

APPEARANCES

COMMISSIONERS

Chuck Winner, Chair

Richard Rosenberg, Vice Chair

Jesse Choper

Steve Beneto

George Krikorian

Madeline Auerbach

Alex Solis

STAFF

Rick Baedeker, Executive Director

Robert Miller, Staff Counsel

Jacqueline Wagner, Assistant Executive Director

Rick Arthur, Equine Medical Director

Mike Marten

ALSO PRESENT

John Bucalo, Barona Casino

Bo Derek, Former Commissioner

Joe Harper, Del Mar

Kim Lloyd, Barretts

Cal Rainey, Golden Gate Fields

Dan Cirimeli, Golden Gate Fields

Scott Daruty, Golden Gate Fields

Richard Conway, Humboldt County Fair

APPEARANCES (CONT.)

ALSO PRESENT

Dan Schiffer, Pacific Coast Quarter Horse Racing
Association

Richard English, Los Alamitos Race Course

Joe Morris, TOC

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| 1. | Approval of the minutes of May 19, 2015. | 2 |
| 2. | Executive Director's Report. | 4 |
| 3. | Public Comment: Communications, reports,
requests for future actions of the Board.

Note: Persons addressing the Board under this
item will be restricted to three (3) minutes for their
presentations. | 11 |
| 4. | Closed Session: For the purpose of receiving
advice from counsel, considering pending litigation,
reaching decisions on administrative licensing and
disciplinary hearings, and personal matters, as
Authorized by section 1126 of the Government Code.

A. The Board may convene a Closed Session to
confer with and receive advice from its legal
counsel, considering regarding the pending
litigation described in the attachment to
this agenda captioned "Pending Litigation"
as authorized by Government Code section
11126(c). | 17 |

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- B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to this agenda captioned "Pending Administrative Adjudications," as authorized by Government Code section 11126(c).
- C. The Board may convene a Closed Session for the Purpose of considering personnel matters as authorized by Government Code section 11256(a).
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increase of 11.1 percent scheduled for January 1, 2016 and to amend the non-winning jockey riding fee scale to reflect an increase of 11.1 percent for the 2nd and 3rd place mounts in race with a Gross purse of \$9,999 or less.

11. Public hearing and action by the Board regarding the proposed amendment to CHRB Rule 1433, Application for License to Conduct a Horse Racing Meeting, to revise the Application for License to Conduct a Horse Racing Meeting, CHRB-17 (Rev. 07/11) (CHRB-17), and Application for License to Conduct a Horse Racing Meeting of a California Fair, CHRB-18 (Rev. 07/11) (CHRB-1), to 1) delete the requirement that any thoroughbred racing association that operates four weeks or more of continuous thoroughbred racing in a calendar year install a polymer synthetic racing surface; 2) collect information on stakes races for the prior two race meetings; the name, emergency telephone number and hours of the racing veterinarian onsite during training hours, workouts
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and during racing; information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program; and capture the takeout percentage for each type of wager. (Note: This concludes the 45-day public comment period. The Board may adopt The proposal as presented.)

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| 12. | Public hearing and action by the Board regarding the proposed amendment to CHRB Rule 1844, Authorized Medication, to 1) lower the amount of ketroprofen 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 level to the list of California's authorized medications. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.) | 65 |
| 13. | Discussion and action by the Board regarding the submission of proposed CHRB Emergency Rule 1866.1, | 66 |

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Presence of Clenbuterol in Quarter Horses, to the Office of Administrative Law (OAL), in response to the OAL determination that the February 28, 2014 memorandum "Instructions Pursuant to Rule 1885, Medication Procedures and Related Instruction" issued by the CHRB Equine Medical Director was an underground regulation.

14. Discussion and action by the Board regarding the request from the Sonoma County Fair and the Pacific Coast Quarter Horse Racing Association, to suspend the use of Clenbuterol for 12 months effective June 1, 2015, for quarter horses at the Sonoma County Fair race meeting, pursuant to the provisions of CHRB Rule 1844.1, Suspension of Authorized Medication. 73
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P R O C E E D I N G S

9:38 A.M.

PROCEEDINGS BEGIN AT 9:38 A.M.

(The meeting was called to order at 9:38 A.M.)

LOS ALAMITOS, CALIFORNIA, THURSDAY, JUNE 25, 2015

MEETING BEGINS AT 9:38 A.M.

CHAIRMAN WINNER: 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 Thursday, June 25th, 2015 at Los Alamitos Race Course, 4961 Katella Avenue, Los Alamitos.

Present at today's meeting are: myself, Chairman Winner, Chairman; Richard Rosenberg, Vice Chair; Madeline Auerbach; Steve Beneto, Commissioner; Jesse Choper; George Krikorian, Commissioner; and Alex Solis, Commissioner.

Before we go 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 period if the matter concerns horse racing in California.

In order to ensure all individuals have an opportunity to speak and the meeting proceeds in a timely manner, I will strictly enforce the three-minute time limit

1 rule for each speaker. The three-minute time limit will be
2 enforced during discussion of all matters as stated on the
3 agenda, as well as during the public comment period.

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

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

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

24 The first item on the agenda is the approval of
25 the minutes of the May 21st, 2015 meeting.

1 One thing I would like to request on the minutes,
2 if you read the minutes it appears that the chairman in all
3 but one case moved the various motions, which is, of course,
4 inaccurate. I almost never move the motions. Once in a
5 while I do. But generally I call on others to do that. So
6 that's an error. I don't know how that happened, but let's
7 correct that and -- and make sure that doesn't happen again.

8 The other -- are there any other additions,
9 corrections to the minutes? If not, is there a motion to
10 approve the minutes?

11 COMMISSIONER CHOPER: So moved.

12 COMMISSIONER AUERBACH: Second.

13 CHAIRMAN WINNER: It's been moved by Commissioner
14 Choper, seconded by Commissioner Auerbach that the minutes
15 be approved. Any -- all in favor?

16 ALL COMMISSIONERS: Aye.

17 CHAIRMAN WINNER: Any opposed? The minutes are
18 approved.

19 For those of you who might be here to speak on
20 item number 17, discussion and action by the Board regarding
21 the proposed adjustment of the 2015 Southern California
22 racing calendar to allocate September 26th and 27th at Santa
23 Anita to Los Angeles Fair -- Los Angeles County Fair,
24 Fairplex, at Los Alamitos, that matter thankfully, with the
25 -- with the cooperation and hard work of all of the

1 participants, all of the stakeholders, and especially under
2 the leadership of Chairman of the Committee, Commissioner
3 Krikorian, that matter has been thankfully resolved. And
4 there is no reason to continue to have that on the agenda.

5 And that also means there's no reason for the
6 executive session -- executive -- the recess to closed
7 session which is item number four on the agenda, that will
8 not occur. We will have an executive session after the
9 meeting on other items, but we will not have the recess
10 after -- after the public comment period.

11 And again I want to thank Commissioner Krikorian,
12 and I want to thank all of those -- all of those
13 stakeholders who were involved in this process for their
14 hard and diligent and compromising work. And I think that
15 resolution was a fair and equitable one.

16 Moving on then, let us go to the Executive
17 Director's report.

18 EXECUTIVE DIRECTOR BAEDEKER: Thank you, Mr.
19 Chairman.

20 The first thing I'd like to mention so that I
21 don't forget is just -- just to say thank you to the
22 associations who accommodate for us for these meetings.
23 Mike Marten is usually the one who coordinates with the
24 associations, with folks like Cathy Monji that take such
25 good care of us in providing all of these things. But

1 everywhere we go, we had a committee meeting last week at
2 Golden Gate Fields, all of our meetings at Santa Anita, it's
3 -- it's a lot of work to set up these rooms, provide the
4 refreshments for everybody. And we want to make sure that -
5 - that you're aware that the Board is appreciative.

6 We had a stewards meeting on Tuesday, covered a
7 wide range of issues. The first one that we talked about is
8 the implementation of the new whip rule which takes effect -
9 -

10 CHAIRMAN WINNER: Crop, crop, crop.

11 EXECUTIVE DIRECTOR BAEDEKER: -- riding crop rule
12 which takes effect on July 1st. The -- as I think you're
13 probably all aware, the rider now can not use the crop more
14 than three times in succession without allowing the horse to
15 respond. And we had quite a discussion about what is the
16 definition or the interpretation of allowing a horse to
17 respond. This is all good. And you'll hear a little bit
18 later about a discussion that we had the Jockey and Driver
19 Committee hearing about moving forward with more changes to
20 the whip rule. So that was very --

21 CHAIRMAN WINNER: Crop.

22 EXECUTIVE DIRECTOR BAEDEKER: The crop rule.

23 I think you've made your point, Mr. Chairman.
24 Thank you.

25 CHAIRMAN WINNER: Well, I don't know if I made my

1 point as you continue.

2 EXECUTIVE DIRECTOR BAEDEKER: Just like home.

3 Okay, moving on, the Rule 1699, we -- we discussed
4 some tweaks to the riding rule. We've been talking about
5 this for -- for quite a while and it was very healthy
6 discussion. And we -- we expect that we'll be bringing this
7 to the full Board in the next couple of meetings for
8 consideration.

9 We also have been working on -- with Steward Kim
10 Sawyer and the safety stewards, we have been -- and our
11 Counsel Philip Laird, we've been working on the trainers'
12 test and tightening up the requirements for becoming a
13 trainer. We're a little concerned that depending on the
14 personalities involved and the particular situations of the
15 test that perhaps sometimes it's just a little too easy to
16 get a trainers -- a trainers license here in California. So
17 more will follow on that. We'll be bringing back some
18 proposed changes to the Board for consideration.

19 We also had a presentation by our Counsel Philip
20 Laird on procedures for hearings, for conducting hearings,
21 both for our investigators and for our stewards, very
22 productive.

23 And maybe the most important one of the day was a
24 thorough discussion on a number of horse welfare issues with
25 the primary focus on the care and treatment of ponies.

1 Thanks to the good work by Commission Auerbach we have
2 already begun the process. We had a meeting with the
3 stewards and our equine medical director, and a follow-up
4 meeting with -- with the people that own the ponies and take
5 care of them. And this is just the start.

6 Through -- through the good work of Dr. Arthur and the
7 safety stewards we've put into plan a program for examining
8 the ponies. We're doing some testing to make sure that
9 there's no overuse of anti-inflammatories and so forth.

10 So again, thanks to Commissioner Auerbach we've
11 raised the awareness of this issue, and it's an important
12 one. We've met with all of the pony riders and owners up
13 and down the state, and so this is just the beginning of
14 that effort.

15 And we also talked about the handling of financial
16 complaints by the stewards. And just to capture the issue,
17 the stewards in some measure have become kind of --

18 CHAIRMAN WINNER: Small Claims Court.

19 EXECUTIVE DIRECTOR BAEDEKER: -- yeah, Small
20 Claims Court for -- for those that have financial issues.
21 And a lot of times they'll be presented with, you know, 20
22 claims at a time, and these take investigation and so forth.

23 And so we're looking at revamping that process. Stewards
24 shouldn't be distracted from their more important work, as I
25 think we would all agree.

1 We continue to make great strides with the
2 microchip program. We -- InCompass solutions finished the
3 software that will read the information that comes off the
4 scanner. So the scanner reads the chip that's implanted in
5 the horse. And then it's wi-fied into a tablet and
6 immediately all the information about the horse comes up.

7 And the exciting thing about this is, you know, we
8 started the program because we wanted to know how many
9 horses we have in California, who they are and where they
10 are. And that's been kind of a stick method of going out
11 and counting noses in the past. So this will automate that.

