on
20 the grounds during training and racing hours. Racetracks
21 sometimes rely on the on-call system utilizing
22 veterinarians who reside close to the facility.

23 It is an informal system that still leaves
24 open the possibility of unacceptable delays in treating
25 injured horses.

1 The Committee feels this would be a sensible
2 requirement. Staff will be pulling together more
3 information about current practices and notifying the
4 racetracks that this will be on the agenda at the next
5 Medication Committee meeting with the intention of
6 recommending action to the full Board.

7 We also discussed the rule requiring
8 paramedics to be on the grounds during training. We're
9 asking our CHRB investigators to make certain this rule
10 is being complied with.

11 We received an update from Dr. Arthur on
12 Breeders' Cup preparations for veterinary services and
13 emergency planning. He said that we will have twenty
14 additional veterinarians we don't usually have.

15 We are already performing out-of-competition
16 testing on twenty-five percent of the Breeders' Cup
17 horses. The Breeders' Cup veterinary inspection team and
18 local veterinarians will be working with that team --
19 working with that team and will begin their inspections
20 this weekend.

21 There will be five teams inspecting horses
22 the morning of their races. We'll have three equine
23 ambulances available on race day, all expertly staffed
24 and we'll be using a Lasix administration team that will
25 be administering Lasix in those Breeders' Cup races that

1 allow Lasix.

2 The Breeder Cup is bringing in a team of
3 highly respected veterinarians to perform endoscopic
4 examinations on those horses after their races on a
5 voluntary basis. Horses will be monitored twenty-four
6 hours a day beginning seventy-two hours before they race.

7 CHAIR ISRAEL: That is it?

8 COMMISSIONER DEREK: That is it.

9 CHAIR ISRAEL: Anybody have any questions?

10 VICE CHAIR WINNER: No.

11 COMMISSIONER ROSENBERG: No.

12 CHAIR ISRAEL: Okay. Then we are going to move on
13 to nineteen in which we have discussion and action by the
14 Board regarding the request to suspend authorization for
15 the anabolic steroid Stanozolol pursuant to the
16 provisions of CHRB Rule 1844.1, Suspension of Authorized
17 Medication for a period of twelve months, beginning
18 December 26, 2013 through December 25th, 2014.

19 And I -- my first question would be why are
20 we waiting until December 26th? If it is not good, why
21 don't we do it tomorrow?

22 DR. ARTHUR: Mr. Chairman, Dr. Arthur, Equine
23 Medical Director. Because the trainers need an
24 opportunity to wash the Stanozolol out of their system so
25 they won't have an inadvertent positive.

1 We will be using a zero tolerance level for
2 Stanazolol if the Board agrees to suspend authorization
3 and that conceivably could -- Stanazolol could be
4 detected up to forty-five to sixty days in urine after
5 administration.

6 CHAIR ISRAEL: Well, why don't we just say it can't
7 be administered as of today or tomorrow but that we will
8 not find anybody guilty of violating the rule until
9 December 26th?

10 DR. ARTHUR: Well, it is actually --

11 CHAIR ISRAEL: Somebody may try to gain the system
12 or --

13 COMMISSIONER DEREK: They do.

14 CHAIR ISRAEL: Yeah. So I don't understand why we
15 don't just say administration after tomorrow because
16 frankly if Lee is riding around and he sees someone
17 sticking a needle in a horse he says what is that and he
18 finds out it is Stanazolol you know, a week from today
19 Breeders' Cup I don't think anybody would be that stupid
20 but you know, I shouldn't say that.

21 DR. ARTHUR: Well, let me explain if I can. There
22 have been horses that were very likely administered
23 Stanazolol yesterday.

24 CHAIR ISRAEL: Okay.

25 DR. ARTHUR: If you adopt this rule effective

1 today, those horses will not be able to run for sixty
2 days. Ordinarily, they would go on the vet's list for
3 thirty days.

4 CHAIR ISRAEL: That is not what I said. I said you
5 can't administer it as of today or tomorrow or however
6 long it takes them to notify everybody so it could be
7 Monday but you can run if you have been administered it
8 before that date without penalty through December 26th --
9 through December 25th.

10 DR. ARTHUR: That is essentially what we are
11 saying. But the rule is not a no-administration rule.
12 1844 is not a no-administration rule.

13 What it says is you cannot have Stanazolol
14 -- if we suspend Stanazolol, you can't have it in the
15 urine when it is tested.

16 If you administer Stanazolol tomorrow, you
17 have a chance of getting Stanazolol in your horse --
18 Stanazolol positive on December 26th.

19 So there is nothing in the rule -- we don't
20 have any provision that we could prohibit somebody from
21 administering Stanazolol unless we put it in 1867 which
22 you can still administer Stanazolol as training, we are
23 not proposing going that far as they are doing
24 internationally.

25 What we are saying is you can't have it in a

1 race sample and 1844.1 and the provision we are
2 suspending that allows Stanozolol is only that it can't
3 be in a post-race sample. That is all we have before us.

4 COMMISSIONER DEREK: That is why we can act on it
5 this quickly. Otherwise, if it goes through the --

6 CHAIR ISRAEL: There is no way around that, Bob?

7 MR. MILLER: What is that? Around what?

8 CHAIR ISRAEL: You weren't paying attention?

9 MR. MILLER: I was paying attention.

10 CHAIR ISRAEL: I mean there is no way we can make
11 the administration of Stanozolol prohibitive -- the
12 administration of Stanozolol immediately?

13 COMMISSIONER DEREK: Well, you still have -- there
14 are therapeutic reasons to use it.

15 COMMISSIONER ROSENBERG: I would say it is
16 impractical.

17 CHAIR ISRAEL: That's what I said. If it is
18 impractical, why are you doing it? I would like to do
19 it.

20 VICE CHAIR WINNER: No, but here -- excuse me,
21 Mr. Chairman. I think it is important to keep in mind
22 what both Commissioner Derek and Rick Arthur said with
23 respect to the use of Stanozolol for reasons that are
24 legitimate reasons.

25 And if you just prohibit them from injecting

1 it, then you are prohibiting them from injecting it for
2 reasons that are legitimate.

