

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of: )

)

Regular Meeting )

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SANTA ANITA PARK RACE TRACK

BALDWIN TERRACE

285 WEST HUNTINGTON DRIVE

ARCADIA, CALIFORNIA

WEDNESDAY, FEBRUARY 18, 2015

9:30 A.M.

Reported by:

Martha Nelson

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

Rick Arthur, Equine Medical Director

Mike Marten

ALSO PRESENT

Keith Brackpool

Kip Levin, TVG

Josh Rubenstein, Del Mar

Tom Robbins, Del Mar

Jim Cassidy, CTT

Alan Balch, CTT

Scott Chaney, Steward

Darrell Haire, Jockeys' Guild

APPEARANCES (CONT.)

ALSO PRESENT

Joe Morris, TOC

George Haines, SCOTWINC

Chris Korby, CARF

John Bucalo, Barona Casino

## INDEX

PAGEAction Items:

1. Approval of the minutes of January 15, 2015. 3
2. Executive Director's Report. 3
3. Public Comment: Communications, reports, requests 27  
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 request 30  
from Del Mar Thoroughbred Club to enact CHRB Rule  
1406, Suspension of Rule, to waive the provisions  
of CHRB Rule 1433(b), Application for License to  
Conduct a Horse Racing Meeting, to facilitate the  
installation of a dirt race track at Del Mar.
5. Discussion and action by the Board regarding the 30  
proposed amendment to CHRB Rule 1658, Vesting of  
Title to Claimed Horse, to provide that a claim  
shall be voided by the stewards if the racing or  
official veterinarian determines the horse will

## INDEX

PAGEAction Items:

be placed on the Veterinarian's List as "bled".

6. Discussion by the Board regarding the proposed amendment to CHRB Rule 1699, Riding Rules, as it pertains to the criteria for disqualification in a horse race. 58
7. Discussion and action by the Board regarding the proposed amendment to CHRB Rule 1844, Authorized Medications, to 1) lower the amount of ketoprofen that can be present in a test sample from 10 nanograms per milliliter of blood plasma or serum to 2 nanograms per milliliter of blood plasma or serum; and 2) to add isofluprodone and its specified authorized levels to the list of California's authorized medication. 114
8. Discussion and action by the Board regarding the proposed amendment to CHRB Rule 1845, Authorized Bleeder Medication, to require that authorized bleeder medication be administered by independent, third party veterinarians. 116

## INDEX

PAGEAction Items:

- |     |  |     |
|-----|--|-----|
| 9.  | Discussion and action by the Board regarding the proposed amendment to CHRB Rule 1887, Trainer to Insure Condition of Horse, to add owners of a ship-in horse as equally responsible for the condition of the horse.   | 124 |
| 10. | Discussion and action by the Board regarding the request for approval of the continuation of the .50% distribution to the Southern California Stabling and Vanning Fund from advance deposit wagering (ADW) hosted by thoroughbred racing associations and racing fairs conducting racing in the Central and Southern zones for the period commencing March 1, 2015 through February 29, 2016 as permitted under Business and Professions Code section 19604(f)(5)(E). | 131 |
| 11. | Discussion by the Board regarding the operation and financial status of Southern California Off Track Wagering, Incorporated (SCOTWINC) and Northern California Off Track Wagering, Incorporated (NOTWINC), and the awarding of the  | 136 |

## INDEX

PAGEAction Items:

contract to AmTote, to provide California's wagering services and the impact this may have on California racing.

12. 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. 163
- A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel, considering regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation" as authorized by Government Code section 11126(c).
- 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

INDEX

PAGE

Action Items:

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

9:43 A.M.

PROCEEDINGS BEGIN AT 9:43 A.M.

(The meeting was called to order at 9:43 A.M.)

ARCADIA, CALIFORNIA, WEDNESDAY, FEBRUARY 18, 2015

MEETING BEGINS AT 9:43 A.M.

CHAIR WINNER: Let me begin by reading the speech that you are all familiar with.

Ladies and Gentlemen, this meeting of the California Horse Racing Board will come to order. Please take your seats. This is the regular noticed meeting of the California Horse Racing Board on Wednesday, February 18, 2015 at the Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California.

Present at today's meeting are: myself, Chuck Winner, Chairman; Richard Rosenberg, Second Vice Chairman; Madeline Auerbach, Commissioner; Jesse Choper, Commissioner; George Krikorian, Commissioner. Not present is Bo Derek, First Vice Chairman, and Steve Beneto who I believe will be coming a little later.

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 a public comment

1 period if the matter concerns horse racing in California.

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

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

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

21 When all the names have been called I'll ask if  
22 there's anyone else who would like to speak on the matter  
23 before the board. Also, the board may ask questions of  
24 individuals who speak. If a speaker repeats himself or  
25 herself, I'll ask if the speaker has any new comments to

1 make. If there are none, the speaker will be asked to let  
2 others make comments to the Board.

3 First of all, before we go to the Executive  
4 Director's report I want to welcome our Former Chairman,  
5 Keith, there's Keith, Keith Brackpool, Former Chairman Keith  
6 Brackpool, who has honored us with his presence today, and  
7 obviously we're -- we're happy to have him. And I know that  
8 Keith will be addressing you in a few moments after -- after  
9 Rick gives his report.

10 So, Rick, if you could give you --

11 EXECUTIVE DIRECTOR BAEDEKER: The minutes.

12 CHAIR WINNER: Oh, the minutes. I always tend to  
13 forget the minutes. Is there a motion to approve or are  
14 there any changes to the minutes, questions or changes?  
15 Vice Chair Rosenberg moves that we adopt the minutes.  
16 Commissioner Krikorian seconds. All in favor? All opposed?  
17 Okay, the minutes are approved.

18 Now, Mr. Baedeker.

19 EXECUTIVE DIRECTOR BAEDEKER: Okay. Thank you,  
20 Mr. Chairman.

21 First of all, I'd like to introduce to you a new  
22 addition to our staff at headquarters. We've talked about  
23 the search for some time, and we now have a new staff  
24 counsel. His name is Philip Laird.

25 Philip, will you stand up and show everybody who

1 you are?

2           And Philip has met a few of the Commissioners so  
3 far. He will oversee law enforcement, licensing, policy and  
4 regs, and legislation. And we've told him that we know he's  
5 a quick study and that he will -- even though he's to the  
6 sport, we expect him to have everything figured out by three  
7 o'clock this afternoon, so he's off to a good start.

8           We're set to begin our microchip pilot program on  
9 April 1st at Golden Gate Fields. Our safety stewards who  
10 are heading up the program met with the three trainers who  
11 will participate in the program, and all are onboard. And  
12 our guys reported that CTT there, as well as management at  
13 Golden Gate Fields, have been very helpful and supportive of  
14 the project, which we greatly appreciate.

15           Additionally, the CDFA, California Department of  
16 Food and Agriculture is providing six microchip scanners for  
17 the program. So we also appreciate the interest and support  
18 of CDFA.

19           Commissioners, FYI, we will be presenting language  
20 regulating the use of cobalt for your consideration at next  
21 month's meeting. The proposed threshold of 25 parts per  
22 billion has been approved by the Medication Committee.  
23 While cobalt is a natural mineral contained in Vitamin B12  
24 and other vitamins and supplements, administered in higher  
25 doses it can be a performance enhancer, and in very high

1 doses can be toxic to the horse.

2 Galway Downs is in compliance with all of the CHRB  
3 regulations as of this time. A final inspection will be  
4 conducted tomorrow, but our safety stewards were down there  
5 as recently as last week. All of the things that you set as  
6 conditions have been met. There are horses already shipping  
7 in now that Fairplex is closed.

8 I want to comment on ADW distributions. John  
9 Bucalo, who's -- who's -- I thought I saw him, there he is,  
10 has asked the question at different times about the share  
11 that comes to the satellites from ADW. And frankly, we've  
12 had a general idea of what that percentage is. But thanks  
13 to some work done by Bernie Thurman from SCOTWINC, we now  
14 have a very thorough understanding of it. She put the  
15 figures together for us.

16 And while it sounds simple it is anything but.  
17 There are distributions that are paid to the host, as well  
18 as the ADW company, to the Retirement Fund, to the -- to  
19 Workers' Comp, the Equine Fund, Public Employment Board,  
20 Backstretch Fund, to the satellites, to the expense fund, to  
21 Vanning and Stabling, to the breeders, and finally to purses  
22 and track commissions. Not only that, but depending on who  
23 is making the bet and on which track they are -- or which  
24 breed they are making the bet, those distributions change  
25 just a little bit.

1           But generally speaking, for example, for ADW bets  
2 placed by Southern California residents on cards hosted by  
3 Santa Anita the distribution would be as follows: Back to  
4 the betters, 79.87 percent; the hub fee paid to the ADW  
5 company, 4.91 percent; the various funds that I mentioned,  
6 Workers' Comp, Vanning and Stabling, breeders, etcetera,  
7 1.89 percent; back to the satellites, the brick-and-mortar  
8 satellites, 1.97 percent, and that is put into a pull and  
9 then distributed according to the level of business done by  
10 the -- by the individual satellite the previous year; to the  
11 expense fund, 2.9 percent; to purses, 5.12 percent; and  
12 finally, to the tracks, 3.35 percent.

13           So looking at -- at Barona which we were focused  
14 upon, for 2104 Barona handled \$12,207,000. It received  
15 \$248,000 in brick-and-mortar commissions, plus \$183,000 and  
16 change from its share of ADW. Added together those amounts  
17 amounted to 3.54 percent of the business done at Barona.

18           So I know there's been, you know, a guessing game  
19 going on as to exactly what is coming back to the brick-and-  
20 mortar satellites from ADW, and this clears it up. And I  
21 thank SCOTWINC and Bernie Thurman for -- for doing the heavy  
22 lifting on -- on this.

23           Finally, the financials for the month are good.  
24 And just give me a second to find them. For the daytime  
25 meets, business for the month was up about one percent,

1 primarily from ADW. Business for the night meets was up  
2 27.82 percent for two reasons. Largely, one was a  
3 significant increase in ADW. The other was two more racing  
4 days. And there were a couple of days where the harness and  
5 the quarters did not run against each other. So there are  
6 more opportunities for people to play during the course of  
7 the month. So for the month, everything in, the business  
8 was up just under 3.4 percent.

9 That's my report, Mr. Chairman.

10 CHAIR WINNER: Thank you very, very much, Mr.  
11 Baedeker.

12 I'd like to ask Kip Levin and Keith Brackpool  
13 to -- to come up and give us a report on the -- on today's  
14 news with respect to HRTV and TVG. Yeah, if you do -- that  
15 microphone is working. There's one mike that's working, and  
16 that's it. You get the one that's working. That works.

17 EXECUTIVE DIRECTOR BAEDEKER: I don't think so.

18 CHAIR WINNER: No?

19 EXECUTIVE DIRECTOR BAEDEKER: No.

20 MR. BRACKPOOL: Does this one work?

21 EXECUTIVE DIRECTOR BAEDEKER: No.

22 MR. MARTEN: (Off mike.) Well, you need to speak  
23 on this one. This one (inaudible).

24 CHAIR WINNER: No. That's the one that goes to  
25 the --

1 EXECUTIVE DIRECTOR BAEDEKER: It goes to the --  
2 for the internet.

3 CHAIR WINNER: So you have to -- I'm sorry, you  
4 have to speak up.

5 MR. BRACKPOOL: It's okay.

6 CHAIR WINNER: I know this never happened when you  
7 were the chairman but --

8 MR. BRACKPOOL: I would --

9 CHAIR WINNER: -- these things happen.

10 MR. BRACKPOOL: I would like to say that when I  
11 was the chairman I forgot the minutes every time, as well.

12 Well, it's a pleasure to be back in front of you  
13 all. Thank you for asking us to come up. We have, this  
14 morning, announced a combination of HRTV with TVG. The  
15 press release is out but I thought perhaps your invitation,  
16 Mr. Chairman, would be useful if we gave you just a couple  
17 of minutes of background as to the transaction, reasons why,  
18 etcetera.

19 I think all of us from afar have always wondered  
20 why we've had two networks competing with all of the other  
21 sports TV there is out there. Again, I know sitting on that  
22 side of table I used to ask the question and wonder why.  
23 However, as soon as I got to this side I realized just how  
24 complicated a transaction would actually be.

25 I think the biggest issue is carrier distribution

1 that we face in the horse racing world. There's been an  
2 acceleration of the consolidation of the main carriers of  
3 satellite and cable television, a really quite extraordinary  
4 acceleration. And the idea that either we could get onto  
5 one or they could get onto the other one, it was becoming  
6 increasingly difficult. So we really had was a fairly  
7 fractured distribution where depending on where you lived in  
8 the country you either got one or nothing. You didn't  
9 really have the choice of both. It was very difficult to  
10 get the choice of both, California being a prime example of  
11 that.

12           So about six months ago under the new Chief  
13 Executive of Betfair, Breon Corcoran, introduced me to Kip  
14 who had recently come onboard to head up TVG, and we started  
15 a dialogue. And I found him to be a person that absolutely  
16 we could work with, had very fresh ideas to the business. I  
17 have to say that I'm extremely impressed with their state-  
18 of-the-art studio as what they've built and how they've  
19 built.

20           But as you all know, at TSG, The Stronach Group,  
21 we -- we've been spending a very considerable amount of  
22 money on live racing, facilities for live racing, etcetera,  
23 and so it was starting to become a fairly obvious marriage  
24 here. And I think the last three months of putting this  
25 together have been extraordinarily complicated. And

1 you'll -- you'll excuse us all because the last 48 hours  
2 we've done it nonstop to get it to a close. The transaction  
3 has closed. It's not an announcement about a transaction  
4 that might close. It closed yesterday evening. And  
5 we're -- we're very excited about it. I think for  
6 California racing in particular, it's going to have a very  
7 positive effect because we're going to have Santa Anita and  
8 Golden Gate on the main HD channel. So I think that's going  
9 to be a very positive development indeed. And we've  
10 licensed the rights to show other Stronach Group tracks  
11 around the country. So I think there's -- there's just a  
12 very, very good reasoning for this. And -- and I'm very  
13 happy to say that we've been able to -- to put it together.

14 But I'll hand it over to -- to Kip.

15 MR. LEVIN: Thanks Keith.

16 Thank you all for -- for having us here today.  
17 We're obviously very excited. It's been, as Keith  
18 mentioned, a lot of work getting to this point, but I think  
19 worthwhile, and we're really excited about what's to come.

20 I started as -- in my role as CEO of TVG about  
21 nine months ago now, so I'm new to the industry but really,  
22 really excited to be here. And, you know, as we got  
23 together and started talking about this, you know, really  
24 understood the -- the potential that this could bring. You  
25 know, we -- the company -- I came in excited about the fact

1 that the company was investing more than it ever had in  
2 building out an amazing TV product and a TV platform to  
3 represent the industry. And that started about a year  
4 ago -- about a year-and-a-half ago with the massive  
5 investment that the company made to build out our new studio  
6 facilities and upgrade our -- our signal to HD. And would  
7 love to have everybody by to see the studios, if you haven't  
8 already had an opportunity to do that.

9           We built it out with the ability to -- to be able  
10 to run two channels if the opportunity ever arose, as well.

11    So -- so the company made a massive, massive investment to  
12 get there. And really this is in line and a continuation of  
13 that strategy of investing to, again, build out the best  
14 possible platform to represent the industry in -- on par  
15 with what you see in every major professional sport. We  
16 have that now and we're excited. Our -- we still -- we have  
17 a lot of work to do and we understand a huge responsibility  
18 to represent the sport. We -- you know, our plan is to  
19 continue to operate the two networks in -- really in unison.

20

21           But we think, you know, the simple strategy is  
22 shine a bigger spotlight on all the premium races, which is  
23 California, around the country, and at the same time figure  
24 out a way to show more racing on TV. There's still a lot of  
25 racing across the country that doesn't get an opportunity to

1 be on TV, so -- and we think that that's great for the sport  
2 and that's great for everybody. But, you know, as Keith and  
3 I started talking early on, California has some of the best  
4 racing in the country, you know? And if we can find a way  
5 to do a better job and continue to get better to represent  
6 that, then it's a really exciting opportunity.

7           So as I said, a lot of -- a of work to do ahead  
8 and -- but we're looking forward to it and -- and really  
9 excited about what it means for -- for California racing.

10           MR. MILLER: Sir, could you state your full name  
11 for -- and spell your last name for the Court Reporter?

12           MR. LEVIN: Sorry. It's Kip Levin, K-I-P  
13 L-E-V-I-N. And I'm the CEO of TVG.

14           MR. MILLER: Thank you.

15           MR. LEVIN: Yeah.

16           CHAIR WINNER: First of all, let me thank both of  
17 you for coming here this morning, because I know that you've  
18 been working around the clock, as you mentioned, Keith. And  
19 to -- I think it's important for us to have a better  
20 understanding, rather than just what we read in the paper,  
21 about -- about what is going on. And perhaps some of the  
22 Commissioners will have some questions to have. Obviously,  
23 you're going to have to come back to the Board to get  
24 relicensing under the new agreement. What's your timing on  
25 that, Kip or Keith?

1 MR. BRACKPOOL: When you say come back to the  
2 Board for relicensing, we have not merged the ADW companies.  
3 So it's just the television companies that -- that have been  
4 combined.

5 CHAIR WINNER: So Xpressbet continues --

6 MR. BRACKPOOL: Xpressbet continues to be owned  
7 100 percent by The Stronach Group.

8 CHAIR WINNER: The Stronach Group?

9 MR. BRACKPOOL: Yeah. Yeah.

10 CHAIR WINNER: Okay.

11 COMMISSIONER AUERBACH: Are -- are you going to  
12 assume control like now?

13 MR. BRACKPOOL: Yes.

14 COMMISSIONER AUERBACH: I mean, are we going to  
15 start seeing TVG from Santa Anita live onsite, that kind of  
16 thing?

17 MR. BRACKPOOL: Yes. When you say now, we  
18 literally signed this thing --

19 COMMISSIONER AUERBACH: We start racing on Friday.

20 MR. BRACKPOOL: -- at 5 o'clock.

21 COMMISSIONER AUERBACH: Yeah.

22 MR. BRACKPOOL: And --

23 COMMISSIONER AUERBACH: No, I just --

24 MR. BRACKPOOL: -- yes, you'll -- you'll see it  
25 immediately. And obviously, there will be some logistical

1 issues to work through over the next week or two. But we  
2 think within, what do you think, 30, 45 days it should be --

3 MR. LEVIN: Yeah.

4 MR. BRACKPOOL: -- very smoothly integrated.

5 MR. LAYTON: Yeah.

6 COMMISSIONER AUERBACH: So technically is HRTV  
7 still going to be broadcast and running?

8 MR. BRACKPOOL: Yes.

9 MR. LEVIN: Yes.

10 COMMISSIONER AUERBACH: So we're not -- we're not  
11 going to see a merge of the two platforms --

12 MR. LEVIN: No.

13 COMMISSIONER AUERBACH: -- as one entity --

14 MR. LEVIN: No.

15 COMMISSIONER AUERBACH: -- at this point?

16 MR. BRACKPOOL: Well --

17 MR. LEVIN: I would say that we will continue to  
18 have two television networks, but they'll work in tandem and  
19 in unison with each other, so --

20 MR. BRACKPOOL: Let me perhaps give an example of  
21 that. At the moment Santa Anita would be shown on both --

22 COMMISSIONER AUERBACH: Right.

23 MR. BRACKPOOL: -- networks.

24 COMMISSIONER AUERBACH: Right.

25 MR. BRACKPOOL: Certain other races would only be

1 shown on -- on one.

2           The complaint that I hear from every horse person  
3 who watches racing, and I would share the issue myself, is  
4 we can be -- we can be watching an extraordinary race, and  
5 as the horse has crossed the finish line you hear the -- the  
6 color talent say, "And now for the third at Tampa Bay Downs"  
7 or "And now for the" -- because we both have very  
8 significant contractual obligations --

9           COMMISSIONER AUERBACH: Right.

10          MR. BRACKPOOL: -- to other tracks to show.

11          COMMISSIONER AUERBACH: I understand that.

12          MR. BRACKPOOL: So I think really the intent here  
13 is the main channel, the HD -- initially the main HD channel  
14 will feature the premium racing. And other racing will  
15 perhaps go of perhaps at a slightly faster rate on the  
16 second channel.

17          COMMISSIONER AUERBACH: So this may be an unfair  
18 question, but do you envision in the future just merging the  
19 signal to be the TVG signal. And would HRTV, the signal,  
20 become superfluous?

21          MR. BRACKPOOL: We intend to keep two -- two --  
22 two channels going. The branding of those is --

23          COMMISSIONER AUERBACH: Is up --

24          MR. BRACKPOOL: -- is an issue to be discussed --

25          COMMISSIONER AUERBACH: Is in question? Yeah.

1 MR. BRACKPOOL: -- over time.

2 COMMISSIONER AUERBACH: Yeah. No. I understand.

3 MR. LEVIN: But our immediate plan is to keep them  
4 as is. We'll -- we'll move the signal broadcast to our  
5 studio facilities where we have the capabilities to do that.  
6 And again, the -- the way the programming will work is the  
7 two channels will now, rather than competing with each  
8 other, work in tandem. So in the example that Keith gave,  
9 if, you know, there's a stake's race at Santa Anita and as  
10 the race closes, now instead of cutting over to a race  
11 someplace else --

12 COMMISSIONER AUERBACH: Right.

13 MR. LEVIN: -- we can actually show that.

14 COMMISSIONER AUERBACH: You can show --

15 MR. LEVIN: We can show --

16 COMMISSIONER AUERBACH: - the winner's circle --

17 MR. LEVIN: -- the winner's circle.

18 COMMISSIONER AUERBACH: -- and the interviews --

19 MR. LEVIN: We can show --

20 COMMISSIONER AUERBACH: -- and the interviews

21 rather than --

22 MR. LEVIN: And we can say -- we can put a little  
23 thing on the signal and say if you're interested in watching  
24 the race that's starting at (inaudible) Downs --

25 COMMISSIONER AUERBACH: Go over to --

1 MR. LEVIN: -- go over to the other channel.

2 COMMISSIONER AUERBACH: Yeah.

3 MR. LEVIN: It's very similar to how sports  
4 networks work today where they have multiple channels --

5 COMMISSIONER AUERBACH: Right. Right.

6 MR. LEVIN: -- and they're --

7 COMMISSIONER AUERBACH: In other words, we're  
8 going to be big time.

9 COMMISSIONER KRIKORIAN: There eliminating --

10 MR. LEVIN: Correct.

11 COMMISSIONER KRIKORIAN: -- the duplications.

12 COMMISSIONER AUERBACH: Huh?

13 COMMISSIONER KRIKORIAN: They're eliminating the  
14 duplications.

15 COMMISSIONER AUERBACH: Or attempting to, yeah. I  
16 get it.

17 CHAIR WINNER: And sort of the replays, also.

18 COMMISSIONER AUERBACH: I get it.

19 CHAIR WINNER: I mean, that --

20 MR. LEVIN: Right. We'll have time for replays.

21 CHAIR WINNER: -- will help eliminate the -- some  
22 of the replays; correct?

23 MR. LEVIN: Well, I think for the premium races  
24 we'll have time for the replays that we want to show.

25 CHAIR WINNER: Yeah.

1 MR. LEVIN: And --

2 CHAIR WINNER: But I'm talking about where you're  
3 showing on tape delay --

4 MR. LEVIN: Correct. Correct.

5 CHAIR WINNER: -- certain races because they  
6 run --

7 MR. LEVIN: Yeah. We --

8 CHAIR WINNER: -- at the same time, you can  
9 eliminate that.

10 MR. LEVIN: We actually show hundreds of races  
11 every year on tape delay because we have so many content  
12 commitments. So it gives us really more shelf space to  
13 figure out how to do that in a way in which, again, bigger  
14 spotlight on the premium content which is California.

15 CHAIR WINNER: Right.

16 MR. LEVIN: And then figure out how to also meet  
17 the needs that we have in other content commitments.

18 CHAIR WINNER: Richard?

19 VICE CHAIR ROSENBERG: So in other words, The  
20 Stronach Group no longer has any control or will have no  
21 controls or management controls of the -- of the -- of TVG  
22 going forward; correct?

23 COMMISSIONER AUERBACH: They never did. They did  
24 of HRTV, but not of TVG.

25 VICE CHAIR ROSENBERG: I know. But that --

1 MR. BRACKPOOL: You meant of TVG?

2 VICE CHAIR ROSENBERG: The new TVG is going to be  
3 TVG and whatever you choose to call it --

4 MR. BRACKPOOL: TVG --

5 VICE CHAIR ROSENBERG: -- HRTV?

6 MR. BRACKPOOL: TVG has acquired HRTV as part of  
7 this asset.

8 VICE CHAIR ROSENBERG: Right.

9 MR. BRACKPOOL: However, we at The Stronach Group  
10 have -- have concurrently licensed the right to show  
11 Stronach Group racing around the country to the new entity.  
12 There is also a TV Board which is made up of people like  
13 Kip, myself, Scott Daruty, and some others from TVG. So  
14 there is a combined TV Board, as well.