12 But this will go much further. We can get to the point
13 hopefully where we can digitize medical records and a
14 medical record can follow the horse wherever it goes.

15 If somebody claims a horse for \$50,000 you'd think
16 they'd be entitled to know what medical treatment the horse
17 has been receiving over the last several months. There's a
18 lot of discussion that has to take place with issues like
19 that. But you can foresee a day where a racing secretary
20 with the push of a button can know exactly who's on the
21 backstretch, what conditions they fit, and write races
22 accordingly and help fill races.

23 So it's an exciting thing. We're getting close to
24 implementation. We're in the process right now of deciding
25 how we'll do that. But I can tell you that everybody has

1 been terrific, trainers have been great. Associations have
2 been great, vets, it's all good.

3 And finally, the financials for the month of May
4 were very strong. Business was up. Daytime business was up
5 7.65 percent. The night business up 10 percent. And total
6 all in, up 7.88 percent across the state for the month of
7 May. And you say, well, you know, we had a great Derby and
8 Preakness. Well, we did last year, too, with California
9 Chrome. So that's a very, very good sign.

10 And that's my report.

11 CHAIRMAN WINNER: Thank you very much, Mr.
12 Baedeker.

13 For those who aren't familiar with it, the
14 Stewards Committee meetings are really critical. And the
15 way it works is the Chairman and the Vice Chairman and Staff
16 meet with the stewards and we spend literally several hours,
17 usually half a day, and going over all of the things that
18 the Executive Director explained. But it takes a lot of
19 work.

20 And I want to thank Rick and Jackie and Mike
21 Marten for the work that they do in preparing for those
22 meetings and getting -- doing all of the -- all of the work
23 that makes them a successful meeting. And I want to thank
24 Vice Chair Rosenberg. I think we had a very, very effective
25 meeting. I think they're generally all effective. But this

1 one was -- we had an awful lot on the agenda. We, I
2 believe, accomplished a lot. And I think those meetings are
3 critical. And again I want to thank Staff and Commissioner
4 Rosenberg and Phil Laird for the work that they did at that
5 meeting.

6 VICE CHAIR ROSENBERG: May I say something?

7 CHAIRMAN WINNER: Please.

8 VICE CHAIR ROSENBERG: One item on the agenda at
9 that meeting, at the very end we started chatting about
10 whether or not -- and I recall seeing, once upon a time, on
11 silks of jockeys, Confederate flags. And I found out later
12 after the meeting that race -- InCompass does keep track of
13 the description of each one of these silks. So if there are
14 any in the state I think the management at the track should
15 look into this and we should -- and let us know if there's a
16 procedure we have to follow, if required, to do something
17 about that.

18 CHAIRMAN WINNER: We did talk to the stewards,
19 again informally --

20 VICE CHAIR ROSENBERG: Yes.

21 CHAIRMAN WINNER: -- as you suggest after the
22 meeting about informing those owners and trainers who have
23 silks with a Confederate flag on them that -- with the
24 approval of the race tracks, of the associations, that is
25 not something that will be acceptable.

1 Let's move on to the public comment period. John
2 Bucalo?

3 MR. BUCALO: John Bucalo, Barona Casino, Off-track
4 Betting Manager. I won't take long. I know there's a lot
5 on the agenda today.

6 I just wanted to ask that the Board consider
7 allowing satellites to increase the number of races they're
8 taking. We just can not compete with the ADWs. They can
9 take full cards. Our guests are complaining. One of the
10 most popular bets today is the Pick 5. And the Pick 5 can
11 not be played because a lot of the tracks that we take start
12 with race two or race three, and the Pick 5 starts at race
13 one. So a bet that the guests really want to play, they're
14 not allowed to play it at the satellites. And I think that
15 the Board should take a survey at every satellite to find
16 out that I am right, the guests want to play this, if it
17 takes a survey.

18 But we just can't compete with the ADWs. With the
19 rebates they offer, we can not afford to offer rebates. The
20 advertising they receive, the amount of races they take,
21 they take races that we can't, which include the Pick 5, by
22 the way. They offer those to the residents of California
23 that the satellites in California can not offer. We're not
24 on a fair --

25 CHAIRMAN WINNER: This is a statutory issue.

1 COMMISSIONER CHOPER: Who regulates the number of
2 races that a satellite can take, the number of tracks?

3 CHAIRMAN WINNER: It's in the law. It's in the
4 statute. It's in the statute.

5 MR. BUCALO: Yeah. So I don't think we're on an
6 even playing field, and it isn't fair. And I think we
7 should be allowed to take those same races.

8 CHAIRMAN WINNER: John -- John, it seems to me
9 that -- that this is something that your lobbyist in
10 Sacramento ought to deal with because it's a statute -- it's
11 in the statute. It's not something that we regulate. This
12 is in the law. The law would have to be changed.

13 MR. BUCALO: Okay.

14 COMMISSIONER CHOPER: Maybe -- maybe the
15 Legislative Committee will take that up --

16 CHAIRMAN WINNER: You can take it up.

17 COMMISSIONER CHOPER: -- at our next meeting.

18 CHAIRMAN WINNER: Right.

19 MR. BUCALO: Okay.

20 CHAIRMAN WINNER: But it still -- in order to
21 change it --

22 COMMISSIONER CHOPER: What he said certainly makes
23 sense to me.

24 MR. BUCALO: But, yes, and I want to give an
25 example quickly. If you owned a movie theater and you were

1 only allowed to take a certain portion of the movie theater,
2 the last part of it, but you had competition and HBO can
3 show the whole thing on your telephone or your computer, and
4 would the movie theater say get on your telephone and -- and
5 watch the early part of the movie? And that's what we have
6 to tell our guests, if you want to play those Pick 5s get on
7 the telephone or computer, and they're cannibalizing our
8 business. And it just isn't fair.

9 But I thank you very much.

10 CHAIRMAN WINNER: Again, John, understand we're
11 not disagreeing with you. But -- and we will refer it -- we
12 will ask the Legislative Committee to evaluate the issue.
13 But it is -- it's in the state statute. So you're going to
14 have to get your lobbyists to deal with it in Sacramento.
15 And you're certainly welcome to work with our committee in
16 dealing with that issue.

17 MR. BUCALO: I will. Thank you very much.

18 CHAIRMAN WINNER: Thank you.

19 And now a special guest, Mary Ann Breed, who will
20 either roll or hop up here.

21 MS. BREED: That's how I landed on my face back in
22 the hospital.

23 Good morning, Mr. Chair and Commissioners. It's
24 great to see you. I'm Mary Ann Breed. I'm the widow of
25 Kirk Breed. And I'm here on behalf of the Kirk Breed

1 Memorial Fund. The legislature renamed the Cal Expo Race
2 Track after Kirk. And it was official in 2013. It's the
3 Kirk Breed Memorial Race Track. And as part of the language
4 of the bill the -- to recognize it, to pay tribute, we were
5 allowed to come up with a placard or a bust or whatever.
6 And Cal Expo -- and working with Cal Expo we agreed to do a
7 bust. And the money to pay for the bust is -- has to be
8 raised by private donations. It's tax deductible. It goes
9 to the Friends of the California State Fair.

10 Right now we -- the actual bust is at the fair.
11 It's going to be -- there's going to be a gala on July 10th,
12 the opening day of the fair. And I have a picture of what
13 it looks like here. And I've raised -- we've raised about
14 \$35,000 but the whole project is \$65,000. My daughter Chloe
15 here, she's going to show it to you. But I think it's
16 absolutely gorgeous. And it's already there so I don't have
17 a deadline, thank god, you know? It's easier -- easier to
18 lobby for votes, trust me.

19 So in any event, I just wanted to appeal to the
20 Board. My daughter has the information she's going to hand
21 out if you -- and the list of the -- of the contributors.
22 And if you could help we would really appreciate it. Again,
23 it's tax deductible. And we're really excited about paying
24 tribute to a wonderful man and his contribution to the horse
25 racing industry.

1 And I have to tell a funny story real quick. So I
2 have Kirk's horse who Mr. Beneto used to have. And I was
3 cleaning his feet and the horse went one way and I went the
4 other, and I ended up with a compound fracture. I have -- I
5 have a plate and I have nine pins, and I have a screw. But
6 the good news is I will walk again, I will ride again, which
7 is everything to me.

8 So I thought, well, you know, since I need about
9 30 grand, being a lobbyist, a former lobbyist we're like
10 always certain, seldom right. You know, that's kind of our
11 philosophy. So I thought, well, I -- the horse didn't cause
12 the accident actually, well, it was part of the horse. But
13 what happened is I got my -- I got my spurs caught in this
14 mat and I went down and my leg stayed straight, and so it
15 cracked. And plus these gals that were working there helped
16 me to get up, and so I stepped on it and then it just
17 completely shattered and so the bone came out and
18 everything.

19 So I thought, well, maybe I could -- it's a city-
20 owned park and I was thinking, you know, maybe I could get
21 20 or 30 grand, you know, and it will pay for the bust;
22 right? And no big deal; right? So -- because I'm
23 definitely impaired for a while. And fortunately through
24 Kirk I have medical coverage which is fine.

25 So anyway, I call the lobbyist, you know, of the

1 Consumer Attorneys Union, you know, to ask her about this
2 idea. You've got to hear this letter. You're going to get
3 a chuckle out of this.

4 So she says to me,

5 "Hi Mary Ann, you may want to try" so and so and
6 so "in Sacramento. They're excellent attorneys overall and
7 will let you know whether or not your case has a chance of
8 proceeding. I don't know of any specific attorneys who have
9 brought these cases as the law in this area favors
10 defendants under the assumption of the risk doctrine. Also,
11 with a full recovery your damages will be limited.

12 "In a twist of irony, I am almost 100 percent
13 positive that Kirk sponsored legislation years ago that the
14 California Attorneys Association unsuccessfully opposed that
15 declared as a matter of law all equine activities were
16 immune from suits.

17 "I hope all is otherwise well and best wishes for
18 a speedy recovery."

19 I thought that was classic. So anyway, her advice
20 was just get well. So I thought you guys would enjoy that
21 story.

22 So if you have any questions, the -- the forms are
23 here. If you have any leads I would really appreciate it.
24 Again, it's tax deductible. And the organization that's
25 sponsoring it is Friends of the California State Fair. And

1 the organization was designed to enhance the -- the facility
2 at Cal Expo. So thank you for your time.

3 CHAIRMAN WINNER: Thank you very much. And, of
4 course, we all thank Kirk for the incredible work that he
5 did on behalf of horses and horse racing in California.

6 Any questions for Mary Ann? All right.

7 As I mentioned, item four, the recess to closed
8 session, will not take place. That's off the agenda.

9 So we go on to item five, and this is -- this is
10 really something that is a real pleasure for me, and I think
11 all of us, Board and Staff, which is to thank a wonderful
12 Commissioner, Bo Derek, for the -- for the work that she did
13 so tirelessly and with such great energy in protecting our
14 horses. For anyone who loves horse racing and loves horses
15 and animals, they and we all owe a great -- a great debt of
16 gratitude to Commissioner Derek. No one has done more in my
17 view for the benefit of horses than she has. When I first
18 came on the Board I was fortunately assigned to her
19 Committee, Medication and Track Safety. And I learned so
20 much from -- from Bo and the work that she does and the way
21 that she cares and the questions that she asked in order to
22 be -- to learn more were very instructive for me, and I
23 think for all of us.

24 So with that let me ask Bo to come up and maybe
25 have a seat up here.

1 (Applause)

2 We're sorry that you're not on this side of the
3 table any longer.

4 MS. DEREK: Yeah. I don't like this side very
5 much.

6 CHAIRMAN WINNER: Let me read this resolution, if
7 I may.

8 "The California Horse Racing Board Resolution for
9 Bo Derek.

