

APPEARANCES

COMMISSIONERS

Chuck Winner, Chair

Richard Rosenberg, Second Vice Chair

Jesse Choper

Steve Beneto

George Krikorian

Madeline Auerbach

STAFF

Rick Baedeker, Executive Director

Robert Miller, Staff Counsel

Jacqueline Wagner, Assistant Executive Director

Mike Marten

Wendy Voss

ALSO PRESENT

David Israel, Former CHRB Chair

Pete Sluis

Holly Beckner

Damascus Castellanos, Teamsters Local 495

Brad McKinzie, Los Alamitos

Alex Anderson, Orange County Register

John Bucalo, Barona Casino Off-track Betting

Rick English, Los Alamitos

APPEARANCES

ALSO PRESENT (CONT.)

Larry Swartzlander, Cal Expo

Rick Pickering, Cal Expo

Josh Rubenstein, Del Mar

Tom Robbins, Del Mar

Craig Dato, Del Mar

Richard Lewis, Sonoma County Fair

Joe Morris, Thoroughbred Owners of California

Alan Balch, California Thoroughbred Trainers

INDEX

PAGEAction Items:

1. Approval of the minutes of April 25, 2014. 3
2. Executive Director's Report. 3
3. Public Comment: Communications, reports, requests 8
for future actions of the Board. Note: Persons
addressing the Board under this item will be
restricted to three (3) minutes for their
presentations.
4. Discussion and action by the Board on the approval 14
of service, steward and official veterinarian
contracts for fiscal year 2014-2015.
5. Discussion and action by the Board regarding the 20
approval of the contract for replacement of the
official veterinarian at Cal Expo selected to
fulfill the Cal Expo contract term for the late
Dr. Goodbary.
6. Discussion and action by the Board on the 21
Application to Conduct a Horse Racing Meeting of

INDEX

PAGEAction Items:

the Los Alamitos Racing Association (T) at Los Alamitos, commencing July 2, 2014 through July 13, 2014, inclusive.

- | | | |
|----|--|----|
| 7. | Discussion and action by the Board on the Application to Conduct a Horse Racing Meeting of the California Exposition and State Fair (F) at Sacramento, commencing July 9, 2014 through July 20, 2014, inclusive. | 45 |
| 8. | Discussion and action by the Board on the Application to Conduct a Horse Racing Meeting of the Del Mar Thoroughbred Club (T) at Del Mar, commencing July 17, 2014 through September 3, 2014, inclusive. | 51 |
| 9. | Discussion and action by the Board on the Application to Conduct a Horse Racing Meeting of the Sonoma County Fair (F) at Santa Rosa, commencing July 23, 2014 through August 10, 2014, inclusive. | 67 |

INDEX

PAGEAction Items:

- | | | |
|-----|--|----|
| 10. | Discussion and action by the Board on the report
Regarding the allocation of 2014 race dates to
The Los Angeles County Fair at Pomona and the
Proposal to run the race dates at the Los Alamitos
Race Course. | -- |
| 11. | Report from the Southern California Race Dates
And Stabling Oversight Committee. | 70 |
| 12. | Discussion and action by the Board regarding an
Industry update regarding horse inventory and the
Status of the Stabling and Vanning Fund, and
Southern California's auxiliary off-track
Stabling. | 74 |
| 13. | Closed Session: For the purpose of receiving
advice from counsel, considering pending litigation,
reaching decisions on administrative licensing and
disciplinary hearings, and personal matters, as
Authorized by section 1126 of the Government Code.

A. The Board may convene a Closed Session to
confer with and receive advice from its legal | 82 |

INDEX

PAGEAction Items:

counsel, considering regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation" as authorized by Government Code section 11126(c).

- B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to this agenda captioned "Pending Administrative Adjudications," as authorized by Government Code section 11126(c).
- C. The Board may convene a Closed Session for the Purpose of considering personnel matters as authorized by Government Code section 11256(a).

P R O C E E D I N G S

9:31 A.M.

PROCEEDINGS BEGIN AT 9:31 A.M.

(The meeting was called to order at 9:31 A.M.)

ARCADIA, CALIFORNIA, THURSDAY, MAY 22, 2014

MEETING BEGINS AT 9:31 A.M.

CHAIR WINNER: Good morning, everybody. This meeting of the California Horse Racing Board will come to order. Please take your seats. This is the regular noticed meeting of the California Horse Racing Board on Thursday, May 22nd at Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California.

Present at today's meeting are: Chuck Winner, Chairman; Bo Derek, First Vice Chair; Richard Rosenberg, Second Vice Chair; Madeline Auerbach, Commissioner; Steve Beneto, Commissioners; Jesse Choper, Commissioner; George Krikorian, Commissioner.

Before we go on to the business of the meeting I need to make a few comments. The Board invites public comment on the matters appearing on the meeting agenda. The Board also invites comments from those present today on matters not appearing on the agenda during the public comment period if the matter concerns horse racing in California.

In order to ensure all individuals have an

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

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

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

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

1 will be asked to let others make comments to the Board.

2 But first, before we begin with the approval of
3 the minutes, on behalf of the Board, obviously, we would all
4 like to congratulate the connections of California Chrome, a
5 wonderful Cal Bred who many of us hope will go on to win the
6 Triple Crown.

7 Approval of the minutes of the March 24 -- 22st,
8 2014 minutes. Are there corrections or additions to the
9 minutes? Is there a motion to approve?

10 COMMISSIONER BENETO: I'll make a motion.

11 COMMISSIONER AUERBACH: Second.

12 CHAIR WINNER: Moved by Commissioner Beneto.

13 Seconded by Commissioner Auerbach. The minutes from the
14 March 21st meeting are approved.

15 Now we'll turn to Executive Director Baedeker for
16 his report.

17 EXECUTIVE DIRECTOR BAEDEKER: Thank you, Mr.
18 Chairman. The purpose of this report monthly is to bring
19 the Commissioners up to speed on items that may not be on
20 the agenda or may have been acted upon in the past. And it
21 gives us an opportunity to not only brief them, but to brief
22 members of the audience as well.

23 The first thing I'll start with is an update on
24 various regulations. The following regulations, the changes
25 have been approved. The first one is the Jockeys' Riding

1 Fee, which amended Rule 1632, to prohibit the deduction of
2 any portion of entry, nomination or other fees from a jock's
3 riding fee, unless those fees are paid exclusively by the
4 owner and not reimbursed by any other person or entity
5 that's approved and now effective.

6 The next one is the vesting of title to a claimed
7 horse, amends Rule 1658 which provides that a claim shall
8 not be voided by the stewards if prior to the race claimant
9 elects to claim the horse, regardless of whether the horse
10 is placed on the vet's list following the race. If that's
11 approved it becomes effective July 1.

12 Tampering with smoke detectors, the prohibition of
13 that is approved and becomes effective July 1.

14 Application for license to operate a minisatellite
15 facility, amending the term from two to five years is
16 approved and on the books.

17 We also have four that are now within the 45-day
18 public comment period: Rule 1536, to include training
19 accidents in stewards minutes; 1689.1, to require pony
20 riders to wear a safety vest; 1866, to specify the amount of
21 time a horse will remain on the vet's list for being lame or
22 unsound; and Rule 1844 which adds or deletes authorized
23 medications and brings them in line with RMTTC
24 recommendations, including the restrictions on the
25 administration of corticosteroids. This could be one of the

1 most significant things ever done in terms of the welfare of
2 the race horse, and that's in the 45-day period. These
3 things are scheduled to come before the Board in June.

4 There's a number of others which I won't take your
5 time with now, but a couple of them are significant and were
6 taken -- an action was taken by the Board recently, one of
7 which is penalty for possession of electrical devices. The
8 other is modification of the riding crop rule. And the
9 third one, and I can report some progress on the third-party
10 Lasix administration. Had a very good meeting with the
11 California Veterinary Medical Board, we're making good
12 progress there. So that also will be a very significant
13 change and in everybody's best interest, we think. It's
14 taken a long time. I think the initial action by the Board
15 was well over a year on that one.

16 We are having an investigator safety steward
17 training session in June. The goal there is to cross-train
18 one with the other and to make each of them more effective,
19 and we're looking forward to that. That's going to be held
20 at the Maddy Lab in June.

21 We've also submitted budget change proposals, as I
22 indicated last month, to add eight additional investigators
23 in the state. We're also adding -- or requesting to add a
24 couple of staff members at headquarters in the Accounting
25 and Legislative Departments. And also we are requesting

1 funding for the Maddy Lab for equine drug testing. As you
2 may know, the -- the lab is funded partially via contract
3 with CHRB, and partially via takeout -- or a distribution
4 from takeout; it's not an increase. And as a matter of
5 fact, because the -- and I believe that that's takeout from
6 wagers placed at satellites or through ADW. And as a matter
7 of fact, those numbers have been declining. So funding for
8 the lab has been declining. And of course, there's probably
9 no higher priority for any of us than keeping the lab whole
10 and able to do the work that -- that we give it.

11 Also, we talked about this yesterday in Chairman
12 Krikorian's subcommittee, but we're going to try to get our
13 arms around the -- the actual number of horses stabled in
14 California, and not just because we're all focused on it at
15 this particular time but because whenever a Commissioner
16 asks the question we ought to be able to give an educated
17 answer. So Tom McCarthy is a safety steward who is based at
18 the headquarters in Sacramento, he's already been in touch
19 with -- with Joe Morris. And I ask that if he contacts you
20 about putting some kind of mechanism in place to tabulate
21 the stable areas, that you give him every cooperation. I
22 think we'll all be better off once -- once we can rely on
23 that.

24 And you're also going to hear from Rick Pickering
25 from Cal Expo that long after -- after a long period of

1 time, finally there's been an approval by Cal Fire for the
2 changes to be made to the stable area at Sacramento. And so
3 you'll hear more from Mr. Pickering a little later.

4 Mr. Chairman, that's my report.

5 CHAIR WINNER: Thank you very much, Rick. All of
6 us on the Board appreciate the incredible job that the
7 Executive Director and his, actually, wonderful staff has
8 been doing since he's come aboard. It's really been very,
9 very positive and an awful lot of work. And I can't tell
10 you how much Rick and Jackie and Mike and others on the
11 staff have been -- how much time they've been putting in,
12 how much effort. We're very lucky to have Rick and the
13 staff.

14 EXECUTIVE DIRECTOR BAEDEKER: Thank you.

15 CHAIR WINNER: Let me also welcome today our
16 former Chairman, Mr. Israel. Chairman Israel is here with
17 us, so we're delighted to have him here. And hopefully he
18 won't have too much to say because we don't want him to have
19 to give another \$100 to the --

20 MR. ISRAEL: \$100 if I was this fucking boring.

21 CHAIR WINNER: The answer to that is, no.

22 MR. MILLER: We have to sing Happy Trails though.

23 CHAIR WINNER: You're leading it. Go ahead.

24 (Whereupon Mr. Miller led the Commissioners in singing

25 Happy Trails.)

1 CHAIR WINNER: Well, that certainly lowered the
2 level of this meeting

3 MR. ISRAEL: You're trying to chase me out of here
4 but --

5 CHAIR WINNER: All right. Let's go on to public
6 comment. I have three cards of folks who want to speak
7 during the public comment period. And let's start with Pete
8 Sluis (phonetic).

9 MR. SLUIS: Hi, I'm Pete Sluis, and I represent
10 myself. I'm a 30-year plus Fairplex racing fan. What I'd
11 like to -- I know this is not on the agenda today but I'm
12 going to go ahead, it was when I was writing this -- I'd
13 like to share what I think of this proposed racing date
14 transfer from a Fairplex racing fan perspective.

15 First off, I'd like to emphasize, this transfer is
16 not something small. The Fairplex -- Fairplex meet has been
17 ranked in the top ten meets in the country. We have a long
18 and distinguished legacy of racing. The long-time
19 supporters of this meet will lose convenient access if it
20 moves to Los Al, and I definitely will not be following it
21 there, nor anyone I have spoken to from Fairplex, the fan
22 base. I also suspect few if any of the 1.5 million yearly
23 fair visitors will take this trip. If this transfer takes
24 place, in my opinion as a fan, the big loser is the
25 California horse racing fans.

1 To me the approval of this transfer of dates would
2 just further continue the decline of horse racing in the
3 state by leaving long-time local fans without horse racing
4 in what is an extremely safe track. It also will eliminate
5 another horse racing venue, which I feel is not in the
6 industry's best interest. It would also have been nice to
7 have a chance to have one last meet at Fairplex where long-
8 time fans could have had a last hurrah and given the
9 historical track a well-deserved and proper send off. We
10 are apparently not even going to receive that.

11 If the L.A. County Fairgrounds has decided that
12 horse racing is not in their future I urge this Board to
13 take back these racing days so that proper evaluation and
14 discussion can occur of what best to do with them, including
15 at looking at all options available. As a local fan I would
16 think Santa Anita with its close proximity, being the same
17 county, and having a first-rate facility should also be in
18 these discussions.