15 MR. LEVIN: But, yes.

16 COMMISSIONER AUERBACH: So in other words, if we  
17 were unhappy at a Board level that you weren't showing  
18 Golden Gate, we'd be able to lobby you and try to get you  
19 to -- because that's always been a concern of ours, I think.

20 MR. LEVIN: We have signed up for a content  
21 commitment to show Golden Gate. So we -- we have --

22 COMMISSIONER AUERBACH: Okay.

23 MR. LEVIN: -- a contractual commitment as part of  
24 that licensing --

25 COMMISSIONER AUERBACH: Okay.

1 MR. LEVIN: -- to -- again, as I said, we're going  
2 to be putting a very bright spotlight on California racing,  
3 and that includes Golden Gate.

4 COMMISSIONER AUERBACH: Okay. Thank you.

5 COMMISSIONER BENETO: How about -- how about  
6 Phoenix? I have a hard time getting Phoenix --

7 COMMISSIONER AUERBACH: Phoenix?

8 COMMISSIONER BENETO: -- all the time, Turf  
9 Paradise. Are they going to be on HRTV or --

10 MR. BRACKPOOL: Is this the Arizona Horse Racing  
11 Board meeting?

12 CHAIR WINNER: That's not -- that's not in  
13 California, as far as I know.

14 COMMISSIONER AUERBACH: Yeah. I think we just  
15 merged.

16 CHAIR WINNER: Did we -- did we annex Arizona?

17 COMMISSIONER BENETO: Well, I think this morning  
18 maybe we did trying to get here.

19 EXECUTIVE DIRECTOR BAEDEKER: Can I ask one  
20 question?

21 CHAIR WINNER: Yes, please.

22 EXECUTIVE DIRECTOR BAEDEKER: I'm curious about  
23 the second channel. Is that simply converting the existing  
24 HRTV network, if you will, to a second TVG channel? Because  
25 you talked about, Keith, you talked about in some places you

1 can get one without the other. But will you always now be  
2 able to get both?

3 MR. LEVIN: So that will be dependent on -- you  
4 know, obviously one of the steps that we'll be taking as a  
5 follow-up after -- after this is now going out and talking  
6 to all the TV distributors and saying this is our vision,  
7 this is how we're going to run these. We're going to be  
8 promoting both of them across each other. So to, you know,  
9 the extent that now there are channels that only exist with  
10 one carriage partner, we're going to be promoting to go to  
11 the other channel and, you know, we anticipate that their  
12 subscribers will start calling and say, hey, I wanted to go  
13 over and watch that race, can you please add this as a  
14 channel? So we think --

15 CHAIR WINNER: So Direct Dish, that kind of a  
16 situation --

17 MR. LEVIN: Correct.

18 CHAIR WINNER: -- is going to be hopefully  
19 remedied?

20 MR. LEVIN: So our -- our hope is that we will be  
21 able to get, you know, now that we're operating them in  
22 tandem and in unison, broader distribution for the -- the  
23 second network, so --

24 MR. BRACKPOOL: There's a logic now to going and  
25 saying we need you to carry both because they carry

1 different programming now, where before they were carrying  
2 effectively the same content. And so there was no real  
3 incentive for the carrier to carry both.

4 CHAIR WINNER: Are there any other questions?  
5 Commissioner Krikorian?

6 COMMISSIONER KRIKORIAN: Question about high def.  
7 What about high -- high definition, getting everybody on  
8 track with that? Do you have a plan in place to expand  
9 that?

10 MR. LEVIN: Yeah. So both will be broadcast out  
11 of our HD studio. So that's sort of step one in getting  
12 there, and that's obviously, I think, been a dramatic  
13 increase in the signal that we send out on TVG. So HRTV  
14 will be moving under that same technology platform. And  
15 then, you know, as well, as have to have a conversation with  
16 the -- with the satellite companies and the distributors to  
17 make sure they are then broadcasting that signal in HD, as  
18 well.

19 COMMISSIONER KRIKORIAN: Well, congratulations and  
20 good luck.

21 MR. LEVIN: Thank you.

22 CHAIR WINNER: Are there any other questions?  
23 Yes, Commissioner Choper?

24 COMMISSIONER CHOPER: This is probably going to  
25 come up anyway later on when we talk about the Sportech and

1 so forth. But, you know, I imagine you have thought about  
2 the -- and I know nothing about it, I want to say,  
3 potentially antitrust implications of the whole deal. And  
4 it's never too early, I guess, to begin to clear any  
5 difficulties with that.

6 MR. BRACKPOOL: I think the only thing I would  
7 disagree with there is you saying you have no idea about it,  
8 Commissioner Choper. I'm sure you have --

9 COMMISSIONER CHOPER: Well, I had a course a few  
10 years ago --

11 MR. BRACKPOOL: -- an excellent idea about it.

12 COMMISSIONER CHOPER: -- in law school, yeah.

13 MR. BRACKPOOL: You could probably teach a class  
14 in it endlessly.

15 No, we took advice. We -- we've looked at it and  
16 we don't believe we've fore fouled any antitrust  
17 regulations.

18 COMMISSIONER BENETO: I've got a question.

19 CHAIR WINNER: Just a second, Steve.

20 Just for those who arrived late, the microphones  
21 are not working. So we're asking everybody to speak up a  
22 little bit so that people in the back of the room can hear.  
23 And if you can't hear we would ask that you just move  
24 forward a little bit to make it a little easier to hear, but  
25 we'll do the best we can. Again, I apologize.

1 Commissioner Beneto had a question.

2 COMMISSIONER BENETO: Well, I channel surf on Dish  
3 from 399 to 398. Would -- would you separate like say  
4 Golden Gate, keep them on one channel, and say Santa Anita  
5 on another channel, or are you going to -- how are you going  
6 to work that?

7 MR. LEVIN: Our plan at this point would be those  
8 would all be on TVG and be on the premium network. So we  
9 still have a lot of sort of scheduling and planning to put  
10 together. But that's -- that's our intent.

11 CHAIR WINNER: Are you planning to do, like ESPN,  
12 you mentioned the other sports networks --

13 MR. LEVIN: Yeah.

14 CHAIR WINNER: -- or Fox where it will be TVG1,  
15 TVG2, or are you going to keep the name HRTV and TVG?

16 MR. LEVIN: Right now our immediate plan is to  
17 keep the name HRTV. Again, our goal, as I said, over time  
18 is to have them working in sort of perfect harmony and sync.  
19 So -- but right now it's to keep the brands, and that's  
20 something I think that we'll be thinking about down the  
21 road.

22 And you said, Keith, that there are -- that  
23 there's a TV Board, that is a board within the company that  
24 will operate the TV -- the TV side of the business; is that  
25 correct?

1 MR. BRACKPOOL: That is correct. And  
2 representatives from -- from both The Stronach Group and TVG  
3 are on that board.

4 CHAIR WINNER: Anybody else? Outside directors?

5 MR. BRACKPOOL: No.

6 CHAIR WINNER: Okay. Any other questions?

7 Mr. Rosenberg?

8 VICE CHAIR ROSENBERG: Does part of the  
9 arrangement have something to do with Xpressbet being part  
10 of one of the networks or is that not --

11 MR. BRACKPOOL: No.

12 MR. LEVIN: No.

13 MR. BRACKPOOL: Xpressbet is --

14 VICE CHAIR ROSENBERG: No?

15 MR. BRACKPOOL: -- is completely separate.

16 VICE CHAIR ROSENBERG: Thanks.

17 CHAIR WINNER: So Xpressbet will continue to  
18 operate separately? TVG will continue to operate  
19 separately?

20 MR. LEVIN: Correct.

21 CHAIR WINNER: I assume the promotions, the cross  
22 promotions from both will certainly -- I guess if you're  
23 keeping HRTV as the -- as the brand, then on Xpressbet when  
24 you promote HRTV you'll still do that or will both of them  
25 promote each other now on their -- on their ADW platforms?

1 MR. BRACKPOOL: It's been -- it's been an  
2 interesting conversation about that. Obviously, at HRTV we  
3 didn't have a wagering site, HRTV.com. Xpressbet is a  
4 different unit of our group --

5 CHAIR WINNER: Right.

6 MR. BRACKPOOL: -- whereas TVG was synonymous with  
7 both the name of the ADW, as well as the TV company.

8 CHAIR WINNER: Right.

9 MR. BRACKPOOL: So I don't think it's as -- it's  
10 as a big an issue as it would -- would have been had our  
11 wagering site been also named HRTV.com, as well.

12 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

13 CHAIR WINNER: Okay. Are there any other  
14 questions?

15 EXECUTIVE DIRECTOR BAEDEKER: Do you want to  
16 clarify the fact that they don't have to come back, since  
17 they're not modifying any license.

18 CHAIR WINNER: Yeah. Yeah. So, yeah, I think  
19 Keith clarified that, that it's -- since -- since Xpressbet  
20 is not merging with TVG, so the platforms of the ADW remain  
21 the same, and those are the licensed entities.

22 EXECUTIVE DIRECTOR BAEDEKER: Yeah. Right.

23 CHAIR WINNER: The broadcast entities don't  
24 have -- are not licensed by us so they don't have to come  
25 back.

1 EXECUTIVE DIRECTOR BAEDEKER: Right.

2 MR. LEVIN: Right.

3 CHAIR WINNER: Okay. Any other questions?

4 I really appreciate both of you coming. We wish  
5 you the best of luck.

6 MR. LEVIN: Thank you very much --

7 MR. BRACKPOOL: Thank you, Mr. Chairman.

8 MR. LEVIN: Thank you.

9 CHAIR WINNER: -- I'm sure, all of you. And  
10 anything that's going to help horse racing, and I know,  
11 Keith, how strongly you felt about all of this when you were  
12 the chairman, about the problems with the two networks, and  
13 I think this is -- this hopefully will be a really good  
14 thing for racing, and -- and we look forward to it. And  
15 again, thank you for taking the time to come this morning.

16 MR. BRACKPOOL: Thank you.

17 MR. LEVIN: Thank you very much.

18 CHAIR WINNER: All right, let us move along. This  
19 is now the public comment period. I don't have any cards.

20 Mike? Mike, do we have anybody who wanted to  
21 speak during the public comment period?

22 MR. MARTEN: Only on 11.

23 CHAIR WINNER: Okay. Nobody else during public  
24 comment? Okay.

25 Then we'll move on to item number four. Item

1 number for is a discussion and action by the Board on the  
2 request from Del Mar Thoroughbred Club to enact CHRB Rule  
3 1406, Suspension of Rule, to waive the provisions of CHRB  
4 1433(b), Application for License to Conduct a Horse Racing  
5 Meeting, to facilitate the installation of a dirt track at  
6 Del Mar.

7 Josh and Tommy?

8 EXECUTIVE DIRECTOR BAEDEKER: First, Mr. Chairman,  
9 if I just might point out, I think there's an error in the  
10 bottom paragraph on page 4-1 where it says, "Golden Gate  
11 Fields and Santa Anita Park obtained a waiver to the  
12 synthetic track requirement." Golden Gate did not. I think  
13 that's supposed to be Los Alamitos.

14 Go ahead, gentlemen.

15 CHAIR WINNER: Thank you.

16 MR. RUBENSTEIN: Josh Rubenstein, Del Mar  
17 Thoroughbred Club.

18 As I believe you're aware, Del Mar is preparing to  
19 return to a natural dirt surface beginning with our 2015  
20 summer meet. And as Rick mentioned -- or as Chairman Winner  
21 mentioned, we are requesting a waiver to Rule 1433, which  
22 mandates a synthetic surface at a race track.

23 EXECUTIVE DIRECTOR BAEDEKER: I might point out,  
24 Commissioners, that this -- this has been -- this has been  
25 administratively handled to this point based on the action

1 by the Board at a previous meeting, as you'll see in your  
2 notes here, to delete that regulation that requires a  
3 synthetic surface.

4 And so based on that -- on that action by the  
5 Board, Del Mar, in communication with the CHRB, we jointly  
6 decided that it would be appropriate and prudent for them to  
7 begin the process. So this I snow a formal action that is  
8 requested from you.

9 CHAIR WINNER: Do you have anything else to say,  
10 Josh or Tommy, or shall we vote?

11 MR. ROBBINS: Well, one other note, and also a  
12 slight correction, it shows in the packet on that same page  
13 under the analysis -- I'm sorry.

14 MS. WAGNER: They're not working.

15 CHAIR WINNER: We can't hear the mike.

16 MS. WAGNER: They're not working.

17 CHAIR WINNER: They hear the mike. We don't hear  
18 it.

19 MR. ROBBINS: I'll speak into this. Tom -- Tom  
20 Robbins, Del Mar.

21 It's indicated that Los Alamitos is this -- also  
22 this type of sand, the El Segundo Sand, that is not the  
23 case.

24 EXECUTIVE DIRECTOR BAEDEKER: But Santa Anita is;  
25 correct?

1 MR. ROBBINS: Santa Anita is, yes.

2 COMMISSIONER AUERBACH: It's just the wrong track.  
3 It's supposed to be Santa Anita.

4 VICE CHAIR ROSENBERG: The same as Santa Anita.

5 MR. ROBBINS: Oh, okay. Okay.

6 CHAIR WINNER: Are there any other questions? Any  
7 questions from the Board? All right.

8 Thank you, gentlemen.

9 Is there a motion?

10 COMMISSIONER BENETO: I'll make a motion.

11 CHAIR WINNER: Commissioner Beneto moves,  
12 Commissioner Krikorian seconds that we approve.

13 ALL COMMISSIONERS: Aye.

14 CHAIR WINNER: Any -- any discussion? All in  
15 favor?

16 ALL COMMISSIONERS: Aye.

17 CHAIR WINNER: Any opposed?

18 Thank you, gentlemen.

19 MR. ROBBINS: Thank you.

20 MR. RUBENSTEIN: Thank you.

21 CHAIR WINNER: Did you drive all the way up here  
22 for that?

23 MR. RUBENSTEIN: We did.

24 CHAIR WINNER: Let's move on then to item number  
25 give, discussion and action by the Board regarding the

1 proposed amendment to CHRB Rule 1658, Vesting of Title to  
2 Claimed Horse, to provide that a claim shall be voided by  
3 the stewards if the racing or official veterinarian the  
4 horse will be placed on the Vet's List as "bled".

5 Dr. Arthur?

6 DR. ARTHUR: Yes, Mr. Chairman. Dr. Arthur,  
7 Equine Medical Director.

8 In the original version of the claim voiding  
9 regulation horses that bled were going to be voided. But in  
10 the -- the subsequent years, as many of you remember, it  
11 took us several years to get this in place, that had been  
12 eliminated, and we were only dealing with unsoundness  
13 issues.

14 The fact that horses that bled were not included  
15 have been brought up by the CTT, and frankly, official  
16 veterinarians, as well. Because you can claim a horse that  
17 is sound but goes on the Vet's List as bled. And bled by  
18 our regulations is defined in 1845 as horses that bleed from  
19 the nostrils, have epistaxis, that is not -- and is --  
20 appears to be exercise-induced pulmonary hemorrhage. It is  
21 the same definition that we use in 1845. So a horse that  
22 goes on the Vet's List as bled, those claims will be voided.  
23 And this was -- this language is exactly the same in 1845.

24 CHAIR WINNER: I have some questions. If others  
25 do, that's fine. I have some.

1 AS one of those who was a strong advocate of the  
2 new claiming rule and took a lot of the blame for it from  
3 some, my view always has been that the primary reason for  
4 the -- for the change was to discourage the entry of horses  
5 for the purposes of -- of offloading them. And often times  
6 horses might have -- may have been entered who maybe  
7 shouldn't even have been racing. So it was intended as a  
8 disincentive to put horses into claiming races that were  
9 unsound to start with. Often times a horse that bleeds, the  
10 trainer who puts the horse in that race doesn't know  
11 necessarily that that horse has a bleeding problem until  
12 during the race.

13 So if the purpose of the new -- of adding bleeder  
14 is not to discourage putting damaged horses into claiming  
15 races, then I don't think that's consistent with the intent  
16 of the new claiming rule.

17 DR. ARTHUR: Mr. Chairman, I'd actually disagree  
18 with -- with the way you --

19 CHAIR WINNER: You have a right to do that.

20 DR. ARTHUR: -- interpreted that. If you look at  
21 the data, that approximately 80 percent of the horses  
22 have -- when they're treated with Lasix about 60 percent of  
23 the horses have exercise-induced pulmonary hemorrhage. And  
24 if they're not treated, about 80 percent do.

25 In terms of epistasis, what we see at the nostril

1 is just a few percent. And just like horses have unsound --  
2 preexisting unsoundness issues in terms of their lameness,  
3 they also have preexisting conditions in terms of their  
4 respiratory tract. There's two things that race track  
5 veterinarians deal with, and that is soundness health and  
6 respiratory health.

7           So I don't agree with you that certain -- that  
8 trainers aren't trying -- or it is not an opportunity to  
9 unload a horse with a respiratory problem by running them in  
10 a claiming race. And I think there's evidence that -- that  
11 you could actually see that.

12  
13           So in that sense I do think it protects horses.  
14 If you have a horse that you know is bleeding, you've been  
15 scoping him, you know it's a grade 4, he has not blood at  
16 the nostrils, you drop him in for a tag and you lose him for  
17 \$2,000, so that is an opportunity. I'm not saying that that  
18 is done. Just like unsoundness, not everybody does that  
19 way. But it is an opportunity to unload a horse that has a  
20 health condition in his lungs. So --

21           CHAIR WINNER: I'll be -- I'll be interested to  
22 hear, perhaps either Mr. Balch or Mr. Cassidy.

23           COMMISSIONER AUERBACH: Before they get up to  
24 speak about the --

25           CHAIR WINNER: No, I'm not asking.

1 COMMISSIONER AUERBACH: Oh.

2 CHAIR WINNER: I'm saying before we -- before  
3 we --

4 COMMISSIONER AUERBACH: Okay.

5 CHAIR WINNER: -- finish this discussion I'd like  
6 to hear from either -- one or either of them.

7 COMMISSIONER AUERBACH: You bring up a great  
8 point. I think, too, that -- I hadn't really thought about  
9 it, but you're right. We did -- the rule, as I understand  
10 it, originally was meant for one purpose, and I think this  
11 is an expansion of it. And I know from personal  
12 experiences, we've had occasionally a horse that would bleed  
13 but had no indication that it was a problem prior to the  
14 incident.

15 So I mean, how much -- do we keep wanting to add  
16 protections when they're really not in line with the  
17 original intent of what we did. I think that's your point.

18 CHAIR WINNER: That is my point.

19 COMMISSIONER AUERBACH: And I think it's a great  
20 point.

21 CHAIR WINNER: It is my point. My -- you know, my  
22 concern is that -- that we not overregulate. We're trying  
23 to do what's best for the -- oh, look at that, we have some  
24 sound. We're trying to do what's best for the industry, for  
25 the horses, for the riders, etcetera. Typically, you know,

1 a horse isn't going to go down from bleeding, typically, and  
2 therefore cause potential damage to other horses in the race  
3 or to the rider, whereas if you have a preexisting, you  
4 know, skeletal or soft tissue damage that might occur. It's  
5 probably less likely to occur with bleeding. And therefore,  
6 again, that comes to the issue of do we want to overregulate  
7 and keep adding things to this, or are we just trying to do  
8 what is in the best interest of racing.

9 DR. ARTHUR: Well, I certainly -- first of all,  
10 there are sudden deaths that are related to exercise  
11 pulmonary hemorrhage. We get one, two, three, four of them  
12 a year, it depends, from time to time, and those will be --  
13 are actually explained in the postmortem necropsy report  
14 every year. But it isn't a big problem, I agree.

15 But -- but I do disagree with your premise that  
16 horses bleed from the nostril with -- with -- without any  
17 previous hint. Certainly it happens, just like horses go  
18 into a race and come out sound.

19 CHAIR WINNER: Right. Right. Right.

20 DR. ARTHUR: So I think in terms of trying to  
21 protect the welfare of the horse, it is a reasonable step.

22 But again, I think the primary purpose, as you  
23 identified, is in terms of musculoskeletal soundness, which  
24 I think the program has been very successful in addressing.

25 COMMISSIONER KRIKORIAN: I have a question.

1 CHAIR WINNER: Yeah, please, George.

2 COMMISSIONER KRIKORIAN: Excuse me. If -- if a  
3 horse doesn't bleed through the nostrils it could still have  
4 bled in a race; is that correct?

5 DR. ARTHUR: That's correct.

6 COMMISSIONER KRIKORIAN: And so -- and if that  
7 happens you don't know it?

8 DR. ARTHUR: That's right.

9 COMMISSIONER KRIKORIAN: Correct?

10 DR. ARTHUR: But that horse doesn't go on the  
11 Vet's List. If the horse bleeds and goes on the Vet's List  
12 they can't race for 15 days.

13 COMMISSIONER KRIKORIAN: But you don't -- but if  
14 you don't know it that doesn't happen?

15 DR. ARTHUR: That's right. The way it's defined,  
16 if they bleed internally -- and this is worldwide, by the  
17 way. There are some variations in Hong Kong and others.  
18 But -- but the primary definition for a regulatory action is  
19 epistaxis; that's blood at the nose. It's not endoscopic.  
20 And that actually preceded my becoming a veterinarian 40  
21 years ago.

22 COMMISSIONER KRIKORIAN: And if a horse -- and if  
23 a horse does bleed through the nostrils, is it possible that  
24 a horse could bleed through the nostrils one time and the  
25 next time it runs it doesn't bleed?

1 DR. ARTHUR: Yes. Just like if they bleed  
2 endoscopically and don't bleed endoscopically the next. So  
3 it's -- it's not, you know, it's not an absolute, for sure.

4 COMMISSIONER KRIKORIAN: So -- so could it make  
5 more sense that if a horse bleeds multiple occasions then  
6 that horse could be designated differently than a horse that  
7 just shows up after a race and has a few drips of blood from  
8 its nostrils?

9 DR. ARTHUR: As the regulatory agency we only  
10 monitor blood at the nostrils. We don't perform endoscopic  
11 examinations. And if you look at 1845, a horse that bleeds  
12 the first time goes on the Vet's List for 15 days, the  
13 second time 30 days, the third time -- in 365 days -- and  
14 the third time is a 180 days. So if -- if a horse has bled  
15 once already from the nostrils and is claimed and bleeds,  
16 that horse goes on the shelf for 30 days, you know, during  
17 that claim. And sometimes it's not easy for people to find  
18 out whether that horse has bled previously, as well, which  
19 is a separate issue that has to do with our IT  
20 incapacibilities.

21 COMMISSIONER KRIKORIAN: I would just like to say  
22 that, for the same reason as Chairman Winners and Madeline  
23 have stated, I have the same -- the same concerns about  
24 approving -- approving this.

25 DR. ARTHUR: Well, this was brought to us by the

1 CTT and, of course, some concern from official veterinarians  
2 who get the wrath of trainers when they claim a horse that  
3 bleeds and the claim isn't voided. So I think we should  
4 hear from the CTT and see that they have to say.

5 CHAIR WINNER: And we will, of course.

6 I think Commissioner -- Vice Chairman Rosenberg  
7 had a question? No? Okay. Thank you.

8 I'm sorry. Commissioner Choper?

9 COMMISSIONER CHOPER: I think we ought to be clear  
10 what we're -- what it's about. It's not to adopt this, but  
11 it's to put it out for 45 days.

12 CHAIR WINNER: Yes.

13 COMMISSIONER CHOPER: So we get another good swing  
14 before anything happens. And one of the ways of really  
15 finding out, you know, although we don't usually get many  
16 responses, is to put it out for the 45 days and see what  
17 people have to say about it.

18 CHAIR WINNER: Mr. Cassidy, can you identify  
19 yourself and --

20 MR. CASSIDY: Jim Cassidy, President of CTT.

21 We're -- Rick's argument is -- is very, very good  
22 as far as we're concerned. It's probably one of the first  
23 times I've agreed with him wholeheartedly. You've got to  
24 understand, we're concerned about the welfare of the horse.  
25 Well, this is a big concern, as well, both for the person

1 that claims the horse, because if it is the third time the  
2 horse bled and really no one has any knowledge of that,  
3 except for the office, then the man has to basically eat the  
4 horse for three or four five months, or maybe for the rest  
5 of his life.

6           And this is also as a much of a problem for  
7 soundness as a bad leg, a horse breaking down, a horse  
8 dropping on the track because he's bleeding through the  
9 lungs. I mean, this is -- this is a big -- this is a big  
10 deal. This is not we have a little blood, nobody knows  
11 about it. Everybody scopes their horses if they don't have  
12 a decent performance and we find out whether they bled or  
13 not. But if they bleed through the nostrils, that's very  
14 sincere. That's a whole lot of -- that's a whole lot of  
15 blood to come out.