3 CHAIR ISRAEL: Well, in horse racing, it is
4 illegal.

5 VICE CHAIR WINNER: But what this does and if you
6 look at the trend lines of when you can see the use of it
7 in the urine what this does, I think goes about as far as
8 we should be going within the rules and within
9 practicality.

10 CHAIR ISRAEL: Okay.

11 DR. ARTHUR: Chairman Winner I think understands it
12 quite well. I mean you can still --

13 CHAIR ISRAEL: Are you saying I don't understand
14 it?

15 DR. ARTHUR: Well, you are trying to do something
16 that I am not convinced that you can actually do. I mean
17 we could say as we did that if you administer Stanozolol
18 you go on the vet's list for ninety days. Right now they
19 go on the vet's list for thirty days. So we could
20 certainly do that but we still have to get notice out to
21 everybody and have --

22 CHAIR ISRAEL: You are saying the only legitimate
23 reason to use it is for therapeutic purposes on a horse
24 that is not racing?

25 DR. ARTHUR: The drug is approved by the FDA for

1 debilitated horses that are anorexic and anemic. And --

2 CHAIR ISRAEL: And those horses that are
3 debilitated should not be racing?

4 DR. ARTHUR: That is right.

5 CHAIR ISRAEL: Do we agree on that?

6 DR. ARTHUR: That is right. That's why we have a
7 thirty-day vet's list if it is administered.

8 CHAIR ISRAEL: Okay. So I don't understand -- now
9 you are contradicting yourself.

10 COMMISSIONER ROSENBERG: I think it is a good idea
11 David, but I think it is impractical --

12 CHAIR ISRAEL: That's why I am asking Bob if we
13 have law by which we can do this.

14 MR. MILLER: Yes, there is. Rule 1406 states you
15 can suspend a rule with or without a hearing temporarily
16 and if it is not in writing, you have to reduce it to
17 writing shortly thereafter. You have the authority to
18 suspend a rule.

19 VICE CHAIR WINNER: Bob, the only problem with
20 that, we have no rule that prohibits the administration
21 of Stanazolol. We only have a rule that prohibits the
22 presence of Stanazolol in a post-race urine sample or
23 blood sample. So you know, you can't initiate a rule any
24 time you want. You have to go through the process.

25 DR. ARTHUR: Right.

1 VICE CHAIR WINNER: And that is what I am trying to
2 explain.

3 CHAIR ISRAEL: No, no, we do have a rule that says
4 you have to go on the vet's list for thirty days.

5 VICE CHAIR WINNER: Yes.

6 CHAIR ISRAEL: We can suspend that rule and change
7 it to sixty days.

8 DR. ARTHUR: Well, we can do that any way we want.
9 We can do it as a directive if that is what you want to
10 do. But just give us time --

11 CHAIR ISRAEL: But Stanazolol is not a good idea.

12 VICE CHAIR WINNER: That is right.

13 CHAIR ISRAEL: For race horses. It is not a good
14 today; okay? If it is not a good idea December 26th, it
15 is not a good idea today.

16 DR. ARTHUR: Mr. Chairman --

17 CHAIR ISRAEL: And it is not whether you can pass
18 the test, it is not whether you can pass the test. It is
19 whether you are giving it to the horse because if it is
20 not a good idea -- the reason why we are doing this is so
21 it is not in the horse because my assumption is the horse
22 shouldn't be training with Stanazolol in it; okay? It is
23 not just racing, it is training. It is working out. It
24 is when they go through their works, they are working
25 hard.

1 COMMISSIONER DEREK: Harder than maybe they should
2 be.

3 CHAIR ISRAEL: That is right. So that -- this is
4 where that sort of the veterinarian protection racket
5 that we got operating.

6 DR. ARTHUR: No, it is not a veterinary protection
7 racket. I agree with everything you said. It is just
8 how we get there.

9 What will happen is if trainers know that
10 they can't have Stanozolol in their horse as of December
11 26th, anybody that does not want to take a risk of having
12 a positive is going to -- you are not going to be able to
13 administer Stanozolol after the next week or ten days.

14 CHAIR ISRAEL: All right. So what is the average
15 dose that will show up on a test?

16 DR. ARTHUR: The dose?

17 CHAIR ISRAEL: What is an average dose --

18 DR. ARTHUR: The average dose is two hundred fifty
19 milligrams.

20 CHAIR ISRAEL: Okay. And so you don't think there
21 is going to be a trainer on say November 12th, November
22 14th that says, you know, if I give them a hundred
23 twenty-five milligrams I may get some benefit in the race
24 but I won't come up dirty on December 26th?

25 DR. ARTHUR: We require those to be reported as

1 they are and we are pretty sure they are because we look
2 for that in our out-of-competition testing.

3 That horse will go -- well, first of all it
4 will be ID'd so we will be able to figure out if somebody
5 is doing that fairly quickly. They go on the vet's list
6 for thirty days, that is a public record --

7 CHAIR ISRAEL: On November 12th?

8 DR. ARTHUR: On November 12th. The day they -- as
9 soon as it is -- it has to be reported the next day and
10 frankly, any veterinarian that is dumb enough to
11 administer a DEA schedule three drug and not report it
12 properly has not only the veterinary license -- or Horse
13 Racing Board license at risk but their DEA license and
14 their veterinary license.

15 So for the most part, it looks like everybody
16 is complying and we have had our out-of-competition
17 testing. We have seen no evidence of that. I would have
18 no problem if you want to increase the anabolic steroid
19 vet's list time to forty-five or sixty days. We can do
20 that. I would love to do it.

21 CHAIR ISRAEL: On an emergency basis we can do it?

22 DR. ARTHUR: We can do that any time we want. It
23 is just a condition we do that. It is only done by the
24 Executive Director. That is how we did it previously.

25 COMMISSIONER DEREK: How many days would you

1 recommend?

2 DR. ARTHUR: Sixty days.

3 COMMISSIONER DEREK: Sixty days.

4 CHAIR ISRAEL: That is what I don't get.

5 COMMISSIONER ROSENBERG: It sounds like a --

6 COMMISSIONER DEREK: You know, David, I think this,
7 as written, is accomplishing what you wanted to
8 accomplish.

9 But I do think we should consider here today
10 expanding the time on the vet's list because I think
11 there is a risk of horses running too soon in training
12 and running too hard especially we are talking about an
13 anorexic and anemic horse being allowed to train in
14 thirty days.