19 Any -- oh, excuse me. Voting no for this, on this
20 transfer, will also let Los Al get some experience under its
21 belt in its new facility and allow it to make any necessary
22 adjustments before running its initial meet for this fair.
23 I would think this is only prudent.

24 Any discussions in the future should be open and
25 inclusive, without any urgent time pressure. Reaching a

1 quality decision requires considering issues beyond my
2 understanding, which could include future stabling issues,
3 backup contingency planning of facilities and tracks if we
4 have an earthquake and knocks a track out, effects of
5 transferring sales tax revenues between counties, the fair
6 racing dates versus thoroughbred racing dates, labor issues,
7 owner issues, trainer issues, etcetera. These are
8 complicated and necessitate the proper amount of time has
9 been allocated to them and all parties have a chance to
10 thoroughly consider all consequences.

11 For these reasons I am urging all members to vote
12 no and not allow this transfer at this time pending the Los
13 Angeles County Fair Association returning the dates and the
14 Board leading a committee to structure a well thought out
15 decision on this very important issue to the future of
16 California horse racing. I thank you for your attention and
17 consideration, and I appreciate all you guys' efforts.

18 CHAIR WINNER: Thank you very much, Mr. Sluis.
19 And of course, as you know, the vote on this or the
20 discussion on this item has been put over until the June
21 19th meeting at Los Alamitos. And obviously one of the
22 reasons for that are the very reasons that you stated in
23 your comments --

24 MR. SLUIS: And I appreciate that.

25 CHAIR WINNER: -- that there's a lot to study and

1 we're studying.

2 MR. SLUIS: Thank you.

3 CHAIR WINNER: Thank you.

4 MS. BECKNER: Thank you very much. My name is
5 Holly Beckner, B-e-c-k-n-e-r. I am a small and new race
6 horse owner. I'm representing myself. I bought two of my
7 horses out of Pomona last year, two-year-olds, and I've also
8 claimed horses. I work with two very small local trainers.
9 Both of them have stalls -- or have barns at Pomona.
10 Because I'm so new to these issues my remarks are going to
11 be unsophisticated. I don't know what all the politics are.
12 I don't know what all the money issues are. I just want to
13 say that I got into this business here -- I live in
14 Claremont which is near Pomona -- you know, because I love
15 horses, I love horse racing. I'm retired. I had the
16 opportunity to do it.

17 I did not try to buy a horse out of the last
18 Barrett's sale at Pomona because of the uncertainty as to
19 where my two trainers would be, whether one of them would
20 even be -- remain in the state. He's looking at, and in
21 fact gone for the very first time, to Idaho because of
22 issues with respect to instability and the fact that for
23 some of the cheaper horses it's very, very, very hard to
24 find a race.

25 I don't know if the focus of this Board is towards

1 consolidating horse racing in the hands of a few -- fewer
2 and fewer of wealthier people with wealthier horses, as it
3 were. But if you want to keep the diversity and interests
4 of small-time business people such as myself, you know, I
5 don't -- I don't have the option of sending my horses all
6 over the state. And -- and so you need to consider expense
7 and convenience. And my family is going to go to Pomona
8 to -- to watch my horses' races. They're not going to --
9 they're not likely to go much further than Santa Anita,
10 which I know is also a little bit up in the air.

11 So I just wanted to indicate that from my
12 perspective as an owner I'd really like to see the
13 diversification and -- and the availability of this sport to
14 remain accessible to smaller owners, trainers, and our
15 friends, relatives, betters, etcetera. Thank you very much
16 for your time.

17 CHAIR WINNER: Thank you very much, and welcome as
18 a new owner to California horse racing. We really are
19 pleased to have you.

20 MS. BECKNER: Thank you.

21 CHAIR WINNER: Damascus Castellanos.

22 MR. CASTELLANOS: Thank you, Mr. Chairman, Board
23 Members. My name is Damascus Castellanos. I'm with
24 Teamsters Local 495. I'm here to kind of talk about what
25 was going to be on the agenda regarding the Los Alamitos-

1 Pomona situation. But what I want to do is inform the Board
2 that we, since the last month's meeting, Pomona Fairplex
3 and -- and Teamsters Local 495 have been in discussion to
4 preserve those jobs that have been in question regarding the
5 horse racing if it was to leave Fairplex. So I wanted to
6 inform the Board of that. We are talking about that. We
7 are most likely going to come to some conclusion regarding
8 that. And we will -- we have reached out to Los Alamitos.
9 We will be discussing some situations with them which are
10 not really grave. They're -- they're very easy to settle.

11 What I've also done, too, is gave you guys,
12 everybody on the Board, a copy of our Flash. We give this
13 out to our members, I believe bimonthly. And I wanted to
14 present it to you guys on behalf of our racing article
15 that's in there. We do this periodically. We try to
16 promote racing as much as possible. This is our 75th
17 anniversary issue, so it's kind of a big deal for us because
18 our Local did start on horse racing. So I wanted to present
19 that to you and show it to you.

20 But the main thing is I wanted to inform you that
21 we are in talks with -- with Pomona Fairplex. So I thank
22 you very much for your time.

23 CHAIR WINNER: Thank you very much, and thank you
24 for the -- for this. And hopefully if others haven't seen
25 it, maybe there are a few --

1 MR. CASTELLANOS: I've got some extras.

2 CHAIR WINNER: -- that we -- that you might be
3 able to see.

4 MR. CASTELLANOS: Thank you.

5 CHAIR WINNER: Thank you. Thank you very much.
6 And I'm -- I'm happy to hear that you are in talks.

7 Let's -- is there any -- are there any others who
8 would like to speak during the public comment period? All
9 right.

10 Hearing none, we'll move on then to item four,
11 discussion and action by the Board on the approval of
12 service, steward and official veterinarian contracts for
13 fiscal year 2014-15.

14 MS. VOSS: Good morning. Oh, sorry. I'm Wendy
15 Voss, CHRB Staff. I'm -- this item is on the agenda today
16 because annually the staff have to prepare service
17 contracts, which are included in your Board package. And
18 I'm here today to answer any questions and to request your
19 approval so that we can get started executing the contracts.

20 CHAIR WINNER: Thank you. Any members have
21 questions or comments?

22 SECOND VICE CHAIR ROSENBERG: I had a question.

23 MS. VOSS: Yes?

24 SECOND VICE CHAIR ROSENBERG: Actually, it's a
25 combination of the two items, the next item as well.

1 MS. VOSS: Yes.

2 SECOND VICE CHAIR ROSENBERG: I just wasn't clear
3 on one thing. Evidently the vet at Cal Expo passed away and
4 this is a replacement. I just didn't understand. The
5 period of time ends June 30th of '14 in the amount of
6 \$60,000.

7 MS. VOSS: Yes.

8 SECOND VICE CHAIR ROSENBERG: Was he -- was he --
9 when was -- when did he --

10 MS. VOSS: Yeah.

11 SECOND VICE CHAIR ROSENBERG: This current vet,
12 when was he appointed?

13 MS. VOSS: Yeah. We have contracts based on
14 fiscal year July 1 through June 30. And Dr. Goodbary passed
15 away in the middle of that in the current fiscal year. So
16 we had to disencumber his funds and immediately encumber for
17 Dr. Zuko (phonetic). So the next agenda item is just to
18 ensure that we have Board approval for Dr. Zuko who is the
19 replacement.

20 SECOND VICE CHAIR ROSENBERG: I understand that.
21 But what was the amount? Was the \$60,000 the annual
22 compensation?

23 MS. VOSS: Yes.

24 SECOND VICE CHAIR ROSENBERG: But shouldn't it be
25 prorated?

1 MS. VOSS: Well -- go ahead.

2 DR. ARTHUR: That is -- that is prorated.

3 CHAIR WINNER: You want to introduce yourself?

4 DR. ARTHUR: Dr. Arthur, Equine Medical Director.

5 SECOND VICE CHAIR ROSENBERG: It is prorated?

6 MS. VOSS: Yes.

7 DR. ARTHUR: Yeah.

8 SECOND VICE CHAIR ROSENBERG: It's not the whole

9 \$60,000? Okay.

10 MS. VOSS: Yes.

11 SECOND VICE CHAIR ROSENBERG: Thank you.

12 CHAIR WINNER: Any other questions, comments? Dr.

13 Arthur?

14 DR. ARTHUR: Yes. I'd like to make one comment on
15 the drug testing budget. And really the Executive Director,
16 I think, hit on this issue in his opening report. If
17 there's one task the Horse Racing Board does that the
18 industry, fans, and public expect us to do and do well, it's
19 drug testing. Immediately prior to my becoming Equine
20 Medical Director the industry worked with the Horse Racing
21 Board to increase the drug testing budget through the
22 legislature, and actually over the objections of the
23 Department of Finance, and that was 2006.

24 Since that time, as the Executive Director pointed
25 out, the drug testing contract has remained essentially

1 unchanged, and the pari-mutuel takeout has decreased by over
2 half a million dollars. That's in a period where we've
3 started anabolic steroid testing. We've nearly doubled the
4 number of extractions per sample. We've lowered the
5 regulatory thresholds. We've greatly improved drug
6 detection sensitivity. We've developed new tests for --
7 special tests for special drugs. And we're now looking to
8 regulate corticosteroids in number of other therapeutic
9 medications in blood and urine at thresholds in accordance
10 to the Uniform Medication Program, all this with a drug
11 testing budget that has decreased by over half a million
12 dollars in real dollars, nevertheless those adjusted for
13 inflation.

14 We arguably have the best drug testing program in
15 the United States and a laboratory that's comparable to the
16 best labs internationally, I'm talking about Hong Kong and
17 France. But we're going to have to be prepared to fund drug
18 testing in the future. It's a cat-and-mouse game. You
19 never know what the next problem is around the corner,
20 whether it's thyroxin, whether it's cobalt, whether
21 zilpaterol or ractopamine, and I think we've responded to
22 all those issues very effectively.

23 I'd strongly encourage the industry to support the
24 Horse Racing Board in trying to increase the budget for drug
25 testing because I think it's critical for the Horse Racing

1 Board's job to protect the integrity of racing. Thank you.

2 SECOND VICE CHAIR ROSENBERG: Could you describe
3 the -- Dr. Arthur, can you describe the process required to
4 get that budget increased on the specific items that you're
5 recommending?

6 DR. ARTHUR: Today actually Wendy can probably
7 describe it better than I do because it's become rather
8 cumbersome. It used to be that we could go directly to
9 Department of Finance. Now we have to go to the agency, get
10 their approval before we go to Finance. And then if Finance
11 approves, then we have to go to the legislature. And unlike
12 in 2006 where we could go to the legislature directly and --
13 and actually, in opposition to the Department of Finance, we
14 could get it done. I don't know if that's possible today.

15 But the -- the real issue is drug testing is what
16 the public, the industry, and our fans expect us to do well.
17 And we've done a good job, but this is a very, very
18 technical -- if any of you have seen the laboratory you know
19 it's a very, very technical area. And we just have to --
20 you have to spend the money.

21 CHAIR WINNER: It's -- that lab is absolutely the
22 state of the art. I mean, it is the best.

23 Let me just say, Richard, that Staff is working
24 with Agency on this. We've submitted formal documents, I
25 think; is that correct, Rick?

1 EXECUTIVE DIRECTOR BAEDEKER: The first stage is
2 to submit the concept for the budget change proposal, and
3 the deadline was May 15th. And so we -- we've submitted all
4 of those at this point. So the next step then is to meet
5 with Agency, explain the need for these increases, and
6 hopefully get their support. And by the way, preliminarily
7 we've -- they've indicated their support. We've been having
8 these discussions over the period of the last couple of
9 months, so, so far, so good.

10 CHAIR WINNER: And we've had -- I also have had
11 conversations with the undersecretary. So, you know,
12 obviously Rick is and Staff is -- is ahead of the curve on
13 this for sure.

14 SECOND VICE CHAIR ROSENBERG: Would -- would this
15 be effective -- is there time to get this done in time for
16 the 2014-15 fiscal year, or are you talking about future
17 years?

18 EXECUTIVE DIRECTOR BAEDEKER: These are all
19 relative to '15-16.

20 SECOND VICE CHAIR ROSENBERG: '15-16?

21 EXECUTIVE DIRECTOR BAEDEKER: Right.

22 SECOND VICE CHAIR ROSENBERG: Okay.

23 CHAIR WINNER: Any other questions on this? Any
24 points anybody would like to make? Okay.

25 I think I would entertain a motion to approve the

1 list of stewards, out-of-competition sample collectors,
2 official veterinarians, hearing officers, and miscellaneous
3 service contracts for fiscal year '14-15.