16           So I'm just saying, it is protecting the animal.  
17 And -- and also the claim.

18           CHAIR WINNER: It's also protecting -- it protects  
19 the claim -- the claim and trainer.

20           MR. CASSIDY: The claim and the animal, yes.

21           CHAIR WINNER: Yeah. And what's your view, Jim,  
22 with respect to what Commission Krikorian's position or  
23 question was in terms of, you know, if -- if we had  
24 something like multiple or two or three or something of that  
25 sort, rather than first time?

1 MR. CASSIDY: You mean if he bleeds more than one  
2 time?

3 CHAIR WINNER: Yeah, if he bleeds through the  
4 nostrils more than once then the claim is voided, rather  
5 than the first time --

6 MR. CASSIDY: Well, the claim -- the claim.

7 CHAIR WINNER: -- in order to protect against  
8 the -- again, the objective is to discourage trainers from  
9 putting horses in races that they know have a problem.

10 MR. CASSIDY: That's right.

11 CHAIR WINNER: And if it's never --

12 MR. CASSIDY: And that's --

13 CHAIR WINNER: If it's never bled before and they  
14 put it in the race and it bleeds through the nostrils is  
15 that reason enough to void the claim, or would it be better  
16 to -- to say that if there's a pattern of bleeding, of more  
17 than once?

18 MR. CASSIDY: Well, and if they bleed more, like  
19 the three times, then it's certainly --

20 CHAIR WINNER: Or two times even.

21 COMMISSIONER CHOPER: -- is on the shelf for quite  
22 a while. But I think by putting him on the Vet's List, I  
23 don't think it's any harm or any foul to anyone. I don't  
24 see where -- where it would complicate anything. I think it  
25 would do justice for the horse. They make regulations where

1 you can't run the horse for 15 days. But, you know, who  
2 knows if they don't work them in 10, you know, it --

3 CHAIR WINNER: No. But that's not -- that's not  
4 my question, unless I misunderstood your answer.

5 My question is: What if the rule were written so  
6 that if the horse bleeds through the nose, using the  
7 technical term that -- that Dr. Arthur used, on more than  
8 one occasion, then the -- then the horse -- then the claim  
9 would be voided --

10 VICE CHAIR ROSENBERG: How would that work?

11 CHAIR WINNER: -- rather than the first time?

12 VICE CHAIR ROSENBERG: So how would that work, Mr.  
13 Chairman?

14 CHAIR WINNER: I don't know.

15 VICE CHAIR ROSENBERG: Because more than once --

16 CHAIR WINNER: I don't know.

17 VICE CHAIR ROSENBERG: -- meaning it only happens  
18 once after one race.

19 CHAIR WINNER: So it would be twice.

20 VICE CHAIR ROSENBERG: So if -- so after two -- in  
21 other words, a second claiming race or -- I don't think you  
22 can come up with a definition for that, unless it's on a  
23 Vet's List before --

24 CHAIR WINNER: Yeah.

25 VICE CHAIR ROSENBERG: -- if it had a prior

1 history.

2 CHAIR WINNER: Well, it would be on the Vet's  
3 List. If it ran and bled through the nose it automatically  
4 goes on the Vet's List. Is that not correct?

5 MR. CASSIDY: No.

6 DR. ARTHUR: If it bleeds through the nose --

7 CHAIR WINNER: One says no, one says yes.

8 MR. CASSIDY: Well --

9 DR. ARTHUR: If a horse bleeds from the nose  
10 and --

11 CHAIR WINNER: It goes on the Vet's List.

12 DR. ARTHUR: -- it goes on -- and is observed by  
13 the official veterinarian or the track veterinarian, the  
14 horse goes on the Vet's List for 15 days the very first time  
15 it bleeds.

16 CHAIR WINNER: Right.

17 COMMISSIONER CHOPER: Training?

18 DR. ARTHUR: Not training.

19 COMMISSIONER CHOPER: Will that -- will that  
20 always be observed?

21 MR. CASSIDY: No.

22 COMMISSIONER CHOPER: Well, see, that's what I'm  
23 wondering about.

24 DR. ARTHUR: No, they do -- they do check for  
25 that, particularly all -- all horses that are claimed go to

1 the receiving barn.

2 COMMISSIONER CHOPER: Yes.

3 DR. ARTHUR: And all horses -- all horses in the  
4 receiving barn are checked for bleeding.

5 COMMISSIONER CHOPER: No, but suppose they're not  
6 claimed?

7 CHAIR WINNER: Yeah. We're talking about  
8 horses --

9 DR. ARTHUR: If they're not claimed --

10 CHAIR WINNER: -- that are not claimed.

11 DR. ARTHUR: -- the track vet is -- is supposed to  
12 be -- tries to observe them.

13 COMMISSIONER CHOPER: When?

14 DR. ARTHUR: When they come off the track.

15 COMMISSIONER CHOPER: Yeah.

16 DR. ARTHUR: When they come back.

17 MR. CASSIDY: And then he automatically comes off  
18 the list; correct?

19 DR. ARTHUR: Excuse me?

20 MR. CASSIDY: He automatically comes off the list  
21 in 15 days.

22 DR. ARTHUR: Yes.

23 COMMISSIONER CHOPER: But see, I guess I'm just  
24 asking a question.

25 DR. ARTHUR: No, excuse me. Those -- those horses

1 have to work, though.

2 COMMISSIONER CHOPER: Would the -- would the horse  
3 be observed by the track veterinarian with as much  
4 observation if the horse is not claimed?

5 DR. ARTHUR: No.

6 COMMISSIONER CHOPER: So that --

7 DR. ARTHUR: And the -- and the reason --

8 COMMISSIONER CHOPER: That's -- that's the  
9 question then as to saying that this may happen quite often  
10 or periodically or however you want to make it and never  
11 really be observed by the track veterinarian.

12 DR. ARTHUR: The incidents of epistaxis, blood at  
13 the nostril --

14 COMMISSIONER CHOPER: Yeah. Yeah.

15 DR. ARTHUR: -- is very well documented. It is  
16 something the track vets observe. Yes, the -- the horses  
17 that go to the test barn are in that location for a period  
18 of time, however long it takes to get the urine, however  
19 long it takes to do the -- collect the blood on horses that  
20 are tested, you know, in terms of the drug testing program,  
21 as compared to those horses that walk right off the race  
22 track. If -- if we get them at the chute for 30 minutes  
23 we'd probably have a different percentage, you're absolutely  
24 right.

25 CHAIR WINNER: So in other words --

1           COMMISSIONER CHOPER:  But if they're claimed it's  
2 a wholly different ballgame?

3           DR. ARTHUR:  It's the same thing for unsoundness,  
4 though.

5           CHAIR WINNER:  Yeah.

6           DR. ARTHUR:  Horses that -- horses that win are --  
7 are observed for an hour after the race and have -- you  
8 know, that's why you actually see horses --

9           COMMISSIONER CHOPER:  If they win.  I got it.  
10 But --

11          DR. ARTHUR:  -- you know, they're just under more  
12 observation.

13          COMMISSIONER CHOPER:  But I thought if -- I  
14 thought they go on a vet's list if they're claimed  
15 immediately.

16          DR. ARTHUR:  If -- if they're -- no.  If they're  
17 claimed they're examined by the official veterinarian back  
18 at the test barn when he takes the blood.

19          COMMISSIONER CHOPER:  I see.

20          DR. ARTHUR:  And then they're either released  
21 as -- as sound and the claim stands, or they're released as  
22 unsound and the claim is voided.

23          COMMISSIONER CHOPER:  But that would not be the  
24 same if the horse didn't win, finished sixth in a race, and  
25 goes back to the barn?

1 DR. ARTHUR: That's right.

2 COMMISSIONER CHOPER: That's why the claim does  
3 give a more consistent opportunity to take a look at the  
4 horse. That's all I'm trying to get at. I'm trying to  
5 understand it. That's what I thought, but I wanted to be  
6 clear about that.

7 DR. ARTHUR: You're correct.

8 COMMISSIONER CHOPER: Okay.

9 CHAIR WINNER: Mr. Cassidy, those trainers who, I  
10 don't know if they still do, but who pretty strongly oppose  
11 the claiming rule that we're talking about, those are the  
12 people -- well, when you say that the trainers support this  
13 change, does that include all the trainers, including those  
14 that oppose the rule in the first place, do you know?

15 MR. CASSIDY: I believe so. I think people have  
16 come around to think the rule is working out quite well, the  
17 majority.

18 CHAIR WINNER: Glad to hear that.

19 MR. CASSIDY: And the people that don't, we really  
20 don't really care about anymore. Seriously, I think the  
21 rule has worked out pretty well. And I think just adding to  
22 it helps it a lot because there are opportunities where  
23 people will claim a horse, they have no idea the horse has  
24 bled in the past.

25 CHAIR WINNER: Right.

1 MR. CASSIDY: They examine the horse pretty hard  
2 when they claim them, and bleeding you can't really see.

3 CHAIR WINNER: Okay. Thank you.

4 Yes, Mr. Krikorian?

5 COMMISSIONER KRIKORIAN: Well, we're talking about  
6 the claimant, and concerned about the claimant. But what  
7 about the better? Why aren't we letting betters know that  
8 horses are bleeding? If you find a horse and he bled he's  
9 stamped for 15 days, and then if he's allowed to run again  
10 he might bleed again, but you're not telling the better  
11 about it. So what about that aspect of it?

12 DR. ARTHUR: Well, the --

13 MR. CASSIDY: That's out of my hands.

14 DR. ARTHUR: The Vet's List is a public document.  
15 In some states it's not, but in California it's a public  
16 document. You can actually look that up and you can see  
17 whether a horse bled. I will tell you, and the Executive  
18 Director and I have had these conversations, we have a  
19 pretty archaic IT system and they're working on it. I think  
20 there would be easier ways to deliver that information, but  
21 it is a public record.

22 COMMISSIONER KRIKORIAN: If you deliver  
23 information that a horse has been gelded, why not provide  
24 the same information on the same basis and put it in the  
25 program?

1 DR. ARTHUR: Well, that's an Equibase issue. And  
2 if horses bleed on the track they -- they actually -- you  
3 will sometimes see "bled" in the chart and in the form. But  
4 they, frankly, they get a small percentage of those, and  
5 those are usually identified by the chart caller somehow. I  
6 don't know how he does it, but it's not -- it's not the CHRB  
7 definition of bled, no.

8 MR. CASSIDY: I really don't think you'd want PETA  
9 involved in this, would you? You said I had horses  
10 bleeding, no. I'm just --

11 COMMISSIONER KRIKORIAN: I'm just asking -- I'm  
12 just asking --

13 MR. CASSIDY: I'm just saying I just think it's --

14 COMMISSIONER KRIKORIAN: I'm just asking a  
15 question because you -- you know, it's not just -- it's not  
16 just trainers and it's not just claimants --

17 MR. CASSIDY: But I think we're trying to --

18 COMMISSIONER KRIKORIAN: -- it's also the public,  
19 people, you know, people out betting on horses. And they  
20 should be protected as equally as the other side.

21 MR. CASSIDY: I'm not -- I'm not disagreeing with  
22 you. What I'm saying is I think we're trying to keep away  
23 from the people that force this situation. Because most  
24 trainers can control the bleeding somewhat with diets and so  
25 on and so forth. But there are still trainers out there

1 that will run a horse down somebody's throat that's bled  
2 twice, and those are the ones we're trying to detect.

3 CHAIR WINNER: No, I understand. I'm not -- I'm  
4 not opposed to doing what's in the best interest of the  
5 horse. I'm only asking these questions because the issue,  
6 it goes -- it goes around and affects everybody in different  
7 ways.

8 COMMISSIONER AUERBACH: Well, the other thing that  
9 concerns me on this issue -- obviously, I've made up my mind  
10 and we're going to put it out for public comment --

11 CHAIR WINNER: Well, not obviously. It's --

12 COMMISSIONER AUERBACH: Well, I assume that we  
13 will.

14 The -- the slippery slope aspect of it, well,  
15 okay, now we're talking about this. And the next thing will  
16 be, well, now after a claim let's scope everybody. I mean,  
17 you know, I get concerned when we keep -- I understand --  
18 listen, no one is more of a bigger horse advocate than I am.  
19 I'm just concerned with regulation. We regulate and we  
20 regulate. Okay, now we're talking about bleeding, which I  
21 know you're talking about a certain kind of bleeding. But  
22 I'm also -- I'm calling a spade a spade. I'm worried about  
23 us saying, oh well, we've done this, let's now scope every  
24 horse in a claim because if there's bleeding, which most of  
25 them -- not most of them, but a of them will show some

1 blood, are we going to go down that road? That's all I'm  
2 saying.

3 DR. ARTHUR: Well, Commissioner Auerbach, you're  
4 the gatekeeper. And if you don't have confidence in your  
5 ability to make those future decisions, I don't know what to  
6 tell you.

7 COMMISSIONER AUERBACH: Well, I am the --

8 DR. ARTHUR: But -- but you are the gatekeeper.

9 COMMISSIONER AUERBACH: Rick, I'm the gatekeeper  
10 today. I don't know about next week, next month, next year.  
11 I am concerned about -- we're a precedent-setting body, too,  
12 and I'm cognizant of that. And I'm cognizant of the fact  
13 that we're the gatekeeper. And the Board, as it's  
14 constituted today, is going to be weary of passing further  
15 regulation going down that track. I'm not -- I'm not  
16 arguing yes, no, maybe. I'm just saying it's something to  
17 be considered along with all of this.

18 DR. ARTHUR: I understand. I understand what  
19 you're saying, but let me just make two points here.

20 Number one, bleeding, particularly epistaxis, can  
21 be related to respiratory health, okay? And I think Jim  
22 would agree with me that trainers usually know when they  
23 have a bad bleeder.

24 CHAIR WINNER: Why didn't we put this in the rule  
25 in the first place?

1 DR. ARTHUR: It was in the rule in the first  
2 place.

3 CHAIR WINNER: No, but it wasn't when --

4 DR. ARTHUR: But in all the -- all the steps  
5 trying to --

6 CHAIR WINNER: Yeah.

7 DR. ARTHUR: -- to stop it, you know, people would  
8 bring up this and they'd bring up that. So it wasn't in  
9 there. We just looked at soundness. I don't think,  
10 frankly, I don't think it is -- it's not key to what we've  
11 accomplished. What we have in place has accomplished a lot,  
12 and I think it can be -- I think it's been very successful.

13 This is an add-on, I agree. It is -- I don't  
14 think it is critical, but it was brought to us as an issue  
15 from the CTT. I think it's a legitimate one. And it's been  
16 brought to me by official veterinarians, as well, who have  
17 expressed their concern that we aren't putting horses on the  
18 Vet's List that bleed. And here's a horse that -- that  
19 we've already made the decision that that horse can't race  
20 for 15 days -- and this was in place before I became a  
21 veterinarian -- they couldn't race for 15 days to protect  
22 that horse's health.

23 CHAIR WINNER: Okay.

24 DR. ARTHUR: So --

25 CHAIR WINNER: Let me -- let me -- let me do this,

1 and I know Alan wants to speak, let me just say that  
2 obviously what -- what we're struggling with here is doing  
3 what's right for the horses and for the industry, for the  
4 riders, etcetera, and not overregulating, which I'm always  
5 concerned about. I think all of us are.

6 I agree with Commissioner Auerbach that most  
7 likely this is going to go out for 45 days. And it will --  
8 it will come back to us, so we can -- we can move on.

9 But I do want to give Alan a chance to -- to make  
10 his point.

11 MR. BALCH: Alan Balch, California Thoroughbred  
12 Trainers.

13 At the risk of losing my job, I think this is  
14 really a matter of fairness. Not all trainers do embrace  
15 the current rule, although I think over time the -- the  
16 majority, and I think it's a strong majority of trainers  
17 have, but not all do.

18 So what this particular issue, it seems to me,  
19 boils down to, and we haven't really discussed this per se,  
20 is fairness. As the new claiming rule has taken effect and  
21 people have more and more experience with it, even some of  
22 those who resisted or resisted it at the beginning now feel  
23 this is a matter of fairness because of the claiming --  
24 excuse me, the rules that Dr. Arthur has explained. If the  
25 horse is on the bleeder's list -- or on the Vet's List the

1 first time for bleeding, then he comes off after 15 days if  
2 he performs satisfactorily. Now, that's Commissioner  
3 Krikorian's point; some people know this, other people don't  
4 know it.

5 But this most recently came up with a claim not  
6 being voided for a horse who bled for the third time; right,  
7 Dr. Arthur?

8 DR. ARTHUR: That's right.

9 MR. BALCH: Who was then out. Now that's not fair  
10 for the claiming owner or the claiming trainer, it's simply  
11 not fair. If we're going to have this new claiming rule it  
12 needs to be internally consistent and fair for everybody.  
13 Granted, this -- this went back and forth in the early days  
14 when there was a lot of resistance to the rule to begin  
15 with. But now that the rule is here and it is largely  
16 embraced by a strong majority of trainers, we believe, we  
17 think it's important to go forward with this as a matter of  
18 fairness for the claiming community so that everybody knows  
19 that this is part of it too. And I think in the 45-day  
20 period we'll find out if there is strong, strong resistance  
21 to it. So I'm usually up here trying to ask the Board not  
22 to put something out for 45 days until everyone is on the  
23 same page. But our leadership, certainly the leadership of  
24 the CTT is on the same page, our -- our entire Board. And  
25 we believe most of the community is also.

1 CHAIR WINNER: I appreciate that.

2 MR. BALCH: Thank you.

3 CHAIR WINNER: Is there --

4 VICE CHAIR ROSENBERG: I'll move.

5 CHAIR WINNER: Okay. Commissioner Rosenberg --

6 Vice Chairman Rosenberg moves that the matter be put --

7 COMMISSIONER CHOPER: Second.

8 CHAIR WINNER: -- out for 45 days, seconded by  
9 Commissioner Choper. Any discussion on that motion? All in  
10 favor?

11 ALL COMMISSIONERS: Aye.

12 CHAIR WINNER: Any opposed? The motion carries.

13 Thank you very much, Dr. Arthur.

14 DR. ARTHUR: Thank you.

15 CHAIR WINNER: Thank you both, Jim and Alan.

16 DR. ARTHUR: By the way, I will -- I will send the  
17 Commissioners a link to a way to actually get what horses  
18 are on the Vet's List that I would like to discuss about  
19 making available to the public.

20 CHAIR WINNER: Thank you.

21 COMMISSIONER BENETO: Excuse me. I've got a  
22 question. I probably should have asked it earlier. You're  
23 saying if they bleed the first time they're on the Vet's  
24 List and the claim is void; is that what you're shooting  
25 for?

1 DR. ARTHUR: That's what this rule -- if the horse  
2 goes on the -- on the Vet's List for having bled, that is  
3 being observed by the official veterinarian with blood at  
4 the nostrils, that horse goes on the Vet's List for 15 days.  
5 And that's been -- that's been a regular --

6 COMMISSIONER BENETO: But I -- but I just claimed  
7 the horse.

8 DR. ARTHUR: What's that?

9 COMMISSIONER BENETO: I just put a claim in for  
10 the horse on that race.

11 DR. ARTHUR: Okay.

12 COMMISSIONER BENETO: Is it voided?

13 DR. ARTHUR: Not now.

14 CHAIR WINNER: It would be under this rule.

15 COMMISSIONER AUERBACH: It would be under this.

16 CHAIR WINNER: That's the whole point. It would  
17 be.

18 DR. ARTHUR: It's not now. It would be under  
19 the -- what we're proposing here.

20 COMMISSIONER BENETO: One time bleeding?

21 DR. ARTHUR: That's right. Any kind of bleeding.

22 COMMISSIONER BENETO: Not -- not three times and  
23 he's --

24 DR. ARTHUR: No.

25 CHAIR WINNER: One time.

1           COMMISSIONER BENETO: One time? Okay.

2           DR. ARTHUR: If he bleeds from the nostril and  
3 goes on the Vet's List for bleeding it -- the claim would be  
4 voided --

5           COMMISSIONER BENETO: Got it.

6           DR. ARTHUR: -- under the proposal. That is not  
7 the case today.

8           COMMISSIONER BENETO: Okay. I know that, but I  
9 just wanted to clear up the new rule.

10          EXECUTIVE DIRECTOR BAEDEKER: I'd like to add to  
11 what Dr. Arthur said about making this information more  
12 readily available to the public. That's part of a broader  
13 project that we've undertaken. We've had input from a  
14 couple of Commissioners. We're going to be seeking more  
15 input. We finally have the ability within our IT  
16 deposition, even -- even within CHRIS, the antiquated  
17 operating system that we have, we still have the ability to  
18 improve the web page, make it more interactive. And we'd  
19 like to get to the point where customers know that they can  
20 go to our web page and readily access this kind of  
21 information. So that's in the works.

22          COMMISSIONER KRIKORIAN: I think it would be  
23 really helpful, where they talk about the number of trainers  
24 that are really opposed to this, I'd like to see those  
25 trainers show up at the next meeting and speak up. It would

1 be interesting to hear what they have to say personally.

2 CHAIR WINNER: Alan, I don't know if you heard  
3 that. Commissioner Krikorian said that it would be helpful  
4 if any of the trainers that oppose this would appear at the  
5 next meeting to hear their -- their reasons for opposing.

6 COMMISSIONER KRIKORIAN: Or in support.

7 CHAIR WINNER: Or support, yeah.

8 COMMISSIONER AUERBACH: I was going to say,  
9 whichever.

10 MR. BALCH: Well, and presumably go on record  
11 during the 45-day public comment period one way or the  
12 other --

13 CHAIR WINNER: Right.

14 MR. BALCH: -- so that you'll have -- you'll be  
15 aware of that before you discuss it again.

16 CHAIR WINNER: I mean, what happens, as everybody  
17 knows, is certain times -- often times, very often, we all  
18 hear a lot of complaints about some of the things that we're  
19 doing, and we ask those people, you know, come and talk to  
20 us, come to the Board meeting. And 90 percent of the time  
21 they don't, they just complain. So it's always a good  
22 idea -- it would be a good idea to hear what they're -- so  
23 all of us here, not just some -- some of us who receive an  
24 email or a phone call or something.

25 MR. BALCH: Alan Balch, again, CTT.

1           We, of course, in CTT have the same issue. We  
2 really publicize our open meetings, come to the meeting,  
3 here's the agenda, we make it available, etcetera. We have  
4 very few trainers who come to our open meetings.

5           But I will remind the Board that the CTT is  
6 elected by this constituency to represent its interests. So  
7 I think we have a pretty broad cross-section of trainers on  
8 our Board.

9           CHAIR WINNER: I agree. But I just think it's --  
10 I agree with Commission Krikorian, it's good to hear from  
11 those who have different --

12          MR. BALCH: Right.

13          CHAIR WINNER: -- viewpoints from time to time.

14          MR. BALCH: After Mr. Cassidy's comments this  
15 morning I'm sure we'll be hearing from the trainers who  
16 disagree. Thank you.

17          COMMISSIONER KRIKORIAN: And our tax rates are  
18 high for that very same reason.

19          COMMISSIONER AUERBACH: Yeah. There you go.

20          CHAIR WINNER: All right. Let us move on to item  
21 number six, discussion by the Board regarding the proposed  
22 amendment to CHRB Rule 1699, Riding Rules, as it pertains to  
23 the criteria for disqualification in a horse race.

24                 I think Executive Director Baedeker is going to  
25 open the discussion on this item.

1 EXECUTIVE DIRECTOR BAEDEKER: Yes. Mr. Chairman,  
2 we proposed some language during a meeting of the stewards  
3 in November which was reviewed by that body and was well  
4 received at that time. And that -- that would be indicated  
5 in version one. That was the version that was circulated at  
6 that time.

7 Since then the challenge of amending the riding  
8 rule went to the Regulatory and Legislative Committee,  
9 Commissioners Choper and Rosenberg. And we've been working  
10 on other variations to the riding rule so that the Board  
11 would have a better discussion about the options. And I  
12 will admit to you that I think that I have been pushing this  
13 a little bit too hard and trying to move it perhaps a little  
14 bit too quickly because we've been notified by Staff within  
15 the last few days after all of this was published that the  
16 proposed language may, in fact, not pass muster with the  
17 Office of Administrative Law in its current form.

18 So I'm suggesting, Mr. Chairman, that the action  
19 part of this, at least relative to moving these -- one of  
20 these versions into the 45-day public comment period would  
21 be premature, and that we should come back to the Board with  
22 language that we're confident will pass muster with OAL.  
23 However, the discussion of the issue, obviously, is also on  
24 the agenda. But I don't think we -- I recommend that we not  
25 get bogged down looking at the three versions that are

1 contained in the Board book as those might change.

2 CHAIR WINNER: And this item is actually presented  
3 for Board discussion and not for action, and I think that's  
4 what Mr. Baedeker is saying. And obviously it's an issue  
5 that has -- that has been discussed. We discussed it at a  
6 prior meeting. We discussed it, as Rick said, at the  
7 Stewards Committee meeting. It's an issue that's received a  
8 lot of discussion on air and elsewhere in print. And  
9 obviously we want to do the best we can. This is not a  
10 perfect situation. There's always going to be subjective  
11 judgments.