10 "Whereas, the California Horse Racing Board
11 expresses its appreciation to Bo Derek who gained an
12 international reputation for supporting animal rights
13 causes, focused those efforts for nearly seven years in the
14 California horse racing industry, creating a legacy that
15 will benefit horses and riders for decades to come.

16 "Whereas, from the moment she was appointed to the
17 California Horse Racing Board in 2008 Ms. Derek realized
18 that regardless of their differences, despite the demands of
19 competition everyone participating in horse racing shared a
20 high regard for the welfare of horses and their riders. She
21 built on that common bond and forged consensus on health and
22 safety initiatives designed to protect those facing great
23 risk throughout their careers.

24 "Whereas, first she set about to improve the
25 materials designed and construction of safety helmets and

1 safety vets, working with jockeys and manufacturers to
2 produce helmets and vests meeting international safety
3 standards, she also led the effort to make the wearing of
4 those helmets and vests mandatory in California horse
5 racing, an effort that we believe has saved lives and
6 limited serious injuries to jockeys and exercise riders.

7 "Whereas, Ms. Derek worked with race tracks in
8 developing emergency procedure plans, requiring ambulances
9 to be present during racing and training hours, and for
10 paramedics rather than EMTs to be close at hand whenever
11 horses and riders are out on the track.

12 "Whereas, she helped improve the construction of
13 riding crop used in California horse racing so those carried
14 by jockeys and exercise riders are padded and kinder to
15 horses, designed to create noise, not inflict pain.

16 "And whereas and finally, she helped bring about
17 important restrictions on the use of riding crops, her goal
18 is always to protect horses while improving the image of
19 horse racing.

20 "Now therefore be it resolved for these
21 accomplishments, along with her unwavering support for
22 improvements to medication rules that make conditions safer
23 for all racing participants, we, her colleagues on the
24 Board, extend our deepest appreciation for Ms. Derek's
25 service to the state and to the California horse racing

1 industry, adopted unanimously by the California Horse Racing
2 Board on July [sic] 5th [sic] -- 25th, 2015."

3 (Applause)

4 (Whereupon the Resolution is presented to Ms. Derek.)

5 EXECUTIVE DIRECTOR BAEDEKER: Somebody's got to
6 get a picture.

7 VICE CHAIR ROSENBERG: Bo, turn around after
8 you're done.

9 COMMISSIONER AUERBACH: No crying.

10 MS. DEREK: No.

11 CHAIRMAN WINNER: We'll miss you.

12 COMMISSIONER AUERBACH: Yeah.

13 VICE CHAIR ROSENBERG: Rick, turn around. Turn to
14 the side.

15 COMMISSIONER AUERBACH: We will.

16 VICE CHAIR ROSENBERG: Chuck, yeah, turn to this
17 side. Okay. Great. Okay. Thank you.

18 Thanks, Bo.

19 EXECUTIVE DIRECTOR BAEDEKER: Thank you, Bo.

20 VICE CHAIR ROSENBERG: We'll miss you.

21 CHAIRMAN WINNER: All right. That was the most
22 important part of the meeting.

23 Now we'll go on to some of the other items.
24 Discussion and action by the Board regarding a distribution
25 of race day charity proceeds of the Del Mar Thoroughbred

1 Club in the amount of \$27,845 to five beneficiaries.

2 Is somebody going to speak on that? Joe?

3 MR. HARPER: I recommend approval.

4 CHAIRMAN WINNER: Is there any discussion on that,
5 on item number six? Everybody's good with it? Is there a
6 motion to approve, besides Joe's motion?

7 COMMISSIONER CHOPER: I have a comment.

8 CHAIRMAN WINNER: I'm sorry. Commissioner Choper?

9 COMMISSIONER CHOPER: Well, I think it's -- I
10 think it's a tribute. It comes very coincidentally with the
11 time that we're honoring Bo Derek, because she was a tiger
12 when it came to going over these contributions and making
13 sure that a good chunk of it went to the horse -- to the
14 horses themselves. A good chunk wasn't usually enough but
15 she settled for that. But you've -- you've got 100 percent,
16 so we thank you.

17 MR. HARPER: Bo's efforts are greatly appreciated
18 by this industry, believe me.

19 CHAIRMAN WINNER: Is there a motion?

20 COMMISSIONER KRIKORIAN: Moved.

21 COMMISSIONER AUERBACH: Second.

22 CHAIRMAN WINNER: Commissioner Krikorian moves.
23 Commissioner Auerbach seconds. All in favor?

24 ALL COMMISSIONERS: Aye.

25 CHAIRMAN WINNER: Any opposed? The motion

1 carries.

2 Thank you, Joe.

3 Moving on then to item number seven, discussion by
4 the Board regarding an update from Barretts on the
5 performance of its inaugural horse sales at Del Mar, which I
6 thought was a great success. I'll just tell you that.

7 MR. LLOYD: It was. Thank you. Good morning.
8 I'm Kim Lloyd, General Manager of Barretts. Good morning to
9 all the Commissioners and everyone here.

10 Thank you, Commissioner Auerbach, for inviting me
11 up here. We're very proud of the way the May sale went.

12 I'd first like to express some thanks for making
13 our transition to Del Mar possible. Thanks to Tim Fennell
14 of the 22nd Agricultural District for facilitating this.

15 And many thanks to the guys at DMTC, Joe Harper,
16 Greg Dato, Tom Robbins, Josh Rubenstein, for making this
17 happen. Without their help it would have been a tough row
18 to hoe. And we're very proud of our transition to Del Mar
19 and the way everything -- the way everything went.

20 There was -- when it was announced by Fairplex
21 that we were getting out of racing and training and that the
22 sale was going to move there was legitimate concerns
23 industry-wide for what the future had in store for us.
24 We're a significant part of this industry. We -- we take
25 that -- our part in this industry very seriously. We're

1 very proud of the way we do business and conduct our
2 business. And we're very proud to be a part of the Southern
3 California racing industry.

4 We, after -- when we landed on Del Mar as our
5 location we, rather than look at this as a loss of -- of our
6 facilities at Pomona, we looked to it as an opportunity at
7 Del Mar. I mean, who doesn't want to go to Del Mar. And
8 with our first sale down there our expectations were if we
9 could keep even with last year's sales we would term that
10 very successful. We were not only even, we were up. I'll
11 give you the numbers shortly. But was the energy and
12 excitement generated by our sales, the attendance by new
13 people that really gives us a lot of momentum going forward.

14

15 We look at a great opportunity to bring new people
16 into the game. For instance, in our paddock sale, this will
17 be our fourth year down at Del Mar, that's an opportunity
18 for new people. This year we're going to have a select
19 yearling sale August the 15th on Saturday night after the
20 races. That's another tremendous opportunity for us that,
21 frankly, we wouldn't have had in Pomona. Having our sales
22 at Del Mar is a wonderful chance to expand our brand and to
23 help the industry.

24 I'll quickly go through the numbers for you just
25 to -- when we started this sale, this year when we started

1 our work for this sale I felt if we could be within five or
2 ten percent of last year, really that we would have done all
3 right in our transition. And I'll just give you an example
4 here. In 2014 we had 141 entries. I felt if we could be
5 125 to 130 we would be all right. This year we had 155
6 entries, far surpassing our expectations. We had 70 sold
7 last year for \$3 million in gross. This year we sold 94
8 horses for \$4.2 million. Last year we had 21 buy-backs,
9 this year we had 30, for a buy-back rate of 23.7 percent or
10 thereabouts. We actually sold seven horses post-sale and
11 brought our gross revenues nearly to \$4.5 million.

12 So these are increases of 31 percent in gross.
13 Our average increased five percent. Our medium stayed the
14 same. And we sold 12 horses for over \$100,000; last year we
15 sold 7 horses for over \$100,000. So the gross sales were up
16 39 percent.

17 It was -- it was a tremendous sale for us, but not
18 only the numbers were tremendous but the excitement and the
19 fact that everybody is now convinced that we can be
20 successful at Del Mar. Not only will we be successful,
21 we'll grow. And we think our business will be better and
22 that we can better serve the industry at Del Mar.

23 So I just want to thank everybody for their
24 support. Thank you again, Commissioner Auerbach. I
25 appreciate your support. And we look forward to great

1 things to come.

2 CHAIRMAN WINNER: Did you want to say something,
3 doc?

4 MEDICAL EQUINE DIRECTOR ARTHUR: Yeah. Dr.
5 Arthur, Equine Medical Director.

6 I think most people should be aware of the
7 leadership role that Barretts takes in terms of drug testing
8 the horses in their sales. They've been very cooperative.
9 Official veterinarians take the samples. They are analyzed
10 at the Maddy Laboratory. Those are handled by Barretts.
11 And anybody who violates the rules, those horses can be
12 returned.

13 But they have very strict regulations. We did do
14 out-of-competition testing for the sale. And I will tell
15 you it was very rewarding. There was no indication of
16 corticosteroid use, anabolic steroid use. And out of all
17 the horses tested there was only one horse that had
18 clenbuterol that was related to a respiratory tract
19 infection and had been treated sometime previously.

20 So Barretts has a very rigorous program,
21 cooperates with the California Horse Racing Board to protect
22 the integrity of the sale. And I think it pays off in the -
23 - in the confidence buyers have in purchasing horses at the
24 sale.

25 CHAIRMAN WINNER: I would just say that I thought

1 that -- I thought it was one of the best sales I've been at.

2 It was -- the atmosphere, as you said, Kim, was -- was
3 really special, both at the preview and at the sale. The
4 whole process worked well. And to you and Del Mar and
5 everybody else involved I think -- I think we in racing owe
6 a debt of gratitude.

7 Any other questions or thoughts for -- for Kim?

8 COMMISSIONER AUERBACH: I just want -- I've got to
9 get taller

10 I just wanted to thank Kim for coming. I know he
11 came off vacation to update us. And sometimes we forget
12 that we're not about Northern California tracks or welfare
13 or whatever, we're a community. And for us to be successful
14 every segment of our community has to function well. And
15 the sales are very integral to our success in California.
16 Without them we won't attract new horses, we won't have
17 opportunities, we won't be able to be successful.

18 So as a community member I am grateful. I was one
19 of the naysayers. I thought Del Mar was a stupid idea. So
20 that just tells you how much I know. And I'm so happy I was
21 wrong because it's really important for our wellbeing that
22 the sales be very successful. And I want to thank Barretts
23 for a job really well done.

24 MR. LLOYD: Thank you very much.

25 CHAIRMAN WINNER: Thank you. Anything else?

1 VICE CHAIR ROSENBERG: Yeah.

2 Kim, can I ask you a quick question?

3 MR. LLOYD: Yes, sir.

4 VICE CHAIR ROSENBERG: Is it -- Barretts is owned
5 by whom?

6 MR. LLOYD: Barretts is owned by Fairplex.

7 VICE CHAIR ROSENBERG: By Fairplex. Okay.

8 MR. LLOYD: Right.

9 VICE CHAIR ROSENBERG: A hundred percent?

10 MR. LLOYD: And thank you for asking that. I
11 forgot to thank the most important people to Barretts in
12 this transition, Jim Henwood and -- our CEO and Mike Seder
13 our CFO were unwavering in their support for us in our move
14 and we really do appreciate their support. They were very,
15 very good to us, still are.