4 COMMISSIONER AUERBACH: Moved.

5 COMMISSIONER BENETO: I'll make the motion.

6 CHAIR WINNER: Is there a motion? Moved by
7 Commissioner Auerbach. Seconded by Commissioner Beneto.
8 All in favor?

9 ALL COMMISSIONERS: Aye.

10 CHAIR WINNER: Any opposed? Motion carries.

11 Moving on then to item five, which I think we've
12 started discussion, discussion and action by the Board
13 regarding the approval of the contract for the replacement
14 of the official veterinarian at Cal Expo contract term for
15 the late Dr. Robert Goodbary.

16 This is the item that Commissioner Rosenberg asked
17 about and that Dr. Arthur responded to. Any other
18 discussion on that item? Did you have -- Commissioner
19 Beneto?

20 COMMISSIONER BENETO: He was talking to me. What
21 was the question?

22 CHAIR WINNER: Oh. Any other -- any questions or
23 discussion on item five?

24 COMMISSIONER BENETO: No.

25 CHAIR WINNER: Okay. Then I'll entertain a motion

1 to approve a contract for Dr. Clifford Zuko through June
2 30th, 2014 in the amount of \$60,000 as a replacement
3 official vet at Cal Expo. Is there a motion?

4 COMMISSIONER KRIKORIAN: Moved.

5 CHAIR WINNER: Commissioner Krikorian moves.

6 FIRST VICE CHAIR DEREK: Second.

7 CHAIR WINNER: Vice Chair Derek seconds. All in
8 favor?

9 ALL COMMISSIONER: Aye.

10 CHAIR WINNER: Any opposed? The motion carries.

11 MS. VOSS: Thank you.

12 CHAIR WINNER: Thank you very much.

13 MS. VOSS: Thank you.

14 CHAIR WINNER: Discussion and action by the Board
15 on the application to conduct a horse racing meeting of the
16 Los Alamitos Racing Association at Los Alamitos commencing
17 July 3, 2014 through July 13, 2014, inclusive.

18 Brad and -- et al. And, Brad, tell us about the
19 CTT agreement, because I think that's outstanding.

20 MR. MCKINZIE: Yeah. We will be talking -- we
21 will be --

22 CHAIR WINNER: Okay.

23 MR. MCKINZIE: -- talking about that.

24 CHAIR WINNER: Please introduce yourselves.

25 MR. MCKINZIE: All right. Brad McKinzie for Los

1 Alamitos Racing Association, joined by Rick English, our
2 Chief Financial Officer, Orlando Gutierrez, our Director of
3 Marketing, and Alex Anderson from the Orange County
4 Register.

5 CHAIR WINNER: Thank you.

6 MR. MCKINZIE: I was just going to start this off
7 by saying, you know, we've given this some thought and we've
8 decided we changed our minds. But I --

9 COMMISSIONER AUERBACH: I'd be the designated
10 batter on that.

11 MR. MCKINZIE: I was -- I was -- I was afraid some
12 people might applaud and decided that might not be the way
13 to go.

14 First of all, I'd be very remiss if we didn't
15 acknowledge that it's been something of a long and winding
16 road to get to this moment with Los Alamitos is formally
17 appearing before this Board to request thoroughbred racing
18 dates. As I was preparing for this morning I was thinking
19 back to 2005 when we had a plan to bring thoroughbred racing
20 to Los Alamitos that was floated and fairly immediately
21 sank. So to get to this day, I feel compelled to thank all
22 of the people who for the past nine years have been
23 supportive of this concept and have not let a few setbacks
24 deter our efforts to bring thoroughbred racing to Orange
25 County.

1 I would also be not only remiss but terribly
2 ungrateful if I didn't thank the CHRB Staff, in particular
3 Erica Ward for guiding us through this application process,
4 particularly when it was me they were having to guide
5 through the application process. So it couldn't have been
6 particularly easy.

7 We're up today to talk about eight days of racing.
8 It doesn't sound like a whole lot, eight days of racing, but
9 we're hoping that these eight days of racing can do
10 something for this industry that I think we desperately
11 need, and that's to bring our sport before a new market. I
12 can tell you that Orange County is very excited about the
13 prospect of thoroughbred racing coming to Orange County and
14 Los Alamitos. Much of that excitement has been generated by
15 a brilliant marketing plan on our part which called for a
16 horse stabled at Los Alamitos to win the Kentucky Derby and
17 the Preakness. You know, people think we don't know how to
18 do marketing at Los Alamitos. I would say that that is
19 proof positive that we know what we're doing down there.

20 As we've been saying, we're proud to be the home
21 of the Chrome. And I think just a little testimony to
22 the -- not only the drawing power of this horse but of the
23 Orange County market came on the Saturday before the
24 Kentucky Derby when California Chrome put in his final work
25 at Los Alamitos before heading to Louisville, and we had

1 close to 600 people show up just to watch the horse breeze.
2 So I think that -- that is one of the things that lends us
3 to the excitement for our meet coming up.

4 To get ready for this first meet, Ed Allred, our
5 owner, he has made a sizeable investment, not only into the
6 future of our track but into the future of the thoroughbred
7 sport, a new one-mile racetrack that has drawn rave reviews
8 from horsemen. A stable renovation program which allowed us
9 to bring 500 thoroughbreds over for training. We're in the
10 midst of a construction project now to add 200 more stalls
11 so that we can have 700 thoroughbreds stabled there on the
12 grounds.

13 We're completing projects right now that lead to
14 such things as a new second floor patio terrace, expanded
15 walking ring, completely renovated bathrooms throughout the
16 facility, enlarged and renovated jockeys' room, investing in
17 our infield to provide a new fan area for our summer
18 thoroughbred meets, new televisions, new bars, new food
19 service areas.

20 And just as importantly, we've made a commitment,
21 we're going to be spending over \$500,000 to bring our
22 television production room and all of our on-track cameras
23 to high definition quality. We feel it's very important
24 with the sizeable increase in ADW and off-track -- and our
25 off-track fans, this is a sizeable investment we're making

1 to bring the best quality picture we can from our races at
2 Los Alamitos.

3 As we plan for this meet we -- we were -- we were
4 faced with something of a unique problem. This is our first
5 thoroughbred meet, but Los Alamitos is a known name we've --
6 and proud of it. We've been known for over 50 years as the
7 Quarter Horse Mecca. So we not only had to try to brand
8 ourselves, we've been -- we have to try to re-brand
9 ourselves because we couldn't allow the betters or the
10 horsemen to think that the daytime thoroughbred racing was
11 just going to be an extension of what we've been doing at
12 night. That would have -- that would have been very
13 detrimental to us. We needed to establish very quickly that
14 this was a new type of racing that was coming to Los
15 Alamitos. It was going to be world class thoroughbred
16 racing, and extension of what Santa Anita and Del Mar does,
17 as opposed to an extension of what we do at night.

18 The first bullet we fired in that was by working
19 with the Thoroughbred Owners of California and putting
20 together the \$500,000 Los Alamitos Derby. We did it not to
21 only fill what we thought was a void in the Southern
22 California stakes' schedule, but to make a very loud
23 pronouncement that this is the type of racing we're going to
24 have at Los Alamitos. We have been greatly thrilled with
25 the response to the race. We have California Chrome, Shared

1 Belief -- last year's Eclipse Award winner -- numerous major
2 stakes' winners, horses from Kentucky and New York nominated
3 to the race. So we feel that we -- this message that we
4 sent was an important one to send as loudly and as quickly
5 as we could.

6 And I think one of the elements of the success of
7 this, we were concerned at the beginning that out-of-state
8 tracks and out-of-state betting facilities wouldn't pay as
9 much for our signal as they do for Santa Anita or Del Mar's
10 signal. But I can tell you, working with our partner,
11 Monarch Content Management, all of our out-of-state
12 contracts, all of our out-of-state betting facilities are
13 paying just as much for our signal as they do for Santa
14 Anita and for Del Mar, which is a great help for us,
15 particularly in maintaining our purse structure. And I
16 think this -- making this announcement soon, the type of
17 racing that we're going to have, I think was a key element
18 for that.

19 We're -- we're trying to carry on this target
20 marketing to establish this new Los Alamitos image. We've
21 created partnerships with the Racing Form, TVG, to try to
22 reach those out-of-state and ADW players who make up almost
23 85 percent of our handle. They're people have every
24 racetrack in the country to bet from. So we are -- we'll be
25 embarking on a very aggressive campaign to get our name out

1 in front of them and to establish that we're going to be
2 quality world class thoroughbred racing.

3 Our on-track marketing program is highlighted by a
4 new partnership that we've formed with our hometown paper,
5 the Orange County Register. And this partnership has not
6 only resulted in what we think will be an exciting first
7 year of racing for us, but has also brought the entries and
8 results of horse racing back into the Orange County
9 Register, not just for Los Alamitos, but Santa Anita is back
10 in the Orange County Register also.

11 And we have created a partnership with them with
12 their Register Connects Program which we're particularly
13 excited about. We're dedicating -- we're creating an entire
14 area in our infield which is just going to be designed for
15 bringing new people out to the track. The idea is we're not
16 bringing them out for horse racing. We're bringing them out
17 for a party, and there's going to be horse racing involved.

18 We're -- as I said, we're very proud of this. And
19 if -- I'd like to let Alex Anderson from the Orange County
20 Register to just take a couple of minutes to discuss this
21 Register Connects Program with you because it's something, I
22 think, that all of us are trying to do. It's specifically
23 designed to bring new fans to the racetrack.

24 So with that I'd like to introduce Alex Anderson
25 from the Orange County Register.

1 MS. ANDERSON: Good morning.

2 CHAIR WINNER: Good morning.

3 MS. ANDERSON: Hi. I'm the Director of Marketing
4 for the Orange County Register. Just a brief background.
5 We recently purchased -- purchased the Press Enterprise,
6 which is the paper that's been around just as long as the
7 Orange County Register in the Inland Empire. And we
8 recently just launched, just a month ago, the Los Angeles
9 Register. So we are -- have a huge footprint in Southern
10 California. We're really excited about that.

11 They brought me on board to oversee our Register
12 Connect Program. So basically if you're a seven-day
13 subscriber, if you're getting the paper every day you're a
14 Register Connect member. And our goal is to give our
15 subscribers added value as a thank you for being
16 subscribers. We started this membership program a year ago.
17 We started it off with the Angels. And basically we're
18 giving our seven-day subscribers free access, free tickets.
19 And we started off with the Angels about a year ago. The
20 Angels gave us their remnant tickets for their Angel games,
21 maybe a slow game during the week, or maybe not a great
22 team. They -- they gave us those tickets. We promote it in
23 the paper, digitally online to our subscribers saying, "Hey,
24 you're a seven-day subscriber, request your free Angels
25 tickets."

1 We helped Angels attendance records. Last year
2 they didn't have a great season, but they ended up number
3 seven in the league for attendance. So we are sending
4 people to Angels games that maybe haven't been in a long
5 time, have never been to an Angel game. They're going
6 there, spending incremental money on -- on food and beverage
7 and parking and all those types of things. Super
8 successful.

9 Our second partner which we are really happy to
10 partner with was Del Mar. So last season we met with Craig
11 at Del Mar and said, "Hey, we think we can send a lot of
12 people down to Del Mar from Orange County to the races," and
13 we did. We sent over 4,000 people down there. It was -- it
14 was in the infancy of this program. So sending 4,000 people
15 down there in just, you know, a matter of a few months was
16 pretty huge. We have some great testimonials from some of
17 our subscribers that, you know, have never been to the races
18 or just haven't been in a long time, reintroducing them.

19 And we're really excited to partner with Los
20 Alamitos. The goal of the program, there's three things.
21 We drive traffic to your location. We're giving you mass
22 exposure. And bringing in new audiences, like we talked
23 about with Del Mar, that haven't been maybe in a long time
24 or have never even experienced going to the races.

25 Other partners we've done this with, Disneyland,

1 Knott's Berry Farm, SeaWorld, L.A. Zoo. Our subscribers are
2 requesting these tickets and going out there and having all
3 these great experiences.

4 And Los Alamitos, our promotion with you guys is
5 launching June 1st for your July meet. And we're giving
6 away four-packs of tickets. So subscribers can request a
7 four-pack of tickets. Like Brad said, they're opening up
8 the infield to us, which is really exciting. We're branding
9 it Register Connect. We're creating a party atmosphere out
10 there, music and food.

11 You're providing wagering brochures, and having a
12 handicapping seminar. I think that was one of the obstacles
13 was people -- they explained to me was people, I think,
14 we're really, I guess hesitant to go to the races because
15 they don't know how to bet. So that's what we want to
16 reintroduce. We promote it all throughout the paper. We
17 promote it online, like I said, social media, it's on our
18 website. It's a ton of exposure. And just hoping to bring
19 some excitement to the meet in July.

20 CHAIR WINNER: Thank you.

21 MR. MCKINZIE: Thank you, Alex. So that's kind of
22 our long-winded introduction. Be grateful it's just eight
23 days, because there's no telling how long we could have gone
24 on.