12 And therefore the question is how can we make it  
13 as clear to -- to the judges, to the stewards, as well as to  
14 the people involved in racing and to the people who are  
15 wagering on the races. We want it to be as consistent and  
16 as clear as it can possible be. It's a difficult task. Any  
17 time you have something subjective, especially here where  
18 the outcome, and as I've said at earlier meetings, in most  
19 sports it's rare that the outcome is determined by a judge's  
20 decision. In racing the outcome, not just for first place  
21 but in our case it's first, second, third, fourth, fifth,  
22 etcetera, can be determined by a judge's decision. And  
23 it -- and consistency in any sport is important, in our case  
24 to the riders, to the owners, to the trainers, to the  
25 wagerers. And we want to do the best we can to -- to make

1 it as clear as possible and as consistent as possible.

2           That is not an easy task. As a matter of fact,  
3 it's become -- it is -- it has been and is becoming even  
4 more clear, but it's a difficult task. And Mr. Baedeker and  
5 his staff have done, in my view, a phenomenal job and have  
6 worked really hard at trying to deal with this issue.

7           I do have -- I know the Board is going to have  
8 some questions and some discussions. I'm going to call on  
9 Commissioner Auerbach who I know has some points to make.  
10 But I would like to ask -- Scott, are you the only Steward  
11 who is here? Could you come up, please. All right.

12           And Rick wants to point out one other thing  
13 before --

14           EXECUTIVE DIRECTOR BAEDEKER: Yeah. I think that  
15 it was stated the last time we discussed this publicly that  
16 this did not originate with the controversial call in the  
17 Breeders' Cup Classic. This was already on the agenda for  
18 the Stewards Committee meeting prior to the Classic. It's  
19 there because when I took the job it became clear to me that  
20 this rule was being interpreted differently in the North  
21 than the South. And it seemed improper, I guess is the  
22 right word, that one state would have effectively a  
23 different rule North and South. And so the goal was to  
24 achieve perhaps more precise wording that would bring the  
25 interpretation from wherever it is more in line with the --

1 the intent of the rule makers.

2 Now I will also say that -- and I don't need to  
3 speak for Scott, certainly -- but whereas the stewards  
4 almost universally supported the idea of a change when we  
5 met in November, they now almost -- not almost universally,  
6 they universally support the notion of no change, believing  
7 that, as a matter of fact, it ain't broke, we don't need to  
8 fix it.

9 CHAIR WINNER: And that's exactly one of the  
10 reasons that I wanted Scott to come up because I want to  
11 find out how that change occurred. And let me just preface  
12 that by saying that we've had a number of meetings with the  
13 Stewards Committee over -- since I've been on the Board  
14 where we've discussed this issue, along with other issues,  
15 not just with the stewards but we've had some people  
16 representing the jockeys come in, people representing the  
17 trainers come in, etcetera. And we're trying to get it as  
18 right as we can. And I recognize there is no absolute right  
19 with respect to this -- to this rule or any rule.

20 And we've looked, by the way, at all of the  
21 states, all of the racing jurisdictions, to see whether they  
22 have something in their rules that might be preferable to  
23 what we have in our rule. Generally speaking, they're all  
24 about the same. There isn't a lot of difference between the  
25 rules in other states and the rule in -- in this state.

1 There is some difference, for sure.

2           And then there's the whole issue about a foul is a  
3 foul is a foul. And that has been raised many, many times.  
4 We've looked at it. I don't think there's any other  
5 jurisdiction where a foul is a foul, other than, I don't  
6 know, someplace somewhere. There's one -- one place in the  
7 world, I think, where a foul is a foul. And the reason for  
8 that is apparently that that problem -- that is not a very  
9 good solution to the problem. At any rate, it isn't  
10 something that we haven't spent a lot of time dealing with  
11 and trying to -- trying to find a better answer.

12           My question that I'll start with for Scott is --  
13 first of all, introduce yourself, Scott.

14           MR. CHANEY: Sure. Scott Chaney, C-H-A-N-E-Y.  
15 I'm a steward.

16           CHAIR WINNER: My question is we had a pretty  
17 lengthy discussion at the Stewards Committee. All the  
18 stewards were there, maybe save one or two. And the  
19 conclusion, as Executive Director Baedeker stated, was that  
20 a change was in order. And as a matter of fact, I think  
21 even the language, maybe with some tinkering that  
22 Commissioner Baedeker brought at the -- or that Executive  
23 Director Baedeker brought at the time seemed to be well  
24 received. What happened?

25           COMMISSIONER AUERBACH: Can I -- can I interject

1 before --

2 CHAIR WINNER: Sure.

3 COMMISSIONER AUERBACH: -- before? I would like  
4 to take a little different tact, if you don't mind, I really  
5 would.

6 EXECUTIVE DIRECTOR BAEDEKER: And I don't think  
7 these mikes are working yet, are they?

8 COMMISSIONER AUERBACH: I don't know, but I've got  
9 a loud voice.

10 EXECUTIVE DIRECTOR BAEDEKER: Can you hear  
11 Madeline?

12 COMMISSIONER AUERBACH: Okay. Prior to -- you've  
13 had a set up here, and I'm going to throw a little bombshell  
14 in it, because I happen to agree with the stewards. I don't  
15 think we need to change the language at all because I don't  
16 think there's any language that we can write that is going  
17 to get it done. And I appreciate how much work everybody's  
18 done, and I know how much work you've done. And I don't  
19 believe that there is a magic waive of the wand that it  
20 going to make this right.

21 Let me tell you, if I may, Scott, why I believe  
22 that the language is okay. I don't think the language is  
23 the problem at all. I think the problem -- and I'm going to  
24 go all the way to my conclusion, I blame us for lack of  
25 leadership. And let me tell you what I'm talking about.

1           I think it's up to the Board to set the tone of  
2 the way that the rules are interpreted. I want to bring  
3 everybody along with my thinking and how I came to this, and  
4 I've had a lot of sleepless nights.

5           I had a horse in on Monday, the fifth race at  
6 Santa Anita, who got completely taken out at the start of  
7 the race. And like everybody else, when you're an owner and  
8 you walk out of here and your horse gets wiped out at the  
9 start of the race, and you look up and the stewards, not  
10 only do they not take the offending action down, they also  
11 manage to blame my horse for part of the problem, which I  
12 thought was insane, I thought it was ironic. I thought, oh  
13 my God, because my horse broke a bit slow that she's getting  
14 blamed. She didn't dwell, she didn't do anything wrong, but  
15 she did get a share of the blame. And I thought, something  
16 is wrong with this picture.

17           I'm walking out of the track and a very well  
18 respected trainer came up to me and said the following  
19 thing -- and I'm not going to identify names because I'm not  
20 here to point fingers -- said to me, "Wow, that's good to  
21 know. I am now going to tell my riders, take out the  
22 competition at the start because they never take them down."

23           When I hear a trainer of that stature say that me,  
24 I'm very concerned because I sit on this Board in concern  
25 for the horses and the jockeys. I have spent the last

1 couple of days talking and being talked to by a lot of  
2 people. I had a Hall of Fame jockey tell me that one of the  
3 first things he learned many years ago about riding is that  
4 you're taught from the very beginning, when you break out of  
5 the gate you go straight. And it's ingrained in your head  
6 that if your horse does anything other than go straight  
7 you've got to correct it.

8 I am seeing a situation now where our stewards are  
9 making interpretations on the rules that perhaps we have not  
10 given them the guidance to help them with what we think it  
11 important. And that's on us. That's not on them. That's  
12 on us. And my view is our first priority when we're looking  
13 at all of this is the safety of the riders. Our second  
14 priority is the safety of the horses. If we make our  
15 rulings based on those two factors I think we will see a  
16 change in the way we interpret the rules here, and we will  
17 see an alignment of the rulings in California. I honestly  
18 believe that. I honestly believe that we have forgotten the  
19 most important rule in looking at the DQs is the health and  
20 welfare of our riders and of our horses.

21 And I just -- I think it's a leadership issue for  
22 this Board to tell -- to instruct our stewards that that's  
23 got to be their first concern. And I don't think you change  
24 rules. I think the rules are fine. I think the way you  
25 interpret the rules is what we're struggling with.

1 CHAIR WINNER: Let me -- let me also comment on  
2 this, and I'll throw second bombshell possibly.

3 COMMISSIONER AUERBACH: Okay.

4 CHAIR WINNER: First of all, I believe based on my  
5 experience in working with the stewards that they -- that  
6 that is their understanding, that the priority is the safety  
7 of the horse and the safety of the rider.

8 However, the very point that you make is why I  
9 think that we ought to at least consider examining the rule.  
10 I'm not shirking the responsibility of giving the guidance  
11 from this Board to the stewards, and I think that's a very  
12 important point. And I think that, frankly, I think that is  
13 our responsibility. But I also have to say that I believe  
14 that the stewards in California understand that. And I  
15 think they -- I think they got -- they've already gotten  
16 that message. You may disagree. Any of us may disagree  
17 with decisions.

18 Now here's the second bomb. I looked at the race  
19 probably 50 times now that you're talking about. If I were  
20 a steward I would not have disqualified that horse. I would  
21 not have taken it down. I think the decision they made was  
22 right, in my opinion. Now that's based on the rule we  
23 currently have. Based on the rule we currently have I would  
24 not have taken that horse down.

25 Now what I would do is I would give extensive days

1 to the jockey, or maybe two jockeys, maybe the inside horse  
2 and the outside horse. But certainly the outside horse, I  
3 would -- I guess it was Breece (phonetic). I would have  
4 given -- I would find a way to make it more -- to increase  
5 the penalty on the jockey who creates the problem and not  
6 make the outcome of a race dependent on the judgment of the  
7 stewards unless it's absolutely clear. And the reason for  
8 that is I think the horses and the jockeys ought to  
9 determine the outcome of the race and not the stewards. Now  
10 that's the rule as written.

11 My point, Madeline, is that maybe there is not  
12 better rule to be written. Maybe that's true. And maybe  
13 there is a way of even making it more clear to the stewards  
14 what the primary objectives are, and they are just exactly  
15 as you stated, but I do think it's worth evaluating.

16 The most important problem we have or one of the  
17 most important problems we have, besides safety which is the  
18 most important problem, is that there is inconsistency.  
19 We've discussed it at every Stewards Committee meeting we've  
20 ever had since I've been on the Board, we have a problem  
21 with consistency. There isn't any question about it. There  
22 are different decisions made in the North and in the South,  
23 and sometimes there are different decisions made in the same  
24 jurisdictions based on certain circumstances.

25 So what I do know is that these guys, in my

1 opinion, work really hard at what they do. They do the very  
2 best that they can. Anybody who spends time up in the booth  
3 will know that they try really hard to get it right, and  
4 they're doing it based on what they think is the right thing  
5 to do. I really believe that strongly. I've seen it, I've  
6 watched it, and I believe it. You may disagree. That's my  
7 opinion. My opinion is they work really hard at getting it  
8 right.

9           And I think one of the things that this Board can  
10 do would be to help them by clarifying what --

11           COMMISSIONER AUERBACH: That's what I'm talking  
12 about.

13           CHAIR WINNER: But you clarify it --

14           COMMISSIONER AUERBACH: I'm talking about --

15           CHAIR WINNER: -- in writing. You don't --

16           COMMISSIONER AUERBACH: -- leadership.

17           CHAIR WINNER: -- clarify it necessarily by  
18 giving -- it's just like you said earlier, you can give  
19 guidance today. You're going to have a different Board --

20           COMMISSIONER AUERBACH: Right.

21           CHAIR WINNER: -- at different times in the  
22 future. That's why you try to put it into the rules.

23           COMMISSIONER AUERBACH: Well, it's --

24           CHAIR WINNER: If you have something that -- if  
25 there's something that clarifies, you know, write into the

1 rule the -- the safety of the horse and the rider --

2 COMMISSIONER AUERBACH: You know, I'm not  
3 objecting --

4 CHAIR WINNER: -- is the most important decision.

5 COMMISSIONER AUERBACH: I'm not objecting to  
6 finding better language, if it exists. But I don't really  
7 believe, and I'm speaking honestly, I don't believe that's  
8 the problem. Obviously, you and I don't agree on the start  
9 of that race, and that's not really very material.

10 What I'm really concerned about is talking to the  
11 riders. I'm talking about a colony out there who feel a  
12 very cowboy atmosphere. I'm talking about jockeys who don't  
13 know what they're supposed to do. And I am worried. We  
14 have a lot of young riders, a lot of inexperienced riders.  
15 I don't want the Wild West out here. I don't want to be on  
16 this Board if we lose a jockey because we could not provide  
17 the leadership necessary to make sure that we make good  
18 strong decisions. I'm worried.

19 CHAIR WINNER: Okay. Now we'll go on and have --

20 COMMISSIONER AUERBACH: Somebody else can talk.

21 CHAIR WINNER: First of all, let's have Scott, if  
22 you don't mind, respond to the first question that I asked,  
23 which was why did you change your mind?

24 MR. CHANEY: Yeah. Good question.

25 CHAIR WINNER: Why did all the stewards change

1 their position from the Stewards Committee meeting to the  
2 phone call?

3 MR. CHANEY: Right. Generally I would say perhaps  
4 the first time we had the sort of overall impression that  
5 there was a rule change coming, and most folks in the room  
6 were trying to do the best they could, given that they felt  
7 a rule was coming. And maybe this -- the second conference  
8 call we had last week there was an overall impression that  
9 perhaps it's not inevitable that folks should really sort of  
10 say what they feel.

11 Personally, I'm of kind of two minds. When I --  
12 when I signed on to be a steward -- I have a legal  
13 background, I'm a lawyer -- it was -- it's pretty clear that  
14 if -- in tough cases, in the close cases, that legally the  
15 horse that suffers the interference should be given the  
16 benefit of the doubt. In close cases a disqualification  
17 should occur if I'm, you know, sticking to my -- sticking to  
18 my roots.

19 Over time, as I become a steward, I've learned  
20 that a different philosophy is actually better and seems  
21 fairer to the wagering public, and that is in the close  
22 cases, in the ones you're not quite sure about, to leave  
23 them alone. And I -- that is the difference between the  
24 North and the South, it seems like. I mean, in general  
25 there's more disqualifications in Northern California than

1 there are in the South. And we have different philosophies  
2 whether because of that or that explain that, whether folks  
3 like to admit it or not.

4           And for me it's not -- if we're talking about  
5 changing the riding rule, it's not about, you know, changing  
6 the outcome of the Breeders' Cup Classic or Commissioner  
7 Auerbach's race the other day, it's -- consistency is  
8 important, and I recognize that. So I think sort of  
9 explains my sort of personal schizophrenia, right, that on  
10 one hand I really expect sort of like the legal -- and it  
11 actually might make our job a little bit easier to just say  
12 in close cases we're taking a horse down. There will be  
13 more disqualifications in Southern California for sure, but  
14 it might align Northern and Southern California.

15           So ironically I'm guessing that the language in  
16 some of the proposed new riding rules that's causing  
17 whatever body looks at the legal aspects is the line that  
18 says in close cases the benefit of the doubt should go to --  
19 I mean, I think that's the irony. And that probably, for  
20 me, like would be the best change in terms of making more  
21 consistent decisions.

22           CHAIR WINNER: You didn't -- can you just go back  
23 one time, Scott, and reiterate why -- I mean, did you guys  
24 all get together at some point after the Stewards Committee  
25 meeting and say, well, maybe we made a mistake, or what

1 happened?

2 MR. CHANEY: No, not at all. I can't speak for  
3 everyone. I, you know, I looked at some of the  
4 possibilities and tried to give my -- what I thought was  
5 doing was giving what the best, if we were going to make  
6 changes, what the best changes would be.

7 Personally, I'm not opposed to making it a little  
8 bit more clear. And maybe that doesn't even need to be a  
9 rule -- a language change. Maybe that is just a philosophy  
10 from the Board that says in close cases, you know, take the  
11 -- you know, disqualify the horse. I think in some ways  
12 that would remedy the ill of having more consistent  
13 decisions between the North and the South. I'm not for  
14 using the riding rule like, as you said earlier, in order  
15 to -- to correct riding. I think that's what the next day  
16 is in terms of handing out suspensions days and things like  
17 that.

18 CHAIR WINNER: Wouldn't that be -- wouldn't that  
19 lead to what I was talking about a little earlier which is  
20 in -- in -- there are -- there are, in many cases, the --  
21 the suspensions of the -- of the rider and increasing the  
22 suspensions or harsher suspensions may be more appropriate  
23 than taking a horse down if -- if it isn't clear that it  
24 affected the outcome of the race?

25 MR. CHANEY: Absolutely.

1 CHAIR WINNER: So as an alternative, and I'm not  
2 suggesting that it is an alternative, but as an  
3 alternative -- and by the way, as I recall, when we had the  
4 Stewards Committee meeting and the jockeys who were  
5 represented there, and they were pretty high-level  
6 jockeys --

7 MR. CHANEY: Uh-huh.

8 CHAIR WINNER: -- I think that's what they were  
9 recommending, is that we actually increase the numbers of  
10 days of suspension of riders who ride Wild West.

11 COMMISSIONER AUERBACH: I want to ask you a  
12 question.

13 CHAIR WINNER: Okay. Wait just a second.

14 COMMISSIONER AUERBACH: Sorry. Sorry.

15 CHAIR WINNER: Everybody wants to speak. So I'm  
16 just going to finish my question.

17 So that is -- in other words, rather than  
18 tinkering with the rule and having more horses taken down,  
19 maybe that's another alternative that we ought to consider.

20 Let me start over here because everybody has a  
21 question. So we'll start with Commissioner -- we'll go  
22 right around -- Commissioner Beneto.

23 COMMISSIONER BENETO: Well, there's never two  
24 races the same. I mean, you can pull 1,000 films and watch  
25 them and there's never -- you're not going to see two races

1 the same. The jock has got pressure on him. There's a ten-  
2 horse field, he's the number ten hole. And his trainer is  
3 saying there's a lot of speed in here so you better get over  
4 as quick as you can. And you've got an owner there. I  
5 mean, I've been in the paddock where the owner and the  
6 trainer is telling the guy how to ride the horse. So, you  
7 know, and then when he comes out of the gate -- in other  
8 words, everybody is trying to do the same thing. And we're  
9 lucky there's not more wrecks than what there is right now.

10

11           And there was a race I watched last Saturday back  
12 East where a jock on the stretch cut a horse off and the kid  
13 had to pull up. And I said they're going to pull that  
14 number. The stewards looked at that and they called foul,  
15 the jock called foul, and left everything as is. And it was  
16 obvious that there was almost a wreck there.

17           So I -- to change the rules or to add more days, I  
18 think that ain't going to work. Because I think the -- the  
19 kids are doing the best they can, and taking orders from the  
20 owner and the trainer, and trying to be safe out there. I  
21 think they're doing a good job. I think we ought to leave  
22 everything the same.

23           CHAIR WINNER: Mr. Choper?

24           COMMISSIONER CHOPER: Yeah. Commissioner  
25 Rosenberg and I had a hearing on this, and with a lot of

1 input from the Executive Director. We've talked a lot about  
2 this and considered it pretty thoroughly. Let me make a  
3 couple of quick points, and then what I think is the major  
4 point.

5           The views of most everybody are all over the lot,  
6 all right? An analogy in the law would be from capital  
7 punishment to let them go. And that's been true with the  
8 outside few letters that we got here, all over the lot,  
9 diametrically opposed. There's obviously no simple answer  
10 to this.

11           But I want to emphasize one major point, and that  
12 is if you're looking for consistency, and that has been  
13 stated on a number of occasions, the most direct route to  
14 consistency is to reduce the discretion of the decision  
15 maker; that's -- that's just a fact. And the more hard  
16 rules you have the more consistent you will be. The  
17 difficulty is, of course, you may be wrong because you've  
18 made a bad rule. So it's not -- it's not -- it's not easy.

19           But having said that I believe, and this is just  
20 me, all right, but if I were delegated the authority to make  
21 the rule I would adopt one of the versions that Executive  
22 Director Baedeker laid out here. But my goal would be to  
23 try to be more consistent by reducing the discretion of the  
24 decision maker. There's nothing novel about this. That is  
25 an enormous debate today in the law and in the -- in the

1 justice system and the Supreme Court, very, very strong. I  
2 favor the rule makers and not the judgment callers there.

3 And I think what Commissioner Auerbach urged was  
4 to produce a rule that will go beyond the immediate rule  
5 makers, and that is a rule that reduces discretion.

6 CHAIR WINNER: No. I think Commissioner Auerbach  
7 was saying don't change the current rule.

8 COMMISSIONER CHOPER: No, no. I thought she said  
9 it's -- I thought --

10 COMMISSIONER AUERBACH: What I --

11 COMMISSIONER CHOPER: -- difficulty --

12 COMMISSIONER AUERBACH: I think what -- if I might  
13 put words in your mouth, I don't mean to, what -- what my --

14 COMMISSIONER CHOPER: Well, it wouldn't be the  
15 first time.

16 COMMISSIONER AUERBACH: What the rules should say  
17 in my opinion is that the health and safety of the rider and  
18 the horse --

19 COMMISSIONER CHOPER: Are paramount.

20 COMMISSIONER AUERBACH: -- are paramount.

21 CHAIR WINNER: Well, so that is a change. But  
22 that is a change.

23 COMMISSIONER AUERBACH: Well, it is. I'm not  
24 saying -- whether we change the rule or not is not my main  
25 issue. My main issue is that we show leadership and we tell

1 the room, that is what your charge is. The first charge is  
2 the health and safety of --

3 CHAIR WINNER: Yeah.

4 COMMISSIONER AUERBACH: -- of the horse and the  
5 rider.

6 COMMISSIONER CHOPER: I don't think anyone will  
7 have any objection to that.

8 CHAIR WINNER: Yeah. But I think they know that.  
9 I mean --

10 COMMISSIONER CHOPER: That's --

11 COMMISSIONER AUERBACH: I -- but --

12 CHAIR WINNER: -- just to tell them that --

13 COMMISSIONER AUERBACH: I think they need -- I'm  
14 not -- I don't think it's they don't know that. I think  
15 they need a reminder --

16 COMMISSIONER CHOPER: That's all right.

17 COMMISSIONER AUERBACH: -- strong reminder --

18 COMMISSIONER CHOPER: It can't hurt.

19 COMMISSIONER AUERBACH: -- that that's what we're  
20 the most concerned about.

21 COMMISSIONER CHOPER: I want -- I want to say one  
22 other thing --

23 CHAIR WINNER: Please, go ahead.

24 COMMISSIONER CHOPER: -- and I'm going to --  
25 the -- the notion of -- first of all, the rule -- all the

1 rules have the same -- have the same provision at the end,  
2 the last -- it says,

3 "If a jockey rides in a many contrary to this rule  
4 the mount may be disqualified and the jockey may be  
5 suspended or otherwise disciplined by the stewards."

6 So that's there. Now the fact that it's there  
7 doesn't mean that it's done very often, and I hadn't thought  
8 about that before, and I'd want to think some more about it.  
9 But it may well be that the object of the hit might -- maybe  
10 would work better with the jockey if the jockey took more of  
11 the brunt of the thing. I don't know, but it's different.  
12 That's not -- I mean, there's always been the notion there.  
13 But your suggestion that you don't take down the horse but  
14 you punish the jockey, that's the way I understood it.

15 CHAIR WINNER: You don't take down the horse if it  
16 isn't clear.

17 COMMISSIONER CHOPER: No, no, no, no, I  
18 understand. But you might well decide that you're going to  
19 punish the jockey and not take down the horse.

20 CHAIR WINNER: Correct. It happens a lot. I'm  
21 suggesting that we at least consider making that more  
22 severe --

23 COMMISSIONER CHOPER: Yeah.

24 CHAIR WINNER: -- in more severe cases --

25 COMMISSIONER CHOPER: No, no. I think --

1 CHAIR WINNER: -- that's all.

2 COMMISSIONER CHOPER: I think that's a good -- I  
3 think that's a good idea. But -- but I want to -- at the  
4 risk of repeating myself, which I have been known widely to  
5 do, I want to say this, if you want consistency then you've  
6 got to try as hard as you can, consistent with -- with good  
7 sense, to reduce the judgment of the decision maker. If  
8 not, then you may have lots of good judgments made, but they  
9 won't be as consistent. Okay. Done.

10 CHAIR WINNER: Vice Chair Rosenberg, we're going  
11 right around.

12 VICE CHAIR ROSENBERG: We -- as Commissioner  
13 Choper pointed out, we spent a lot of time on this with the  
14 lead of Executive Director Baedeker. I wanted to point out  
15 a couple of things.