15 DR. ARTHUR: To be honest with you, they are not
16 using it for anorexic and anemic horses. They are using
17 it as a performance enhancer. No two ways about it. If
18 you look at the records, you can see that. This is the
19 epitome of a performance-enhancing drug.

20 CHAIR ISRAEL: Stanozolol was the drug --

21 DR. ARTHUR: Winstrall.

22 CHAIR ISRAEL: It was Winstrall and that is what --

23 DR. ARTHUR: Ben Johnson.

24 CHAIR ISRAEL: Well, no forget Ben Johnson. It is
25 what Sheik Mohammed -- in both his thoroughbreds and his

1 distance horses; right?

2 DR. ARTHUR: Yes, but certainly in England, yes.

3 COMMISSIONER DEREK: So it is sixty days --

4 DR. ARTHUR: Yes.

5 CHAIR ISRAEL: That caused a seven-year license
6 suspension for the trainer in England.

7 DR. ARTHUR: Right.

8 COMMISSIONER DEREK: At sixty days is it out of the
9 horse's system, the performance-enhancing part of it?

10 DR. ARTHUR: I would believe so and I think there
11 would be some argument on that but if there is any
12 performance-enhancing effect, it would make it almost
13 impossible to use it as a performance enhancer in racing.

14 COMMISSIONER DEREK: I would propose that we vote
15 on this, approve this and ask staff to change the time on
16 the vet's list after administering Stanozolol to sixty
17 days.

18 CHAIR ISRAEL: Okay. So --

19 COMMISSIONER KRIKORIAN: I second.

20 CHAIR ISRAEL: Richard already did. Commissioner
21 Derek moved that we suspend the authorization for the
22 anabolic steroid Stanozolol.

23 Pursuant to the provision of CHRB Rule 1844.1
24 suspension of authorized medication for a period of
25 twelve months beginning December 26th, 2013 through

1 December 25, 2014 and it is seconded by Commissioner
2 Rosenberg and at the same time we will be issuing a
3 directive to staff to immediately extend the period that
4 a horse that has been administered Stanozolol goes on the
5 vet's list from thirty days to sixty days; is that
6 correct?

7 DR. ARTHUR: May I suggest all anabolic steroids?

8 CHAIR ISRAEL: All anabolic steroids? All anabolic
9 steroids.

10 VICE CHAIR WINNER: Is that a motion?

11 CHAIR ISRAEL: That is all part of the motion. All
12 right. So that is moved by Commissioner Derek, seconded
13 by Commissioner Rosenberg. All in favor?

14 (The collective Board responds "aye.")

15 CHAIR ISRAEL: All right. The motion passes
16 unanimously.

17 DR. ARTHUR: All right. And Mr. Chairman, I would
18 like to say this veterinary protection racket phrase
19 irritates me because most veterinarians would love to
20 hang me. Believe me --

21 CHAIR ISRAEL: Don't worry about it. Are you going
22 to participate in the Jockey Welfare Committee, Rick?

23 MR. BAEDEKER: Yeah, but I am --

24 CHAIR ISRAEL: All right. Report from the Jockey
25 Welfare Committee from Commissioner Winner.

1 VICE CHAIR WINNER: Right. We had a relatively
2 brief meeting yesterday, Commissioner Derek and I, we
3 were there along with staff.

4 The first item that we discussed was what was
5 item twelve on today's agenda which has been removed and
6 taken back to Committee.

7 That was the issue of drug testing for racing
8 participants. Mr. Balch has spoken, raised some issues
9 on that with respect to the technical issues of how to
10 monitor it, et cetera, and some other issues within the
11 way the regulation was written.

12 Jackie Wagner, the Assistant -- what is your
13 title? Assistant Executive Director also raised the
14 issue of cost which was very, very important and other
15 issues were raised with respect to why not farriers, why
16 not vets, why not Commissioners, et cetera, valets or
17 valets.

18 And so we decided to bring that item back to
19 Committee for further discussion and also we asked staff
20 to determine the cost consequences and how we should
21 proceed with that.

22 Concerning item twenty-one on today's agenda,
23 regarding the proposal to add pony riders to those
24 required to wear safety vests, there were no objections
25 voiced at the meeting and we are recommending we will,

1 when that item comes up -- recommending approval.

2 Brad McKenzie from the Finish Line which
3 which handles workers' compensation insurance for the
4 California racing industry reported as you heard earlier
5 in today's meeting, that Orange County authorities have
6 notified Los Alamitos that anyone who falls from a horse
7 at full gallop racing or training speed must be
8 immediately transported to an Orange County trauma center
9 for evaluation and treatment regardless of whether the
10 jockey believes he or she is unhurt and capable of
11 continuing to ride without treatment.

12 He said -- he went on to say that workers'
13 compensation insurance, as again I think he mentioned
14 earlier today, will cost the California Horse Racing
15 industry sixteen and a half million dollars next year due
16 to the injuries sustained largely to jockeys and exercise
17 riders and he went on to say that we were lucky to get
18 that.

19 He said we should have protocols throughout
20 California to protect the rider from himself or herself
21 and to protect the industry from incurring liability by
22 allowing a possibly injured rider to continue riding and
23 he believes this industry needs a comprehensive
24 discussion of this and related issues.

25 We agreed that we would have an informal

1 meeting with the stakeholders involved in this issue,
2 including the jockeys, trainers, et cetera as well as the
3 tracks for the purposes of -- Commissioner Derek and I
4 agreed that we would meet with them for the purposes of
5 further evaluating this and trying to determine the best
6 way to proceed.

7 And we hope to have that discussion in
8 November and I think that completes the discussion that
9 we had yesterday.

10 CHAIR ISRAEL: Great.

11 VICE CHAIR WINNER: Commissioner Derek?

12 COMMISSIONER DEREK: Yes.

13 CHAIR ISRAEL: Okay. That said, then twenty-one is
14 discussion and action by the Board regarding the proposed
15 amendment to CHRB Rule 1689.1, Safety Vest Required, to
16 require pony riders to wear a safety vest.