25 There are two items that I would like to just jump

1 ahead on, and Chairman Winner alluded to one of them. When
2 we put together our license application we were looking for
3 continuity with the Santa Anita wagering format. We felt it
4 was important to offer continuity. At the time we just --
5 we just proposed two rolling doubles. Since then Santa
6 Anita has gone back to offering rolling doubles throughout
7 the card, so we will be coming back to request that we also
8 offer the low-takeout rolling doubles throughout the card.

9 And then, Chairman Winner, you alluded to the fact
10 that we do not have a CTT agreement. Mr. Balch is here. At
11 the time that we were negotiating, and they were goodwill
12 negotiations, there were the -- the hang-up was off-track
13 stabling. They wanted us to be able to guarantee that we
14 could provide X number of stalls off-track, which we weren't
15 in a position to guarantee. We really still aren't in a
16 position to guarantee. However, we've made great strides
17 here in the last couple of days.

18 It's been alluded to generally, but I think it's
19 important for the -- for this Board and for the industry to
20 know that at a meeting at Los Alamitos on Thursday with --
21 with TOC and Santa Anita and Dr. Allred, we have -- we have
22 an agreement in principle to keep Fairplex open for stabling
23 through Breeders' Cup. We have some hurdles to get over,
24 including how to pay for it. But are committed to getting
25 it done. And I think with that, I think the CTT folks will

1 tell you that an agreement between us is imminent. I can't
2 imagine that there's anything that -- that can hold us back
3 on that. But that's -- that's where we're heading. As a
4 matter of fact, we're having a meeting after this meeting to
5 get all the principals together to try to tighten this thing
6 up as much as we can. But that is what we're committed to
7 doing. That's why we don't currently have a CTT agreement,
8 but I don't think it's -- it's a major hurdle.

9 SECOND VICE CHAIR ROSENBERG: A question --

10 MR. MCKINZIE: So --

11 SECOND VICE CHAIR ROSENBERG: -- on that point.

12 MR. MCKINZIE: Well, so with that I'd just like --
13 very quickly just like to say, you know, on behalf of the
14 staff and employees of Los Alamitos who have worked so hard
15 to get us here, we're happy now to be before this Board
16 requesting these dates, and happy to answer any questions
17 you may have.

18 CHAIR WINNER: Commissioner Rosenberg?

19 SECOND VICE CHAIR ROSENBERG: Just on that point
20 of stabling, I just -- I noticed in your application you put
21 in a minimum stall number of 2,500. So that's not
22 realistic, that was just done at the time, I guess, for
23 expedience sake? Because you obviously --

24 MR. MCKINZIE: It was a number.

25 SECOND VICE CHAIR ROSENBERG: It was a number?

1 MR. MCKINZIE: Yeah.

2 SECOND VICE CHAIR ROSENBERG: Okay. So hopefully
3 things will be worked out.

4 MR. MCKINZIE: Yes.

5 CHAIR WINNER: Well, for those of you who haven't
6 had a chance to get out to Los Alamitos recently, let me
7 tell you, they've done a terrific job. The track is
8 beautiful, everything. The backstretch is just terrific.
9 And obviously, California Chrome is -- is the highlight at
10 the moment for Los Al. But again, congratulations to all of
11 you for the work that you've done out there.

12 COMMISSIONER AUERBACH: Commissioner --

13 CHAIR WINNER: But really, I think we're all
14 looking forward to -- to a very successful meet.

15 Are there any --

16 COMMISSIONER AUERBACH: Yeah.

17 CHAIR WINNER: -- questions?

18 COMMISSIONER AUERBACH: Commissioner Winner, I
19 would -- I would just like to --

20 CHAIR WINNER: Yes, please.

21 COMMISSIONER AUERBACH: I don't have a question.
22 I just think that it's very important for us right now to
23 stop and to really understand what Los Al did. They were
24 not a bystander in the California Chrome story. And Brad
25 alluded to the fact that they had 600 people come out to

1 watch him work, which is not a surprise to me. But I think
2 the hospitality shown by Los Al was amazing. They put on a
3 show for everybody. They brought excitement back to the
4 industry.

5 And what I'm enjoying the most is when I talk to
6 people all over the country now they know about -- they know
7 that Los Al is home of the Chrome, and they are enthusiastic
8 about it, excited about it. And they showed so much class,
9 and I think we all need to commend them and thank them for
10 really helping the industry a great deal. I'm so pleased
11 with them, and I just wanted to share that thought. That's
12 all.

13 MR. MCKINZIE: Well, thank you very much.

14 CHAIR WINNER: Thank you.

15 MR. MCKINZIE: That's nice of you to say.

16 CHAIR WINNER: Are there any other comments or
17 questions? Is there -- I think we have John Bucalo who
18 wanted to speak on the issue. John?

19 MR. BUCALO: I'll speak quickly. I know I have
20 three minutes.

21 MR. MCKINZIE: You know, I'd be disappointed if
22 John Bucalo didn't want to speak on this issue.

23 MR. BUCALO: Yeah. Well, I wanted to congratulate
24 Los Alamos and tell them that we really appreciate their
25 help. They've helped us drive our business up at Barona

1 Casino. They've sent over periodically Les Onaka to do
2 handicapping seminars. They've put up money for the
3 handicapping contest that he does. And they're great in
4 communicating with us when there's a problem or issue
5 they're on it and take care of it right away. And I just
6 think it's very important that the Board knows this.

7 Also, what they're doing with the media, the
8 newspaper, I've said it a long time ago and I'll say it all
9 over, that you have to have the exposure. In this business
10 we can't make money with every step we take. And we need to
11 attack every major newspaper in every major county and get
12 racing back on a full page, with full charts and the full
13 entries. That exposure is far more important than you can
14 believe. We need people looking at racing and have that in
15 front of them. If it costs us we need to count our
16 blessings that we've received it for free since the 1930s,
17 and here today we have to step up and pay for it.

18 When Del Mar runs they have -- it's in every
19 newspaper all over the San Diego County. I thought that
20 when Del Mar run -- ran it would harm our business.
21 However, to the contrary, because of the media exposure on
22 TV and in newspaper it has brought a full house in every
23 single racing day because of that media exposure. And
24 when -- out in Victorville there's nothing out there. Their
25 numbers are down. Their numbers are terrible. How can we

1 bring racing back if we don't want to spend money to do it.
2 And nobody wants to pay for anything, but we have to step up
3 and do this. And I think it's great that Los Alamitos is
4 taking the incentive to work with the media and newspaper.
5 And I wish we could get the Orange County Register in San
6 Diego. Thank you very much.

7 CHAIR WINNER: Thank you, John.

8 Any other discussion on this item? Commissioner
9 Krikorian.

10 COMMISSIONER KRIKORIAN: A couple quick questions.
11 On the financial information that you provided is this -- is
12 this a new entity or is it an existing entity?

13 MR. ENGLISH: It's an existing entity. It's been
14 in existence --

15 COMMISSIONER BENETO: Introduce yourself.

16 MR. ENGLISH: Rick English, Los Alamitos. It's an
17 existing entity. It's been an existing entity. It's been
18 in existence since 1989. Years ago it operated a harness
19 meet for several years at Los Alamitos. But as I said, it's
20 an existing entity. It's a Subchapter S Corporation with
21 one shareholder, Dr. Allred.

22 COMMISSIONER KRIKORIAN: When I look through the
23 information I see that there's just a one -- there's just a
24 one page financial information. And I'm wondering, is that
25 standard or should there have been more information put

1 forth?

2 MR. ENGLISH: The -- if I can comment, the reason
3 that the financials were presented in this format, you're
4 asking for the -- they asked for the financial statements of
5 the entity. We hadn't really prepared separate statements
6 because the entity had been -- it's a relatively passive
7 entity. All it -- it has one-third interest in Los Alamitos
8 Race Course. And the only activity is recording their third
9 of the equity in the operations of LARC. So we never had to
10 have separate financial statements issued. That's why I
11 prepared this set.

12 The intention going forward is that LARC will be
13 consolidated with the QHRI with annual file -- annual
14 financial statements for the entire entity, and you'll have
15 a supplemental schedule showing the operations of each one
16 of the operating entities that will tie back to the whole
17 Los Alamitos picture.

18 COMMISSIONER KRIKORIAN: Okay. I understand. But
19 in my folder here there's just only a balance sheet.

20 MR. ENGLISH: I submitted an income statement and
21 notes to the financial --

22 COMMISSIONER KRIKORIAN: So it's a Staff issue
23 then. Okay.

24 MR. ENGLISH: Yeah.

25 CHAIR WINNER: I agree, that's all that's in our

1 book. But I think that Staff has --

2 SECOND VICE CHAIR ROSENBERG: But they had no --
3 had no operations. Have they had operations?

4 MR. ENGLISH: No operations, just it's a
5 bookkeeping entry to record the equity and the operations of
6 the --

7 SECOND VICE CHAIR ROSENBERG: Yeah.

8 CHAIR WINNER: Right.

9 MR. ENGLISH: -- of Los Alamitos.

10 COMMISSIONER KRIKORIAN: I just have one other
11 question too. I'm so glad you're putting in, you know, high
12 definition technology. And right now my understanding is
13 that TVG and HRTV, I understand they'll be both
14 distributing?

15 MR. MCKINZIE: Yes. TVG -- not only will both TVG
16 and HRTV be distributing our signal, but very important to
17 us, both of them will have their studios onsite.

18 CHAIR WINNER: That's great.

19 MR. MCKINZIE: They will be there at Los Alamitos.
20 That will be their --

21 CHAIR WINNER: That's great.

22 MR. MCKINZIE: -- main headquarters and their --

23 FIRST VICE CHAIR DEREK: That's great.

24 MR. MCKINZIE: -- main site, which greatly
25 enhances the coverage of our races. And we --

1 CHAIR WINNER: Right.

2 MR. MCKINZIE: -- we're meeting with HRTV this
3 weekend so they can pick studio sites. And we're -- we're
4 bending over backwards to make sure that both of them are
5 happy to have studios onsite at Los Alamitos during this
6 meet.

7 COMMISSIONER KRIKORIAN: They don't broadcast in
8 high definition; right?

9 MR. MCKINZIE: TVG does. TVG --

10 COMMISSIONER KRIKORIAN: TVG?

11 MR. MCKINZIE: -- just entered the --

12 COMMISSIONER AUERBACH: Yeah, they do. They do.

13 MR. MCKINZIE: -- they just entered the high def
14 world --

15 COMMISSIONER KRIKORIAN: Oh, okay. Well, you
16 know --

17 MR. MCKINZIE: -- and they dragged us along with
18 them.

19 COMMISSIONER AUERBACH: Yeah.

20 COMMISSIONER KRIKORIAN: -- obviously, that's
21 great.

22 COMMISSIONER AUERBACH: Yeah.

23 COMMISSIONER KRIKORIAN: Well, that's a big step
24 forward. Thank you --

25 COMMISSIONER AUERBACH: Yeah.

1 COMMISSIONER KRIKORIAN: -- for that.

2 CHAIR WINNER: any other questions or --

3 COMMISSIONER BENETO: I got a question.

4 CHAIR WINNER: Commissioner Beneto.

5 COMMISSIONER BENETO: Your stalls that you're
6 putting in at 200, are those permanent?

7 MR. MCKINZIE: Well, they're prefab but they are
8 permanent stalls in -- in cement footings and -- yeah, so
9 they're -- they are permanent.

10 COMMISSIONER BENETO: Thank you.

11 CHAIR WINNER: Any other questions?

12 COMMISSIONER AUERBACH: I have one -- one --

13 CHAIR WINNER: Commissioner Auerbach?

14 COMMISSIONER AUERBACH: -- I forgot to ask you. I
15 forgot. Well, I was being nice. Now let me, you know --

16 MR. MCKINZIE: Look at the time.

17 COMMISSIONER AUERBACH: No. I just wanted to ask
18 if you're going to release your purse schedule? I haven't
19 seen it.

20 MR. MCKINZIE: Oh, yes, the purse -- yes, the
21 purse schedule has been released and --

22 COMMISSIONER AUERBACH: Have we publicized it
23 anywhere and let --

24 MR. MCKINZIE: Yes. We've mailed. We've --

25 COMMISSIONER AUERBACH: -- the horsemen see what

1 it is?

2 MR. MCKINZIE: Yes. We've mailed it out. We've
3 put it on -- it's online, so obviously --

4 COMMISSIONER AUERBACH: Am I the only one that
5 hasn't seen it?

6 MR. MCKINZIE: Apparently. No, I --

7 COMMISSIONER AUERBACH: No, seriously, I just
8 wanted to make sure that --

9 MR. MCKINZIE: No.

10 COMMISSIONER AUERBACH: -- it wouldn't be the
11 first time, but --

12 MR. MCKINZIE: No, we'll -- we --

13 COMMISSIONER AUERBACH: -- I want to make sure
14 that the horsemen know what's coming up and what we're
15 running for, and things of that nature.