16 One major change that -- that drafts two and  
17 three, which is something that Commission Baedeker [sic]  
18 came up with, which we actually agreed to, was to attempt to  
19 make a distinction between -- and clean up the language in  
20 the act. I do believe we have to come up with a new rule.  
21 There's too many ambiguities in it. And the idea was to  
22 distinguish between what's a foul at the start of a race or  
23 after the start of a race? And that's version -- it's in  
24 version two and version three; correct? Yeah. Okay. That  
25 doesn't mean there will be a disqualification. That just

1 means that we define what interference is in each case.  
2 So -- and all of you can read this. It's on page 6-7. I  
3 think that makes a lot of sense. I don't see any negatives  
4 to that, unless -- I don't know if you've read those  
5 changes --

6 MR. CHANEY: I have.

7 VICE CHAIR ROSENBERG: -- or seen those.

8 MR. CHANEY: I don't have it in front of me.

9 VICE CHAIR ROSENBERG: Okay.

10 CHAIR WINNER: You want to read -- you want to  
11 read it? I can --

12 VICE CHAIR ROSENBERG: Well, it's too -- it's too  
13 long read now. I mean, I think we -- that's something to  
14 look at. I think that's a very significant improvement over  
15 the existing rule. Then we go -- so then -- then once  
16 there's -- there's an interference determined by either the  
17 start of the race or after the start of the race, then we go  
18 to the next section which is what happens. And I think that  
19 structure will help improve -- and I'm not saying this is  
20 the final language because this has to be discussed further.  
21 I think that structure should be considered strongly, to  
22 have that breakdown as to -- if you want to go over it now,  
23 Scott, look at the -- look at Rule 6.7 or 6.5.

24 EXECUTIVE DIRECTOR BAEDEKER: Sure. The operative  
25 difference there -- operative words that are different are

1 "severely bumping or severely impeding" --

2 VICE CHAIR ROSENBERG: Right.

3 EXECUTIVE DIRECTOR BAEDEKER: -- relative to the  
4 start versus the definition of interference after the start.

5 MR. CHANEY: Right. I guess one of my concerns is  
6 I wonder if it changes the subjectivity to what constitutes  
7 interference rather than -- it seems like right now we, as a  
8 Body, sort of generally agree. And most folks and folks who  
9 watch racing agree what interference is. The sort of  
10 subjective part becomes did it cost the horse the  
11 opportunity of a better placing.

12 VICE CHAIR ROSENBERG: Two separate issues.

13 MR. CHANEY: Absolutely.

14 VICE CHAIR ROSENBERG: Right. Two separate  
15 issues.

16 MR. CHANEY: But I'm wondering if this new --

17 VICE CHAIR ROSENBERG: So what's the problem with  
18 this language in the -- to define when interference is? It  
19 has nothing to do with the second part. The second part  
20 you're talking about is disqualification.

21 MR. CHANEY: Sure.

22 VICE CHAIR ROSENBERG: The first part talks about  
23 was there a foul to begin with.

24 MR. CHANEY: Correct.

25 VICE CHAIR ROSENBERG: So what was your problem

1 with that? What's your problem with that?

2 MR. CHANEY: Well, I guess part of the problem is  
3 like let's -- I mean, the elephant in the room, I guess, is  
4 the Breeders' Cup Classic. I think everyone universally  
5 agree that that was interference. Just -- so defining it,  
6 while helpful, wouldn't have changed the -- the analysis at  
7 all, I guess?

8 COMMISSIONER AUERBACH: Why?

9 MR. CHANEY: We would still call it interference.  
10 We would still be burdened with the idea of whether it  
11 caused the horse to interfere with the opportunity of better  
12 placing or not.

13 CHAIR WINNER: If we -- does the blimp shot show  
14 interference, using the Breeders' Cup?

15 MR. CHANEY: Yes, it does.

16 VICE CHAIR ROSENBERG: By whom?

17 MR. CHANEY: I mean, I think I've always been  
18 pretty consistent about that. And in -- in Commissioner  
19 Auerbach's case, too, both -- both are interference. I  
20 think you should fire me if I sat in front of you and said  
21 it wasn't interference.

22 COMMISSIONER CHOPER: Wait. Hold on. Wait.  
23 Wait. Did it show severely bumping or severely impeding --

24 COMMISSIONER AUERBACH: Yeah.

25 COMMISSIONER CHOPER: -- another horse?

1 COMMISSIONER AUERBACH: Absolutely.

2 MR. CHANEY: I think that -- I think that sort of  
3 highlights my --

4 COMMISSIONER CHOPER: Did -- wait. Wait. Did the  
5 blimp shot show that, yes or no?

6 MR. CHANEY: I would say no. I think that's an  
7 open discussion though. I think some people would say yes,  
8 and it would move the subjectivity --

9 CHAIR WINNER: Even from the blimp?

10 MR. CHANEY: -- to whether it was --

11 CHAIR WINNER: Even on the blimp shot?

12 MR. CHANEY: -- severe or not.

13 CHAIR WINNER: Even in the blimp shot where --  
14 where the horse actually was clear when it came over?

15 MR. CHANEY: It was an easy decision for me. So,  
16 no, I wouldn't call it severe interference. I would call it  
17 interference though.

18 EXECUTIVE DIRECTOR BAEDEKER: Didn't you just  
19 differentiate? Didn't you say that at the time, real time,  
20 everybody agreed, including the stewards --

21 MR. CHANEY: Right.

22 EXECUTIVE DIRECTOR BAEDEKER: -- that there was  
23 interference?

24 MR. CHANEY: Correct.

25 EXECUTIVE DIRECTOR BAEDEKER: And then I think the

1 question was but with the blimp shot would you say that  
2 there was severe interference? And I think you said, no,  
3 right --

4 MR. CHANEY: Correct.

5 EXECUTIVE DIRECTOR BAEDEKER: -- with the blimp  
6 shot.

7 EXECUTIVE DIRECTOR BAEDEKER: Just clarifying.

8 VICE CHAIR ROSENBERG: This is Commissioner  
9 Choper's point --

10 COMMISSIONER AUERBACH: Right.

11 VICE CHAIR ROSENBERG: -- the more definition you  
12 can give it, and we can over it, change language, make --  
13 use different words, the better it is for you to get the  
14 results consistent --

15 MR. CHANEY: Fair enough.

16 VICE CHAIR ROSENBERG: -- on the interference  
17 issue, just on the issue of interference.

18 Now the second part which is the key part, which  
19 is was there -- you know, what happens --

20 MR. CHANEY: Sure.

21 VICE CHAIR ROSENBERG: -- that we have to work on.  
22 But I want to ask you --

23 MR. CHANEY: And that's -- and that's --

24 VICE CHAIR ROSENBERG: -- a question. On the  
25 existing rule, okay, what do you interpret this to mean, "A

1 horse shall not alter course" -- okay, let's forget that  
2 part. "In a park" -- no. "Cause interference" -- I'll just  
3 paraphrase this,

4 "A horse shall not cause interference in a -- in a  
5 part of the race where the horse loses the opportunity to  
6 place where it might reasonably be expected to finish."

7 MR. CHANEY: Right.

8 VICE CHAIR ROSENBERG: How do you interpret that?  
9 What do you think that means?

10 MR. CHANEY: I think that --

11 VICE CHAIR ROSENBERG: Finish -- finish where?  
12 Finish one, two, three, one through five?

13 MR. CHANEY: Right.

14 VICE CHAIR ROSENBERG: Part of the purse structure  
15 or what?

16 MR. CHANEY: Yeah. Great question. It's always  
17 been interpreted in California as the next immediate place;  
18 right? So if you were seventh, beaten a head for sixth --

19 VICE CHAIR ROSENBERG: Yeah.

20 MR. CHANEY: -- you would decide whether it cost  
21 the horse a head. Or if it was sixth lengths back you would  
22 decide whether it cost the horse six lengths to be the  
23 immediate place ahead.

24 Internationally that is not the case. They think  
25 all this discussion that we're having is absurd, right,

1 because they would never disqualify these horses. But  
2 internationally it talks about whether they would have  
3 actually beat the -- whether they would have beaten the  
4 interfere or not. Does that make sense? As opposed to the  
5 way the U.S. has always interpreted it, and that is whether  
6 it cost the horse the immediate next place.

7 CHAIR WINNER: Well, that's a very different  
8 distinction --

9 VICE CHAIR ROSENBERG: Yeah.

10 CHAIR WINNER: -- internationally.

11 VICE CHAIR ROSENBERG: One more thing. During  
12 your comments earlier about the rule in general you  
13 suspected that the major objection might be the language  
14 that was -- is in each draft about "An opinion should be  
15 weighed in favor of the horse interfered with when such  
16 horse is not at fault." In my opinion that's not going to  
17 be -- I don't think people object to that.

18 MR. CHANEY: No, no. I meant the -- the agency  
19 who is interpreting whether this is legal or not. I don't  
20 know what that --

21 VICE CHAIR ROSENBERG: Oh. Well, we don't know  
22 about that.

23 MR. CHANEY: I don't know what the specific  
24 language is, but --

25 VICE CHAIR ROSENBERG: That, to me, is a mystery.

1 And no one has explained why that would violate anything.

2 In fact, we -- we have no information on that.

3 COMMISSIONER CHOPER: It simply -- look, it simply  
4 talks about who's got the burden of proof.

5 VICE CHAIR ROSENBERG: Yeah. Yeah.

6 MR. CHANEY: Maybe that's not the objection.

7 COMMISSIONER CHOPER: If you want to use that,  
8 that's --

9 MR. CHANEY: I just --

10 VICE CHAIR ROSENBERG: Oh. Okay, I got it.

11 CHAIR WINNER: I don't know what the objection is.

12 VICE CHAIR ROSENBERG: Yeah, I don't either. I  
13 have not idea either.

14 CHAIR WINNER: Now, you know, for me, for  
15 instance, I would have -- I'll use two races as examples. I  
16 would have said in Madeline's -- in the case of Madeline's  
17 horse that was severe interference.

18 COMMISSIONER AUERBACH: It was.

19 CHAIR WINNER: I would have said it was severe  
20 interference.

21 COMMISSIONER AUERBACH: And it blows my mind.

22 CHAIR WINNER: But I would not have not taken the  
23 horse down because I don't know that --

24 VICE CHAIR ROSENBERG: Why?

25 CHAIR WINNER: I could never make the case that

1 the horse that was interfered with would have necessarily  
2 improved the --

3 VICE CHAIR ROSENBERG: Well, wait. Wait.

4 COMMISSIONER AUERBACH: But -- but you don't know  
5 that.

6 VICE CHAIR ROSENBERG: The horse finished -- wait.  
7 The horse finished --

8 COMMISSIONER AUERBACH: We're not clairvoyant.

9 CHAIR WINNER: That's correct.

10 VICE CHAIR ROSENBERG: Yeah.

11 CHAIR WINNER: You don't know either way.

12 COMMISSIONER AUERBACH: That's the problem. But  
13 that's the problem, we're not clairvoyant. Why have we  
14 decided -- when did this become -- and this is maybe  
15 something you can enlighten me on. When did this become an  
16 issue that when the horses break out of the gate and there's  
17 major interference, and we all agree that it's major  
18 interference, when did that become okay? That's what I'm  
19 talking about a cowboy attitude. And I've spoken to all of  
20 the jockeys. When did it become okay when the horses break  
21 to have that major interference if you don't see a huge  
22 effort on the part of the horse that's causing -- like  
23 suppose a horse broke sideways and the boy grabs him right  
24 away out of the gate to get him out of the way, when did it  
25 become acceptable for that major interference?

1           And you guys use the language which drives me up a  
2 wall that somehow you're clairvoyant -- and I'm not talking  
3 about a specific race -- that you're clairvoyant and you  
4 know that that horse wouldn't have run better. If you ask  
5 all of the jockey colony they will explain to you -- and I'm  
6 not a rider and never have been -- that frequently the start  
7 of the race will determine what happens at the end of the  
8 race.

9           So I believe we don't look very small when we say  
10 that it had no bearing.

11           CHAIR WINNER: And it doesn't look very smart to  
12 say it had bearing, because that's a subjective call as  
13 well.

14           COMMISSIONER AUERBACH: But -- but you've had  
15 interference. So why shouldn't that --

16           CHAIR WINNER: But now you're saying a foul is a  
17 foul.

18           VICE CHAIR ROSENBERG: A foul is a foul. This  
19 is -- now there is -- now, Jesse --

20           COMMISSIONER AUERBACH: I understand that. But  
21 you have to give everybody an opportunity to get to the  
22 other end in one piece.

23           VICE CHAIR ROSENBERG: You know --

24           CHAIR WINNER: Well, that's the problem --

25           COMMISSIONER BENETO: But Madeline --

1 CHAIR WINNER: -- with this whole situation --

2 COMMISSIONER BENETO: Madeline, you got --

3 VICE CHAIR ROSENBERG: Right.

4 CHAIR WINNER: -- everybody can see what's going  
5 on.

6 COMMISSIONER BENETO: -- you got --

7 CHAIR WINNER: I mean, here there's  
8 disagreement --

9 COMMISSIONER BENETO: -- 115 pound jockey --

10 CHAIR WINNER: -- with the stewards that this  
11 is --

12 COMMISSIONER BENETO: -- against -- against a  
13 1,400 pound horse.

14 COMMISSIONER CHOPER: You're asking for more  
15 discretion, Mr. Chair.

16 COMMISSIONER BENETO: -- and he's trying to get  
17 out of the gate --

18 VICE CHAIR ROSENBERG: Yeah. Yeah.

19 COMMISSIONER BENETO: -- straight. It's tough.

20 VICE CHAIR ROSENBERG: Actually, I --

21 COMMISSIONER CHOPER: That's -- that's the great  
22 tension that there is there.

23 COMMISSIONER AUERBACH: I still think --

24 COMMISSIONER CHOPER: -- you lose -- if you limit  
25 people's discretion you're going to get results that you

1 don't like 100 percent of the time.

2 CHAIR WINNER: Well, I want to -- I want -- I  
3 mean, if I were voting today I would vote for one of these  
4 three new rules, because I do believe --

5 VICE CHAIR ROSENBERG: Yeah.

6 CHAIR WINNER: -- that there should be greater  
7 direction and not just verbal direction. I would be in  
8 favor of improving the rule to make it a little more clear  
9 to everyone, including the stewards and everybody involved,  
10 including the betters, that -- that the rule -- that there  
11 is a little more consistency and a little more guidance. So  
12 whereas -- where I disagree with Commissioner Auerbach is I  
13 think if we're going to make it clear, let's make it clear  
14 in writing --

15 COMMISSIONER AUERBACH: No, no, no.

16 CHAIR WINNER: -- in the rule.

17 VICE CHAIR ROSENBERG: She's okay with that now.

18 COMMISSIONER AUERBACH: I don't -- but I don't  
19 have a problem with -- if you want -- if you've got a way to  
20 construct the rules that helps, fabulous.

21 What my concern is and what I don't really agree  
22 with you on is if you have somebody riding in a race and  
23 they're out there cowboying it in whatever fashion, and the  
24 stewards look at it and they say no takedown, it's -- we're  
25 not disqualifying anybody. And then you look at the

1 stewards' minutes, they've called the guy in, they said,  
2 "You ride like a cowboy, we're fining you."

3 VICE CHAIR ROSENBERG: They're suspending you.

4 COMMISSIONER AUERBACH: It doesn't make any sense.

5 COMMISSIONER CHOPER: Well, but that's -- that's  
6 one of the things --

7 COMMISSIONER AUERBACH: That, to me --

8 COMMISSIONER CHOPER: -- that the Chairman is --

9 COMMISSIONER AUERBACH: -- is one of the problems.

10 Let me just --

11 COMMISSIONER CHOPER: -- that we ought to think  
12 about.

13 COMMISSIONER AUERBACH: Let me just finish this  
14 thought --

15 COMMISSIONER CHOPER: I wonder. I'm not sure if  
16 it doesn't make sense.

17 COMMISSIONER AUERBACH: -- thought all the way  
18 through. If you are riding and you -- and the inquiry sign  
19 comes up, and you guys look at the race and you have a  
20 disqualification and you disqualify the horse and the rider  
21 gets days, everybody understands what happens. Where the  
22 confusion is, we've gotten into this habit now of calling an  
23 inquiry, okay, no disqualification, and the rider later  
24 finds out that he did indeed ride recklessly, that he  
25 probably should -- the horse should have come down, and you

1 give him days.

2           Why are we now saying it's okay, we're not taking  
3 the horse down but we're going to punish the rider?

4           MR. CHANEY: Because the rule says that.

5           CHAIR WINNER: Right.

6           MR. CHANEY: What --

7           COMMISSIONER AUERBACH: The rule says to do that?

8           CHAIR WINNER: Yeah. Because the rule --

9           COMMISSIONER AUERBACH: Is that not the way --

10          CHAIR WINNER: Look, Madeline, this is not new.

11          COMMISSIONER AUERBACH: -- we're interpreting the  
12 rule?

13          CHAIR WINNER: I mean, I can go back. Scott is  
14 aware of a horse -- he was in the booth several years ago  
15 and --

16          MR. CHANEY: Magical Fantasy, I know.

17          CHAIR WINNER: -- and -- yeah, that I owned, you  
18 talk about you horse you owned --

19          COMMISSIONER AUERBACH: Yeah.

20          CHAIR WINNER: -- in a stake's race, a graded  
21 stake's race where -- and this came, you know, at the -- at  
22 the 16th pole where the horse was essentially taken right  
23 out. My horse was taken right out of the race in my view.  
24 The horse went over four lanes. The owner of the other  
25 horse said his horse should come down.

1 COMMISSIONER AUERBACH: Right.

2 CHAIR WINNER: And the jockey was given days, and  
3 my horse lost by this much --

4 COMMISSIONER AUERBACH: Well, why didn't the horse  
5 come down?

6 CHAIR WINNER: -- and did not come down.

7 COMMISSIONER AUERBACH: Why?

8 CHAIR WINNER: And -- and it was a two-to-one  
9 vote. I don't know who voted which way.

10 COMMISSIONER AUERBACH: How come you guys didn't  
11 get voted?

12 MR. CHANEY: Because I -- because I voted for  
13 Commissioner Winner.

14 COMMISSIONER AUERBACH: Seriously, I mean --

15 MR. CHANEY: No. Because --

16 COMMISSIONER AUERBACH: -- we're all making it  
17 like a joke but we really need to get control of this. I'm  
18 not -- you know, I understand I'm fired up.

19 COMMISSIONER CHOPER: Do you want them to lose  
20 their discretion, Madeline?

21 COMMISSIONER AUERBACH: I want consistency. And I  
22 want a foul to be a foul. And I want the jockeys and the  
23 horses lives to be the most important thing that we're  
24 worried about.

25 CHAIR WINNER: And we all do.

1 VICE CHAIR ROSENBERG: Your example --

2 CHAIR WINNER: Trust me, there's nobody on this  
3 Board who disagrees with you on that point. And there's  
4 nobody in the stewards' --

5 COMMISSIONER BENETO: You're going to change the  
6 way the race is won.

7 CHAIR WINNER: -- in the stewards' colony who  
8 disagrees with that.

9 MR. CHANEY: I mean, the -- in my view, and I  
10 think it -- well, in my view the riding rule should not be  
11 used -- or the analysis, the inquiry should not be used to  
12 punish the jockey. That's not what it's really about. It  
13 is to get the correct order of finish; right?

14 CHAIR WINNER: Yeah, I agree with that.

15 MR. CHANEY: And that's why you have the portion  
16 about whether it cost the horse a better placing or not.  
17 You can have severe interference at the 16th poll. As  
18 Zenyada comes down the stretch, wipes out the second place  
19 finisher, horse clips heels, almost falls, finishes second,  
20 Zenyada goes on to win by ten, under your interpretation  
21 that's the Wild West and the horse should be disqualified.

22 The way it's written is that we have to decide  
23 whether it cost the horse an opportunity of better placing  
24 or not. Our analysis would be, no, it didn't cost the  
25 second place finisher an opportunity of better placing.

1 Therefore, why harm the wagering public, right, when we can  
2 deal with the poor writing, which is something we take very  
3 seriously. And I bristle at any jockey who says we don't,  
4 it's just wrong. I mean, it's -- they're not -- a jockey  
5 might not be happy with one particular race or one  
6 particular decision that we make. But in general it's not  
7 the Wild West out there. That's just not a fair  
8 interpretation.

9 But that's why we call them in the next day and  
10 decide whether there should be some penalty or not. I mean,  
11 that's how we correct riding, not through the riding rule.  
12 I think that's a terrible road to go down.

13 VICE CHAIR ROSENBERG: Scott, I'm going to give  
14 you a specific example. This is something that we discussed  
15 in our committee as to whether stewards psychologically or  
16 just practically handicap when they make their decision, and  
17 what am getting at is this, the example you used.

18 So Zenyada who was, you know, whatever, one-to-  
19 five or something, in the race, it happens and the horse --  
20 the second horse was way behind in the odds. Let's say it  
21 was 40-to-1 shot that did that, okay, and the other horse  
22 that was smashed as the favorite.

23 MR. CHANEY: Right.

24 VICE CHAIR ROSENBERG: Okay. You would have to  
25 handicap in your mind whether that horse, because it was

1 theoretically better than the horse that one, would have  
2 made up the ground and could have -- it wasn't hit would  
3 have won the race; don't you? Don't you do that?

4 MR. CHANEY: I mean, it would be hard not to.  
5 We're human beings.

6 VICE CHAIR ROSENBERG: It's hard not to; right?

7 MR. CHANEY: It shouldn't be part of the rule.  
8 But I think --

9 VICE CHAIR ROSENBERG: Okay. Which gets to my --

10 MR. CHANEY: -- otherwise --

11 VICE CHAIR ROSENBERG: Which gets to my point.

12 Read this language here. We were struggling with that issue  
13 on both version 6.5 and 6.7. Do you have both of them?

14 MR. CHANEY: I think so.

15 VICE CHAIR ROSENBERG: Read the part near the  
16 bottom where it says, "b) a horse which interferes which  
17 another as defined in section (a)," so that's already been  
18 defined, there's been interference, "loses the opportunity  
19 for a better placing as determined by the distribution of  
20 the purse."

21 MR. CHANEY: Right.

22 VICE CHAIR ROSENBERG: Now that language needs to  
23 be cleaned up because it means it has to impact the purse.  
24 Because you used the example earlier of a seventh place  
25 finish and, you know, the horse might have finished six but

1 there's no money there for the horse.

2 MR. CHANEY: Right. And a strict application of  
3 the rule --

4 VICE CHAIR ROSENBERG: Yes.

5 MR. CHANEY: -- requires a disqualification. But  
6 it seems silly to disqualify a winner if it effected the  
7 eighth place finisher.

8 VICE CHAIR ROSENBERG: But would you do that ever  
9 under the existing rule?

10 MR. CHANEY: Under the existing rule, I mean, I  
11 think it's sort of --

12 VICE CHAIR ROSENBERG: Probably not?

13 MR. CHANEY: We wouldn't --

14 VICE CHAIR ROSENBERG: Okay.

15 MR. CHANEY: -- is the short answer.

16 VICE CHAIR ROSENBERG: And how about if it was --

17 MR. CHANEY: But it's probably not a strict --

18 VICE CHAIR ROSENBERG: How about if a horse --

19 MR. CHANEY: -- application.

20 VICE CHAIR ROSENBERG: -- finished fifth and might  
21 have finished fourth in your minds?

22 MR. CHANEY: Yes, especially because there's  
23 purse.

24 VICE CHAIR ROSENBERG: Uh-huh.

25 COMMISSIONER AUERBACH: Uh-huh.

1 MR. CHANEY: And also there is -- there's wagering  
2 involved.

3 COMMISSIONER AUERBACH: Well, then --

4 VICE CHAIR ROSENBERG: Okay.

5 COMMISSIONER AUERBACH: -- there's real  
6 inconsistency.

7 VICE CHAIR ROSENBERG: So this language -- this  
8 language has to be cleaned up. But that's -- that was the  
9 intent here --

10 MR. CHANEY: Right.

11 VICE CHAIR ROSENBERG: -- was to deal with the  
12 fact that it has to involve a horse that might be -- might  
13 have received a portion of the purse.

14 Now the next version --

15 CHAIR WINNER: Or if there was wagering involved.

16 VICE CHAIR ROSENBERG: If there was wagering  
17 involved. The next --

18 CHAIR WINNER: So it might be a pick -- you know,  
19 a Super.

20 VICE CHAIR ROSENBERG: Yeah. The next -- the next  
21 version, if you read that, which I have to identify that as  
22 Commissioner Choper's version, which -- which Executive  
23 Director Baedeker and I think is more like a foul is a foul,  
24 read that version, or I'll read it out loud. "A horse which  
25 interferes with another as defined in subsection (a)," which

1 means there's been interference, "when such other horse is  
2 not at fault shall be disqualified and placed behind the  
3 horse so interfered with." And then, "In close calls the  
4 stewards shall be weighted -- shall -- in close calls the  
5 opinion of the stewards should be weighted in favor of the  
6 horse interfered with when such horse is not at fault."