17 I will move it, seconded by Commissioner
18 Winner. All in favor?

19 (The collective Board responds "aye.")

20 CHAIR ISRAEL: Passes unanimously, four-nothing.
21 Now item twenty-two report from Northern California ad
22 hoc committee which will require the presence of all the
23 parties from Northern California who are involved in this
24 calendar issue which is TOC, Santa Rosa, Golden Gate,
25 CTT, CARF -- no CARF represents -- Chris Korby represents

1 CARF and Humboldt is a CARF track so that is enough. Did
2 I forget anybody?

3 Okay. I hear you guys are having lots of
4 fun. I have read about your fun. Gotten letters about
5 your fun, heard from Steve about how much fun you are
6 having, heard from Jessie about how much fun you are
7 having, and just generally speaking from what I
8 understand, I suspect you are going to keep having fun.

9 I know that Jess and Steve met or the members
10 of the Ad Hoc Committee on Northern California racing
11 dates, much to the relief of Vice Chair Winner and
12 myself, met with all of you last month and -- or this
13 month. Was it this month or -- whatever --

14 COMMISSIONER BENETO: Ad Hoc Committee? October
15 1st.

16 CHAIR ISRAEL: October 1st? Okay, so it was this
17 month and some of you were unhappy with what was proposed
18 by Commissioner Beneto.

19 So I would like for him to speak first. Just
20 give us an outline of what he thinks the resolution
21 should be and then each one of you in turn -- I don't
22 want this to turn into a free-for-all but each one of you
23 in turn and the Board will ask questions. Although I
24 suspect we are not going to be able to take action today.
25 Go ahead Steve.

1 COMMISSIONER BENETO: Well, I guess the problem is
2 we can't get Santa Rosa to move a week to give Cal Expo
3 three weeks of racing. That's where the stickler is
4 right now.

5 Santa Rosa has made up some -- not made up.
6 I don't want to use that word -- has made some statements
7 that I think that are not true and can I go through this
8 -- read this --

9 CHAIR ISRAEL: However you want to make the
10 presentation.

11 COMMISSIONER BENETO: Okay. We had a meeting
12 October 1st -- first of all, I want to go back how this
13 all got started.

14 The last Board meeting, I called Tawny
15 outside -- remember Fairplex, Tawny? And I asked you
16 about moving your racing dates forward a week and you
17 said, "Oh, that's wonderful." You thought I meant back
18 in July.

19 MS. TESCONI: Right.

20 COMMISSIONER BENETO: And I said -- please, let me
21 -- and you can talk. I said you understand that you will
22 start your race date the 31st of July and you said, "Oh,
23 no, I thought you were going to give me -- back me up in
24 July," and I said, "No, I am going forward with you."
25 That's why I took "forward." Maybe I should use,

1 "backwards" but I thought I was using the right
2 vocabulary.

3 And you said, "No, I will fight you." The
4 exact words you said. I said okay. So that was the end
5 of that conversation. I wanted -- I just want you all to
6 know how this all got started; okay?

7 We met at Golden Gate Fields for Northern
8 California Racing dates for 2014 and '15. As you can see
9 in you packet, the racing dates that I propose for the
10 years are follows: Do you want me to read these off?

11 CHAIR ISRAEL: You don't need to, Steve.

12 COMMISSIONER BENETO: Okay. That is in Plan A
13 which are the preferred dates for the fairs in Golden
14 Gate.

15 We have Plan B in your packet and that plan B
16 I don't agree with after I studied it after our Ad Hoc
17 Meeting so I am planing on Plan A because I think the
18 fairs should race three weeks apiece, not be dark one
19 week.

20 So and if you go to Plan B, it puts Tawny's
21 fair not racing the first week of her fair and I think
22 every fair should race with the fair, not race and be
23 dark. So I have kind of scrapped that idea.

24 You can see the racing dates for Santa Rosa
25 would now run the first week. That is Plan B. They

1 would start the 21st of July and not race the 24th to the
2 27th. They would start racing on the 31st of July
3 through August 10th. That is Plan B. That is not
4 acceptable.

5 I approached the Carnival people and the
6 biggest food beverage vendor, Ovations, prior to Santa
7 Rosa moving their dates to make sure that nobody was
8 going to get hurt in this proposed change because if I
9 thought there was going to be a problem with the vendors
10 I would stop right there.

11 You can't run a fair without good vendors. I
12 found out that the Carnival has no problem with Santa
13 Rosa moving to the 31st and I did that prior to talking
14 to Tawny the first time but I wanted to make sure that we
15 didn't have a conflict there or I would have stopped in
16 my tracks.

17 Starting -- Santa Rosa moving -- starting
18 January 31st -- of July and running through the 17th of
19 August. Talked to Ovations again about it and Ovations
20 prefers running Santa Rosa -- prefers Santa Rosa move
21 forward to the 31st of July because it would be easier on
22 them. They could have -- they wouldn't have to
23 double-crew for the overlap with Sacramento and Santa
24 Rosa.

25 They would have enough equipment to bring in

1 both fairs -- to bring both fairs. Right now, they are
2 spreading their equipment too thin and they are not maybe
3 -- I don't think, according to Rick -- it is tough on
4 them trying to spread equipment from one fair to two
5 fairs. They said they give the fairs better service if
6 there wasn't an overlap with the fairs.

7 The only way this is going to work for
8 everyone is if Santa Rosa moves their fair and racing one
9 week forward to include three weeks of fair and three
10 weeks of -- three weeks of racing.

11 My opinion is if Santa Rosa only runs two
12 weeks and is dark the 24th to the 27th I don't think this
13 would be good for racing and I don't think it would be
14 good for their fair.

15 We have to keep the fairs whole because we
16 don't know what will happen down the road. Our major
17 race track Golden Gate, with racing going down every
18 year, they may not be able to keep the track open.

19 In Northern California, we need to make sure
20 that we keep Cal Expo and Pleasanton in order to hold a
21 race meet on a year-round basis. I think moving Santa
22 Rosa starting the 31st of July and running through the
23 17th wouldn't affect the fair at all. It is just one
24 week.