16 CHAIRMAN WINNER: And they were down there and
17 they were working it hard.

18 MR. LLOYD: Yes, they were.

19 EXECUTIVE DIRECTOR BAEDEKER: Yes, they were.

20 CHAIRMAN WINNER: Anything else? All right. Let's
21 move on then.

22 Thank you, Kim.

23 MR. LLOYD: Thank you.

24 CHAIRMAN WINNER: Let's move on to item number
25 eight, discussion and action by the Board on the Application

1 for License to Conduct a Horse Racing Meeting of the Pacific
2 Racing Association II, commencing August 19th, 2015 through
3 September 7th, 2015 and September 24th, 2015 through October
4 4th, 2015.

5 Gentlemen?

6 Good morning, Mr. Chairman, Members of the Board.

7 Golden Gate Fields recently completed their
8 winter-spring meet with positive results overall. Our all
9 source handle was just about even with the same period in
10 the spring of 2014.

11 CHAIRMAN WINNER: Yeah. Could you -- Cal, could
12 you identify yourself for the record?

13 MR. RAINEY: Cal Rainey, Golden Gate Fields.

14 MR. CIRIMELI: Dan Cirimeli.

15 MR. DARUTY: And Scott Daruty. Sorry.

16 CHAIRMAN WINNER: Thank you.

17 MR. RAINEY: So we were slightly down on the all
18 source. But when you look at the average daily basis all
19 source handle was up three-quarters of a percent from 2014.

20 And when you factor in the year before that when you were
21 also up about three-quarters of a percent, we were about
22 one-and-a-half per average all source up at Golden Gate
23 Fields for that spring meet, which was surprising.

24 Our winter season saw a slow start and we had
25 challenges with our export signal sales, but overcame them

1 in the second half of the meet and experienced a four
2 percent increase out of state. And the total ADW increased
3 about three percent overall. Our purse revenue generation
4 was about even this spring compared to last year. So that's
5 good news headed into the summer meet where our purses will
6 remain the same level as last year's after being raised five
7 percent in that summer meet in 2013.

8 The season, Golden Gate Fields races August 21st
9 to Labor Day. Then we close, as you mentioned, and we have
10 a two-week break for the Stockton Fair. And then we open
11 back up, racing for two weeks before the Fresno Fair. We
12 adjusted our schedule to accommodate the Fresno Fair due to
13 an error in the schedule.

14 The meet is a total of 19 days. We have a special
15 post time of 3:45 on opening day, and it's Friday, due to a
16 special group that we have at Golden Gate that day. The
17 other days will be at 1:45.

18 Our meet is under the corporation PRA II. We have
19 our bond of \$100,000 with the CHRB. It's on file. It will
20 be renewed by August 17th.

21 We have two fire clearances, one in Berkeley and
22 one in Albany, both up to date and fully clear. We plan to
23 run our stakes, as we have the past two years, the Rolling
24 Green which is for three-year-olds and up going a mile-and-
25 a-16th on the turf.

1 And we have our horsemen's agreement, CTT and TOC
2 in.

3 CHAIRMAN WINNER: Any other comments there? All
4 right.

5 There are a couple of items that are still
6 outstanding; right, Cal? The chairman's license, track
7 physician license, and marketing plan which I assume is
8 going to be presented today.

9 COMMISSIONER AUERBACH: You know what, Chuck, and
10 I was going to bring this up, in the letter that they sent
11 to us they -- if I can quote their letter and maybe we can
12 get a little further explanation from Mr. Daruty, it says,

13 "It is our opinion that these dates will provide
14 an uneconomical situation for our facility and an
15 unfavorable opportunity for us to build an attractive fan
16 base. Rather, this schedule restricts the track from
17 providing an effective and cost efficient advertising," I
18 think meaning that they're not going to spend any money on
19 advertising.

20 Am I right?

21 MR. DARUTY: Scott Daruty on behalf of Golden Gate
22 Fields.

23 You know, we -- we submitted this letter the way
24 we did, I think to draw attention to the plight of Golden
25 Gate Fields. We're committed, the Stronach Group, to making

1 Golden Gate Fields work and to try to ensure that it's a
2 racing facility long, long into the future. However, the
3 way things stand right now it's a challenge. We talked at a
4 couple of Dates Committee -- Northern California Dates
5 Committee meetings about the fact that Golden Gate Fields
6 has lost money, significant money in the past years. The
7 challenges we have, one of which is that we run during the
8 cold dreary times of the winter and then close our facility
9 in the nicer summer months.

10 We had a meeting last week of the Northern
11 California Dates Committee where there were various
12 proposals kicked around. And I think out of that meeting
13 I'll say are coming some productive discussions so don't
14 take this the wrong way, but at that meeting there were
15 proposals where Golden Gate Fields would actually have less
16 dates next year than we had this year.

17 So to get to your question with all that
18 background, I guess what we could have done, and we wouldn't
19 be the first racing association to have done this, is put a
20 bunch of flowery language on a piece of paper and submit it
21 as our marketing plan and say, hey, this is all great and
22 here's what we're going to do and people are going to come
23 flying out of the woodwork and come to our facility. But we
24 felt that was a little but disingenuous given the situation
25 we're in Golden Gate. And we wanted to be open and

1 forthright with this Board and just tackle the issue head
2 on.

3 CHAIRMAN WINNER: So this is your marketing plan,
4 this letter in essence?

5 MR. DARUTY: Well, the marketing plan, what --
6 let's --

7 CHAIRMAN WINNER: I'm not criticizing but just
8 asking.

9 MR. DARUTY: No, I understand. And I'm trying to
10 answer the question the best I can. I don't want anybody to
11 think we've given up. I don't want anybody to think we've
12 concluded, all right, well, it's going to be a bad meet so
13 we're just not doing anything. The reality is there are
14 various ways to market a racing product, all of which are
15 important. But I think if you're in a situation where you
16 have limited resources in a declining business maybe you
17 start to prioritize those.

18 One way is to take advertisements in the
19 newspapers and television and try to get people to your
20 facility; very important, we understand that. But if you
21 look at the actual impact on the bottom line of putting
22 people in the facility it often times is less important than
23 higher purses or incentives to get larger fields. So you'll
24 notice in our letter we mention the Ship, Run and Win
25 program where we're trying to attract horses that have not

1 been in the state of California to come run at our facility.

2 The increase in field size, if that is successful, is going
3 to do more to drive the bottom line through increased handle
4 than having more people come to a Dollar Day. That's just
5 the reality.

6 Another way that you can market the product is
7 through the simulcast feed and through the out-of-state
8 wagering that takes place in our facility. We've tried to
9 take some steps to increase the exposure that we get. One of
10 those steps was through the merger of HRTV and TVG. We now
11 have a situation where Golden Gate Fields is guaranteed to
12 have every one of its live races on television, be it the
13 TVG Channel or the HRTV Channel.

14 So what I'm saying is we are marketing. We're
15 marketing through trying to get more horses to the facility.

16 And we're marketing to try to make our simulcast product
17 better. At this point in time we didn't feel like it was an
18 appropriate allocation of resources to spend a bunch of
19 money trying to get people to the track. That's not to say
20 we'll never do it, that's not to say we don't think it's
21 important, but that's how we prioritized.

22 COMMISSIONER BENETO: Scott, I agree with you
23 wholeheartedly. Spending money right now for advertising is
24 a waste. You've got to get the stock in there. That's the
25 big deal is work on getting more horses for your races.

1 When you're down to running seven races on Thursday and
2 Friday, that tells me that you're really short of horses.
3 And you run small fields. I've been watching your entries
4 on a daily basis when you're running. And the only way
5 you're going to correct the problem, the bottom line, is
6 figure a way to get more horses to run where you can get
7 nine- and ten-horse fields, then your bottom line is going
8 to look a hell of a lot better.

9 But I -- when I see Arizona running five days a
10 week in the wintertime and pretty -- averaging better than
11 eight horses per -- per race, maybe you could send somebody
12 down there to talk to those Canadians that come to your
13 track. The purses are a lot better at Golden Gate than they
14 are at Phoenix.

15 And another thing, too, they run Monday and
16 Tuesday. Do you -- do you guys ever think about changing
17 your running days? And they're getting pretty good play on
18 Mondays and Tuesdays through the satellite. Maybe you ought
19 to change your days of racing.

20 MR. DARUTY: That's certainly something we can
21 look at, and have and will continue to look at.
22 That's -- that's going back to that tradeoff. Are you
23 better off having live bodies in your facility? Because
24 Mondays and Tuesdays are probably two of the more difficult
25 days to do that, but you're increasing your out-of-state.

1 Or are you better off running on a more traditional
2 Thursday-Friday and hope to get more bodies? I mean, I don't
3 know that anybody has the perfect answer to that. I can
4 only tell you --

5 COMMISSIONER BENETO: Well, why don't you try it?

6 MR. DARUTY: It's -- we can certainly look at
7 that.

8 CHAIRMAN WINNER: Wasn't it a little while ago,
9 Santa Anita running on Mondays or something like that --

10 MR. DARUTY: We did --

11 CHAIRMAN WINNER: -- when Ron was there and --

12 MR. DARUTY: We did try running on Mondays.

13 CHAIRMAN WINNER: -- and it didn't work?

14 MR. DARUTY: It was, you know, it was not a wild
15 success, let's put it that way. But I do think in fairness,
16 Santa Anita is in a different position than Golden Gate
17 Fields. Santa Anita has a racing product of a quality that
18 the out-of-state customers are going to follow Santa Anita.
19 In other words, if it's on a Thursday or it's on a Monday,
20 people in New York and Florida are going to bet Santa Anita.
21 I think Golden Gate is probably in a little different
22 situation.

23 COMMISSIONER BENETO: Yeah. But you'd -- you'd be
24 number one on Monday and Tuesday. I mean, no other track
25 can compete with you.

1 MR. DARUTY: That's true. But then you also have
2 to factor in if you go to the -- New York, for example,
3 they're not running racing. So how many people are in the
4 New York wagering facilities?

5 COMMISSIONER AUERBACH: We would have no support
6 from -- that would be -- to me it would be a lot of money
7 spent chasing something that doesn't exist because your out-
8 of-state handle would be zero. No one else is running.

9 COMMISSIONER BENETO: Well, how --

10 COMMISSIONER AUERBACH: You wouldn't have --

11 COMMISSIONER BENETO: How does Phoenix make it?

12 COMMISSIONER AUERBACH: I don't know.

13 COMMISSIONER BENETO: I mean, if they're doing it
14 they're -- they're happy with it. I don't know why we can't
15 -- you've got to try different things. You
16 can't -- you know, if it was good 20 years ago it might not
17 be good today.

18 CHAIRMAN WINNER: So I was looking at this here.

19 MR. DARUTY: Yeah.

20 CHAIRMAN WINNER: And you said that's what you'll
21 do, you'll --

22 MR. DARUTY: Yes.

23 CHAIRMAN WINNER: -- you'll have a look at it.

24 COMMISSIONER AUERBACH: I have a question for you
25 please. If you could tell me, what's the status of your

1 purse account going into this next meet?

2 MR. RAINEY: The purse account is positive right
3 now. We made up the shortfall on our purse account that we
4 had earlier in the spring meet and we came out ahead by the
5 end of the meet.

6 COMMISSIONER AUERBACH: So --

7 MR. RAINEY: So we did make up some of the purses.

8 COMMISSIONER AUERBACH: -- how much are you
9 carrying forward or are you still behind?

10 MR. RAINEY: No. We're carrying forward probably
11 \$50,000 to \$80,000.

12 COMMISSIONER AUERBACH: That's -- that's really
13 good. I'm glad to hear that.

14 CHAIRMAN WINNER: George -- Commissioner
15 Krikorian?

16 COMMISSIONER KRIKORIAN: Yeah. I noticed that
17 you're having -- proposing seven races on Thursdays and
18 eight on Friday and then nine on the other days. What's the
19 rationale for that as opposed to say eliminating Thursdays
20 and having more -- more races on the cards for the other --
21 other days?