7 MR. CHANEY: Sure.

8 VICE CHAIR ROSENBERG: What would you call that?  
9 Would you call that --

10 MR. CHANEY: A foul -- a foul approach. I mean,  
11 that's --

12 VICE CHAIR ROSENBERG: Yeah, so do we think that.

13 MR. CHANEY: -- that's sort of devolution, if you  
14 will, in terms --

15 VICE CHAIR ROSENBERG: Yeah.

16 COMMISSIONER CHOPER: If it is a foul as defined  
17 in the first section.

18 MR. CHANEY: Correct.

19 COMMISSIONER CHOPER: It's not any old foul.

20 VICE CHAIR ROSENBERG: It's a foul.

21 COMMISSIONER CHOPER: It's one that is at the  
22 start of the race, substantial interference or -- whatever  
23 it is, bumping, impeding, trying weaving in and out,  
24 causing -- whatever it is, okay, it's substantial. That's  
25 right. That is a foul. It's not a foul is a foul. It's

1 not any old foul.

2 VICE CHAIR ROSENBERG: Why? Why?

3 COMMISSIONER CHOPER: It's -- we disagree, as you  
4 can see, two geniuses --

5 COMMISSIONER AUERBACH: This is a really tough --

6 COMMISSIONER CHOPER: -- like us --

7 VICE CHAIR ROSENBERG: Well, this is the key  
8 issue, I think, because --

9 COMMISSIONER CHOPER: -- even disagree on this.

10 VICE CHAIR ROSENBERG: -- we have to come up with  
11 a version eventually. I don't know where we -- I don't know  
12 where we go from here, by the way, the next step.

13 CHAIR WINNER: What we want -- what we want to do  
14 is go finish up.

15 VICE CHAIR ROSENBERG: All right. Anyway --

16 CHAIR WINNER: I think it's Madeline's -- it's --

17 COMMISSIONER AUERBACH: No. I think I have had --

18 CHAIR WINNER: -- Commissioner Auerbach's turn.

19 COMMISSIONER AUERBACH: -- more than my turn.

20 CHAIR WINNER: Then Commissioner Krikorian is  
21 next.

22 COMMISSIONER KRIKORIAN: Okay. Thank you. I  
23 would say that Commissioner Choper is just dead on when  
24 he -- when he says it's the discretion that needs to be  
25 moderated. That's what we need to --

1           COMMISSIONER CHOPER: Well, let the record just  
2 show I say he's a wise man.

3           COMMISSIONER KRIKORIAN: Thank you. When I read  
4 some of the language in the rules, and the stewards have the  
5 discretion that they have, to me it's like -- it's guessing,  
6 it's hypothecating. And I -- and I just hate to see that  
7 being the final determinate, you know, to making decisions.  
8 I think that the -- the rules that have been proposed in  
9 here, that have been drafted, I don't think that they're  
10 perfect but I think they're going in the right -- in the  
11 right direction. And if you couple those rules being finely  
12 tuned with reducing the discretion by the stewards, I think  
13 you'd be a much -- we'd be in a much better place than where  
14 we are right now with this.

15           COMMISSIONER MCALLISTER: You don't like  
16 clairvoyant stewards?

17           COMMISSIONER KRIKORIAN: No.

18           COMMISSIONER AUERBACH: Okay.

19           VICE CHAIR ROSENBERG: George, how do you feel  
20 about the version three, about the foul, the way it's  
21 written?

22           COMMISSIONER KRIKORIAN: I think I could give you  
23 some comments on it. But my preference would be that we  
24 review it more --

25           VICE CHAIR ROSENBERG: Okay.

1           COMMISSIONER KRIKORIAN: -- and to write it down,  
2 because I think they -- they need to be worked on. But I  
3 think if they were worked on more, they're certainly going  
4 in the right direction. And that would -- that, I see, as a  
5 possible solution to this whole issue.

6           CHAIR WINNER: As -- as Executive Director  
7 Baedeker continues to point out correctly, in my view, that  
8 you can -- it's obvious, and I'm sure people in the audience  
9 and people who are listening, all have different views of  
10 this. It's a very difficult problem. And it's an  
11 important -- very important problem for all the reasons that  
12 we've all been discussing. And I think everybody agrees  
13 that safety is number one, and then making -- and doing the  
14 best we can to make it clear to the betters and everybody  
15 else what the rules are, and consistency. Those are things  
16 we all care about.

17           COMMISSIONER AUERBACH: Commissioner, I --  
18 Chairman, excuse me. Mr. Chairman --

19           CHAIR WINNER: It's all right. You can call me  
20 anything you want.

21           COMMISSIONER AUERBACH: Except late for dinner;  
22 right?

23           I appreciate having the opportunity of expressing  
24 how I feel. I'm frustrated. You know, I can't -- I'm not  
25 allowed to just -- I have been verbal about it. I am

1 frustrated because I see us going down a path that, quite  
2 frankly -- and I talked to -- to Rick about it. It  
3 frightens me. It frightens me because I feel as if we have  
4 to let everybody know what our opinion as a Board is.  
5 People have to know what we think. They have to know what  
6 our emphasis is. And they have to help us get to the fact  
7 that we really care about everybody's health and safety,  
8 above and beyond. And I don't want to do anything that  
9 takes away from that. And I'm not sure whether the  
10 language -- how we change it, what we do, I'm not that smart  
11 that I can figure it out. Unfortunately, we have to change  
12 the language and use it to find out what we didn't cover in  
13 it. I understand that, and you do too.

14 I am just -- I think it's important for our  
15 community to hear how fixated we are on this issue, how  
16 important it is. I know I probably spoke to Rick for 12  
17 hours yesterday, I drove him crazy, because I'm that worried  
18 about it. I am. I don't want to be in the position I'm in  
19 as a Commissioner of this Board and, God forbid, something  
20 happens to a rider or a horse that was foreseeable because  
21 of actions that we did or did not take. That's --

22 CHAIR WINNER: I don't think there's any  
23 disagreement on everything you just said.

24 I would suggest that -- that we refer this matter  
25 back Committee, that we also put it on the agenda for the

1 next -- when is the next Stewards Committee meeting; Jackie?

2 EXECUTIVE DIRECTOR BAEDEKER: It hasn't been  
3 scheduled, but it should be around June, May or June.

4 CHAIR WINNER: Let's -- can we move it up --

5 EXECUTIVE DIRECTOR BAEDEKER: Sure we can.

6 CHAIR WINNER: -- in order to revisit this with  
7 the stewards?

8 I would like to -- I mean, obviously we're not  
9 going to decide anything today. We can't decide anything  
10 today. So what I would like to do is continue this  
11 discussion through the committee process, maybe both  
12 committees, both your committee and the Stewards Committee,  
13 continue the discussions, and ask for any recommendations,  
14 thoughts, or anything that anybody has that they can submit.  
15 Everybody recognizes, I think, what the problem is.

16 I would also like to raise the question -- and I'd  
17 like to have Darrell at the appropriate time, and any other  
18 jockeys that want to participate, I think we ought to  
19 consider writing a rule that does a little more in the area  
20 of defining penalties for, quote, I don't want to call it  
21 reckless, but "riding" that should be -- where there ought  
22 to be penalties beyond what we already have, to make it a  
23 little more clear rather than just policy to make it -- to  
24 actually put in a rule some -- some language that, in my  
25 view, may help with the -- with what you're suggesting which

1 is, you know, again, my view is the way that you help  
2 prevent reckless riding is to penalize the reckless riders  
3 more.

4 COMMISSIONER AUERBACH: Can I ask a question on --

5 CHAIR WINNER: -- and to set an example --

6 COMMISSIONER AUERBACH: Right. Right.

7 CHAIR WINNER: -- for other riders.

8 COMMISSIONER AUERBACH: Can we have a stewards  
9 meeting with the jockeys?

10 CHAIR WINNER: Yeah.

11 COMMISSIONER AUERBACH: That's --

12 CHAIR WINNER: We've done that before where  
13 jockeys come to the stewards meeting.

14 COMMISSIONER AUERBACH: I would like to request a  
15 meeting, and I don't know, Rick, how to do this or when to  
16 do this, but I would like a stewards' meeting with the  
17 jockeys. And I would like it under my Committee which is  
18 Riders Safety.

19 CHAIR WINNER: No, you can't do that.

20 COMMISSIONER AUERBACH: I can't?

21 CHAIR WINNER: No. The Stewards' Committee meets  
22 as the stewards' Committee.

23 COMMISSIONER AUERBACH: I don't want it to be a  
24 Stewards' meeting, though. I want to have a jockey -- a  
25 jockey -- a Rider meeting and request the stewards to come.

1 CHAIR WINNER: Well, what you're talking about  
2 is -- it wouldn't be under your committee. It would have to  
3 be -- we could have an ad hoc committee.

4 COMMISSIONER AUERBACH: Okay.

5 CHAIR WINNER: And we'd have to decide who's going  
6 to be there. Let me -- let me think about that one, talk to  
7 Rick and talk to Bob Miller and figure out the best way --

8 COMMISSIONER AUERBACH: Okay.

9 CHAIR WINNER: -- to do it. But I certainly get  
10 the message.

11 VICE CHAIR ROSENBERG: I personally think it's a  
12 total waste of time to have another committee meeting.  
13 Because what happens is -- we've already had a committee  
14 meeting on the subject. And what will happen is, in my  
15 opinion, no one shows up from the public to comment on the  
16 rules.

17 So my suggestion is to take these three versions,  
18 have the Stewards' Committee meeting, ask the stewards to  
19 form a subcommittee before the meeting, and have them draft  
20 something. Either say we don't want to change or we --  
21 somebody comes up with one or two versions or changes these  
22 versions so we have something to look at. And then  
23 depending on what comes out of that meeting you can decide  
24 whether you want to have another Committee meeting or go  
25 directly to the Board.

1 CHAIR WINNER: Okay. That's fine with me. But I  
2 also want to consider what Commissioner Auerbach has --

3 VICE CHAIR ROSENBERG: Yeah, I got that part.

4 CHAIR WINNER: -- has suggested.

5 COMMISSIONER AUERBACH: That's different.

6 CHAIR WINNER: That's a different --

7 VICE CHAIR ROSENBERG: That's a different issue.

8 CHAIR WINNER: -- a different --

9 COMMISSIONER AUERBACH: That's completely  
10 different.

11 CHAIR WINNER: That's fine with me. And I would  
12 think we can do that.

13 Rick, can we not?

14 EXECUTIVE DIRECTOR BAEDEKER: Yes, of course.

15 CHAIR WINNER: Okay. So let us proceed based on  
16 that.

17 And also, Rick and Jackie, if you would also begin  
18 the process of writing a rule that deals with increasing the  
19 penalty for reckless riding or riding that causes problems.

20 COMMISSIONER BENETO: Mr. Chairman --

21 CHAIR WINNER: Yes, sir?

22 COMMISSIONER BENETO: -- this is -- I'm getting  
23 agitated here.

24 CHAIR WINNER: You can get agitated, that's fair.

25 COMMISSIONER BENETO: You're penalizing the -- the

1 rider. You're going to write all these rules. Are you  
2 going to penalize the horse too?

3 CHAIR WINNER: Well, that's what the discussion is  
4 about.

5 COMMISSIONER BENETO: Now if a horse -- he's going  
6 down the stretch and a horse lugs in all of a sudden against  
7 the other horse, riders don't know that. A horse ain't  
8 talking to that rider. He just does what he wants to do.  
9 And you know, making -- making these rules ain't going to  
10 change anything. If you've got a horse that lugs in or lugs  
11 out or bolts, the rider don't know that until it happens.

12 CHAIR WINNER: Yeah, we agree. I don't think  
13 there's any disagreement about that. That's why we want to  
14 make it a little more clear.

15 COMMISSIONER BENETO: Yeah. But you're going to  
16 penalize the guy for something the horse did.

17 CHAIR WINNER: No. You're only going to penalize  
18 them if in the judgment -- at least my view is you would  
19 only penalize him if in the view of the stewards he was  
20 riding -- he or she was riding recklessly, not because of  
21 what the horse did but because of what the rider did --

22 COMMISSIONER BENETO: When they all bunch --

23 CHAIR WINNER: -- no because of the horse.

24 COMMISSIONER BENETO: When they all bunch up  
25 coming into the turn --

1 CHAIR WINNER: But that's their -- that -- okay. I  
2 mean, the problem is every -- all of these are judgment  
3 calls. They're always going to be judgment calls. Just  
4 like in a football game, a basketball game, a baseball game,  
5 there are judgment calls. You know, what is a strike and  
6 what is a ball? Those are judgment calls. What's  
7 interference? That's not interference? They're judgment  
8 calls.

9 COMMISSIONER BENETO: Yeah. But you're talking  
10 about a human being against a human being. We're talking  
11 horse against jockey.

12 CHAIR WINNER: Right. Well, all right, so  
13 let's -- all of these things can be discussed as we -- as  
14 Madeline and others have suggested. And nobody is going to  
15 be real happy with the outcome. I think Commissioner Choper  
16 always says --

17 COMMISSIONER CHOPER: That's good.

18 CHAIR WINNER: -- yeah, that if you make everybody  
19 a little unhappy you probably got a good decision.

20 COMMISSIONER BENETO: I mean, I'm for safe riding  
21 and the welfare of the rider. But just things just -- it  
22 gets beyond control. And, you know, to -- like that  
23 interference coming out of the gate there for the Breeders'  
24 Cup, I mean, I don't think that was the rider's fault. It  
25 just -- everybody is just going for the first turn as quick

1 as they could get there.

2 CHAIR WINNER: I don't know that the rider was --  
3 received days, did he?

4 MR. CHANEY: He did not.

5 CHAIR WINNER: No. So they agree with you, it  
6 wasn't the rider's fault.

7 I think Darrell Haire wanted to make a point, and  
8 I will call on you, Mr. Haire.

9 MR. HAIRE: Thank you.

10 CHAIR WINNER: Please identify yourself.

11 MR. HAIRE: Thank you, Mr. Chairman. Darrell  
12 Haire, Western Regional Manager for the Jockeys Guild.

13 What I -- I don't know if the -- the rules should  
14 be changed or -- but it's all about the interpretation of  
15 the rule with the riders. And I think there has to be that  
16 communication, because the rides ride accordingly. And  
17 they're taught to leave the starting gate straight. They're  
18 supposed to leave there straight. Now whether they go left  
19 or right leaving there, you're supposed to react right away.

20

21 And I think what's happened, whether it's the  
22 Breeders' Cup or -- that even the riders are confused or  
23 they don't understand, in different parts of the country,  
24 where they come in. Because now it seems like you get the  
25 first jump where it's like a free-for-all in there. They

1 think it's okay. And some trainers think it's okay and they  
2 tell their riders if he breaks in, then just take advantage  
3 of it. That's what I'm afraid of.

4 I think we have to work with the stewards and be  
5 on the same page so they suffer the consequences. They  
6 react right away. I think what's happened now, it's -- it's  
7 just they don't -- they're not on the same page with the  
8 stewards.

9 CHAIR WINNER: Well, isn't that what you're  
10 suggesting?

11 MR. CHANEY: Yes.

12 CHAIR WINNER: Is --

13 MR. CHANEY: And I think we can make a lot of  
14 progress by communication with the riders and the stewards  
15 so we're on the same page.

16 CHAIR WINNER: Well, how do you feel about the  
17 notion of if they don't -- if you do have a rule that states  
18 that you need to straighten your horse out immediately,  
19 something to that effect, and they don't do it properly,  
20 increasing the penalty? In other words, if the -- if the  
21 stewards think that the rider has ridden recklessly would  
22 you be in favor of increasing penalties?

23 MR. HAIRE: Absolutely.

24 CHAIR WINNER: Do you think most jockeys would be  
25 in favor of increasing?

1 MR. HAIRE: Absolutely.

2 CHAIR WINNER: Right. Because there's a safety  
3 involved. Getting to Commissioner Auerbach's point --

4 MR. HAIRE: Yes.

5 CHAIR WINNER: -- safety is the key issue. So  
6 that's when the stewards -- when the jockeys appeared before  
7 the Stewards' Committee my recollection is they wanted  
8 harsher penalties, not less penalties; correct?

9 MR. HAIRE: Mr. Chairman, the riders know what  
10 they can do leaving there. They know they can keep them  
11 straight. There's nothing -- again, the first jump, but the  
12 second jump, instead of just following them in, because  
13 that's the way it is, you can get away with it, the way it  
14 is now.

15 CHAIR WINNER: Okay. Any questions for Mr. Haire?  
16 Okay. Thank you.

17 We're going to move on. Thank you very much,  
18 Scott, for coming here and -- and sharing this discussion  
19 with us.

20 Thank you all for your comments. Obviously a very  
21 difficult problem to deal with.

22 Moving right along, item number seven, discussion  
23 and action by the Board regarding the proposed amendment to  
24 CHRB rule 1844, Authorized Medication, to 1) lower the  
25 amount of ketoprofen -- I don't know if I said that right --

1 that can be present in a test sample from 10 nanograms per  
2 milliliter of blood plasma or serum to 2 nanograms per  
3 milliliter of blood plasma or serum; and 2) to add  
4 isofluprodone -- whatever, that's easy for me to say,  
5 right -- and its specified authorized level to the list of  
6 California's authorized medication.

7 Dr. Arthur?

8 DR. ARTHUR: Thank you, Mr. Chairman. Hopefully  
9 this will be a simple one. But I thought the claiming of  
10 voids would be simple. You guys got too much sleep last  
11 night, I think.

12 But anyway, these two changes bring California in  
13 line with the National Uniform Medication Program for  
14 Therapeutic Medications. It adds the corticosteroid,  
15 isofluprodone, to the list of Authorized Medications under  
16 1844, and it reduces the permitted of the non-steroidal  
17 anti-inflammatory, one of the three permitted non-steroidal  
18 anti-inflammatories, from 10 nanograms to 2 nanograms based  
19 on research conducted by the Kentucky Horse Racing  
20 Commission and the Racing Medication Testing Consortium  
21 which sets that as the appropriate threshold.

22 The 10 nanograms was set when the limit of  
23 detection was 10 nanograms. And it does not prevent race-  
24 day administration, which is why the RCI accepted the RMTC's  
25 recommendation to lower that to 2 nanograms.

1           So what you're voting on is to make these two  
2 changes, to add the isofluprodone, to lower the ketoprofen.  
3 And California will have completed the Therapeutic List for  
4 the National Uniform Medication Program.

5           CHAIR WINNER: Are there any questions for Dr.  
6 Arthur on this item? Is there a motion?

7           COMMISSIONER BENETO: I'll make it.

8           COMMISSIONER CHOPER: Second.

9           CHAIR WINNER: Commissioner Beneto moved.  
10 Commissioner Choper second. All in favor?

11          ALL COMMISSIONERS: Aye.

12          CHAIR WINNER: Any opposed? Okay. That item  
13 carries.

14          Thank you, Dr. Arthur.

15          Item number eight, discussion and action by the  
16 Board regarding the proposed amendment to CHRB Rule 1845,  
17 Authorized Bleeder Medication, to require that authorized  
18 bleeder medication be administered by independent, third-  
19 party veterinarians.

20          Did I miss something?

21          EXECUTIVE DIRECTOR BAEDEKER: No, you didn't.

22          Mr. Chairman, I was just going to draw the  
23 Commissioners attention to page 8-2 and the paragraph that  
24 begins, "New subsections 1845(c) through (c)(2)." This  
25 paragraph really describes the changes that have been made

1 since this was last considered by the Board.

2           As the Board is well aware, this language has been  
3 brought forward only to be rejected or opposed by the  
4 California veterinarian medical board because it has been  
5 their concern that the patient -- the -- the veterinarian-  
6 client-patient relationship, patient-client relationship  
7 would -- would be violated under that former language. So  
8 we've been working for months in conjunction with Agency and  
9 the Vet Board to come up with a new language.

10           And I'll draw your attention down to the middle of  
11 the paragraph to a sentence that begins,

12           "The consultation and examination required under  
13 these subsection are meant to establish a client-patient  
14 relationship within the meaning of the California Code of  
15 Regulations as indicated."

16           We took this language to the Vet Med Board and  
17 they now are in complete support of the language. So we can  
18 bring it back to you.

19           And with that I'll hand it off to Dr. Arthur.

20           DR. ARTHUR: Yes. As the Executive Director said,  
21 this is the third iteration of this particular regulation.  
22 It's an example of making a simple problem complicated.

23           But be that as it may, I think this will  
24 accomplish third-party Lasix administration which is, again,  
25 part of the National Uniform Medication Program. The

1 changes we made actually, I think, expand the current  
2 program in terms of the veterinarian-client-patient  
3 relationship. It's very similar to what we did for the  
4 Breeders' Cup. I think they're quite workable. And it's --  
5 I don't think we're going to have any problems with it.  
6 We've tried to design a system that is going to allow us to  
7 be flexible for the situation, for example, at Ferndale, at  
8 Cal Expo, and at Santa Anita for the Breeders' Cup, and I  
9 think we've accomplished that.

10 I would like to point out one change that we need  
11 to add, and that is to page 8-11. That form needs to be  
12 modified, after consultation with the Veterinary Medical  
13 Board, to say "authorized bleeder medication and medical  
14 history." And we need to add a space for the veterinarians  
15 to add medical history relevant to authorized bleeder  
16 medication administration. Those are -- those can be done  
17 when this is sent out for 45-day notice; correct, Jackie?

18 MS. WAGNER: It needs to be -- it needs to be  
19 developed before we initiate the 45-day comment period.

20 DR. ARTHUR: That's right. It will be easy to do.  
21 It's very simple. I've virtually already done that.

22 CHAIR WINNER: Okay. Any discussion?

23 VICE CHAIR ROSENBERG: Questions. On page 8-8  
24 there's a Section D(a) which says -- it says, "Any  
25 veterinarian or California Registered Veterinary

1 Technician" -- I won't read the whole thing, but my question  
2 is who is going to administer this to check to see about  
3 these business relationships between the vet and the --  
4 well, the language is,

5 "Within 30 days they are designated to administer  
6 the -- the furosemide or have had a veterinarian-client-  
7 patient relationship within 30 days of the date they're  
8 designated to administer it."

9 And who's going to check on that? I mean, who?

10 DR. ARTHUR: Well, it's going to be the  
11 responsibility of the official veterinarian who designates  
12 the person administering the Lasix. And exactly how  
13 extensive that will be, I'm sure that we'll have  
14 investigators involved and other administrative personnel at  
15 the Horse Racing Board. They may be required to sign a  
16 statement that they -- they don't have any business  
17 relationship. But it's not dissimilar to what we do with  
18 track veterinarians and official veterinarians today.

19 VICE CHAIR ROSENBERG: Okay. And the second  
20 thing, on page 10, you had mentioned earlier when we talked  
21 about the bleeders being on the bleeder's list, that it --  
22 that the track vet doesn't examine during workouts, but they  
23 use the word workout in here. Why is that? It says, "If  
24 the official veterinarian observes a horse bleeding  
25 externally from one or both nostrils during or after a race

1 or workout."

2 DR. ARTHUR: Well, the reason is we don't  
3 generally have personnel during workouts.

4 VICE CHAIR ROSENBERG: Yeah.

5 DR. ARTHUR: I mean, we don't have people there.  
6 So I've never seen an instance where a horse has been put on  
7 the bleeder's list because of a workout.

8 VICE CHAIR ROSENBERG: Right.

9 DR. ARTHUR: They won't get -- conceivably I a  
10 horse, let's say, worked for a veterinarian to get off the  
11 Vet's List and bled during that work --

12 VICE CHAIR ROSENBERG: Maybe that's why it's on.

13 DR. ARTHUR: -- the vet could be there. But I've  
14 never seen an instance of that. But certainly it gives the  
15 official veterinarian or track veterinarian the opportunity  
16 to do that --

17 VICE CHAIR ROSENBERG: Okay. Thanks.

18 DR. ARTHUR: -- but I've never seen that.

19 VICE CHAIR ROSENBERG: Thanks. Okay.

20 COMMISSIONER AUERBACH: I have a couple questions.

21 CHAIR WINNER: Yes, please.

22 COMMISSIONER AUERBACH: On -- this is page 8-2,  
23 Rick, where it says -- it's one, two, three -- third  
24 paragraph down, it starts with subsection, it "Requires that  
25 the horse be placed in a pre-race security stall under care

1 and constant view of the trainer." And goes further, "the  
2 horse shall -- the horse may leave the stall prior to the  
3 race only with the permission of the official veterinarian."

4 How is it done now?

5 DR. ARTHUR: The same.

6 COMMISSIONER AUERBACH: So there's no real --  
7 that's my question. Is this a change at all?

8 DR. ARTHUR: No, it is not.

9 COMMISSIONER AUERBACH: Okay. I was curious about  
10 that.

11 Then on 8-3 where you go down to where it says  
12 "Designation," and then it says, "Rule 1845." If you read  
13 through those paragraphs, the bottom of the first paragraph,  
14 "However, the proposed text does not provide how the  
15 official veterinarian, the owner, or the trainer will  
16 make some designations or where this information will  
17 be retained."

18 And at the bottom of the next paragraph it says,  
19 "However, the proposed text does not explain how the  
20 owner or trainer would request analysis of the syringe  
21 or who would pay for such testing."

22 I mean, so we're putting in all these rules and  
23 regulations without the backup.

24 DR. ARTHUR: The person who wrote this did not  
25 have the procedures. And frankly, this is way more

1 complicated than it needs to be.