25 I know Santa Rosa ran a third week without

1 the fair in the past and their handle was down fifty
2 percent and I need to ask you about that Tawny, because I
3 got figures here that don't shown that.

4 MS. TESCONI: My handle was down fifty percent.

5 CHAIR ISRAEL: Hold on a second. Steve, let me
6 just say that once in a while you should throw in an "f"
7 bomb to keep everybody paying attention. Trust me it
8 works. You could afford the hundred dollars to the
9 Disable Jockeys Fund.

10 COMMISSIONER BENETO: I didn't say anything wrong.

11 CHAIR ISRAEL: No, we want you to.

12 COMMISSIONER BENETO: I swore I wouldn't cuss
13 today. Okay. I called Tawny to ask when the Sonoma
14 County School District started and she told me October --
15 or August 11th.

16 I did some research and found out that
17 thirty-nine schools, thirty-five of them open the 21st of
18 August and you all Board Members I gave you all the
19 package on that.

20 Open the 21st of August which is a week after
21 the fair closes. The other four schools have enrollments
22 of seven thousand students and open on the 14th of August
23 which is a Friday which is one day when the fair -- for
24 just one day of the fair which closes on the 17th.

25 I think this will have -- I don't think this

1 will have any effect on the fair. On October 9th, 2013
2 the Sonoma County website shows Santa Rosa fair dates
3 open the 24th tentatively. That means to me,
4 tentatively, you are not sure you are going to open the
5 24th.

6 Under general information, the 2014 tentative
7 dates show -- are shown as July 24th through August 10th
8 subject to change on your website.

9 There are no racing dates listed on your
10 website and all the fairs should work together so they
11 all can be successful. That's my report.

12 Now, I got a question for you Tawny so I can
13 get this clear in my mind. Maybe you don't know this.
14 When did you go to work at the fair? What year?

15 MS. TESCONI: The Sonoma County Fair? September of
16 2007.

17 CHAIR ISRAEL: Okay. So you do know. You were
18 open -- you opened 7-22 in 2008 and you were shut -- you
19 shut down August 4th; is that correct? Was that a
20 two-week fair?

21 MS. TESCONI: Correct.

22 COMMISSIONER BENETO: And your handle was about
23 thirty-three million dollars, bricks and borders, is that
24 correct?

25 MS. TESCONI: I don't have the numbers in front of

1 me but we were also running fifteen days of racing -- I
2 mean ten days of racing.

3 COMMISSIONER BENETO: The 22 to the 4th, is that
4 how many days?

5 MS. TESCONI: In 2008, I believe we ran five days a
6 week.

7 COMMISSIONER BENETO: Okay. That answers my
8 question. 2009 you are down twenty percent. Can you
9 tell me what went wrong there?

10 MS. TESCONI: In 2009 when our handle was down
11 twenty percent?

12 COMMISSIONER BENETO: Uh-huh.

13 MS. TESCONI: I don't recall our handle being down
14 twenty percent so --

15 COMMISSIONER BENETO: Well, you went from
16 thirty-two million to twenty-four million.

17 MS. TESCONI: In 2009.

18 COMMISSIONER BENETO: Was you running three
19 weeks --

20 MS. TESCONI: Right, and I don't recall our handle
21 being down twenty percent so I will have to -- maybe I
22 can get back to you on that.

23 COMMISSIONER BENETO: Twenty-three percent. 7-28
24 she -- it was the 28th of July to August 9th.

25 CHAIR ISRAEL: That is two weeks as opposed to

1 three; right?

2 COMMISSIONER BENETO: Yeah.

3 MS. TESCONI: We were two weeks --

4 COMMISSIONER BENETO: I guess it was two weeks.

5 That is my question. I am asking you.

6 MS. TESCONI: Two weeks in 2009. 2010 is the year

7 we ran the week without the fair. We ran three weeks

8 without a --

9 COMMISSIONER BENETO: Okay. That is a good one.

10 10 -- August -- July 27th, 2010 to August 8th. Was that

11 a three-week fair or a two-week fair?

12 MS. TESCONI: Two-week fair with a three-week race

13 meet.

14 COMMISSIONER BENETO: And you came back twenty

15 percent to thirty-one million. In 2011 --

16 CHAIR ISRAEL: I will just say 2009 was the year of

17 the crash, the economy crash, so everyone was down pretty

18 badly.

19 COMMISSIONER BENETO: I didn't know that.

20 CHAIR ISRAEL: Yeah, 2009 was after Lehman

21 Brothers.

22 COMMISSIONER BENETO: Where am I at? 2010 or '11

23 here?

24 MS. TESCONI: '10.

25 COMMISSIONER BENETO: '10? You opened your fair

1 the 27th, late in July and you closed the 8th of August
2 and your handle came back to thirty-one million.

3 MS. TESCONI: 2011 I don't believe the opening day.
4 I don't know where you got your information but we were
5 already running -- we ran a seventeen-day fair.

6 COMMISSIONER BENETO: I got this from the
7 California Horse Racing Board.

8 MS. TESCONI: I don't want to say the numbers --
9 the information is incorrect, but we ran three weeks of
10 fair three years so --

11 COMMISSIONER BENETO: Well, you would in 2011.

12 MS. TESCONI: Oh, I thought you said July 27th, I
13 am sorry, I misunderstood you.

14 COMMISSIONER BENETO: July 27th to the 14th of --
15 here is why I have heartburn. You ran through the 14th
16 of August that year from the 27th to the 14th and you are
17 telling me that school starts -- which I proved you wrong
18 there on that, they all open on the 21st -- so you got
19 four schools that opened the 14th and 15th.

20 CHAIR ISRAEL: Chuck and I want to go to Cinnabun
21 School. That sounds like a good one.

22 MS. TESCONI: Cinnabar? It is not "Cinnabun."
23 They might serve them but ...

24 COMMISSIONER BENETO: When did you start three
25 weeks of fair?

1 MS. TESCONI: In 2011.

2 COMMISSIONER BENETO: Okay. So you went to
3 thirty-one million. In 2011 you opened the 27th through
4 the 14th and you are down about twenty-eight million
5 which is not your fault or anybody, I guess just the way
6 racing is going.