22 MR. DARUTY: Cal, you want to --

23 MR. RAINEY: We want to continue to race four days
24 a week. And the seven races on Thursdays, it's not always
25 meant to be that way, but we did have that purse deficit

1 that we had to make up. And we were able with the less
2 races to -- throughout our meet which was one day shorter
3 than the previous year, we were able to maximize that and
4 come out with about the same overall handle as we did the
5 year before.

6 COMMISSIONER KRIKORIAN: But doesn't that dilute
7 the quality of the race cards?

8 MR. RAINEY: Well, we want to get as many horses
9 in each field as we can. And by doing seven races on
10 Thursday, sometimes that saves us for some of those weekend
11 races when we really want the most races on a Saturday or a
12 Sunday?

13 COMMISSIONER BENETO: Cal --

14 CHAIRMAN WINNER: One at a time.

15 COMMISSIONER BENETO: -- you're running seven
16 races on Friday too.

17 MR. RAINEY: Only specific Fridays. Not all
18 Fridays we run -- some Fridays we run eight.

19 COMMISSIONER BENETO: Well, the last six
20 weeks --

21 MR. RAINEY: We average over eight races a day for
22 our entire meet.

23 COMMISSIONER CHOPER: Cal, you -- you
24 mentioned -- can I ask a couple --

25 CHAIRMAN WINNER: Yeah, please.

1 COMMISSIONER CHOPER: I think -- I think the data
2 showed, and tell me if I'm wrong, that the ADW handle was up
3 this year for the first five months over last year.

4 MR. RAINEY: That's correct.

5 COMMISSIONER CHOPER: Is that right?

6 MR. RAINEY: That is correct.

7 COMMISSIONER CHOPER: All right. So I know there
8 are no, I mean --

9 MR. RAINEY: As well as the out-of-state.

10 COMMISSIONER CHOPER: I don't know any answer to
11 this, but how do you explain that? Because I think it is
12 true that the problem with field size, which is endemic to
13 Northern California, if you look at the fairs today it's the
14 same thing, their field sizes are very comparable to yours.
15 And these are very successful fairs. I mean, there's no
16 problem with people. It's a problem, as you pointed out,
17 with people who bet.

18 But do you have any explanation for why, despite
19 the field sizes which we all know is a real problem, that
20 the -- that the ADW was up? Does anybody have an answer to
21 that?

22 MR. DARUTY: I think -- I think part of it is the
23 television arrangement that we made in February
24 with -- between HRTV and TVG. Golden Gate -- you know, I'll
25 digress just for a minute.

1 You know, part of the challenge when we had two
2 competing television networks in this industry is, setting
3 aside for a moment the difference in distribution, and TVG
4 had more homes of distribution than HRTV did, but there were
5 certain races that both channels were televising. For
6 example, this Board was very instrumental in forcing or
7 arranging the fact that Santa Anita and all California
8 tracks were on both networks. NYRA was on both networks.
9 And what you'd have is you'd have a situation where both
10 would be showing NYRA, both would be showing Santa Anita,
11 and there's therefore less room to show other tracks. And
12 sometimes Golden Gate Fields would not get as much coverage,
13 even on our own network, as it would be it was maybe the
14 fourth or fifth race track, you know, in terms of quality
15 available.

16 Now that the two television networks are being
17 operated in coordination they're not both showing Santa
18 Anita and NYRA anymore. Maybe those are being shown on TVG
19 or maybe they're being shown on HRTV but it opens up other
20 slots for other race tracks, including Golden Gate Fields.

21 So that's a longwinded way of saying I believe
22 Golden Gate Fields is getting more television exposure than
23 it previously got, and that leads to higher ADW -- ADW
24 handle.

25 CHAIRMAN WINNER: That's called marketing, Scott.

1 MR. DARUTY: Well, there are many different forms
2 of marketing --

3 CHAIRMAN WINNER: Right.

4 MR. DARUTY: -- and that's one of them.

5 CHAIRMAN WINNER: That's exactly right.

6 VICE CHAIR ROSENBERG: You could break that down,
7 though, excuse me, on that one -- on that one point. You
8 can determine whether the ADW handle, particularly that
9 specifically, was it up in a greater proportion than the
10 other sources of handle, couldn't you?

11 MR. DARUTY: ADW was up in a larger
12 proportion --

13 VICE CHAIR ROSENBERG: Okay.

14 MR. DARUTY: -- than other handle.

15 VICE CHAIR ROSENBERG: Okay. Good.

16 CHAIRMAN WINNER: Cal, your purses -- your purses
17 in races other than stakes are projected to go down, right,
18 by, what, \$400,000; is that correct?

19 MR. RAINEY: We're trying to maintain the purse
20 structure that we had in the previous year. So --

21 CHAIRMAN WINNER: Okay.

22 COMMISSIONER CHOPER: Well, I have a couple other
23 -- how do you explain the -- the Phoenix situation? I mean,
24 it's just very difficult to understand, that Commissioner
25 Beneto raises, that they have -- the purses are less. The

1 facility certainly isn't any better. But I -- go ahead.

2 MR. DARUTY: I think I'll let Cal answer as well.

3 COMMISSIONER CHOPER: Okay. No, I --

4 MR. DARUTY: But I think sometimes we have to
5 remember California, you know, is an expensive place to
6 operate --

7 COMMISSIONER CHOPER: Yes.

8 MR. DARUTY: -- as a trainer with all the various
9 costs that, you know, somebody can run for less purses. But
10 if their costs are lower in Arizona --

11 COMMISSIONER CHOPER: I got it.

12 MR. DARUTY: -- maybe as a trainer or owner they
13 come out ahead.

14 COMMISSIONER CHOPER: Yeah.

15 MR. DARUTY: So that's one of the challenges that
16 California has always had in recruiting horses. And that's
17 why one of our, you know, marketing initiatives is the Ship,
18 Run and Win program to try to give people some money to come
19 here and incentive them to run their horses in Northern
20 California.

21 COMMISSIONER CHOPER: I have one more question.
22 You had, what is called, Hispanic Heritage Day.

23 MR. CIRIMELI: Yes, we had three Hispanic
24 events --

25 COMMISSIONER CHOPER: So we --

1 MR. CIRIMELI: -- three different. One was a --

2 COMMISSIONER CHOPER: Well, the big one.

3 MR. CIRIMELI: -- music festival.

4 COMMISSIONER CHOPER: That big day there were more
5 people that showed up at Golden Gate Fields than I have seen
6 in who knows how many years. All I know is that that
7 parking lot was so full it took me what would usually take 5
8 minutes to get from my parking space to the freeway, it took
9 me 40 minutes to get out of that parking lot. And I broke,
10 off the record, several --

11 MR. CIRIMELI: I apologize.

12 COMMISSIONER CHOPER: -- several California Motor
13 Vehicle Code regulations in the process. Okay. So that --
14 whatever the marketing was it sure as hell got them up and
15 out.

16 How many people did you have there, do you know,
17 roughly?

18 MR. CIRIMELI: It was over 10,000 for that day.

19 COMMISSIONER CHOPER: Over -- when is the last
20 time you had 10,000 people at Golden Gate Fields? You're
21 too young to remember; am I right or wrong?

22 MR. RAINEY: 2013.

23 COMMISSIONER CHOPER: When was that?

24 MR. RAINEY: In August 2013 we had a similar type
25 thing --

1 COMMISSIONER CHOPER: I see.

2 MR. RAINEY: -- where we had about --

3 COMMISSIONER CHOPER: I guess I wasn't --

4 MR. RAINEY: -- 11,000-plus.

5 COMMISSIONER CHOPER: I guess I wasn't there for
6 that.

7 So the big question is, and I asked you this but I
8 never -- when I saw you at the track, how was the handle
9 that day with 10,000 people at the track that usually have
10 on a Saturday like that, what, 2,000? Yeah, go ahead.

11 COMMISSIONER BENETO: What was the handle that
12 day, I'm curious, on-track?

13 MR. CIRIMELI: The handle for that day on-track
14 was -- it was up. In proportion to what the attendance as,
15 though, it was not up nearly as much --

16 COMMISSIONER CHOPER: No.

17 MR. CIRIMELI: -- as what you might expect.

18 COMMISSIONER CHOPER: What percentage would you
19 say it's up? After all, you know, these people make a bet.
20 They're there, you know, most of the day.

21 MR. CIRIMELI: I don't know the numbers.

22 COMMISSIONER CHOPER: They were right to the end,
23 they were there with me.

24 MR. CIRIMELI: Yeah. I don't have the numbers in
25 front of me. But it was less than --

1 COMMISSIONER CHOPER: Roughly.

2 MR. CIRIMELI: Less than five percent. I want to
3 say it was about --

4 COMMISSIONER CHOPER: Less than five percent.

5 MR. CIRIMELI: -- three percent that it was up.

6 COMMISSIONER CHOPER: Yeah. Yeah. No, no, that
7 is as good an answer as we need. So I --

8 CHAIRMAN WINNER: How about food and beverage,
9 etcetera --

10 COMMISSIONER CHOPER: So -- so --

11 CHAIRMAN WINNER: -- was it up?

12 MR. CIRIMELI: Oh, yeah.

13 COMMISSIONER CHOPER: I leave the marketing things
14 to other people. I don't know about that. But what I do
15 know is that my experience with it is that
16 it -- it does not do -- I mean, this is just a wonderful
17 example of it's not producing very much with handle. You
18 have people there. I often ask do you count in some way?
19 How do you keep track of whoever comes back, you know, and
20 you give them incentives. I'm sure we've gone through this.
21 You don't have to repeat it. You know, you give them some
22 tickets or -- and so forth. And that Dollar Day Sunday
23 always gets a lot of people out; right? But the handles
24 don't go up.

25 MR. CIRIMELI: So I think the Dollar Day and the

1 Hispanic Heritage Days are more of a casual fan that we're
2 trying to develop. And we've had a few of these events.
3 And we know that there are repeat people coming back in
4 attendance to Golden Gate Fields, not necessarily on the
5 Dollar Days or Hispanic Days that -- that do stay and --

6 COMMISSIONER CHOPER: Do you have a way of
7 reliable keeping track of how many people who came out for
8 the first time on Hispanic Heritage Day or the Dollar Day
9 Sundays come back? Do you have a way?

10 MR. CIRIMELI: We do. I mean, dealing with a
11 stadium we have a lot of fans that will come in that you
12 just simply can't track. But we do have a loyalty program
13 through our Thoroughbreds cards which is pretty much the
14 same exactly format as what's at Santa Anita. So it would
15 be through a swipe program to see, you know, who swiped
16 their cards at the gate. And, you know, that's something
17 that we can definitely go through and check to see when they
18 come back.

19 CHAIRMAN WINNER: Uh-huh.

20 MR. CIRIMELI: We have the other points, too.

21 COMMISSIONER CHOPER: What's -- what's the record
22 on that? That is, what -- what does it show? Do these --
23 it would be awfully nice if two or three percent of those
24 people became regular betters.

25 MR. CIRIMELI: Certainly.

1 COMMISSIONER CHOPER: Right.

2 MR. CIRIMELI: Yeah.

3 COMMISSIONER CHOPER: I just -- I'm just curious,
4 what does it show in terms of that?

5 MR. CIRIMELI: They're coming back more. I think
6 as the Chairman said or was eluding to is with that
7 demographic, with the new fan that's coming out, betting is
8 lower on the priority as -- as much as it is maybe grabbing
9 a hot dog or a soda or a beer and watching the races and
10 taking it in. I mean, it's going to take more time for them
11 to approach the windows. To find a solution on how to
12 convert them like that, I mean, that's something that we
13 would actively pursue. And I wish there was an overnight
14 solution.