2           We designate, just like you designate your trainer  
3 to make decisions for you whether a horse is on the  
4 bleeder's list or not, that trainer, as they currently do,  
5 can designate the veterinarian to put the horse on the Vet's  
6 List. Dr. Van Bluker (phonetic) put so and so on the Vet's  
7 List. That's how that's designated. It's very informal.  
8 Designate maybe look to be a very restrictive word, but it's  
9 not that complicated.

10           COMMISSIONER AUERBACH: So the language here is  
11 really unnecessary? I mean, we have a procedure and this  
12 just --

13           DR. ARTHUR: I think the write-up is unnecessary.

14           COMMISSIONER AUERBACH: Okay. Okay. All right.  
15 Thank you.

16           CHAIR WINNER: Any other questions?

17           MR. MILLER: Robert Miller, CHRB Staff.

18           Could we just go back, Dr. Arthur, before the --  
19 the Board votes on -- on this to describe the changes that  
20 you want to make?

21           DR. ARTHUR: Yes. The changes are on form -- it's  
22 page 8-11 on CHRB Form 194, the title will be "Authorized  
23 Bleeder Medication Request and Medication History." That  
24 was as requested by the California Veterinary Medical Board.  
25 And then there needs to be a space, either on the front or

1 the back of this form, where medical history relevant to  
2 authorized bleeder medication administration and space for  
3 the veterinarian to include that medical history.

4 MR. MILLER: Thank you. Thank you.

5 DR. ARTHUR: You got it.

6 CHAIR WINNER: Is there a motion to approve with  
7 the changes as suggested by Dr. Arthur? Vice Chair  
8 Rosenberg moves. Commissioner Choper seconds. All in  
9 favor?

10 ALL COMMISSIONERS: Aye.

11 CHAIR WINNER: Any opposed?

12 Thank you very much, Doctor.

13 EXECUTIVE DIRECTOR BAEDEKER: Mr. Chairman, one of  
14 the offshoots of this whole exercise is that we now, I  
15 think, have what can be described as a good working  
16 relationship with the California Veterinary Medical Board,  
17 which it's my understanding we didn't necessarily have in  
18 the past. And we look forward to doing other things with  
19 them going forward.

20 DR. ARTHUR: Yeah. I would like to say this, as  
21 frustrating as it has been I think it has been -- it's going  
22 to come out positively. And I think they're going to help  
23 us on labeling prescription issues, as well. So I was quite  
24 encouraged with how it all ended out -- or ended up in the  
25 end.

1 CHAIR WINNER: Do we owe Agency some thanks for  
2 this or --

3 EXECUTIVE DIRECTOR BAEDEKER: Yeah. Agency got  
4 right in the middle of this when we were kind of the height  
5 of our frustration after the meeting we had last year at Cal  
6 Expo. The Veterinary Medical Board also is under the  
7 umbrella of Agency. And so they were able to kind of bring  
8 us together and got Leslie Lopez involved with Bob Miller  
9 and all of the lawyers worked out the language, so it was  
10 successful. Yeah, without Agency this wouldn't have been a  
11 success.

12 CHAIR WINNER: Right. Well, this is another  
13 example of the good cooperation between work and his staff  
14 and Agency and how it's -- there are many indications where  
15 it's been very helpful to us.

16 Item number nine, discussion and action by the  
17 Board regarding the proposed amendment to CHRB Rule 1887,  
18 Trainer to Insure Condition of Horse, to add owners of a  
19 ship-in horse as equally responsible for the condition of a  
20 horse.

21 Who's going to speak on this, Rick?

22 EXECUTIVE DIRECTOR BAEDEKER: I think the  
23 Commissioners are familiar with the background of this.  
24 This -- this pertains to situations where trainers -- I'm  
25 sorry, owners are having their horses trained off the

1 grounds, outside of a CHRB licensed facility, enter a horse  
2 in a race, and then bring the horse onto the ground a day or  
3 two in advance and run them under the name of a trainer that  
4 is trainer in name only. And there have been incidents  
5 where these horses have had a positive test and the trainer  
6 has been held responsible as the absolute insurer.

7           As you have noted, I'm sure, from the proposed  
8 language, this would require that any such horse being  
9 shipped in be under the care of a licensed trainer for at  
10 least seven calendar days prior to the race. If that's not  
11 the case then the owner will be considered the joint  
12 absolute insurer, along with the trainer. It doesn't get  
13 the trainer off the hook.

14           CHAIR WINNER: Right.

15           EXECUTIVE DIRECTOR BAEDEKER: It puts the owner on  
16 the hook.

17           CHAIR WINNER: Right. Now this is something, as  
18 the -- as the Executive Director has pointed out, there --  
19 there have been, well, I'll say more than one, actually  
20 several cases where -- where, you know, they come in and  
21 they pay a trainer \$100 to race under his names or some  
22 amount of money to race under his or her name, and then the  
23 horse comes up with a positive and the owner gets off the  
24 hook, as the -- as the Executive Director pointed out.

25           So is there any discussion or is there a motion?

1 VICE CHAIR ROSENBERG: I have a question. How  
2 long -- this -- a foreign horse that comes in to race and  
3 let's say flies in for a race, how long is the quarantine  
4 period usually?

5 COMMISSIONER AUERBACH: That's a good point.

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

7 It would depend on where it comes from. But  
8 typically from Europe it would be a minimum of 72 hours.

9 VICE CHAIR ROSENBERG: 72 hours. Because what I'm  
10 getting at is just, yeah, because getting it seven  
11 consecutive days prior to the day of the race under the --  
12 under the continued care of a licensed trainer within a  
13 licensed enclosure in California or other racing  
14 jurisdiction, would that include a foreign horse that comes  
15 in from a farm somewhere?

16 DR. ARTHUR: Sure.

17 VICE CHAIR ROSENBERG: I mean --

18 DR. ARTHUR: Sir Michael Stout sends a horse over  
19 for the Breeders' Cup.

20 VICE CHAIR ROSENBERG: Yeah.

21 COMMISSIONER AUERBACH: Right.

22 VICE CHAIR ROSENBERG: Yeah.

23 DR. ARTHUR: Even though that horse is in -- in  
24 quarantine it's still under his control, just like if -- if  
25 your trainer sends a horse up to Golden Gate Fields, that

1 horse is still under the original trainer's control.

2 VICE CHAIR ROSENBERG: And you think technically  
3 speaking this -- a quarantine facility would fall within the  
4 enclosure?

5 DR. ARTHUR: Sure.

6 VICE CHAIR ROSENBERG: Is it within the enclosure  
7 at every race track?

8 DR. ARTHUR: It's not within the enclosure, but  
9 it's still -- still under the control of the trainer.

10 VICE CHAIR ROSENBERG: I know. But it says within  
11 a licensed enclosure in California. The language is --

12 EXECUTIVE DIRECTOR BAEDEKER: That's Golden Gate.

13 VICE CHAIR ROSENBERG: Yeah.

14 DR. ARTHUR: No. It was at Hollywood Park. It's  
15 now at a different facility.

16 VICE CHAIR ROSENBERG: That's my question.

17 DR. ARTHUR: But --

18 EXECUTIVE DIRECTOR BAEDEKER: But can I clarify  
19 here that it says -- this is defining what a ship-in horse  
20 is. And it's saying if that horse has not been under the  
21 care of a licensed trainer here or other racing  
22 jurisdiction. So in another jurisdiction, whether it be  
23 national or international --

24 VICE CHAIR ROSENBERG: That's my question.

25 EXECUTIVE DIRECTOR BAEDEKER: -- that horse has

1 been under the care --

2 VICE CHAIR ROSENBERG: That's my question.

3 EXECUTIVE DIRECTOR BAEDEKER: -- of a licensed  
4 trainer.

5 VICE CHAIR ROSENBERG: Licensed. But licensed  
6 would imply, to me -- it would have to be a California  
7 licensed trainer. I mean, I'm not trying to be technical,  
8 but it might need some clarification, maybe not -- you know,  
9 whatever you think. If it's a moot --

10 DR. ARTHUR: You know, I do think -- I do think  
11 the intent of this is clear. It's not like we're trying to  
12 get Sheik Mohammad or somebody. I mean, what we're trying  
13 to do is address a real -- what is a real problem that we're  
14 trying to deal with. I mean, we're not certainly going to  
15 abuse this.

16 EXECUTIVE DIRECTOR BAEDEKER: Well, elsewhere in  
17 the regulations, Robert, I mean, we -- we also refer to  
18 other jurisdictions. I mean, we have a reciprocal  
19 understanding with penalties and so forth; correct?

20 MR. MILLER: That's correct.

21 COMMISSIONER BENETO: I've got a question.

22 CHAIR WINNER: Yes, Commissioner Beneto?

23 COMMISSIONER BENETO: The horse is trained at the  
24 owner's facility which is not a licensed facility. When he  
25 brings that horse in don't they have to have three works

1 before they can run? What's the rule on that?

2 DR. ARTHUR: Not at Los Alamitos, and certainly  
3 not for quarter horses.

4 COMMISSIONER BENETO: So -- so you can bring --  
5 enter a horse with no works?

6 CHAIR WINNER: Well, they do it.

7 EXECUTIVE DIRECTOR BAEDEKER: Virtually, yes.

8 CHAIR WINNER: We've had many of these come before  
9 us, Steve, as you recall where, you know, they're -- they're  
10 match racing.

11 COMMISSIONER BENETO: Yeah.

12 CHAIR WINNER: And then they come in, they pay a  
13 guy \$100 and they run at the races, and they come up with a  
14 positive. And they don't have three works, obviously.

15 COMMISSIONER BENETO: So how -- how can the  
16 betting public look and see if there's any works on the  
17 horse on the racing form?

18 CHAIR WINNER: Well, with quarter horses it's  
19 different. Go ahead.

20 DR. ARTHUR: Well, whether they have any works or  
21 not will be on the past performance.

22 CHAIR WINNER: Yeah.

23 DR. ARTHUR: Okay.

24 EXECUTIVE DIRECTOR BAEDEKER: There is a  
25 requirement for a horse that's never raced, correct --

1 DR. ARTHUR: That's right.

2 EXECUTIVE DIRECTOR BAEDEKER: -- to have a  
3 published --

4 CHAIR WINNER: Yeah.

5 EXECUTIVE DIRECTOR BAEDEKER: -- workout.

6 DR. ARTHUR: And they have to be qualified out of  
7 the gate and --

8 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

9 DR. ARTHUR: -- and that sort of thing.

10 EXECUTIVE DIRECTOR BAEDEKER: Right.

11 DR. ARTHUR: So.

12 CHAIR WINNER: So what this is doing is basically  
13 saying that the owner of a horse, such as the one I just  
14 mentioned, is culpable, is held responsible, just as the  
15 trainer is held responsible.

16 Go ahead, Commissioner Choper.

17 COMMISSIONER CHOPER: If you'll forgive me for  
18 correcting what you said. You said a couple cases. I think  
19 I've seen a dozen cases like this --

20 CHAIR WINNER: Yeah.

21 EXECUTIVE DIRECTOR BAEDEKER: Yes.

22 COMMISSIONER CHOPER: -- in which it's perfectly  
23 clear that the trainer who's got the horse for a short  
24 period of time knows nothing.

25 CHAIR WINNER: Right.

1 COMMISSIONER CHOPER: And very frequently it is  
2 the owner's farms where it comes in from.

3 CHAIR WINNER: Right.

4 COMMISSIONER CHOPER: And this just -- I think --  
5 I don't know about the specific language. It was okay with  
6 me. But it's a no-brainer because we've kept saying this,  
7 why don't we make the owner liable for the thing.

8 CHAIR WINNER: Right. Is there any -- any further  
9 discussion? Is there a motion? Commissioner Krikorian  
10 moves. Commissioner Auerbach seconds approval. Is there no  
11 discussion? All in favor?

12 ALL COMMISSIONERS: Aye.

13 CHAIR WINNER: Any opposed? No. No, no one is  
14 opposed. It's a unanimous vote aye.

15 COMMISSIONER BENETO: I answered your question. I  
16 voted yes.

17 CHAIR WINNER: Yes. Everybody voted yes.

18 Going on then to item number -- and by the way, I  
19 think that's an important change. I think this change we  
20 just made, this rule, is a very important rule given some of  
21 what we've been talking about here and what Commissioner  
22 Choper said. This is a very important rule and I think it  
23 may have a real significant impact on some of these drug  
24 violations that we have seen over the past several years.

25 Discussion and action by the Board regarding the

1 request for approval of the continuation of the .50 percent  
2 distribution to the Southern California Stabling and Vanning  
3 Fund from advance deposit wagering (ADW) hosted by  
4 thoroughbred racing associations and racing fairs conducting  
5 racing in the Central and Southern zones for the period  
6 commencing March 1, 2015 through February 29, 2016 as  
7 permitted under Business and Professions Code section  
8 19604(f(5)(E).

9 Rick?

10 EXECUTIVE DIRECTOR BAEDEKER: Why don't we just  
11 defer to Mr. Morris.

12 CHAIR WINNER: Mr. Morris, nice to see you.

13 MR. MORRIS: Good afternoon. I think it's  
14 afternoon now.

15 CHAIR WINNER: Yeah. Just barely.

16 MR. MORRIS: Joe Morris with the TOC. Also with  
17 the Southern California Stabling and Vanning Committee.

18 And we've had this additional funding mechanism in  
19 place since last March. We went March through February. So  
20 it -- so it ends at the end of this month. And what we're  
21 doing is asking for that to be extended for another year to  
22 help fund Stabling and Vanning in the South.

23 COMMISSIONER CHOPER: And everyone agrees?

24 MR. MORRIS: Yes.

25 COMMISSIONER CHOPER: The TOC agrees?

1 MR. MORRIS: The whole --

2 COMMISSIONER CHOPER: Everybody agrees?

3 MR. MORRIS: Everybody has signed off on it, asked  
4 for it, and the paperwork is in.

5 COMMISSIONER CHOPER: I think we ought to pass it  
6 before they change their minds.

7 CHAIR WINNER: Commissioner Choper has moved.  
8 Commissioner Krikorian seconds.

9 EXECUTIVE DIRECTOR BAEDEKER: No, he has a  
10 question.

11 CHAIR WINNER: Oh, you had a question. I  
12 apologize. Go ahead.

13 COMMISSIONER KRIKORIAN: I just have one real  
14 quick.

15 Let's see, when -- when we met at Los Al's meeting  
16 we did an approval for -- was that for SCOTWINC --

17 MR. MORRIS: Yes. That was --

18 COMMISSIONER KRIKORIAN: -- for an increase to --  
19 can you just -- just enlighten us on what that was, that was  
20 you had made a request for some additional percentage there.

21 MR. MORRIS: Well, and that was for the funding of  
22 SCOTWINC. Stabling and Vanning is actually a separate -- a  
23 separate of SCOTWINC. It's a separate committee. This  
24 fund, Stabling and Vanning, which pays for the auxiliary  
25 stabling at -- at any place that's not the host track. And

1 then what we did in -- at Los Al was the funding mechanism  
2 for SCOTWINC itself, which I think is next on the agenda,  
3 actually, for -- for that.

4 COMMISSIONER KRIKORIAN: I was just trying to  
5 understand because there's -- right now there's -- there's a  
6 shortage, right, of --

7 MR. MORRIS: There's a shortage in Stabling and  
8 Vanning, yes.

9 COMMISSIONER KRIKORIAN: Yeah.

10 MR. MORRIS: And this actually --

11 COMMISSIONER KRIKORIAN: And what's that number?

12 MR. MORRIS: This -- well, at the end of the year  
13 it was just shy of \$4.4 million. As we're budgeted for the  
14 next year with this funding included we would pick up about  
15 \$400,000 of that. So we've still got a bigger issue and  
16 more of a job left to -- to settle this, but it's headed in  
17 the right direction at least.

18 COMMISSIONER KRIKORIAN: And what's the plan --  
19 what's the plan to get that down to zero?

20 MR. MORRIS: We're -- we're still working that  
21 plan.

22 COMMISSIONER KRIKORIAN: So you don't have a plan  
23 yet? Okay.

24 CHAIR WINNER: How does the cost of stabling at  
25 Galway improve that situation?

1 MR. MORRIS: Oh, it improves it greatly.

2 CHAIR WINNER: Yeah.

3 MR. MORRIS: Yes.

4 COMMISSIONER BENETO: What are you doing, the  
5 people you owe the money to, you're stringing them out?

6 MR. MORRIS: They're -- we have -- they're holding  
7 accounts receivable.

8 CHAIR WINNER: Yeah.

9 COMMISSIONER BENETO: How many months are they  
10 out, or years?

11 MR. MORRIS: They're out about six -- six, seven  
12 months probably?

13 COMMISSIONER BENETO: Oh, that's all?

14 MR. MORRIS: Yeah.

15 CHAIR WINNER: Any other discussion?

16 COMMISSIONER KRIKORIAN: That's \$4 million.  
17 That's a lot of money.

18 MR. MORRIS: Yeah.

19 COMMISSIONER BENETO: Yeah. But in that short  
20 period of time. I thought it was strung out for a couple  
21 years.

22 CHAIR WINNER: Any other discussion?

23 COMMISSIONER AUERBACH: May I make a motion?

24 CHAIR WINNER: Yes.

25 COMMISSIONER AUERBACH: I make a motion.

1 CHAIR WINNER: Commissioner Auerbach would like to  
2 move approval; is that what you're moving?

3 COMMISSIONER AUERBACH: Yes.

4 CHAIR WINNER: Okay. Seconded by Vice Chair  
5 Rosenberg. All in favor?

6 ALL COMMISSIONER: Aye.

7 CHAIR WINNER: Any opposed? The motion carries.

8 Thank you, Joe.

9 Moving on then to the last item, discussion by the  
10 Board regarding the operation and financial status of  
11 Southern California Off Track Wagering, Incorporated  
12 (SCOTWINC) and Northern California Off Track Wagering,  
13 Incorporated (NOTWINC), and the awarding of the contract to  
14 AmTote to provide California's wagering services and the  
15 impact this may have on California racing.

16 EXECUTIVE DIRECTOR BAEDEKER: Mr. Chairman,  
17 this -- this is preface to the Board's consideration of  
18 anticipated tote application from AmTote. Commissioners  
19 have questions about the operational structure and financial  
20 performance of both SCOTWINC and NOTWINC, as well as the  
21 procedures used -- excuse me -- to award the new tote  
22 contract, and finally concerns about the number of entities  
23 in California racing that are owned or operated all or in  
24 part by The Stronach Group.

25 So this is for discussion only. It will help the

1 Board in the ultimate determination of the awarding of a  
2 tote license.

3 CHAIR WINNER: Let's start -- who's going to start  
4 over there.

5 EXECUTIVE DIRECTOR BAEDEKER: Volunteers?

6 MR. HAINES: I'll start.

7 CHAIR WINNER: Good.

8 MR. HAINES: George Haines, SCOTWINC.

9 I believe the -- the topic was how we selected the  
10 vendor for the new tote system.

11 CHAIR WINNER: That's one of the -- that's one of  
12 the topics, yeah.

13 MR. HAINES: Yeah, one of the topics, so we'll  
14 start with that one first.

15 CHAIR WINNER: Is there anybody here from  
16 Sportech, by the way?

17 VICE CHAIR ROSENBERG: There's a letter. Yeah,  
18 there's a letter from Sportech --

19 CHAIR WINNER: We have the letter from Sportech.  
20 And we have --

21 VICE CHAIR ROSENBERG: It was sent --

22 CHAIR WINNER: -- George's response to the  
23 letter --

24 VICE CHAIR ROSENBERG: Yes.

25 CHAIR WINNER: -- as I recall. I wondered if

1 there was anybody here from Sportech, and I guess there's  
2 not.

3 MR. HAINES: There was earlier. Tom Kelso.

4 CHAIR WINNER: Okay. Well --

5 VICE CHAIR ROSENBERG: Oh.

6 CHAIR WINNER: -- please go ahead, George. I  
7 apologize.

8 MR. HAINES: Anyway, we started the process about  
9 a year ago. We just are finally concluding it now. We're  
10 in the contractual process where we're ready to sign a  
11 contract with AmTote after we had selected them as a vendor.  
12 I believe we gave you a timeline to go over, the processes  
13 we took throughout this awarding of the contract. We did a  
14 very thorough job. We used the same process that we did  
15 back in 1997 and in 2007. So it was a unanimous decision  
16 and we're confident that AmTote can do the job.

17 CHAIR WINNER: Anybody else on the panel want to  
18 speak? And then we'll have questions from the -- from the  
19 Board.

20 MR. KORBY: Chris Korby.

21 CHAIR WINNER: Yeah. You want to take the  
22 microphone over there please?

23 MR. KORBY: Chris Korby, California Authority of  
24 Racing Fairs. And I'm also on the board of NOTWINC and  
25 SCOTWINC.

1           And I'd just like to say that I think this was a  
2 model example of how the industry can come together in a  
3 unified fashion to review its contract needs for a  
4 critically important contract, the Totalizator System. It's  
5 a statewide contract. It effects all of us. We all came  
6 together, tracks, horsemen, through using NOTWINC and  
7 SCOTWINC as the agencies for this. And we did a very  
8 thorough request for proposals. I don't know whether you've  
9 seen it but I brought a copy of it. It runs about 80 pages.  
10 I think that -- that in and of itself is a model RFP. And  
11 this process is -- was laid out over a timeline of 18 to 24  
12 months.

13           So we -- we did our best to give ourselves ample  
14 time to work through the transition from one contractor for  
15 tote services to the prospect for changing. When we went  
16 into it we didn't know whether we'd change or not, but we  
17 wanted to allow for that possibility. So we gave ourselves  
18 a rather extensive timeline in which to do it. And we're  
19 now a little past halfway through that two-year period. And  
20 I think what we've done, we're here to explain any questions  
21 that may have come up about the manner in which it was done.

22           VICE CHAIR ROSENBERG: I have a question.

23           CHAIR WINNER: Pardon me?

24           VICE CHAIR ROSENBERG: I have a question.

25           CHAIR WINNER: Yeah. Do you have the letter from

1 Sportech?

2 VICE CHAIR ROSENBERG: Yes.

3 CHAIR WINNER: Okay. Good.

4 VICE CHAIR ROSENBERG: You want to see it?

5 CHAIR WINNER: And you're asking -- yeah -- no,  
6 but --

7 VICE CHAIR ROSENBERG: Yeah.

8 CHAIR WINNER: -- you might ask --

9 VICE CHAIR ROSENBERG: The letter -- there was a  
10 letter --

11 CHAIR WINNER: -- since nobody's here you might  
12 ask some of the questions --

13 VICE CHAIR ROSENBERG: Since no --

14 CHAIR WINNER: -- that haven't been answered.

15 VICE CHAIR ROSENBERG: Right. Well, yeah.

16 Sportech sent a letter to -- to SCOTWINC, basically a two-  
17 page letter basically saying that the bidding process was

18 unfair. And we didn't receive -- the Board did not receive

19 a response from -- from Sportech to -- excuse me, from

20 SCOTWINC to that letter until day before yesterday. So

21 we -- most of the people haven't seen this letter. I got a

22 copy from Executive Director Baedeker yesterday because we

23 were talking about this issue. And so it's not -- we really

24 haven't had time to analyze it.

25 But the one thing that stands out is in their

1 letter to -- to you, among other things, they mention  
2 this -- this item.

3 "In the light of the facts that he states earlier  
4 how did the committee ensure there were no anti-competitive  
5 issues that arose from AmTote carried out -- from AmTote  
6 carried out by the bid presentation 24 hours later with the  
7 potential for our competitor having had time to adjust their  
8 proposal and presentation in the light of we had presented."

9 In other words, Sportech, I presume, gave their  
10 presentation first, and then a day later AmTote did.

11 CHAIR WINNER: And their point was, as I recall  
12 from the letter, it wasn't just that they had the time, but  
13 also that obviously a representative of The Stronach Group  
14 was -- was present.

15 And I read your response, George, where you  
16 indicated that that was no unprecedented. It had happened  
17 before. But it didn't really answer the question.

18 The question was -- had to do with did they have  
19 an opportunity, having seen the Sportech proposal, did they  
20 have an opportunity to adjust their proposal in the interim?  
21 That was really the question, and I don't think it was  
22 answered. Who's going to -- is somebody there prepared to  
23 answer that?

24 MR. HAINES: Well, no, they did not. I mean,  
25 these proposals, presentations, were a day apart or

1 whatever. And I don't believe they had the chance to do it.  
2 Those presentations were already in place. So I'd be very  
3 surprised. You can ask the AmTote people, but --

4 CHAIR WINNER: Well, no, but --

5 MR. HAINES: -- not that we're aware of.

6 CHAIR WINNER: Okay, but let me ask the question a  
7 different way. The presentation that was made to you by  
8 AmTote was made 24 after -- hours after the presentation  
9 made by -- is that correct or not?