7 The 12th -- you opened the 25th and closed
8 the 12th of August and of course last year, the 25th, you
9 closed the 11th.

10 So I just wanted to bring that up. The
11 reason why I brought that up because I don't think moving
12 your fair one week like I would like you to so it would
13 give Cal Expo, Alameda and you the primo fairs for the
14 summer meet.

15 I don't think that is going to hurt you at
16 all and I got a letter here from your Chairman this
17 morning and she quotes all the schools start the 10th of
18 August and that is not true.

19 MS. TESCONI: I can let her know that. So there
20 are schools that start though the week you are trying to
21 suggest we have --

22 COMMISSIONER BENETO: What schools?

23 MS. TESCONI: Four school districts. It just so
24 happens --

25 COMMISSIONER BENETO: I got every school. Do you

1 want to see the list?

2 MS. TESCONI: Well, maybe you are getting different
3 information from the school districts than we are
4 getting. But it does show four school districts, one of
5 which is Santa Rosa which is ground zero for our
6 facility. And those four school districts represent
7 fourteen to sixteen thousand kids.

8 COMMISSIONER BENETO: August -- here it is. We did
9 the research on it.

10 CHAIR ISRAEL: (Inaudible) United, Mark West Union.

11 MS. TESCONI: They are single school --

12 CHAIR ISRAEL: -- Santa Rosa City Elementary and
13 Santa Rosa City High all start on the 14th or the 15th
14 according to the document.

15 MS. TESCONI: Right, but Santa Rosa is a huge
16 school district.

17 COMMISSIONER BENETO: This is part of the Santa
18 Rosa School District, thirty-nine schools.

19 MS. TESCONI: Right, but --

20 COMMISSIONER BENETO: And you got seventy-six
21 hundred ninety kids start the 14th and the 15th and the
22 rest of them out of -- my secretary is supposed to give
23 me a grand total of these schools.

24 MS. TESCONI: Well, we come up with a different
25 number, but regardless, I really don't believe it is this

1 Commission's jurisdiction to tell us when we can run our
2 County Fair. So our Fair Board, our community has
3 determined our County Fair is going to run through August
4 10th in 2014.

5 So I think the question here today is how
6 does that relate to horse racing and what does the horse
7 racing industry think is the best thing for the horse
8 racing industry.

9 CHAIR ISRAEL: I want everybody -- Steve has made
10 his point -- your presentation is done; right?

11 COMMISSIONER BENETO: Temporarily.

12 CHAIR ISRAEL: Okay. Let's just get -- everybody
13 get their -- briefly get their cards on the table. I
14 think it is pretty clear that we are going to have to go
15 one more round with the Committee to get all this
16 resolved because it is not something the full Board
17 should take its time dealing with the minutia of every
18 day.

19 The way we did it in the south was either I
20 held meetings or Chuck and I held meetings for over a
21 period of months to get everything worked out.

22 That was a much more complicated process as
23 Scott and Joe can attest but you know, this has its
24 complications too so why don't Golden Gate go first
25 because they have the most days and then we will go from

1 there and then Chris will go next.

2 MR. DARUTY: Scott Daruty on behalf of Golden Gate
3 Fields. The calendar that Commissioner Beneto is
4 suggesting takes two weeks away from Golden Gate Fields
5 versus what it has run this year and we had been working
6 over a number of years to try to come gradually to a
7 resolution with the various fairs, including some years
8 in which we paid them compensation and years in which we
9 ran overlap days and various compromises that we have
10 worked out in the past.

11 Moving towards a particular calendar, this is
12 a -- in my opinion -- a radical swing back the other
13 direction by taking two weeks away from Golden Gate
14 Fields.

15 The other point because I know you said,
16 "brief," so this will be my introduction, I assume we can
17 talk some more later.

18 The other point I would like to make is I
19 think the two most successful facilities in Northern
20 California by handle, by attendance, by purse generation
21 would be the Sonoma County Fair and Golden Gate Fields
22 and it seems like those are the two facilities that are
23 bearing the brunt of the calendar shift here so that does
24 not seem appropriate to me.

25 CHAIR ISRAEL: What two weeks are you losing?

1 Where in the calendar?

2 COMMISSIONER BENETO: Well, we gave Ferndale a week
3 by themselves. That's where he is losing --

4 CHAIR ISRAEL: That's one week so what is the
5 second?

6 MR. DARUTY: The Commissioner had submitted two
7 different options; Option A and Option B. Option A,
8 which we thought we were coming here today to talk about
9 took one week away from us and had us starting on the --
10 well, I am sorry. One of them -- I forget which -- had
11 us starting on the 14th or 15th --

12 CHAIR ISRAEL: Both of those weeks are in the
13 summer?

14 MR. DARUTY: Yeah, I am sorry. So let me try to be
15 more clear. The two weeks in question are the week -- it
16 depends how you want to call it but I will start it with
17 the Wednesday of the week.

18 Wednesday, August 13th, that week Wednesday
19 through Friday as well as the next Wednesday, August 20th
20 through Sunday August 24th.

21 Those are two weeks that we have run this
22 year, just ran this year, and under Commissioner Beneto's
23 plan, we would not be running the week of Wednesday,
24 August 13th and the following five days or the week of
25 Wednesday, August 20th and the following five days.

1 Meaning we would start on the 28th and run
2 just barely a two-week meet before we shut down again in
3 September so that is not really --

4 CHAIR ISRAEL: Does TOC have any projection on how
5 much that would cost? Let's --

6 MR. MORRIS: Golden Gate purses are usually around
7 a hundred twenty-five thousand a day under --

8 CHAIR ISRAEL: So how many days of racing would you
9 lose?

10 MR. DARUTY: Well, it would be eight days of
11 racing.

12 CHAIR ISRAEL: So you are going to lose almost a
13 million dollars in purses?

14 COMMISSIONER BENETO: Wait a minute. Wait a
15 minute. You are going to have racing during that time.
16 You got -- Santa Rosa would move in the 17th and
17 Ferndale, I guess doesn't want their dates. I guess they
18 are going to talk about that.