15 COMMISSIONER BENETO: Was this --

16 CHAIRMAN WINNER: This is a difficult -- let me
17 just comment on this for just a second. This is a difficult
18 issue and it takes more than discussion here. Marketing for
19 special groups or special situations or special days, there
20 are advantages to it beyond just what the -- what the --
21 whether -- whether the handle goes up commensurate with the
22 increased attendance and, of course, there are the costs
23 involved, and those are tradeoffs that have to be made.

24 But there are situations where extreme -- where
25 more marketing works and situations where -- where it

1 doesn't, and there are various reasons for that. You can
2 talk to the people at Del Mar who do a terrific job of
3 marketing and then you can make an argument, well, they have
4 -- they're in a special situation. I mean, these things are
5 all very debatable in a whole lot of different ways. It's
6 true in every industry. It's true in this industry.

7 But the fact is you are introducing, whether --
8 whether it's worth the expense or not because it's a cost
9 versus value, whether it's worth the expense to have these
10 special days and bring people in, given the secondary
11 benefits, not just handle but food and beverage and other --
12 other ways that they spend their money, and whether --
13 whether you get them to come back. Years ago we did
14 research at Santa Anita to find out whether
15 when -- when these special giveaway days took place where
16 people were given a coupon to come back again one or two
17 times and how that worked. And frankly, a lot of it was
18 quite successful, maybe not as successful as some people
19 would have liked

20 But the question is: How much are they wagering
21 when they come back or how much are they wagering the first
22 time? I think that's impossible, at least in my knowledge
23 it's impossible -- it's impossible to determine.

24 MR. DARUTY: I do -- I'm sorry. I just wanted to
25 point out in case we didn't make this clear, we are going to

1 continue having the Dollar Days as part of what we're doing
2 to market the facility. So I don't want anybody to think
3 those are going away.

4 CHAIRMAN WINNER: Okay.

5 COMMISSIONER SOLIS: But what about the -- getting
6 back to those Mondays and Tuesdays, being back east for the
7 last five years that I was, there are a lot of gamblers
8 there who -- they recognize Golden Gate. So that would be a
9 great opportunity to really get a lot
10 of -- a lot more people -- get -- you're going to have all
11 the attention from TVG and HRTV. Plus you will get a lot of
12 horses coming from down south because their races didn't go
13 for Saturday and Sunday, they will do it for Monday up
14 there. So it would bring --

15 MR. DARUTY: I think it's probably too early to
16 try to make -- or, sorry, too late to try to make that
17 change for the meets in August. But perhaps what we should
18 do is really analyze, and we'd certainly welcome the input
19 of the Board, analyze for maybe later in the fall or even
20 early next year maybe just doing a Monday. I mean, maybe
21 instead of going Mondays and Tuesday, maybe we just try the
22 experiment that Santa Anita tried a few years ago and do it
23 on Monday and see what happens. And then we're not
24 committed to both days. If it works you shift maybe to
25 Tuesdays. If it doesn't work you give up the Mondays.

1 I mean, look, we're -- we don't have the answers.
2 They're difficult problems. And we're willing to try
3 anything within reason to make this work.

4 COMMISSIONER SOLIS: I was very -- I was up at
5 Golden Gate, I think two weeks -- three weeks ago when I
6 came to sign the papers. And I raced there and I was very,
7 very happy because I saw the track. I mean, it was full of
8 a lot of people over there. You guys had a little band or
9 concert and there were a lot of people there. And, I mean,
10 it was fun -- it was fun to watch because there are many
11 times I had gone back there and there's nothing happening,
12 it's like a ghost town. But you had so many things going
13 that day and I was very happy to see that.

14 MR. RAINEY: One of the pluses for that big day
15 that we had, the biggest day that we had, I think, that
16 you're eluding to there, Mr. Choper [sic], is that the --
17 that day was also the Cal Bred Day and there were a lot of
18 horsemen that came out that day. And that was kind of our
19 first run at that Cal Bred Day. We had two good stakes'
20 races that day. And it was a good weekend with the San
21 Francisco Mile the preceding day on Saturday. So that -- I
22 appreciate the CTBA and Doug Berge and everybody that came
23 out to Golden Gate Fields for the Cal Bred Day and we hope
24 to do that again next year. It was a good success.

25 CHAIRMAN WINNER: Commissioner Beneto?

1 COMMISSIONER BENETO: Your Hispanic Day, was that
2 on a Sunday or --

3 MR. CIRIMELI: Yeah.

4 COMMISSIONER BENETO: Yeah. Because that was very
5 successful. They really like to party on Sunday. That's a
6 day of rest. And I can see why your handle was not up like
7 it should be with that many people because they came because
8 it's a party. And they're not going to -- you know, they
9 probably got their best clothes on and very little money.

10 CHAIRMAN WINNER: Cal, can I just go back to the
11 question I asked earlier? Help me -- maybe you can help me
12 with this. Am I reading this wrong? It says that all other
13 races than -- all other than stakes' races, the current meet
14 estimate is \$2,333,000 and the prior meet was \$2,728,000.
15 I'm looking at 8-13. That looks to me like it's a purse
16 decrease of \$400,000. And I may be reading it wrong and I
17 may have -- I may have something amiss. But could you just
18 help me with that?

19 MR. RAINEY: I'm not sure. As far as I know we're
20 -- we're keeping the purses level. It may be for that
21 shorter period because the meet is split. I'm not sure if
22 that was done on this but --

23 CHAIRMAN WINNER: It's the 19-day period, yeah.

24 MR. RAINEY: Yeah.

25 MR. DARUTY: I'm sorry, I'm not sure we have an

1 answer for you as we sit here. We can certainly look into
2 it --

3 CHAIRMAN WINNER: Okay. Could you just let me
4 know?

5 MR. DARUTY: -- and find out.

6 MR. RAINEY: Yes.

7 MR. DARUTY: Yes.

8 CHAIRMAN WINNER: Yeah. Appreciate it.

9 EXECUTIVE DIRECTOR BAEDEKER: Last year you had an
10 additional week; right? Didn't we take the week --

11 CHAIRMAN WINNER: No. But it's 19 against 19, I
12 think, the way it reads.

13 MR. DARUTY: It says -- there's a parenthetical or
14 I guess a little clause right above that says the prior meet
15 represents 19 days. But it's -- I'd like to double check
16 that --

17 CHAIRMAN WINNER: Okay.

18 MR. DARUTY: -- to make sure. And then if it --

19 MR. RAINEY: I'm not sure all the days are
20 actually in there. I'd have to check.

21 CHAIRMAN WINNER: Okay. Well, if you'd just let
22 us know, we'd appreciate it.

23 MR. DARUTY: Yes.

24 CHAIRMAN WINNER: Anything else? Is there a
25 motion to approve with -- with the submittal of the

1 documents that are -- that are missing?

2 Jackie, what are we missing now, two documents?

3 Are we missing -- are we still missing the bond?

4 MS. WAGNER: Jackie Wagner, CHRB Staff.

5 The bond is -- will expire, I believe in July. I
6 don't have it right in front of me. It just needs to be --

7 MR. RAINEY: August 17th, I think.

8 CHAIRMAN WINNER: August 17th.

9 MS. WAGNER: It just needs to be updated.

10 CHAIRMAN WINNER: Okay.

11 MS. WAGNER: And then the other items that are
12 missing are -- are occupational licenses that need to be
13 reviewed -- renewed.

14 CHAIRMAN WINNER: Did you want to say something?
15 Is there a motion?

16 COMMISSIONER SOLIS: Moved

17 COMMISSIONER AUERBACH: Second.

18 CHAIRMAN WINNER: Commissioner Solis moves.

19 Commissioner Auerbach seconds. All in favor?

20 ALL COMMISSIONERS: Aye.

21 CHAIRMAN WINNER: Any opposed? Motion carries.

22 Good luck.

23 MR. DARUTY: Thank you.

24 MR. RAINEY: Thank you.

25 CHAIRMAN WINNER: Thank you.

1 Moving on then, discussion and action by the Board
2 on the Application for License to Conduct a Horse Racing
3 Meeting of the Humboldt County Fair at Ferndale, commencing
4 August 21, 2015 through August 30th, 2015; inclusive.

5 EXECUTIVE DIRECTOR BAEDEKER: Commissioners, I
6 would point out to you that we've added a feature in the
7 license applications. Generally the third page is an index.
8 These applications are so long they're difficult to
9 navigate. So we've gone and put an index in here for you so
10 that if you have a particular area of interest --

11 VICE CHAIR ROSENBERG: That's great.

12 EXECUTIVE DIRECTOR BAEDEKER: -- area of interest

13 --

14 CHAIRMAN WINNER: Yeah.

15 EXECUTIVE DIRECTOR BAEDEKER: -- you can get to it
16 more quickly.

17 MR. CONWAY: Richard Conway for the Humboldt
18 County Fair.

19 CHAIRMAN WINNER: Go ahead, Richard.

20 MR. CONWAY: Well, and again, just expanding on
21 last year's meet, you know, we were up handle on-track, up
22 handle with the ADW. We had an increase in horses, you
23 know, boosted our number per race slightly. So we're
24 continuing those recruiting efforts. We've already been to
25 Arizona, Boise and Southern Oregon, and will return again

1 prior to the meet, and expanding our marketing opportunities
2 in the same way.

3 CHAIRMAN WINNER: Richard, when it talks about
4 attendance, 34,136, is that attendance at the fair or is
5 that attendance -- do you count attendance in --

6 MR. CONWAY: We --

7 CHAIRMAN WINNER: -- going into the track?

8 MR. CONWAY: We do. We count attendance at the
9 track. The weekends we average over 5,000. A couple days
10 we were up over 7,000. Friday is a lighter day for us. But
11 we handle well on track. The attendance, you know, we -- we
12 can't accommodate much more than 7,000. We're packed. You
13 can't walk through the apron or the grandstand. So locally
14 we get -- we get a great turnout and a great response to the
15 races.

16 CHAIRMAN WINNER: There are several items that are
17 needed. Have we -- have you presented those or --

18 MR. CONWAY: We've -- we've addressed most of
19 those items. Most of them were license items and the fire
20 inspection that won't happen until July when the portables
21 are assembled.

22 CHAIRMAN WINNER: Okay. So there's -- the court
23 reporter has not been identified?

24 MR. CONWAY: She actually was. We added a
25 supplement to that report that didn't make it in there.

1 CHAIRMAN WINNER: Okay.

2 MR. CONWAY: So there's a couple updates that
3 didn't make it into that file.

4 CHAIRMAN WINNER: Any questions?

5 COMMISSIONER BENETO: What about --

6 CHAIRMAN WINNER: Comments?

7 COMMISSIONER BENETO: Yeah, I got a question.

8 CHAIRMAN WINNER: Please.

9 MR. CONWAY: Uh-huh.

10 COMMISSIONER BENETO: You had an agreement with
11 Golden Gate last year, they wouldn't run any horses less
12 than \$5,000. Is that agreement still --

13 MR. CONWAY: I believe it is. We spoke to Cal
14 last week and he acknowledged that agreement at that time.

15 CHAIRMAN WINNER: I don't think the agreement was
16 that they wouldn't. I thought the agreement was that they'd
17 make their best efforts not to --

18 COMMISSIONER BENETO: No.

19 CHAIRMAN WINNER: -- something to that effect.

20 COMMISSIONER BENETO: No, it wasn't that.

21 MR. CONWAY: Again, we spoke to Cal and --

22 CHAIRMAN WINNER: Excuse me, Cal, do you want
23 to --

24 MR. RAINEY: This is Cal Rainey from Golden Gate
25 Fields.

1 I just wanted to say that the agreement was that
2 we wouldn't run any claiming races under -- under \$5,000, so
3 in the \$4,000 range.