10 MR. HAINES: Yes.

11 MR. MORRIS: The next day.

12 CHAIR WINNER: That is correct. And the AmTote  
13 people -- or someone representing the Stronach Group  
14 obviously was -- was present at the time that --

15 MR. HAINES: There were many people from the  
16 Stronach Group.

17 CHAIR WINNER: Yeah. Okay. Several people from  
18 The Stronach Group were present when Sportech made its  
19 presentation?

20 MR. MORRIS: Yes.

21 CHAIR WINNER: So would it be fair to say, and I'm  
22 not suggesting it's at all true, but would it be fair to say  
23 that they had an opportunity, because you hadn't seen their  
24 presentation prior to that; is that correct?

25 MR. HAINES: That's -- that's correct.

1 CHAIR WINNER: Okay. So they had an opportunity  
2 to adjust their presentation in that 24-hour period; is that  
3 fair or not?

4 MR. HAINES: Well, unless you had simultaneous  
5 presentations, yes, they -- they had the opportunity.

6 CHAIR WINNER: Well, or unless there weren't  
7 people there from a competitive group.

8 MR. HAINES: But they were made aware that members  
9 of The Stronach Group were coming to watch their  
10 presentation.

11 CHAIR WINNER: Yeah, I understand. That  
12 doesn't -- because they didn't react to that doesn't  
13 necessarily mean that there's not -- you know, there  
14 couldn't be a problem. I'm not suggesting there is or that  
15 they did at all. I'm simply raising the question, since  
16 nobody is here from Sportech, I think that was the question  
17 they raised. And I didn't read in your response an answer  
18 to that. I think we now have an answer to that.

19 COMMISSIONER KRIKORIAN: May I ask a question?

20 CHAIR WINNER: Please, go ahead. Yes.

21 COMMISSIONER KRIKORIAN: Just explain to us, if  
22 you would please, there was -- there was an RFP, request for  
23 proposal, right --

24 MR. HAINES: Yes.

25 COMMISSIONER KRIKORIAN: -- to the -- to the

1 world, anyone who wanted to come in and make a presentation.  
2 So what was the first step in that process? Was there --  
3 was there a written -- was there a request for a written  
4 presentation to be made by each party in the beginning? Or  
5 just explain what that process was.

6 MR. HAINES: Yes. We sent out an RFI, request for  
7 information --

8 COMMISSIONER KRIKORIAN: And what --

9 MR. HAINES: -- to the tote companies. They  
10 responded back.

11 COMMISSIONER KRIKORIAN: And what did that cover?  
12 Can you go through some of the detail on that, the big  
13 ticket items that you listed on that request?

14 MR. MORRIS: Technology.

15 COMMISSIONER KRIKORIAN: On the applications that  
16 were presented to you, what did you ask each of the --

17 MR. HAINES: Oh, regarding equipment, the types of  
18 equipment that they had, and the kind of technology that  
19 they're offering.

20 COMMISSIONER KRIKORIAN: Okay. And did you ask  
21 for contractual numbers, costs, fees, and so forth?

22 MR. HAINES: Not at that time.

23 COMMISSIONER KRIKORIAN: Okay. So --

24 MR. KORBY: If I may --

25 CHAIR WINNER: Yes.

1 MR. KORBY: -- Chris Korby once again. The -- the  
2 request process that was sent out to companies that we  
3 thought might be interested in submitting a proposal  
4 actually was a two-step process. In May we sent out a  
5 document -- a document called a request for information.  
6 This had two purposes. One was to notify interested  
7 companies that an RFP was on its way. The second was to  
8 solicit information from them about the kinds of things that  
9 they thought we should include in a request for proposals.

10 This is a fairly standard practice --

11 COMMISSIONER KRIKORIAN: Yeah. Yeah.

12 MR. KORBY: -- for -- for soliciting information  
13 from prospective bidders so that we knew that our RFP would  
14 be current with industry standards. That went out in May.  
15 We got a response from a number of companies back. And that  
16 helped us finish our preparations on the request for  
17 proposals which subsequently was sent out in June, I think  
18 mid-June.

19 CHAIR WINNER: But, Chris, the request for  
20 proposal did not require any numbers in terms of dollars or  
21 bids; correct?

22 MR. KORBY: It -- no, it did. It was a two-  
23 part -- a two-part submission.

24 CHAIR WINNER: So the request -- when you received  
25 the written request for proposal, the response to the

1 request for proposal, you got the bid from the two companies  
2 or any numbers of companies; correct?

3 MR. KORBY: Yes. We received -- the -- the RFP  
4 specified --

5 CHAIR WINNER: So then -- so then the question is  
6 did the number change --

7 COMMISSIONER KRIKORIAN: Well, right, what we're  
8 trying to get at is what -- what was submitted by the  
9 parties that made proposals?

10 CHAIR WINNER: Right.

11 COMMISSIONER KRIKORIAN: What numbers were  
12 submitted by the parties? And separately, when you met with  
13 them individually what were -- what was discussed? What  
14 were the questions that were asked and what -- and did you  
15 talk about numbers at that time? So --

16 MR. KORBY: The request for proposal asked for a  
17 technical proposal which described the services and the  
18 equipment, and a cost proposal which was submitted in a  
19 separate sealed envelope to those who would be evaluating  
20 it.

21 Subsequently we asked for -- and this was included  
22 in the RFP -- we asked for an oral presentation following up  
23 on the submission of the written presentations and the --  
24 and the cost proposal. That was also done -- that was done  
25 in September.

1           Subsequent to that -- and George who managed much  
2 of this day to day could probably answer more  
3 specifically -- subsequently we allowed both companies to  
4 make a written clarification on their cost proposals. Both  
5 companies did so after the oral presentations. And --

6           CHAIR WINNER: Chris -- Chris, did the -- did  
7 the -- did the proposal from AmTote change from their  
8 written proposal to their oral presentation, their cost  
9 proposal?

10          MR. HAINES: They both did.

11          MR. KORBY: Both did.

12          CHAIR WINNER: They both changed?

13          MR. MORRIS: Yeah.

14          CHAIR WINNER: Okay. And -- okay.

15          COMMISSIONER AUERBACH: I think it's later on in  
16 the process that they're complaining about.

17          CHAIR WINNER: No. They're complaining about  
18 this. This is what they're complaining about.

19          COMMISSIONER AUERBACH: But they both changed.

20          VICE CHAIR ROSENBERG: Clarify that point. After  
21 you received the -- the second, the RFP, you call it, the  
22 RFPs? Okay.

23          MR. KORBY: Proposals.

24          VICE CHAIR ROSENBERG: After you receive that you  
25 said they were given an opportunity to make a change. Was

1 that opportunity only to be at the oral presentation?

2 MR. KORBY: No. It was -- it was after the oral  
3 presentation.

4 VICE CHAIR ROSENBERG: After the oral  
5 presentation? After the oral presentation?

6 MR. KORBY: Correct.

7 VICE CHAIR ROSENBERG: So the oral presentation  
8 you're speaking of is -- took place when?

9 MR. KORBY: Mid-September, I think.

10 MR. MORRIS: September 17th --

11 MR. KORBY: 17th, 18th.

12 MR. MORRIS: -- and 19th.

13 VICE CHAIR ROSENBERG: So -- so Sportech -- well,  
14 a number of people came to this, I presume.

15 MR. MORRIS: Right.

16 VICE CHAIR ROSENBERG: But Sportech came on the  
17 earlier day, made their oral presentation; correct?

18 MR. KORBY: Uh-huh.

19 MR. MORRIS: Yeah. And they chose the earlier  
20 day.

21 VICE CHAIR ROSENBERG: And they chose it, they  
22 made it, and they changed the numbers after that?

23 MR. MORRIS: So --

24 VICE CHAIR ROSENBERG: Is that what you're saying?

25 MR. MORRIS: So after that we had two proposals.

1 And -- and we were having the challenge getting them apples  
2 to apples, so to speak. You know, we had wanted new  
3 equipment. Sportech bid mostly used equipment. So we had  
4 questions in that area. There was a few areas that we  
5 needed to get clarified. So we sent out a letter asking for  
6 clarification from both of the companies. And this would  
7 have been in -- in October, so this is after the  
8 presentations. And in the letter for clarification they had  
9 the opportunity to -- to tweak pricing also. Both of them  
10 did that. Both of them clarified. Both of them lowered  
11 their prices. So it was just a way for us to try to drive a  
12 better bargain with the -- with the whole thing.

13 VICE CHAIR ROSENBERG: When you say after, what  
14 time after?

15 MR. MORRIS: This would have been October 9th when  
16 we sent out the -- let's see, October 9th when we sent out  
17 the -- the clarification letters.

18 CHAIR WINNER: Did the -- obviously we know that  
19 representatives of The Stronach Group were present at the  
20 Sportech presentation and therefore knew what their number  
21 was at that time.

22 MR. MORRIS: Those presentations were on  
23 technology.

24 CHAIR WINNER: So there was no discussion --

25 MR. MORRIS: Right. We -- no. We weren't --

1 those weren't numbers. Those were --

2 CHAIR WINNER: -- of cost?

3 MR. MORRIS: Those -- that was the dog and pony  
4 show on technology.

5 CHAIR WINNER: Okay. So there was no discussion  
6 of cost, so --

7 MR. MORRIS: Right.

8 CHAIR WINNER: -- they would not have -- of  
9 course, would they have had privy to the written?

10 MR. MORRIS: Possibly. The other thing I'll tell  
11 you is on the Tote Committee that we formed, so SCOTWINC and  
12 NOTWINC were the -- were the bigger entities, we put  
13 together a smaller Tote Committee that no Stronach managers  
14 were even a part of.

15 CHAIR WINNER: Okay. That's helpful to know, I  
16 think.

17 Yes, Commissioner? Oh, I'm sorry, do you want to  
18 finish up?

19 VICE CHAIR ROSENBERG: So the Tote Committee  
20 reported --

21 MR. MORRIS: The small committee reported to --

22 VICE CHAIR ROSENBERG: -- reported to the --

23 MR. MORRIS: -- NOTWINC and SCOTWINC at the  
24 major -- at the big board level.

25 VICE CHAIR ROSENBERG: At what level -- at what

1 time in the sequence of all these events?

2 MR. MORRIS: So when the tote -- when the -- when  
3 we got the report from the Tote Committee it was the day we  
4 voted it. So the Tote Committee at a SCOTWINC -- joint  
5 SCOTWINC-NOTWINC meeting made their recommendation to the  
6 full boards on where -- where they thought it should go, and  
7 we voted, the full boards, the day, that -- that moment,  
8 that meeting.

9 CHAIR WINNER: Commissioner Choper?

10 COMMISSIONER CHOPER: Yeah. The fact -- there's a  
11 fact here, and that is that this is yet another involvement  
12 of The Stronach Group in racing. So I want to say three  
13 things about that. I'm inclined -- I mean, I'm going to  
14 vote for this, unless something, you know, drastic comes up,  
15 because Del Mar, Los Alamitos, Watch and Wager, CARF, and  
16 the horsemen all agreed to it. Okay. So that -- that's  
17 pretty strong. That's like whatever.

18 But I think -- I really do think that there ought  
19 to be a heightened sensitivity to the fact that we do have  
20 this thing with The Stronach Group being multi-multi  
21 tentacled here in our industry. It's just a fact. I think  
22 we ought to, as I suggested to Keith Brackpool earlier  
23 today, I think we ought to get the opinion that they have  
24 involving the antitrust laws, get them out of the way. I  
25 think we ought to see it, get it, and see if we want to

1 explore it any further. Because there are people who are  
2 talking about that, there's just no question about it.

3           And the third, which I think is the most  
4 important, is that I think it's incumbent upon everybody,  
5 including us, to take very special care to avoid the kinds  
6 of questions, you know, the issues, the potential issues  
7 that have been raised here. And that -- I don't have  
8 anything further to offer, but I tell you that I think it --  
9 I think it's important. It's important, I guess maybe  
10 largely as a matter of perception, but perception is by no  
11 means irrelevant. I don't think it's going to make, in the  
12 end, any difference. But it's a notion of full disclosure  
13 and real sensitivity to it. And some of you are -- I don't  
14 know -- I don't know if you still are or are not connected  
15 to The Stronach Group, but that message ought to be  
16 delivered in some way or another.

17           MR. MORRIS: And I appreciate your comments on  
18 that, and I think we did do that. I mean, the -- the tote  
19 contract is a big-ticket item. And the technology side of  
20 it is critical to our industry going forward, and the  
21 technology we have today isn't what we need going forward.  
22 So we, you know, we understood the -- the financial side of  
23 it, and the sensitivities. And I think if you look at  
24 our -- our timeline, I mean, we -- we marched this very  
25 diligently through a very thorough process. We formed a

1 committee. We sent out an RFI to identify potential  
2 bidders. Only two of them decided to bid on it. We sent it  
3 out to probably five companies, I think, it might have been  
4 six, but we got bids from two.

5 We made the smaller Tote Committee which didn't  
6 have a Stronach representative on it. We -- we did the --  
7 the -- we got the RFP, an 80-page document, very thorough,  
8 that we put out for everybody. We did the -- the  
9 presentations which were technology presentations, not  
10 number presentations. Gave them both a chance to clarify  
11 and do numbers. When you look at the difference in the  
12 savings over the -- over the ten-year contract it was really  
13 an easy decision for us. It wasn't a very close, you know,  
14 bid.

15 COMMISSIONER CHOPER: I'm not questioning that.

16 MR. MORRIS: And we just ran it right straight.

17 COMMISSIONER CHOPER: And I'm impressed by  
18 everything. I mean, I'm sincere. But I think that that  
19 should not have -- I think it would better if what you just  
20 said had not come just now --

21 MR. MORRIS: Right.

22 COMMISSIONER CHOPER: -- but had been made part of  
23 a general record open to everybody, very much like you're  
24 listing all the agree-ers. I mean, that's very impressive.

25 MR. MORRIS: Well, and the other side of it, with

1 SCOTWINC and NOTWINC, no one entity can vote anything  
2 through.

3 COMMISSIONER CHOPER: Yeah, right. That's right.

4 MR. MORRIS: So you know even the math of it --

5 COMMISSIONER CHOPER: But those -- the others were  
6 totally independent --

7 MR. MORRIS: Right.

8 COMMISSIONER CHOPER: -- of The Stronach Group.

9 CHAIR WINNER: For me, speaking for myself, I  
10 absolutely agree with what Commissioner Choper said, both  
11 with respect to perception, but also very much agree with  
12 the notion that it's wonderful to see everyone in racing  
13 come together and agree on something. That must say  
14 something about everyone in racing, except maybe Sportech  
15 and some other folks, I'm not sure who else.

16 MR. MORRIS: It certainly says everybody was part  
17 of the process --

18 CHAIR WINNER: Right.

19 MR. MORRIS: -- because they wouldn't be agreeing  
20 if they weren't.

21 CHAIR WINNER: And I also agree with the  
22 transparency the way that Commissioner Choper raised it in  
23 terms of letting people know what the process was. Because  
24 it's helpful to us to know. I'm sure it will be helpful --

25 MR. MORRIS: Yeah.

1 CHAIR WINNER: -- for other people to know how  
2 that process went down, which seems to be the proper way to  
3 do it.

4 COMMISSIONER CHOPER: All of us -- I think all of  
5 us have to be conscious of that more of the time.

6 CHAIR WINNER: Commission Krikorian?

7 COMMISSIONER KRIKORIAN: The implication in the  
8 letter from Sportech was is that when they made their  
9 presentation there were people there from The Stronach  
10 Group. But yet when the presentation was made the next day  
11 the indication is, is they weren't invited to participate in  
12 that -- in that process. That's one thing.

13 And then another thing that they're -- that  
14 they're saying was that there was a submission of a  
15 financial offer on September 3rd, as you indicated in the  
16 discussion earlier. But the implication is, is there were  
17 no financial offers that were made subsequently, but yet  
18 you're saying that there were, you know, that there -- that  
19 there were numbers that were put on the table after that.

20 So it's unfortunate there's nobody here from --  
21 from Sportech --

22 CHAIR WINNER: Sportech. Yeah.

23 COMMISSIONER KRIKORIAN: -- today to follow up to  
24 their letter. But -- so that's what's concerning to -- to  
25 the Commission here.

1 CHAIR WINNER: It may have been better, although  
2 based on what you said maybe it didn't make any difference  
3 anyway, it may have been better to somehow flip flop the  
4 dates of the presentation.

5 MR. MORRIS: They actually had chosen --

6 CHAIR WINNER: Yeah, I understand. I understand.

7 MR. MORRIS: They had the choice to go first. And  
8 since then we -- George and I have met with the CEO of  
9 Sportech who flew over from England, and his people. And  
10 we've had a subsequent meeting with a local representative  
11 also. Because there's still ongoing business going with  
12 them.

13 CHAIR WINNER: Right. Yes.

14 MR. MORRIS: So you know, we're in -- and they've  
15 been a good provider of services out there for a number of  
16 years.

17 CHAIR WINNER: Twenty-two, I think they said.

18 COMMISSIONER CHOPER: I mean, I really do think  
19 that that is important in terms of perceptions. I mean,  
20 just the sort of -- the sort of questions you're asking that  
21 could have been avoided. When you say for example the  
22 financials, the financials, the nature of the bids was  
23 pretty simple; right? Well, that makes it so wait  
24 another -- I don't know what you do -- wait another couple  
25 of days in between meetings. Do whatever you got to do

1 to -- to be able to have most people say, well, gees,  
2 they -- there's nothing left to charge them with here.  
3 Anyway, that's --

4 CHAIR WINNER: All right. So -- I'm sorry.

5 COMMISSIONER KRIKORIAN: Well, also Sportech was  
6 in the process or are still in the process of opening a  
7 number of minisatellite facilities. So where are you with  
8 that? Where are they with that? My understanding is  
9 there's -- they've put a hold on this.

10 MR. MORRIS: They're -- we're in a holding pattern  
11 right now. And we should know -- when we met it was, what,  
12 five to six -- five to seven weeks, and we're two weeks past  
13 that. So we should know in three or four weeks whether  
14 they're going to continue to go forward with that model or  
15 not.

16 CHAIR WINNER: What if they don't?

17 MR. MORRIS: What's that.

18 CHAIR WINNER: What if they don't?

19 MR. MORRIS: If they don't we'll -- we'll have  
20 plan B ready to go. You know, our SCOTWINC network right  
21 now is up almost ten percent in handle. It's because of the  
22 effort that SCOTWINC and George have been putting into it.  
23 And it's critical that we keep that rolling. So he's been  
24 talking to other groups.

25 CHAIR WINNER: So you're looking at plan B?

1 MR. MORRIS: Yeah. He's been talking to other  
2 groups.

3 CHAIR WINNER: Because we don't want to lose that.

4 MR. MORRIS: We can't.

5 CHAIR WINNER: I mean, that's critical.

6 MR. MORRIS: Yeah.

7 VICE CHAIR ROSENBERG: I just have one thing on  
8 the -- Sportech has the equipment in the minisatellites;  
9 right?

10 MR. MORRIS: Yeah.

11 VICE CHAIR ROSENBERG: And they have these  
12 ventures, and there's economics involved in how they --

13 MR. MORRIS: In some of them, yeah.

14 VICE CHAIR ROSENBERG: Some of them.

15 MR. MORRIS: Right.

16 VICE CHAIR ROSENBERG: Under the present --  
17 assuming Sportech decides to just say in terms of continuing  
18 to be involved in minisatellites or not, what happens to the  
19 tote equipment that's in the -- in the minisatellites, the  
20 Sportech equipment?

21 MR. MORRIS: So we -- originally the --

22 VICE CHAIR ROSENBERG: Is that part -- is that  
23 part of the bid?

24 MR. MORRIS: Originally those two contracts were  
25 together. And over the last year we have separated all of

1 the tote contracts from the audio-visual contracts. So they  
2 are two separate things. So on whatever day we cut over to  
3 the AmTote system all the tote will be AmTote, and the  
4 audio-visual, the technology, would still be Sportech's.

5 VICE CHAIR ROSENBERG: But does -- is there  
6 actually equipment that has to be removed or is it just a  
7 switch?

8 MR. MORRIS: Just tote machines.

9 VICE CHAIR ROSENBERG: Okay.

10 MR. MORRIS: Yeah. Tote machines.

11 CHAIR WINNER: Any other questions?

12 MR. MORRIS: And this is similar to the Sportech  
13 model in Connecticut where it's just OTPs.

14 CHAIR WINNER: By the way, there's not -- just to  
15 clarify, there's -- we're not voting today. This is only  
16 for discussion. There's nothing to vote on.

17 MR. KORBY: You ask -- you ask about plan B, we  
18 have B, C and D. So we're being very aggressive in site  
19 development.

20 COMMISSIONER KRIKORIAN: So that's excellent. I  
21 think that we should -- I think we should try to get  
22 Sportech folks in here for our next meeting. We're not  
23 taking any action today. And the -- they made some pretty  
24 serious statements here --

25 CHAIR WINNER: Yeah.

1           COMMISSIONER KRIKORIAN:  -- and I think we  
2 should -- we should give them the opportunity to talk about  
3 it, just so we're transparent about everything here before  
4 we make a decision to license and all of that.

5           CHAIR WINNER:  Right.  There's no -- no reason  
6 that we shouldn't do that, as far as I'm concerned.  We  
7 should ask them, and if they choose to come, we can't  
8 require them to come.

9           MR. MORRIS:  So our goal is that they do continue  
10 on with the OTB --

11          CHAIR WINNER:  Right.

12          MR. MORRIS:  -- part of their business plan.

13          CHAIR WINNER:  All right.  If there's nothing  
14 else, thank you, gentlemen.

15                 I know that Mr. Bucalo wanted to speak on this  
16 item, so we'll ask him to come up.  Thank you all, ladies  
17 and gentlemen.

18           MR. BUCALO:  Good morning, Chairman Winner and  
19 distinguished Members of the Board.  I had a question about  
20 if we do go to the new system with AmTote will there be any  
21 downtime installing the equipment, and will there be a loss  
22 of revenue for the satellites because they're going to bring  
23 new equipment in and install it.

24                     And also, our Gaming Commission at Berona, which  
25 is -- oversees all the process there, the wagering processes

1 on the tribal land, has asked for four weeks advance that a  
2 form be filled out with the names of the company and the  
3 people who are going to be installing equipment, and the  
4 specifics. So we'll have to have that up to them at least  
5 four weeks in advance. So I just wanted that on the record  
6 so they just don't show up, because that's been a problem  
7 before.

8 EXECUTIVE DIRECTOR BAEDEKER: They'll have that a  
9 part of AmTote's license application before this Board. All  
10 of that data will be public document, so --

11 MR. BUCALO: Okay. As well as the downtime and so  
12 on?

13 EXECUTIVE DIRECTOR BAEDEKER: Well, the downtime  
14 is an operational issue. I don't -- what's the answer?

15 MR. HAINES: There will be no downtime.

16 EXECUTIVE DIRECTOR BAEDEKER: No downtime.

17 MR. BUCALO: Okay. Well, thank you very much.

18 (Colloquy Between Chair and Vice Chair)

19 CHAIR WINNER: George, I was talking -- did you  
20 answer that --

21 MR. HAINES: Yes, I did.

22 CHAIR WINNER: -- his question? Okay, we're good.  
23 Okay.

24 So what was your recommendation?

25 VICE CHAIR ROSENBERG: I was going to suggest that

1 this is a lengthy -- that Commissioner Krikorian who is the  
2 chairman of the committee, the PMO Committee and I, suggest  
3 that we refer the rest of this report on the overall  
4 financial structure and corporate structure of SCOTWINC and  
5 NOTWINC to the committee so we have time to go over that.

6 I would also comment that this is the first time  
7 since I've been on the Board, which is a few years, that  
8 we've had as detailed an explanation of how SCOTWINC and  
9 NOTWINC operate --

10 COMMISSIONER KRIKORIAN: We need more time to  
11 review it.

12 VICE CHAIR ROSENBERG: Yeah.

13 CHAIR WINNER: Okay.

14 VICE CHAIR ROSENBERG: We need more time to review  
15 it.

16 CHAIR WINNER: So we'll do that. We'll refer it  
17 to committee --

18 VICE CHAIR ROSENBERG: Okay.

19 CHAIR WINNER: -- as your request.

20 And anything else from the Board? And if not I'll  
21 hear a motion to adjourn.

22 COMMISSIONER AUERBACH: So moved.

23 CHAIR WINNER: Commissioner Auerbach moves to --

24 MR. MILLER: Pending closed session.

25 CHAIR WINNER: Pardon me?

1 MR. MILLER: Pending closed session.

2 CHAIR WINNER: Yeah, there's --

3 MR. MILLER: Yeah.

4 CHAIR WINNER: Pending closed session. Commission  
5 Auerbach moves. Commissioner Krikorian seconds. This  
6 meeting is now adjourned. Thank you all very, very much.

7 (The meeting was adjourned at 12:42 p.m.)

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## CERTIFICATE OF REPORTER

I, MARTHA 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 18th day of February, 2015.

/s/ Martha Nelson\_  
MARTHA NELSON

## CERTIFICATE OF TRANSCRIBERS

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

February 23, 2015