16 MR. MCKINZIE: Point well taken. We'll -- we'll
17 get it out there even more aggressively.

18 COMMISSIONER AUERBACH: Please.

19 MR. MCKINZIE: Yes.

20 COMMISSIONER AUERBACH: Thank you.

21 CHAIR WINNER: Maybe you can just hand one to
22 Commissioner Auerbach.

23 COMMISSIONER BENETO: What's -- what's your bottom
24 pot?

25 MR. MCKINZIE: Our bottom pot is going to be for

1 \$8,000 claimers. And our bottom purse I believe is \$15,000.

2 COMMISSIONER AUERBACH: Wow.

3 COMMISSIONER BENETO: Very good.

4 MR. MCKINZIE: Just very quickly, what we did is,
5 you know, it's a first-year meet. So I mean, you know, it's
6 a little bit of a guessing game. We took a lot of input on
7 how we thought we would do compared to what Hollywood Park
8 did on those same comparative dates with every segment, on-
9 track, California satellites, out-of-state satellites, ADW,
10 and we came up with a number. And then we had Bernie
11 Thurman from Hollywood Park do the numbers independently on
12 her own. And lo and behold we came up with basically the
13 same number, which projects us to do about 85 percent of
14 what Hollywood Park did. And so our purses are based on
15 that.

16 We've been -- we've been aggressive because we
17 feel we need to be aggressive with this first meet.

18 We're --

19 COMMISSIONER BENETO: Grand opening special.

20 MR. MCKINZIE: We're swinging for the fences.

21 Pardon me?

22 COMMISSIONER BENETO: Grand opening special.

23 MR. MCKINZIE: That's exactly right.

24 FIRST VICE CHAIR DEREK: I just have one comment.

25 CHAIR WINNER: Commissioner Derek.

1 FIRST VICE CHAIR DEREK: Brad, I'm looking at
2 these recommendations from County of Orange Healthcare
3 Agency.

4 MR. MCKINZIE: Yes.

5 FIRST VICE CHAIR DEREK: I presume you've
6 accommodated most of these at least.

7 MR. MCKINZIE: Yes.

8 FIRST VICE CHAIR DEREK: I'm basically concerned
9 about the communications.

10 MR. MCKINZIE: Yes. No, we've -- they're -- we --
11 they are continually monitoring what we're doing there. And
12 those -- when the Orange County Emergency Medical Services
13 makes recommendations they're --

14 FIRST VICE CHAIR DEREK: I figured.

15 MR. MCKINZIE: -- more than recommendations. So,
16 yes, we -- we followed the --

17 FIRST VICE CHAIR DEREK: What about taking riders
18 to a trauma room that have gone off --

19 MR. MCKINZIE: Yes.

20 FIRST VICE CHAIR DEREK: -- automatically?

21 MR. MCKINZIE: Well, yes, I mean, that's -- that
22 is our protocol. Well, it's -- well, we're working through
23 that issue and we've talked to the -- to the Jockeys' Guild
24 and we understand, you know, their -- their issues on this.
25 It's our feeling that they -- if they're -- if they fall off

1 during a race that they should go to and be examined in a
2 trauma center. We understand that sometimes they don't want
3 to, they feel they're okay, so they always have the ability
4 to decline that option and we support them on that.

5 FIRST VICE CHAIR DEREK: Great. Thank you.

6 CHAIR WINNER: Brad, the -- the paramedics are
7 across the way; correct?

8 MR. MCKINZIE: Yes, they're across the street.

9 CHAIR WINNER: And -- and if those paramedics are
10 off on some other assignment what are -- what -- how does it
11 work

12 MR. MCKINZIE: There's another -- there's -- the
13 secondary paramedic station is a mile-and-a-half away, and
14 so they're -- they would be onsite. By the time our
15 ambulance EMTs stabilize that rider and get him to the meet
16 location, that paramedic unit would be there. We haven't
17 had that -- we haven't had that situation happen yet, but we
18 have contingency plans if that does happen.

19 CHAIR WINNER: Thank you. Any other questions,
20 comments? Is there a motion to approve pending the
21 outstanding document with the CTT?

22 FIRST VICE CHAIR DEREK: I'll move.

23 COMMISSIONER BENETO: I'll second it.

24 CHAIR WINNER: Commissioner Derek moves.

25 Commission Auerbach seconds. All in favor?

1 ALL COMMISSIONERS: Aye.

2 CHAIR WINNER: Any opposed? Have a terrific meet.

3 FIRST VICE CHAIR DEREK: Yeah.

4 CHAIR WINNER: Congratulations. Thank you very
5 much.

6 MR. MCKINZIE: Thank you very much.

7 FIRST VICE CHAIR DEREK: Right. Good luck.

8 CHAIR WINNER: Item seven, discussion and action
9 by the Board on the application to conduct a horse racing
10 meet of the California Exposition and State Fair at
11 Sacramento, commencing July 9, 2014 through July 20th, 2014,
12 inclusive.

13 Gentlemen, do you want to introduce yourselves?

14 MR. SWARTZLANDER: Larry Swartzlander, Director of
15 Racing.

16 MR. PICKERING: Rick Pickering, CEO of the
17 California State Fair and Exhibition Center.

18 Honorable Chair and distinguished Commissioners,
19 thank you for this opportunity to be before you today. This
20 summer represents the 162st operation of the California --
21 (inaudible) California State Fair. The fair will run for 17
22 days, July 11 through 27, with 7 days of exciting live
23 racing. We've already forwarded for your information and
24 review a marketing plan that we put together. We'll be
25 investing more than a million two in marketing and

1 promotional activities for the fair and the live race meet
2 this summer.

3 We're also excited to follow up on our
4 announcement of the professional soccer field that's being
5 constructed at Cal Expo. They played three -- Sacramento
6 Republic have played three games at a local community
7 college, all of which were sold out audiences, between
8 17,000 and 20,000 folks. So we're very excited that the
9 field is scheduled for the first professional soccer game to
10 be conducted at Cal Expo on June 20th. And we're also
11 cross-promoting and advertising to soccer fans and exposing
12 them to the opportunity of horse racing.

13 The very next day on June 21st will be one of the
14 first of its kind, an international rugby match between the
15 United States and Canada, which will also be played on the
16 new field at Cal Expo. So we will use that opportunity to
17 market horse racing and try to get folks from soccer, as
18 well as rugby, to come out to the live race product.

19 And then there will be two professional soccer
20 games conducted at Cal Expo during the State Fair this year.
21 And everybody attending the soccer game has free admission
22 to the fair and free admission to the racetrack. So we'll
23 continue that cross-promotion.

24 We've also added in a Whiskey Fest at our
25 racetrack opening day of the thoroughbred meet this year.

1 And that's building upon the success of the Brew Fest that
2 we conducted the last couple of years at the racetrack. And
3 the Brew Fest is back as well.

4 We're excited to continue in the Northern
5 California horse recruitment program with CARF. It's
6 recruitment and retention with shipping incentives that are
7 in here. And I believe each of you probably have a copy of
8 this as well. That's exciting for us.

9 And I know many of you will be extremely pleased
10 to hear the positive update on the Cal Expo barn renovation
11 project which we're enhancing habitable housing for our
12 backside workers. The state fire marshal has signed off and
13 stamped a set of construction documents, and we forwarded
14 that to the CHRB Staff for their files and review as well.
15 The contractor is well on his way to doing the work. We
16 emailed this out last night. So I apologize, I don't have
17 copies for everybody today. But I will leave these behind,
18 and then we'll also forward that email to you as individual
19 members of the Board.

20 But this is actually what the barns looked like
21 when construction began, and where we're at in the
22 construction process. So we're renovating 22 separate
23 rooms. We're also installing ADA restroom facilities. And
24 we're bringing in a modular air conditioned break room for
25 the people that are working in the barn area.

1 In addition to that the harness horsemen have
2 moved out. I believe we have four horses that are still on
3 their way out of the barn. So construction is moving
4 forward quite rapidly and we're still receiving a great
5 working relationship with the California Office of the State
6 Fire Marshal.

7 We would certainly like to invite every member of
8 the Board and the staff to attend the Governor's Cup which
9 will be on July 19th for a \$75,000 race. I would like to
10 put the challenge out there, last year a very talented horse
11 from Oregon won. And perhaps this year we could see a
12 California horse -- I believe a California horse came in
13 second, ran by Mr. Beneto. Thank you very much for your
14 contribution there. And I know that they're going to beat
15 those Oregon horses this next year. But we'd also like to
16 invite Commissioners to -- to the Winner's Circle during the
17 Governor's Cup to assist in presenting the cup to whoever
18 happens to win.

19 COMMISSIONER BENETO: I'll be there.

20 MR. PICKERING: Hopefully to a California horse.
21 Yes. Thank you very much for that.

22 We'd like to commend Rick Baedeker and the team
23 that he's working with at the California Horse Racing Board,
24 the staff. Under his new energetic leadership Cal Expo and
25 CHRFB are experiencing a very renewed level of a positive and

1 professional working relationship. Since we're right across
2 the street from each other, anything we can do to share our
3 resources and property with you, and anything you can do to
4 assist promoting racing at Cal Expo, we certainly appreciate
5 that.

6 We want to thank each of you for your ongoing
7 leadership in the California horse racing industry. And
8 thank you for your support of all that's fair in California.

9 CHAIR WINNER: Thank you. There are some
10 outstanding documents, I believe, the thoroughbred
11 horsemen's agreement, the CTT agreement. And obviously the
12 fire clearance, you've already discussed.

13 MS. WAGNER: Jackie Wagner, CHRB Staff. Staff has
14 received the TOC agreement and the CTT agreement.

15 CHAIR WINNER: So we're --

16 MS. WAGNER: We're good.

17 CHAIR WINNER: We have everything; is that
18 correct?

19 MS. WAGNER: I'm sorry?

20 CHAIR WINNER: We have everything? We have all
21 the documents?

22 MS. WAGNER: We have all the documents except for
23 the emerging breed agreements.

24 CHAIR WINNER: Okay.

25 COMMISSIONER BENETO: What did she say? I didn't

1 hear her.

2 FIRST VICE CHAIR DEREK: Emerging breed.

3 COMMISSIONER BENETO: Oh.

4 MR. SWARTZLANDER: Let me -- let me clarify to the
5 Commissioner. What we're missing --

6 CHAIR WINNER: Go ahead and introduce yourself,
7 Larry.

8 MR. SWARTZLANDER: Larry -- Larry Swartzlander.
9 Larry Swartzlander, Director of Racing.

10 The emerging breeds we have agreements with, just
11 like the TOC. On the ADW platforms, BetAmerica is still
12 outstanding. We have agreements with all the other ADW
13 platforms. And that is one outstanding in that area, with
14 the breeds and with the TOC. All horsemen's agreements are
15 in place.

16 CHAIR WINNER: Okay. Any questions? Any
17 comments? Is there a motion to approve?

18 COMMISSIONER KRIKORIAN: Moved.

19 SECOND VICE CHAIR ROSENBERG: Second.

20 CHAIR WINNER: Commissioner Krikorian moves. Vice
21 Chair Rosenberg seconds. All in favor?

22 ALL COMMISSIONERS: Aye.

23 CHAIR WINNER: Any opposed? Have a great meet.
24 Congratulations.

25 MR. SWARTZLANDER: Thank you.

1 MR. PICKERING: Thank you.

2 CHAIR WINNER: Item number eight, discussion and
3 action by the Board on the application to conduct a horse
4 racing meet of the Del Mar Thoroughbred Club at Del Mar,
5 commencing July 17, 2014 through September 3rd, 2014,
6 inclusive.

7 Gentlemen, you want to introduce yourselves?

8 MR. RUBENSTEIN: Good morning. Josh Rubenstein,
9 Del Mar.

10 MR. ROBBINS: Tom Robbins, Del Mar.

11 MR. DATO: Craig Dato, Del Mar.

12 CHAIR WINNER: Josh?

13 MR. RUBENSTEIN: So as it relates to the
14 outstanding items in our agreement, the CTT and the TOC
15 agreement, we're 95 percent there with -- with both
16 agreements. And as Brad was saying, as related to the CTT
17 agreement, we believe that the stabling issue is very close
18 to being resolved. So both of those agreements should be in
19 front of you prior to the next Board meeting. And our fire
20 clearance or our fire testing is set for July 11th.

21 CHAIR WINNER: Got it. Thank you.

22 MR. RUBENSTEIN: So we're very excited about the
23 upcoming season. Tickets went on sale earlier this month
24 and the results have been very, very encouraging. We're
25 pleased to announce that purses will be at record levels

1 from -- from the past year. Tom Robbins will provide a
2 racing update on that.

3 Everybody is hopefully aware of our new -- our new
4 turf course. And again, Tommy will provide an update. But
5 it -- it looks terrific.