4 CHAIRMAN WINNER: In that -- during that period?

5 MR. RAINEY: During the Humboldt overlap.

6 CHAIRMAN WINNER: Good. Okay. Thank you.

7 COMMISSIONER BENETO: Well, I didn't get that,
8 Cal. You said \$4,000 or --

9 EXECUTIVE DIRECTOR BAEDEKER: Under \$5,000.

10 CHAIRMAN WINNER: Under \$5,000.

11 COMMISSIONER BENETO: He mentioned \$4,000.

12 MR. CONWAY: Well, and we offer races, you know,
13 as low as \$2,500. So that kind of window, \$2,500 to \$4,000.

14 CHAIRMAN WINNER: Any other discussion? Any
15 questions? Is there a motion?

16 COMMISSIONER BENETO: Moved.

17 VICE CHAIR ROSENBERG: Second.

18 CHAIRMAN WINNER: Commissioner Beneto moves.
19 Commissioner -- Vice Chair Rosenberg seconds. All in favor?

20 ALL COMMISSIONERS: Aye.

21 CHAIRMAN WINNER: Any opposed?

22 Have a good meet.

23 MR. CONWAY: Thank you.

24 CHAIR STRINGER: Thank you very much.

25 Moving on to item ten, discussion and action by

1 the Board regarding the proposed amendment to CHRB Rule
2 1632, Jockeys Riding Fee, to adjust a non-winning jockey
3 riding fee scale for losing mounts pursuant to Business and
4 Professions Code section 19501(b) [sic], to reflect
5 California's minimum wage increase of 11.1 percent scheduled
6 for January 1, 201t, and to amend the non-winning jockey
7 riding fee scale to reflect an increase of 11.1 percent for
8 the second and third place mounts in race with a gross purse
9 of \$9,999 or less.

10 EXECUTIVE DIRECTOR BAEDEKER: Commissioners, this
11 is the second time that we've brought this issue to you for
12 action. The way that this rule was written it provided an
13 inequity, I guess you would say, that wasn't contemplated
14 with the increase in the minimum wage. It turned out that a
15 rider would actually earn more for finishing in a position
16 where the rider did not participate in the purse than one
17 who did. And so that didn't make any sense.

18 So you first took action to correct this problem
19 relative to the minimum wage increase that took place in
20 2014. Now you're taking action in anticipation of the
21 minimum wage increase which will take place on January 1st
22 of 2016.

23 COMMISSIONER AUERBACH: I have a question.

24 CHAIRMAN WINNER: Yes, Commissioner Auerbach?

25 COMMISSIONER AUERBACH: I was reading through this

1 and it's very cumbersome for me anyway. I was trying to get
2 all the details. And I understand the spirit behind it and
3 I think that we need to address this. My curiosity is, is
4 that -- how often are we going to be faced with this, and is
5 there not a better way
6 to -- to do this? Do -- can we establish -- and I have no,
7 you know, no formula to present. But could we come up with
8 a formula that will automatically kick in so we don't have
9 to go through this each time we're presented with this?
10 Because I don't think any -- any of the Commissioners would
11 want Alex to ride for any less money than he has to; right?

12 MS. WAGNER: Jackie Wagner, CHRB Staff.

13 In response to your question, Commissioner, what
14 is making this happen is the statute. The statute, in an
15 attempt to do exactly what you have said, has a clause in it
16 that any time the minimum wage increases in California the
17 scale, the jockey fee scale, increases. And that's what's
18 prompting this particular amendment.

19 Clearly it's within the Board's discretion if they
20 want to do something in addition to that we can do that. We
21 can explore that. But what is prompting these two -- this
22 particular amendment is the statute that requires any time
23 the minimum wage goes up we have to go through the process
24 of amending the scale.

25 COMMISSIONER AUERBACH: So there's no way to do it

1 automatically?

2 MS. WAGNER: No.

3 COMMISSIONER AUERBACH: I mean, like if we have
4 the --

5 MS. WAGNER: No. We would -- we would have to go
6 through the rule-making process in order to implement the
7 law.

8 CHAIRMAN WINNER: Bureaucracy.

9 EXECUTIVE DIRECTOR BAEDEKER: Or change the
10 statute.

11 CHAIRMAN WINNER: Or change the statute, yeah.

12 COMMISSIONER AUERBACH: That was my -- you know, I
13 know it's difficult to change a statute. But if every time
14 -- if it's just a mathematic formula that we could put into
15 place that would trigger it so we don't have to go through
16 this, you know, every time it happens I -- you know, first
17 of all, I don't know if that's what the other Commissioners
18 would want. It's just a suggestion that I have.

19 CHAIRMAN WINNER: Well, no, I appreciate it.
20 There's so many things that we're -- we've been talking
21 about that we need to change, make statutory changes.

22 COMMISSIONER AUERBACH: Should we just put this on
23 the list?

24 CHAIRMAN WINNER: We could put it on the list. I
25 wouldn't put it -- personally, I wouldn't put it as high as

1 some of the other things.

2 COMMISSIONER AUERBACH: No, no, no. But, I mean,
3 if it's -- I mean, I looked through a lot of the other
4 things we're handling today, and I know they all started
5 with discussions about, gee, can't we do this this way, and
6 I'd like to see the stake races, and now I see it's part of
7 the application. All this stuff starts at this level. So
8 it's -- can we add it to the list please so we can --

9 CHAIRMAN WINNER: The best thing to do is give it
10 to the Committee --

11 COMMISSIONER AUERBACH: Yeah.

12 CHAIRMAN WINNER: -- and the Committee will put it
13 on. Let's say the Committee will put it on the list.

14 COMMISSIONER KRIKORIAN: I'd just like to say that
15 --

16 CHAIRMAN WINNER: Commissioner Krikorian?

17 COMMISSIONER KRIKORIAN: -- I mean, I think I'd be
18 opposed to an automatic system that's automatic because it
19 may not -- if it's automatic it just may not be realistic
20 to, you know, what the economy is. So I think it's better
21 to just come back once or twice or as often as they come
22 back and just have it as an agenda item.

23 COMMISSIONER AUERBACH: Yeah. The only reason I
24 was thinking this way, George, and this was just my thought,
25 with -- with all the things happening now with the

1 adjustment of minimum wage and all of the things that are
2 going to kick in over the next five years it's going to mean
3 that every year we're going to come back with this. And
4 it's -- it's just on a certain level, this. I don't know if
5 you read through all this stuff. But if I read it correctly
6 it's just on a certain level to ensure that -- that the
7 jockeys are paid proportionately and it's just -- I think
8 it's under \$9,999, whatever.

9 CHAIRMAN WINNER: Yeah, under \$10,000.

10 COMMISSIONER AUERBACH: Under \$10,000.

11 CHAIRMAN WINNER: Right.

12 COMMISSIONER AUERBACH: It's not like we're taking
13 the whole purse account and changing it.

14 COMMISSIONER KRIKORIAN: Right, no, I know. But
15 if it's automatic then it may not -- it may -- it may
16 accelerate or decelerate, you know, what's happening in the
17 world in the future. So it's better to just deal with it
18 the way we're dealing with it now.

19 CHAIRMAN WINNER: Well, would you agree that --

20 COMMISSIONER KRIKORIAN: That's just my opinion.

21 CHAIRMAN WINNER: -- we can -- we can refer it to
22 Committee and the Committee can evaluate it.

23 COMMISSIONER AUERBACH: Yeah. That's okay. I
24 didn't know if anybody -- if everybody would support it or
25 not.

1 CHAIRMAN WINNER: Okay. Let us move on then to
2 item number 11.

3 MS. WAGNER: If I may, Commissioner --

4 CHAIRMAN WINNER: Please.

5 MS. WAGNER: -- we're asking for the Board's
6 approval to move this forward to the 45-day comment period.

7 CHAIRMAN WINNER: Yeah, on this item?

8 MS. WAGNER: Yes.

9 CHAIRMAN WINNER: Yeah. I'm sorry. Is there any
10 -- I need a motion.

11 COMMISSIONER AUERBACH: So moved.

12 VICE CHAIR ROSENBERG: Second.

13 CHAIRMAN WINNER: Commissioner Auerbach moves.
14 Vice Chair Rosenberg seconds. All those in favor?

15 ALL COMMISSIONERS: Aye.

16 CHAIRMAN WINNER: Any opposed? The motion
17 carries.

18 Thank you, Jackie.

19 Moving on then to item number 11, it's kind of
20 long, public hearing and action by the Board regarding the
21 proposed amendment to CHRB Rule 1433, Application for
22 License to Conduct a Horse Racing Meeting, to revise the
23 Application for License to Conduct a Horse Racing Meeting,
24 CHRB-17, revised 7/11, with -- and Application for License
25 to Conduct a Horse Racing Meeting of a California Fair,

1 CHRB-18, revised 7/11, to 1) delete the requirement that any
2 thoroughbred racing association that operates four weeks --
3 four weeks or more of continuous thoroughbred racing in a
4 calendar year install a polymer synthetic racing surface;
5 and 2) to collect information on stakes' races for the prior
6 two race meetings; the name, emergency telephone number and
7 hours of the racing veterinarian onsite during training
8 hours, workouts and during racing; information on the
9 proposed offering of any pari-mutuel wagers that were not
10 listed in the prior year's pari-mutuel wagering program; and
11 capture the takeout percentage for each type of wager. This
12 concludes the 45-day public comment period. The Board may
13 adopt the proposal as presented.

14 There were comments; is that correct, Ms. Wagner?

15 MS. WAGNER: No comments.

16 CHAIRMAN WINNER: There were no comments during
17 the 45-day comment period. Is there any discussion on this
18 item?

19 COMMISSIONER SOLIS: Moved.

20 CHAIRMAN WINNER: Hearing none, Commissioner Solis
21 moves.

22 COMMISSIONER KRIKORIAN: Second.

23 CHAIRMAN WINNER: Commissioner Krikorian seconds.

24 All those in favor?

25 ALL COMMISSIONERS: Aye.

1 CHAIRMAN WINNER: Any opposed? The item carries
2 unanimously.

3 Moving on to item number 12, public hearing and
4 action by the Board regarding the proposed amendment to CHRB
5 Rule 1844, Authorized Medication, to 1) lower the amount of
6 ketoprofen -- did I say that right -- ketoprofen that can
7 be present in a test sample from 10 nanograms per milliliter
8 of blood plasma or serum to 2 nanograms per milliliter of
9 blood plasma or serum; and 2) to add isofluprodone and its
10 specified authorized level to the list of California's
11 authorized medications. This concludes the 45-day public
12 comment period. The Board may adopt the proposal as
13 presented.

14 Was there any comment on this during the 45-day
15 period, Jackie?

16 EXECUTIVE DIRECTOR BAEDEKER: No comments were
17 received.

18 CHAIRMAN WINNER: Were there any comments
19 received?

20 MS. WAGNER: No comments were received.

21 CHAIRMAN WINNER: Is there any discussion on this
22 item? Do you need to talk about it?

23 MEDICAL EQUINE DIRECTOR ARTHUR: Only if there's
24 questions.

25 CHAIRMAN WINNER: Are there any questions on the

1 item? Is there a motion to approve?