19 MR. MORRIS: But that's not what this says.

20 CHAIR ISRAEL: It is a million dollars if Golden
21 Gate -- well, what is the net loss? Okay, that is the
22 gross loss. What is the net, Joe?

23 MR. MORRIS: It depends what the scenarios --

24 CHAIR ISRAEL: Okay. It is one week Humboldt, one
25 week Santa Rosa. What is the other one?

1 MR. MORRIS: I would need to run the numbers. I
2 mean it is Humboldt different -- you are going to take --
3 I mean it is Humboldt difference -- you are going to take
4 -- so if Golden Gate is a hundred twenty-five a day
5 somebody else will be the host so you won't lose the host
6 status of the Northern California side of it so it is
7 probably forty thousand a day, maybe somewhere around
8 there, thirty, forty thousand a day.

9 CHAIR ISRAEL: So the net loss is around a half
10 million dollars, three hundred thousand dollars?

11 MR. MORRIS: Without knowing who it is I mean yeah
12 be somewhere in that area.

13 CHAIR ISRAEL: Is it eight days? Is that what you
14 are talking about? So it is three hundred twenty
15 thousand dollars? A lot of money in purses.

16 COMMISSIONER BENETO: Let me ask a question here,
17 it is a loaded one, I guess. Are you guys all against
18 Cal Expo having an extra week? What is the consensus of
19 the group?

20 MR. MORRIS: TOC's point on this is we would like
21 to see the 2014 schedule the same as the 2013 schedule as
22 far as the Golden Gate side of it goes. I mean that is
23 our biggest purse days.

24 COMMISSIONER BENETO: You didn't answer my
25 question.

1 MR. MORRIS: Well, I am going to get to it. And
2 depending on what happens, if Sacramento is getting an
3 extra week, at whose gain or loss is it? So you know, we
4 don't -- Sacramento getting an extra week and it doesn't
5 affect others? That would be fine. We have no problem
6 with the fairs.

7 COMMISSIONER BENETO: And it wouldn't affect Golden
8 Gate because they got to take to get the days from
9 somewhere.

10 MR. MORRIS: And we wouldn't be in favor of that.
11 We would like to see Golden Gate get the same schedule.
12 And the only thing with Golden Gate, contrary to before,
13 Golden Gate is on a two, three-year rebound right now. I
14 mean handle and purses has been creeping up over the last
15 couple of years up there and it was there.

16 Santa Rosa is the only fair that has put the
17 investment of a turf course in. I had our annual meeting
18 Saturday a week ago at Golden Gate with over a hundred
19 people in attendance and brought up the fact that Santa
20 Rosa might lose a week to Sacramento and to a person, in
21 the room they -- we would rather be at Santa Rosa than
22 lose a week to Sacramento.

23 CHAIR ISRAEL: This is thoroughbred owners?

24 MR. MORRIS: This is thoroughbred owners annual
25 meeting in the north and then the one place we do agree

1 on fairs and racing is we do think racing should always
2 be with the fair unlike you know, Stockton this year
3 where they raced two weeks without a fair. Our Board
4 believes that when the fair is running, is when the
5 racing should go with it. That we agree with you.

6 COMMISSIONER BENETO: Golden Gate you actually got
7 Cal Expos' dates and Bay Meadows' dates. Wait a minute,
8 Joe. And they want their week back and I think for
9 protection of racing in Northern California -- I keep
10 kicking this dang thing anyway.

11 You know, with one player in Southern and
12 Northern California, one owner, I think we got to protect
13 the fairs, the racing plan -- I am going to tell you
14 something. Maybe this is not supposed to say it on
15 record but I am going to say it anyway.

16 Some of the Board members at Cal Expo would
17 like to tear that track apart and develop it and we don't
18 want to see that. And that's why I am pressing hard to
19 keep them whole because there is two developers on there.
20 They want to develop like Fairplex did I guess in that
21 same type of deal.

22 So I am -- we got to think about that because
23 you know there is not going to be any new tracks built in
24 California, forever. It is not going to happen. It is
25 prohibitive. So somebody has got to give here a little

1 bit.

2 CHAIR ISRAEL: -- build a racetrack in Monterey
3 County.

4 MR. MORRIS: But the last three years the north
5 have run basically the same schedule for three years,
6 '11, '12 and '13 and we are saying you know, it is hard
7 to move fairs around, there is a lot of moving parts.
8 Let's set the schedule for '14 the same and let's start
9 the conversation. Everybody is at the table and talking
10 so I think --

11 COMMISSIONER BENETO: I am an action guy. I want
12 to get it done now. But Tawny is the key to this thing.
13 If she won't move and bows her head like she is doing to
14 us right now, and Tawny you are not going to get hurt.

15 You will have a better fair. Your Carnival
16 won't overlap with another fair. Ovation is your biggest
17 vendor, it pays you your biggest commission.

18 MR. MORRIS: And on the TOC side --

19 CHAIR ISRAEL: We are not going to make any
20 decisions today. So I will make you one assurance; if
21 you lose money, Commissioner Beneto will personally make
22 it up. He is the one who can afford to do that among us.

23 COMMISSIONER BENETO: How do you know that? Have
24 you looked at my wallet lately?

25 CHAIR ISRAEL: No, but I do know how you got here

1 and I know what is in my wallet. So Krikorian is doing
2 pretty good, too.

3 COMMISSIONER BENETO: And as far as -- you know, we
4 have been getting raked over the coals in the last two
5 weeks with the newspaper which is fine but my heart is in
6 the fairs for the three fairs during the summer to run
7 three weeks.

8 We got to protect the race tracks. We got
9 something that has got to be done because I tell you, if
10 Golden Gate should go, you know, if they are not making
11 money, I know what that is going to happen. You won't
12 have a race meet in Northern California.

13 CHAIR ISRAEL: But you are saying that and you are
14 taking dates away from them and they do better in the
15 summer than they do in the winter and by reducing the
16 number of days they race in the summer, we really do hurt
17 their bottom line. They do much better in the summer.

18 MR. RAINEY: Cal Rainey at Golden Gate Fields. I
19 just want to say that you know, Golden Gate Fields is one
20 of those tracks that we don't want to lose Northern
21 California in addition to any other fairs.