6 2013 was a great year for us. We were up about
7 five percent in total handle, and the bar was set very high.
8 We have been, you know, actively recruiting the players that
9 were on-track that made 2013 such a great year for us. And
10 we're pleased to say that a lot of those folks are going to
11 be coming back. So we're expecting really good things in
12 2014.

13 As it relates to our request to open on Thursday,
14 that's really related to the Del Mar Fair and the calendar.

15 The fair will be closing on July 6th. And while it may not
16 seem like a lot, an extra day to get the backstretch and the
17 track ready, you know, to be safe and in the vest possible
18 condition, we're requesting to -- to open on Thursday, July
19 17th.

20 MR. ROBBINS: Thank you, Josh. To talk briefly
21 about our racing for this summer, the two main elements,
22 the -- the overnight purse structure and the stakes'
23 schedule, I'm happy to report that our overnight purses will
24 be at the same level for all categories as they were in
25 2013, which was a record year for us in terms of purse

1 structure. It was a record for California and a record that
2 probably compares quite favorably with a lot of racetracks,
3 especially those that have slots fueled ability to raise
4 their levels. For example, the maiden special race will,
5 again, be \$75,000, as it was last year.

6 The stakes' schedule is -- there are a few minor
7 tweakings and movement of some races. The -- we had five
8 increases in value, no decreases, four of which -- four of
9 the five increases were based on the American Graded Stakes
10 Committee's mandatory requirement -- minimum requirement of
11 Grade 2 races going to \$200,000. So four of those races
12 were raised from \$150,000 to \$200,000. In addition to that
13 the Del Mar Mile, which is run on Pacific Classic Day which
14 is a Grade 2 event, went from \$200,000 to \$250,000.

15 One other item that you've heard about in the last
16 few years, Ship and Win Program, we're going to offer that
17 again. This was -- this is our fourth year. Each year has
18 been better than the -- the previous year. It's proven to
19 be a successful program, I think, in acknowledging not just
20 people that make the journey to California from outside
21 California, but certainly the -- the local folks, the local
22 owners and trainers that purchase horses and acquire horses
23 from outside of California. It's proven to be a successful
24 program and we -- we think directly attributable to our
25 field size increase which in the last three years has gone

1 up each year, certainly bucking the national trend that
2 we've seen with a declining or decreasing foal population in
3 not just California but throughout America.

4 So we're proud of the program. Again, our
5 partners, Thoroughbred Owners of California, have stepped up
6 where it will be offered at the same level that it was last
7 year, \$1,000 per starter and a 33.3 percent bonus for those
8 horses that run in non-stake's events.

9 COMMISSIONER CHOPER: Can I ask you a question
10 about that? Do you have any records as to what happens to
11 these horses after your meet is over?

12 MR. ROBBINS: Yes. We track the horses well
13 beyond the closure of our race meet. And we work and
14 develop the stats for the horses that were part of this
15 program at Del Mar. For example, of the horses that ran at
16 Del Mar, counting that one start at Del Mar or that initial
17 start at Del Mar through the end of the Hollywood fall meet
18 which was December 22nd this year, there were 424 starters.
19 Most of these horses remained in California. They support
20 the subsequent race meets in California, which we think is a
21 huge advantage, not for what we just see at Del Mar and what
22 it brings to racing at Del Mar, but the follow-up meets as
23 well.

24 COMMISSIONER CHOPER: Well, I think that's a very
25 encouraging statistic. I wonder if there's some way of

1 expanding, I don't mean you, but somebody someplace, you
2 too, I guess? I mean, if they're going to come, probably
3 for the first time anyplace, they're going to come to Del
4 Mar. So I take it you've thought -- I take it you've
5 thought about that.

6 CHAIR WINNER: Yeah. We've had conversations with
7 our Committee, and also with CMC on -- on that very issue.
8 And I think we're making some progress.

9 COMMISSIONER CHOPER: That's --

10 MR. ROBBINS: Right.

11 COMMISSIONER CHOPER: -- very encouraging. If --
12 you said 424, is that what you said, remain --

13 MR. ROBBINS: That's correct.

14 COMMISSIONER CHOPER: -- or --

15 MR. ROBBINS: There were -- there were --

16 COMMISSIONER CHOPER: -- 424 came --

17 MR. ROBBINS: -- a total of 424 starts, counting
18 the initial start at Del Mar, made through essentially
19 through the end of the year, through the conclusion of the
20 Hollywood fall meet.

21 COMMISSIONER CHOPER: Uh-huh. And do you know how
22 many came just to Del Mar, I'm just curious about that --

23 MR. ROBBINS: Well, we had 100 --

24 COMMISSIONER CHOPER: -- were left after, you
25 know, after the meet?

1 MR. ROBBINS: Quite a few were left.

2 COMMISSIONER CHOPER: Yeah.

3 MR. ROBBINS: You know, some -- some will move on
4 to other places. Others come -- to clarify that all of
5 these horses aren't necessarily there for multiple starts.
6 Some of these horses are -- come in and run in stakes'
7 races --

8 COMMISSIONER CHOPER: I understand.

9 MR. ROBBINS: -- not intending to stay in
10 California, but they're part of the program as well. They
11 get the \$1,000 bonus. They don't get the secondary 33.3
12 percent bonus just to run in the stake's race.

13 CHAIR WINNER: Tommy, is Los Al now offering a
14 Ship and Win? Is that a part of it now?

15 MR. ROBBINS: Well, what -- what we have worked
16 out with the Thoroughbred Owners of California that to
17 support the two-week Los Al meet --

18 CHAIR WINNER: Yeah.

19 MR. ROBBINS: -- and also not -- not to penalize
20 the last three weeks of the Santa Anita meet what we have
21 offered is with -- with our partners and TOC that should a
22 horse be Ship and Win eligible --

23 CHAIR WINNER: Right.

24 MR. ROBBINS: -- and make a start at Santa Anita
25 in those last three weeks, or at Los Alamitos, and when they

1 return to race at Del Mar that they won't be penalized,
2 they'll still be entitled to the same benefits.

3 CHAIR WINNER: Did you hear that, Jesse?

4 COMMISSIONER CHOPER: Yeah.

5 CHAIR WINNER: Yeah. I think that's -- that's a
6 big step.

7 COMMISSIONER AUERBACH: That's new, really new.

8 MR. ROBBINS: That's new, yeah.

9 SECOND VICE CHAIR ROSENBERG: Is that going to be
10 publicized as far as the conditions of the -- of the Ship
11 and Win program?

12 MR. ROBBINS: Yeah. I think we're -- we put out a
13 release today that --

14 SECOND VICE CHAIR ROSENBERG: Oh, okay.

15 COMMISSIONER AUERBACH: Oh, okay.

16 MR. ROBBINS: -- that spells that out.

17 COMMISSIONER AUERBACH: Because we didn't hear
18 anything. So you're basically saying you've got five weeks
19 prior to the start of your race for Ship and Win to kick in?

20 MR. ROBBINS: That's --

21 COMMISSIONER AUERBACH: No?

22 MR. DATO: No, you don't get --

23 COMMISSIONER AUERBACH: (Inaudible.)

24 MR. DATO: Craig Dato from Del Mar. You don't bet
25 the benefits of Ship and Win. It's just a freebie. If

1 you're from out of state and you run at Los Alamitos you
2 don't burn your new race card, so to speak.

3 COMMISSIONER AUERBACH: You don't burn it?

4 MR. DATO: Yeah.

5 COMMISSIONER AUERBACH: In other -- so you're
6 still eligible?

7 MR. DATO: Yes.

8 CHAIR WINNER: You're still eligible.

9 MR. DATO: Exactly right.

10 COMMISSIONER AUERBACH: But it's still five -- you
11 said the last three weeks of Santa Anita, too; didn't you
12 say that?

13 MR. ROBBINS: The last three weeks of Santa Anita.

14

15 COMMISSIONER AUERBACH: So it's --

16 MR. ROBBINS: And two weeks at Los Alamitos.

17 COMMISSIONER AUERBACH: So for the benefit of both
18 prior meets. So it's a five-week pass period.

19 MR. DATO: Freebie, yeah.

20 MR. ROBBINS: Freebie.

21 SECOND VICE CHAIR ROSENBERG: For one start?

22 MR. ROBBINS: Yeah. The horse obviously has to
23 come back and make that initial start at Del Mar to derive
24 the benefits --

25 COMMISSIONER AUERBACH: No, obviously.

1 MR. ROBBINS: -- of the Ship and Win program.

2 COMMISSIONER AUERBACH: Okay.

3 MR. ROBBINS: But they're not penalized by making
4 that start at Los Alamitos.

5 CHAIR WINNER: That's a new -- that's a new
6 program and I think a welcome program.

7 COMMISSIONER AUERBACH: Wow. Yeah.

8 CHAIR WINNER: It's terrific.

9 COMMISSIONER AUERBACH: Very generous --

10 CHAIR WINNER: We appreciate it.

11 COMMISSIONER AUERBACH: -- on your part.

12 CHAIR WINNER: Go ahead. I'm sorry.

13 COMMISSIONER CHOPER: Yeah. That --

14 COMMISSIONER AUERBACH: I'm sorry. I didn't -- I
15 wanted to make sure I understood.

16 MR. ROBBINS: That's -- that's all right. As Josh
17 talked about, we have a new turf course, a widened turf
18 course. If you look out at Santa Anita's turf course it's
19 80 feet in width, which is what our new course will be. The
20 sod was laid in April. It's been rooting. This was a year-
21 and-a-half old sod that was growing in the Coachella Valley.
22 It's a Bermuda-type course, enjoys the warm weather which
23 we've had in recent weeks. So it's -- it's doing very well
24 at this point.

25 CHAIR WINNER: Anything else?

1 COMMISSIONER KRIKORIAN: I have a little question.

2 CHAIR WINNER: Go ahead, Commissioner Krikorian.

3 COMMISSIONER KRIKORIAN: Thank you. Are you --
4 are you committed to providing embroidered saddle cloths for
5 the horses that are in the graded stake races?

6 MR. ROBBINS: I'm sorry, I didn't --

7 CHAIR WINNER: Embroidered saddle cloths.

8 COMMISSIONER KRIKORIAN: Embroidered saddle cloths
9 for horses --

10 COMMISSIONER AUERBACH: Embroidered saddle cloths.

11 COMMISSIONER KRIKORIAN: -- on the graded stake
12 races.

13 MR. ROBBINS: Oh. We have a commitment with TOC
14 for Grade 1 races. Beyond that we don't. For Grade 1
15 events only.

16 COMMISSIONER KRIKORIAN: Would you provide them
17 for Grade 2 and Grade 3 horses as well?

18 MR. ROBBINS: We can certainly talk about it.

19 MR. DATO: A brief marketing overview. You guys
20 have it in your packets, but just a quick summary. We're
21 going to continue to push our two-part marketing strategy.
22 The first part is to provide value to our regular customers
23 which is done primarily through our Diamond Club Loyalty
24 Club which allows us to communicate with our customers very
25 effectively and efficiently. We now have over 195,000

1 members of that club.

2 The second strategy is to attract new and
3 occasional customers by promoting our brand and by
4 diversifying our entertainment offerings, everything from
5 concerts, festivals, family events, discount days,
6 giveaways, fan education. We try to offer something for
7 everyone.

8 As Josh mentioned, we had a very solid year last
9 year. So, you know, the program is very similar to last
10 year's. We were just under 18,000 people a day. That
11 number is up 24 percent from the year 2000. So we've been
12 doing fairly well, so it doesn't make sense to reinvent the
13 wheel. We're just kind of tweaking every year and keeping
14 things going.

15 We have a marketing budget this year of just over
16 \$3.1 million. For a 36-day meet that's a very aggressive
17 spend, but we think that's -- that's necessary to get our
18 word out to the San Diego community and beyond. And as Josh
19 said, we feel really good about this meet. We think there's
20 every chance to be up in both attendance and handle again
21 and continue our growth. So be happy to take any questions.

22 CHAIR WINNER: Questions?

23 COMMISSIONER AUERBACH: Could I -- I have a
24 question.

25 CHAIR WINNER: Yes, Commissioner Auerbach.

1 COMMISSIONER AUERBACH: I have a question, but I
2 really want to address it to Tommy if that's okay, Craig.

3 In looking at your stakes' schedule, I don't see
4 last year's. And it was my understanding that the Board was
5 going to request all of the associations to have -- when
6 they -- when they came up for their new license to have the
7 previous year.