22 And I think that Golden Gate Fields is an
23 anchor for racing in Northern California. We have
24 fourteen -- the anchor -- we have fourteen hundred horses
25 on track, up to five hundred horses at stabled at

1 Pleasanton year round.

2 We open our barn area all summer long and
3 frankly, if we lost the summer dates, that might not be
4 available, that barn area.

5 The Stronach Group has committed and invested
6 ten millions dollars into the Tapeta track at Golden Gate
7 Fields and we have saved a lot of horses' lives with that
8 track and have very good, very low injury rate.

9 We have a top turf course which we spent a
10 lot of money in keeping in top shape. We ran fifty-five
11 races at least in the summer meet. The purses have
12 increased there.

13 We had one of our biggest days like I said
14 earlier, over eleven thousand counted people, about four
15 thousand kids were there. That is fifteen thousand
16 people at our track on the opening Sunday and the purses
17 -- overnight purses -- are a hundred and twenty-six
18 thousand nine hundred dollars per day at that meet so we
19 have had increases. We had a four percent increase as I
20 said All Source Wagering.

21 We did have a decline on track and I
22 neglected to say that that was because the bridge was
23 closed for Labor Day, the Bay Bridge.

24 CHAIR ISRAEL: All right. Let's give Chris an
25 opportunity to say something and then I think then Bo

1 wants to say something but --

2 COMMISSIONER DEREK: No.

3 CHAIR ISRAEL: Oh, you don't want to say anything?

4 But then I think the only reasonable thing to do,
5 especially in the absence of Jess is not here and he is
6 your fellow member of the Committee, is give the
7 Committee one more shot with everybody, get through this,
8 try to come to an agreement with Steve on the calendar so
9 that we don't have a big dispute before us when we have
10 to vote on it.

11 It is much simpler for us if we are looking
12 at a calendar that we can approve rather than six
13 calendars from which we have to choose. So and that
14 is --

15 COMMISSIONER BENETO: And I agree on that,
16 Mr. Chairman but we need to go in another meeting where
17 everybody is open to making a move or doing something
18 that will -- where we can squeeze another week out of
19 racing with the fairs.

20 CHAIR ISRAEL: It would be very helpful if you met
21 among yourselves first before you went and met with
22 Commissions Choper and Beneto. I think that is what Joe
23 facilitated along with Scott and Del Mar, Fairplex and
24 the other stake holders in the south.

25 They were talking more -- we encouraged them

1 to talk among themselves. By the time everybody got to
2 the room, they were closer to a compromise and they just
3 needed to be pushed a little bit away.

4 So Chris, if there is anything you would like
5 to add, if not, you can just save it for --

6 MR. KORBY: Chris Korby, California Authority
7 Racing Fairs. I want to thank Commissioner Beneto and
8 Commissioner Choper for taking the time to work with us
9 to try to find a way through this issue.

10 We are not there yet but I think there are
11 some of us who are willing to keep trying and in fact
12 have been since that meeting trying to work out the
13 differences between the parties.

14 So we would appreciate another chance. We
15 especially appreciate Commissioner Beneto's support of
16 fairs. We think strong fair racing is good for the
17 industry in Northern California but at the same time
18 appreciate the importance of Golden Gate Fields as well.

19 So we will take your suggestion and do our
20 best to have people come together and see if we can find
21 our way out.

22 CHAIR ISRAEL: I want to make sure in the record of
23 this meeting all the letters that we received, we
24 received them from the Santa Rosa Democratic Party, we
25 received one from the Santa Rosa -- I mean from the

1 Sonoma County Democratic Party, one from the Sonoma
2 County Fair, one from California Exposition State Fair
3 and some legislators also provided us -- Jackie, you are
4 in receipt of all those?

5 ASSISTANT EXECUTIVE DIRECTOR WAGNER: Right.

6 CHAIR ISRAEL: Please make sure those are included
7 in the permanent record of the meeting. And also please
8 make sure that the Sonoma County School District calendar
9 that Mr. Beneto refers to us is included in the permanent
10 record of the meeting because it is not in our notebooks.

11 MR. KORBY: Mr. Chairman, may I just for the
12 record --

13 CHAIR ISRAEL: Let Steve go first and then you go,
14 Chris. Go ahead.

15 COMMISSIONER BENETO: I appreciate if all you at
16 the table will not post when you are going to race your
17 racing dates until we get this resolved; okay? And the
18 same thing with the fair dates.

19 You know, setting fair dates right now is
20 like -- well, Cal Expo is holding a retreat today.

21 Up until today, they don't know when they are
22 going to open their fair I guess. I mean that is just
23 common in the fair business. Nothing really happens
24 until the fall of the year for next year. So --

25 MR. KORBY: CARF agrees to that.

1 CHAIR ISRAEL: Right. Golden Gate can obviously
2 post its December through June meet.

3 COMMISSIONER BENETO: Oh, yeah. I am talking about
4 the summer meet.

5 MR. KORBY: A minor item, if I may, Mr. Chairman?

6 CHAIR ISRAEL: Yes, go ahead.

7 MR. KORBY: California State Fair was not
8 represented by the Manager today. We have Sonya Logman
9 who is here in his absence. He had a commitment and
10 couldn't make it to the meeting today.

11 CHAIR ISRAEL: Who was that?

12 MR. KORBY: Pickering.

13 CHAIR ISRAEL: Oh, Pickering? No problem.

14 COMMISSIONER BENETO: He has got his retreat going
15 today.

16 CHAIR ISRAEL: Fine with me. I don't miss him.

17 Any other questions?

18 MR. KORBY: No.

19 CHAIR ISRAEL: Okay. Moving right along. We are
20 going to -- I think we are out of items so noting that I
21 owe a hundred dollars to the Permanently Disabled
22 Jockey's Fund, Commissioner Beneto owes a hundred dollars
23 to the Permanently Disabled Jockey's Fund --

24 COMMISSIONER BENETO: Who do I pay?

25 CHAIR ISRAEL: You call them up and you give them

1 your credit card. And I owe a hundred dollars to CARMA,
2 this meeting is adjourned and we will go into closed
3 session.

4 (At 1:30 p.m. the proceeding was
5 adjourned.)

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