8 EXECUTIVE DIRECTOR BAEDEKER: Commissioner
9 Auerbach, that --

10 COMMISSIONER AUERBACH: Did we --

11 EXECUTIVE DIRECTOR BAEDEKER: -- that's
12 actually --

13 COMMISSIONER AUERBACH: -- drop the ball on that?

14 EXECUTIVE DIRECTOR BAEDEKER: No.

15 COMMISSIONER AUERBACH: No?

16 EXECUTIVE DIRECTOR BAEDEKER: That's actually one
17 of the regulatory changes that's in the pipeline. So --

18 COMMISSIONER AUERBACH: Oh, so it's not actually
19 required yet?

20 EXECUTIVE DIRECTOR BAEDEKER: It's not required
21 yet, yeah. It's one of a number of things that will be
22 required as soon as we go through the drill.

23 COMMISSIONER AUERBACH: How long does that take to
24 get in place?

25 EXECUTIVE DIRECTOR BAEDEKER: About 11 years.

1 COMMISSIONER AUERBACH: You might have to contact
2 me to tell me that.

3 MS. WAGNER: (Off mike.) We request the
4 associations to provide it ahead of time, but it's
5 mandatory.

6 COMMISSIONER AUERBACH: Okay.

7 MS. WAGNER: It's not part of the application.

8 COMMISSIONER AUERBACH: Can we maybe do that, just
9 so --

10 EXECUTIVE DIRECTOR BAEDEKER: Sure.

11 COMMISSIONER AUERBACH: -- just so we can see it.

12 MR. ROBBINS: To answer your question --

13 COMMISSIONER AUERBACH: Yeah.

14 MR. ROBBINS: -- we have been running for the last
15 three years the same number of stakes' races. The same
16 events have been brought back. We actually added two three
17 years ago, two two-year-old grass races at the end of the
18 meet.

19 COMMISSIONER AUERBACH: So there's no changes?

20 MR. ROBBINS: There's -- no, we have not
21 eliminated or dropped any of the stakes' races that we've
22 run in the past --

23 COMMISSIONER AUERBACH: Thanks, Tommy.

24 MR. ROBBINS: -- three years.

25 SECOND VICE CHAIR ROSENBERG: I have a question.

1 CHAIR WINNER: Commissioner Rosenberg.

2 SECOND VICE CHAIR ROSENBERG: What about the Daily
3 Double? Are you going to go along with the -- the existing
4 plan that the other tracks are doing or are you going to
5 keep it the way it was last year in terms of takeout?

6 MR. RUBENSTEIN: We're going to look at what Santa
7 Anita, you know, for the full meet at Santa Anita and look
8 at the results and sit down, you know, with our partners at
9 the TOC and, you know, see what the best thing to do is
10 moving forward.

11 SECOND VICE CHAIR ROSENBERG: Okay. And the
12 second question, what -- do you have an exclusive with TVG
13 as you used to have, or is that over?

14 MR. RUBENSTEIN: So we, along with Santa Anita,
15 Los Alamitos, Xpressbet and TVG signed a TV swap agreement.
16 So this will actually be the first year that Del Mar's
17 content will be available on HRTV.

18 SECOND VICE CHAIR ROSENBERG: Thank you.

19 COMMISSIONER CHOPER: Let me ask one picky little
20 question.

21 CHAIR WINNER: Please, Commissioner Choper.

22 COMMISSIONER CHOPER: You know, I notice in the
23 wagering program you've got -- the last item, the last
24 bullet says 50 cent Pick N (phonetic), in parenthesis pool,
25 and then Pick 5 in parenthesis. What does that mean?

1 SECOND VICE CHAIR ROSENBERG: What page is that?

2 MR. RUBENSTEIN: Yeah. So it's -- it's a Pick

3 All.

4 COMMISSIONER CHOPER: A Pick N used to be a first
5 or second --

6 MR. RUBENSTEIN: It's -- it's a Pick All, so it
7 just depends on how many races. So if it's 8 races it's,
8 you know, a Pick 8, 10 races, a Pick 10. So we'll have the
9 customer Pick 5 to start, and then there's also a Pick All.

10 CHAIR WINNER: The Pick All is not a Place Pick
11 All, it's a Win Pick All?

12 MR. RUBENSTEIN: Yeah.

13 COMMISSIONER CHOPER: It's a Win Pick All --

14 MR. RUBENSTEIN: Yes.

15 COMMISSIONER CHOPER: -- not win and place?

16 COMMISSIONER AUERBACH: It used to always be win
17 and place.

18 SECOND VICE CHAIR ROSENBERG: No, it's a Place
19 Pick All.

20 CHAIR WINNER: Are you sure it's not a Place Pick
21 All?

22 COMMISSIONER AUERBACH: It used to be win or
23 place.

24 CHAIR WINNER: I think it is.

25 MR. RUBENSTEIN: Win or place.

1 COMMISSIONER AUERBACH: Yeah.

2 CHAIR WINNER: What?

3 MR. RUBENSTEIN: I stand corrected, win and place,
4 yeah.

5 COMMISSIONER CHOPER: Win and place?

6 MR. RUBENSTEIN: Yeah.

7 CHAIR WINNER: Yeah, I think so.

8 COMMISSIONER CHOPER: So you're having win and
9 place for, what did you say, ten races on the whole card?

10 MR. RUBENSTEIN: Yeah. It depends how many races
11 we have.

12 COMMISSIONER CHOPER: Yeah, and I understand.
13 Well, on behalf of very few betters apparently, since no one
14 else is doing this anymore, I'd like to thank you.

15 CHAIR WINNER: Any other --

16 MR. RUBENSTEIN: Hope you hit it.

17 CHAIR WINNER: Commissioner Beneto?

18 COMMISSIONER BENETO: The fall meet, you're --
19 they have to come back and re-license for that?

20 CHAIR WINNER: Yes. Yes.

21 COMMISSIONER BENETO: Okay.

22 CHAIR WINNER: Anybody else? Anybody from the
23 audience? Is there a motion to approve pending submission
24 of the outstanding items?

25 COMMISSIONER CHOPER: So moved.

1 SECOND VICE CHAIR ROSENBERG: Second.

2 CHAIR WINNER: Moved by Commissioner Choper.

3 Seconded by Vice Chair Rosenberg. All in favor?

4 ALL COMMISSIONERS: Aye.

5 CHAIR WINNER: Any opposed? Congratulations.

6 Good luck. Have a great meet again.

7 Moving on, I'm trying to beat Israel's minimum
8 time for a meeting. I don't know if I can do that.

9 MR. ISRAEL: No. You're already way behind.

10 CHAIR WINNER: Oh, okay.

11 MR. ISRAEL: You're an hour behind already.

12 CHAIR WINNER: Oh, yours lasted five minutes?

13 MR. ISRAEL: No, no. We had one that lasted --

14 COMMISSIONER BENETO: Fifty-seven minutes.

15 MR. ISRAEL: -- 54 minutes.

16 CHAIR WINNER: Oh, okay. Well, we tried.

17 Discussion and action by the Board on the
18 application to conduct a horse racing meet of the Sonoma
19 County Fair at Santa Rosa.

20 MR. LEWIS: Richard Lewis, Director of Racing for
21 the Sonoma County Fair. Tawny Tesconi says she's sorry she
22 couldn't make it. She caught the flu over the weekend, and
23 each day it's completely gotten worse, so she's not doing
24 anything right now.

25 CHAIR WINNER: Well, we're sorry to hear that.

1 Pass along our best wishes for her recovery.

2 MR. LEWIS: Thank you. I will. In our package
3 that we're presenting for the 2014 meet there are some items
4 that are still needed, number one being the horsemen's
5 agreement with the TOC. We were in discussion with them,
6 and Joe Morris will, I'm sure, back me up that we have
7 reached an agreement. The -- the point that was holding it
8 up was their Purse Committee would like to have one two-
9 year-old filly stake added to our fair meet that was dropped
10 last year. We've played around with the numbers and we
11 figured out that we can come up with the money that can
12 possible be a \$65,000 liability to our commissions. And so
13 we've agreed with them to add a two-year-old filly stake to
14 run at Santa Rosa. That will give us seven stake races
15 during the 13 days of racing.

16 The other items, licensing on certain officials,
17 since they're not working for us right now I can guarantee
18 you they will be licensed because they are working in
19 California right now at other race tracks.

20 CHAIR WINNER: Racetracks. I guess that covers
21 the superintendent, etcetera?

22 MR. LEWIS: Correct.

23 CHAIR WINNER: Okay. Do you want to talk to us a
24 little bit about your marketing program and what your plans
25 are please?

1 MR. LEWIS: Well, the marketing program is within
2 the application. That's really isn't in my realm, but I can
3 tell you that we have started already doing stuff over the
4 internet, Twitter, with the Sonoma County newspapers. And
5 on top of that we started adding new signage at the
6 entrances to all -- we have three main entrances to the
7 racetrack. And the signage will inform people that it's
8 free admission to the grandstand for horse racing. We
9 hadn't done that in the past.

10 Also we have a morning handicapping seminar that
11 runs every day. It attracts up to 250 people on weekdays,
12 and on weekends we have about 500, and we have three
13 speakers that go through the program the whole day.

14 One thing that's new that we're going to start
15 this year is we're trying to figure out how can we reward
16 the horsemen for running? So what we're going to do is each
17 day that we race all the entries will be put in a hat. At
18 the end of the day one will be drawn out. That winner will
19 get \$1,000. And at the end of the meet all those names,
20 even the losers and the winners, will be thrown in another
21 hat and a drawing will be held, and that one will get
22 \$10,000.

23 CHAIR WINNER: I saw that in the book and I
24 wondered if you wanted to mention that because I think it's
25 a very --

1 MR. LEWIS: Some people haven't seen it yet.

2 CHAIR WINNER: Yeah. It's a new -- it's a new
3 program and very, I think, very interesting. Thank you.

4 Any other -- any questions or comments from anyone
5 on the Board? Anyone in the audience? Is there a motion to
6 approve pending the outstanding documents?

7 COMMISSIONER AUERBACH: I'll move.

8 CHAIR WINNER: Moved by Commission Auerbach.

9 Seconded by Commissioner Krikorian. All in favor?

10 ALL COMMISSIONERS: Aye.

11 CHAIR WINNER: Opposed? Thank you very much.

12 Have a good meet.

13 MR. LEWIS: Thank you.

14 CHAIR WINNER: Going on, number ten has been moved
15 to Los Alamitos on June 19th at the next Board meeting.

16 Report from the Southern California Race Dates and
17 Stabling Oversight Committee. Commissioner Krikorian?

18 COMMISSIONER KRIKORIAN: Oh, okay. Well, we had a
19 meeting day before yesterday.

20 CHAIR WINNER: No, it was yesterday.

21 COMMISSIONER KRIKORIAN: Oh, yesterday, was it?

22 CHAIR WINNER: Yeah.

23 COMMISSIONER KRIKORIAN: It seems like it was so
24 long ago. Anyway, we had a meeting yesterday. And Joe
25 Morris of TOC advised us of the inventory of the horses at

1 all the various tracks. And they're also working on budget
2 issues. And everything seems to be in order right now. So
3 that's -- that's a very brief, brief report.

4 CHAIR WINNER: The only thing I would add, if I --
5 if I might, is that we were advised that the various
6 associations and -- and organizations, trainers, owners,
7 etcetera, are working on -- on our long-term stabling
8 agreement. And it was -- I thought it was very positive. I
9 think we agreed that everybody is working together within
10 the industry to try to resolve these issues going forward.
11 And so that was -- that was a positive.

12 COMMISSIONER KRIKORIAN: Right.

13 CHAIR WINNER: We'll know more as they proceed.

14 SECOND VICE CHAIR ROSENBERG: I have just one
15 question. As long as it was a public meeting yesterday of
16 the -- of your Committee, what was the -- was there
17 agreement on the horse population? What was the total
18 number of horses that they talked about in the area?

19 CHAIR WINNER: We can have Joe come up if you'd
20 like, Richard, and -- and --

21 COMMISSIONER KRIKORIAN: Numbers.

22 CHAIR WINNER: -- give you some of the same --
23 same information he gave us.

24 Joe?

25 MR. MORRIS: Joe Morris with the TOC. We -- we've

1 been going since January and counting horse inventory at the
2 end of every month. So we've got four months in, and we'll
3 do it again here at the end of May. At the end of April
4 there was roughly 2,900 horses in the -- in the south at
5 the -- in the auxiliary and at Santa Anita. The 623 of
6 those are two-year-olds. One of the interesting things
7 we're -- we're tracking is the two-year-olds. We counted
8 them for the first time in March. So from March to April
9 our horse count went up about 100 overall. But the two-
10 year-old numbers went up about 200.

11 SECOND VICE CHAIR ROSENBERG: Uh-huh.

12 MR. MORRIS: So, you know, there is -- there is a
13 level of attrition also. And as we continue to do this on a
14 monthly basis we'll have a chart developed and we'll have a
15 better handle on where our -- where our stalls are.

16 SECOND VICE CHAIR ROSENBERG: Joe, is it a rule of
17 thumb that the racing secretaries use to determine if
18 they're -- for hypothetically, if they have -- you have
19 2,900 horses, how many stalls do you need? Because
20 obviously you can't put, you know, one after the other?

21 MR. MORRIS: Well, then, I'll give you a for
22 instance on that. There's probably -- there's 100 empty
23 stalls here at Santa Anita, and there's probably not one
24 spot where there's three stalls in a row.

25 SECOND VICE CHAIR ROSENBERG: Yeah.

1 MR. MORRIS: So there's a few spots where there's
2 two in a row, and there's a lot of spots where there's one
3 in a row. And, you know, we're -- we're in a new exercise
4 here with -- with -- you know, we had really an infinite
5 number of stalls that we could use before that we never got
6 to capacity. And as we get closer Rick and Tom and Mike
7 Lakow are, you know, going through a new process and working
8 their way through it. You know, we have empty stalls at
9 each place.

10 One of the things, it's like putting a jigsaw
11 puzzle together. So as they go along -- now, when they move
12 from Santa Anita to Del Mar they get another shot at putting
13 this jigsaw together and they can get more efficient there.
14 When they come back they can do it again. But as we said
15 earlier, we're working on a tweak to the original stabling
16 plan that we think are going to make things a lot better
17 going forward.

18 COMMISSIONER KRIKORIAN: Yeah. Yeah.

19 SECOND VICE CHAIR ROSENBERG: Thank you.

20 COMMISSIONER CHOPER: And the -- and the -- Joe,
21 and the CTT is satisfied with the stabling issue now?

22 MR. MORRIS: I don't know if -- you know, as I
23 said yesterday, I don't know if we're all happy, but I think
24 we're getting closer to the same level of unhappy. So --
25 and that sometimes makes a good deal. So when, you know --

1 CHAIR WINNER: That's -- that's what Commissioner
2 Choper often says.

3 MR. MORRIS: Yeah.

4 CHAIR WINNER: A good deal, usually not everybody
5 is happy but not everybody is unhappy.

6 COMMISSIONER CHOPER: No. But we do have to have
7 enough stalls --

8 CHAIR WINNER: Yes.

9 COMMISSIONER CHOPER: -- for these horses.

10 MR. MORRIS: And we will.

11 CHAIR WINNER: Well, Alan is here and Jim is here.
12 So if they'd like to speak on that, they're certainly
13 welcome to.

14 COMMISSIONER CHOPER: Because there's another item
15 on -- I was a little confused.

16 CHAIR WINNER: It's the same. We're going to skip
17 12 because we're talking about it now.

18 COMMISSIONER CHOPER: So we're talking about -- so
19 it's now -- speak now or forever?

20 CHAIR WINNER: Right. So, yeah, so those who want
21 to speak on this issue, you're certainly welcome to, but
22 item -- because we're going to go on from -- from this item,
23 we'll skip over item 12, since that's what we're talking
24 about now. So if anybody wanted to speak on item 12 --

25 MS. BECKNER: May I speak?

1 CHAIR WINNER: Of course you can.

2 MS. BECKNER: Holly Beckner.

3 CHAIR WINNER: No, wait, wait, wait, wait, wait.

4 Come up here.

5 MS. BECKNER: Holly Beckner. I'm an owner, not a
6 trainer. I do work with two small trainers. I did go to
7 the last CTT meeting that was held here a couple of weeks
8 ago. This is just my impression, but my impression is that
9 there was some unhappiness with the availability of stabling
10 because there's so much transition and because there is not
11 an availability of stalls consecutively the smaller trainers
12 have a tendency to either, no, you can't go to Santa Anita,
13 you have to go to Pomona, or there's not room at -- smaller
14 trainers are being pushed out of Los Alamitos and showing up
15 now every day at Pomona. We have new trainers coming,
16 moving in.

17 So again, I think for the smaller trainers in
18 particular, I know the two I work with, there's a lot of
19 concern about stabling ability, and particularly as
20 consolidation continues to occur. Thank you. I appreciate
21 it.

22 CHAIR WINNER: Thank you. Alan, did you want to
23 speak on this?

24 MR. BALCH: Alan Balch, CTT. I think when you
25 heard Brad McKinzie and Josh Rubenstein mention that we have

1 an agreement in principle, we believe, to keep Pomona open
2 from now through Breeders' Cup at least.

3 Now, there are important details that still need
4 to be worked out, but the previous speaker was right at our
5 general meeting. We do -- we have had concerns all along
6 because, as I think everyone agrees, the number of horses is
7 one thing, but then we have to consider ponies, we have to
8 consider flexibility of stalls so that commerce can work and
9 for horses in transition. And particularly at this time of
10 the year this is -- we're coming into the peak of the year.
11 All the data we've provided the Racing Board and the TOC in
12 the past indicates very clearly that the peak of the year is
13 the July-August-September period where we have a great many
14 two-year-olds. So that's where -- what we're trying to
15 sustain. And we also, I think, have an agreement that horse
16 recruitment as well as horse retention are absolutely
17 required for us going forward.

18 COMMISSIONER CHOPER: Before -- I take it we're
19 going to know at least what all of this year's figures are
20 during those three months or four months, whatever it is.
21 We -- we have no real idea what the -- I understand your
22 position is that it's going to keep growing for a while, the
23 two-year-olds. But you -- we have no idea as to what those
24 numbers have been in the past?

25 MR. BALCH: Yes, I think we do have a pretty good

1 number. We've been dealing with the Equibase statistics
2 which have been provided to the Racing Board before as to
3 horses recording works and starts by age. Now, we know,
4 however, that there are stalls that are required beyond
5 that, for those reasons I mentioned. And we have a period
6 of time that reasonable people can reasonably differ about
7 how long a two-year-old might be on the grounds before he
8 records a work, because two-year-olds are two-year-olds,
9 they're young, they're fragile, they might come in, they
10 might have a setback, they might have an illness, whatever.
11 And we need a great many two-year-olds in the funnel, so to
12 speak, before we actually get recorded works and then
13 starts.

14 COMMISSIONER CHOPER: So the Equibase figures
15 don't overlap what Joe Morris was talking about --

16 MR. BALCH: Well, there --

17 COMMISSIONER CHOPER: -- that they're keeping
18 track of now?

19 MR. BALCH: There are two systems.

20 COMMISSIONER CHOPER: Yeah.

21 MR. BALCH: There's Equibase which records --

22 COMMISSIONER CHOPER: That's just works.

23 MR. BALCH: -- works and starts.

24 COMMISSIONER CHOPER: Yeah. Yeah. I understand.

25 MR. BALCH: And then there's Encompass which we're

1 trying to get implemented at all the locations which will
2 identify each horse in every stall.

3 COMMISSIONER CHOPER: Yeah.

4 MR. BALCH: So that's even more precise and
5 important to us than the Equibase numbers because we need --

6 COMMISSIONER CHOPER: Well, you --

7 MR. BALCH: -- the physical population.

8 COMMISSIONER CHOPER: You might be able to make a
9 prediction simply by extrapolating from the Equibase figures
10 as to what -- you know how to put that together.

11 MR. BALCH: Well, that's what we've been --

12 COMMISSIONER CHOPER: Yeah.

13 MR. BALCH: -- putting before the Board and the
14 TOC for the last year or so because --

15 COMMISSIONER CHOPER: Uh-huh.

16 MR. BALCH: -- that's what predicts the total
17 population that we believe we need.

18 COMMISSIONER CHOPER: And you're -- you're hoping
19 at least that with some degree of comfort that you're going
20 to have enough stables for the next three or four months?

21 MR. BALCH: Well, particularly with this agreement
22 in principle for Pomona we should be -- we should be fine.

23 COMMISSIONER CHOPER: All right.

24 MR. BALCH: Because what we want is to eliminate
25 uncertainty, and we want people, the small trainers, the

1 large trainers, the owners from everywhere to realize that
2 if you have a two-year-old we have the space for you in
3 California. Please come. If you have any other horse, Ship
4 and Win is very important. If it's growing, which we've
5 seen a lot of statistics that it is, and if it can be
6 applied to other meetings, we want to have the capacity to
7 where we can accommodate any horse that wants to come to
8 California and race.

9 COMMISSIONER CHOPER: No, I guess Fairplex has
10 some pretty good incentive to commit themselves to keeping
11 them open, at least that long.

12 CHAIR WINNER: Well, let me -- let me just raise a
13 point, Alan. This agreement that you're talking about is
14 the one that I referred to earlier that was discussed at our
15 meeting yesterday. The agreement is not final yet, as I
16 understand it.

17 MR. BALCH: Right.

18 CHAIR WINNER: And it does include what you've
19 discussed, as I understand it, which is Fairplex staying
20 open until November. But that -- that is not yet final.
21 And as soon as it is final, obviously, we will be informed.
22 And, of course, that -- that agreement will be a part of our
23 discussions at the June meeting.

24 MR. BALCH: Correct.

25 COMMISSIONER CHOPER: That's the point.

1 MR. BALCH: Thank you.

2 COMMISSIONER CHOPER: That's the incentive.

3 COMMISSIONER AUERBACH: Commissioner Winner --

4 CHAIR WINNER: Yes?

5 CHAIR WINNER: -- I just wanted to indicate while
6 Alan is still up there so he can tell me I'm wrong if need
7 be, it's been kind of, for me, refreshing to step back, us,
8 all of us on the Board, away from it. And I think as much
9 as possible we should strive to do that and allow the
10 parties to figure it out, and it sounds as if they have.
11 And I'm thrilled to hear that, and they're doing their job
12 which makes our job much easier. So I'm glad that everybody
13 got together and ironed it out.

14 CHAIR WINNER: That's exactly what is happening.

15 COMMISSIONER AUERBACH: Yeah. And allow us just
16 to bless it rather than getting us involved with
17 Commissioner Choper asking questions. I understand why he's
18 asking them, but they're not really answerable. I get that.
19 And I appreciate the young lady over there. I'm sorry, I
20 don't remember your name which is -- I don't remember my
21 kids' names.

22 CHAIR WINNER: Ms. Beckner.

23 COMMISSIONER AUERBACH: But the message was -- the
24 message was loud and clear that she delivered. And I think
25 most of us understand that the uncertainty has been the

1 biggest problem. The uncertainty has been our biggest
2 concern. And I'm very glad to hear, even if it's just
3 through November and we can all take a deep breath and
4 concentrate on other things. And I just want to thank
5 everybody for getting through that.

6 CHAIR WINNER: Thank you.

7 MR. BALCH: We think the ball is very close to the
8 goal line.

9 CHAIR WINNER: Right.

10 MR. BALCH: We just have to --

11 CHAIR WINNER: That's my understanding as well.

12 And I think we all wish you very well in your final
13 discussions to bring it to the goal line and cross the goal
14 line. And I agree with Commissioner Auerbach that it's --
15 it's a very positive step that all of the parties are
16 working together to achieve this objective and -- and to do
17 it on their own without any urging from us or anybody else.
18 So we really appreciate it.

19 And I think that you'll be satisfied, Commissioner
20 Choper.

21 COMMISSIONER CHOPER: I'm sure -- I'm sure you're
22 working on it.

23 CHAIR WINNER: Any other discussion? Let me just
24 say, we talked about it yesterday at our -- at our Committee
25 meeting, but we want to express our appreciation to Santa

1 Anita for the work that they did on -- on the turf course
2 over the last couple of weeks to improve it, as they have
3 done. And also appreciation to both Del Mar and Santa
4 Anita, given the fire situation and the preparation that was
5 done and the -- the emergency preparation, and the fact that
6 Del Mar was available, not just for horses but for llamas
7 and every other kind of animal during the fire that -- that
8 you could think of. And they really performed a great
9 service to -- to the wildlife and to the -- to the various
10 stocks of California. And also the work that Santa Anita
11 did out at San Luis Rey preparing to evacuate if and when
12 necessary, and with the -- with the equipment that was
13 available to extinguish any fire that might erupt there.

14 So as the Executive Director said at our Committee
15 meeting yesterday, sometimes we're critical but we don't
16 often express our appreciation. So in this case we
17 certainly do.

18 Is there any other discussion before we adjourn?
19 Is there a motion to adjourn.

20 COMMISSIONER BENETO: Move.

21 COMMISSIONER KRIKORIAN: Second.

22 CHAIR WINNER: Moved by Commissioner Beneto.
23 Seconded by Commissioner Krikorian. The meeting is
24 adjourned.

25 (The California Horse Racing Board meeting adjourned

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at 11:05 a.m.)

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CERTIFICATE OF REPORTER

I, MARTHA L. NELSON, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Horse Racing Board Regular Meeting; that it was thereafter transcribed.

I further certify that I am not of counsel or attorney for any of the parties to said conference, or in any way interested in the outcome of said conference.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of May, 2014.

/s/ Martha L. Nelson_
MARTHA L. NELSON

CERTIFICATE OF TRANSCRIBER

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.

/s/ Martha L. Nelson
MARTHA L. NELSON, CERT**367

May 29, 2014