2 COMMISSIONER BENETO: So moved.

3 COMMISSIONER AUERBACH: Second.

4 CHAIRMAN WINNER: Commissioner Beneto moved.

5 Commissioner Auerbach seconds. All in favor?

6 ALL COMMISSIONERS: Aye.

7 CHAIRMAN WINNER: Any opposed? The motion
8 carries. Thank you very much.

9 Moving on to item 13, discussion and action by the
10 Board regarding it's submission of proposed change to
11 Emergency Rule 1866.1, Presence of Clenbuterol in Quarter
12 Horses, to the Office of Administrative Law (OAL), in
13 response to the OAL determination that the February 28, 2014
14 memorandum, "Instructions Pursuant to the Rule 1885,
15 Medication Procedures and Related Instructions -- and
16 Related Instruction," issued by CHRB Equine Medical Director
17 was an underground regulation.

18 Gentlemen?

19 EXECUTIVE DIRECTOR BAEDEKER: I suggest we start
20 with -- yeah, with Counsel Laird.

21 MR. LAIRD: Phil Laird, CHRB Staff Counsel.

22 So less than a month ago the Office of
23 Administrative Law made a determination that a memorandum
24 had been in effect since February of 2014 which prescribed
25 procedures for placing a quarter horse on the veterinarian's

1 list that has clenbuterol in its system was an underground
2 regulation. The memorandum was created and enforced under
3 Rule 1855. However, the Office of Administrative Law made
4 the determination that this was beyond the permissions,
5 therefore declaring the memorandum an underground
6 regulation.

7 The effect has been that for the past month or so
8 that memorandum has been unenforceable, which Staff has
9 concluded has created an emergency situation for quarter
10 horse racing in California. That being the case, Staff has
11 prepared an emergency regulation which essentially converts
12 the original memorandum into a regulation for our rules that
13 will be enforceable once more. The benefit of the emergency
14 regulation process is that so long as it meets OAL's
15 requirements it will become enforceable ten days after
16 submission and will remain so for six months, which during
17 that time we can go through the formal rule-making process.

18 So any questions? Yeah?

19 COMMISSIONER AUERBACH: In English?

20 MR. LAIRD: What's that?

21 COMMISSIONER AUERBACH: Can you put it in English?

22 If you want to just synopsise what we're trying to do,
23 please --

24 MR. LAIRD: Yeah. Basically, this is --

25 COMMISSIONER AUERBACH: -- and then it will make

1 it clear for everybody.

2 MR. LAIRD: This is kind of a stopgap measure that
3 -- to make the essence of Dr. Arthur's memorandum
4 enforceable. Once again, this will make it enforceable for
5 the next six months. And during that time we can then take
6 that regulation to the formal rule-making process.

7 COMMISSIONER AUERBACH: Okay. Thank you.

8 MR. LAIRD: Yeah.

9 CHAIRMAN WINNER: Dr. Arthur -- do you want to ask
10 your -- Dr. Arthur, did you -- or Dr. Stanley, did one of
11 you want to speak on this issue?

12 MEDICAL EQUINE DIRECTOR ARTHUR: Yes. You know,
13 obviously, I'm a little bit more combative than -- than
14 Staff on this sort of thing. And I would have loved to seen
15 us challenge OAL on this.

16 COMMISSIONER CHOPER: You?

17 MEDICAL EQUINE DIRECTOR ARTHUR: Huh?

18 COMMISSIONER CHOPER: You combative?

19 MEDICAL EQUINE DIRECTOR ARTHUR: Yes. And the
20 bottom line is in Fiscal Year '13-14 we had 13 clenbuterol
21 violations here at Los Alamitos. With this Board's effort,
22 with this memorandum, with the efforts from Los Alamitos we
23 have so far in Fiscal Year '14-15 zero. In other words,
24 we've gone from 13 to 0 by this effort.

25 It is an emergency. Let's remember, when you

1 disqualify a horse for a clenbuterol violation the fans, the
2 public who bet on those horses don't get the money properly
3 distributed from where the race eventually ended up. And
4 this was a very effective step forward by the Board. I
5 think we did things properly. The Board counsel actually
6 wrote this memorandum. It was effective. And I think to
7 satisfy, I guess, OAL, this is the simplest solution and I
8 support it. And I think it's necessary in quarter horse
9 racing to eliminate clenbuterol use.

10 CHAIRMAN WINNER: Can I just say on this one, I
11 agree. I totally agree with Dr. Arthur that -- that the
12 memorandum was extremely successful. We all thought I was
13 legit and that -- and that it passed muster. The Office of
14 Administrative Law disagreed with us. And you're right, we
15 could have been combative, we could have fought them. It
16 was my view, frankly, and I think others that -- that that
17 may have slowed the process down, made it more difficult,
18 been costly and timely.

19 I felt that the better solution was to seek to
20 determine whether or not we could pass an emergency
21 regulation or rule rather, and found out that we could. And
22 that's what this is all about. So obviously I'm a strong
23 supporter of this.

24 We have two people who would like to speak.

25 Are there any other questions for the -- for the

1 members of the panel? Richard?

2 VICE CHAIR ROSENBERG: I'm going to wait until the
3 others speak.

4 CHAIRMAN WINNER: Okay. Then we have two other
5 speakers.

6 Dan Schiffer?

7 MR. SCHIFFER: Mr. Chairman, Members of the Board,
8 Dan Schiffer speaking on behalf of the Pacific Coast Quarter
9 Horse Racing Association.

10 And just to affirm that the horsemen here at Los
11 Alamitos fully support this action by the Board and wish it
12 go well. Thank you.

13 CHAIRMAN WINNER: Thank you.

14 Richard English?

15 MR. ENGLISH: Rick English speaking for Los
16 Alamitos.

17 I'm just here to say that we also stand in support
18 of urging the Board to act as emergency -- take this
19 emergency action.

20 CHAIRMAN WINNER: Thank you.

21 Okay. Now, Richard, did you have a question?

22 VICE CHAIR ROSENBERG: My question, I think, is
23 more to Counsel. There -- there were discussions about hair
24 samples, which is not part of this definition of an official
25 test sample.

1 My question is: What is an official test sample?
2 Is that defined somewhere in the rules or is that just a
3 word of art, meaning if it's officially done by the Racing
4 Board? And the reason I ask is because evidently there are
5 -- we talked about doing hair sampling and it's not
6 necessarily being used at this point by the Racing Board; is
7 that correct?

8 MEDICAL EQUINE DIRECTOR ARTHUR: We do hair
9 testing and out-of-competition testing, but primarily for
10 surveillance. It is -- and it would be to make sure that
11 people are abiding by reporting. They don't have thresholds
12 in here. Los Alamitos has their own program with hair
13 testing which is separate from the CHRB's efforts.

14 VICE CHAIR ROSENBERG: So it's --

15 CHAIRMAN WINNER: And that's a house -- that's a
16 house rule?

17 MEDICAL EQUINE DIRECTOR ARTHUR: That's a house
18 rule.

19 VICE CHAIR ROSENBERG: So it -- so --

20 COMMISSIONER CHOPER: Well, my recollection was
21 that we had -- there was a statutory -- or a rule of ours
22 that had, at the end of it, "and other such" --

23 MR. LAIRD: That's correct.

24 COMMISSIONER CHOPER: -- "methods."

25 So it wouldn't be a bad idea if there's something

1 to the hair testing to when you're putting through this new
2 regulation, to make that specific too because it's -- it
3 really -- it relates to the exact problem that we have here.

4 MR. LAIRD: The plan --

5 VICE CHAIR ROSENBERG: That was my question.

6 MR. LAIRD: The plan is --

7 VICE CHAIR ROSENBERG: And also, it -- as
8 presently written, if someone asked you, if a race track
9 asked you to take a hair sample, you meaning the CHRB
10 testing lab, authorized testing lab, would that become an
11 official sample? And if the results showed clenbuterol,
12 would that be sufficient for this regulation to apply
13 without the words "hair sample" in there?

14 MR. LAIRD: So, Commissioner Rosenberg, you bring
15 up a great point. In the statute official test sample is
16 not defined, and it's really not defined anywhere in our
17 rules or regulations either. We do seek to clarify that,
18 though, when we go through the formal rule-making process
19 with this so that --

20 VICE CHAIR ROSENBERG: Okay.

21 MR. LAIRD: -- that concern is addressed.

22 VICE CHAIR ROSENBERG: Okay. Thanks.

23 CHAIRMAN WINNER: Any other discussion on this
24 item? Is there a motion?

25 COMMISSIONER KRIKORIAN: So moved.

1 COMMISSIONER CHOPER: Second.

2 CHAIRMAN WINNER: Commissioner Krikorian moves.
3 Commissioner Choper seconds. All in favor?

4 ALL COMMISSIONER: Aye.

5 CHAIRMAN WINNER: Any descent? The motion carries
6 unaniously.

7 Moving on -- thank you, gentlemen.

8 MR. LAIRD: Thank you.

9 CHAIRMAN WINNER: Moving on, item number 14,
10 discussion and action by the Board regarding a request from
11 the Sonoma County Fair and the Pacific Coast Quarter Horse
12 Racing Association to suspend the use of clenbuterol for 12
13 months effective January 1, 2015 for quarter horses at the
14 Sonoma County Fair race meeting, pursuant to the provisions
15 of CHRB Rule 1844.1, Suspension of Authorized Medication.

16 I believe, Dr. Arthur, that we -- at the last
17 meeting we passed this for all the CARF members. And
18 because Sonoma is not a member of CARF this is kind of a
19 cleanup measure; is that correct?

20 MEDICAL EQUINE DIRECTOR ARTHUR: Absolutely. It
21 was an oversight and it was too late to be corrected when
22 the agenda was sent out last month.

23 CHAIRMAN WINNER: Okay. Is there a motion to --
24 is there any discussion on this item.

25 COMMISSIONER CHOPER: Moved.

1 CHAIRMAN WINNER: Is there a motion? Commissioner
2 Choper moves.

3 COMMISSIONER KRIKORIAN: Second.

4 CHAIRMAN WINNER: Commissioner Krikorian seconds.
5 All in favor?

6 ALL COMMISSIONER: Aye.

7 CHAIRMAN WINNER: Any opposition? Thank you very
8 much. The motion carries unanimously.

9 Moving on to item number 15, discussion and action
10 by the Board on the approval of the Fiscal Year 2015/16
11 agreement providing funding support for the Board.

12 Mr. Baedeker?

13 EXECUTIVE DIRECTOR BAEDEKER: Thank you, Mr.
14 Chairman. As I think everybody knows, pursuant to
15 California Senate Bill 16 which relieved the license fees in
16 California. The industry is required to -- to fund the
17 operations of the California Horse Racing Board. And each
18 year at this time we come to the Board with the budget for
19 the next fiscal year, and you have that before you.

20 The significant change this year is additional
21 funding for the Maddy Lab which was authorized in the
22 governor's budget. And as we told you before, without this
23 funding we would have been facing a double-digit decrease in
24 testing, probably along the lines of 20 percent in our
25 ability to conduct testing, as well as falling further

1 behind in keeping up with the new technology that will be
2 required in the very near future to test for things like
3 gene doping and so forth. So this was a long process. It
4 took well over a year to go through all the stages. And I'm
5 pleased to say that the industry is going to be well
6 protected because of the support of the agency, Business
7 Consumer Services Agency, as well as Department of Finance,
8 and most importantly the governor's office to provide this
9 funding for the industry.

10 CHAIRMAN WINNER: Is there any discussion on this
11 item? Is there a motion? Any questions? Is there a
12 motion?

13 COMMISSIONER BENETO: I'll make the motion.

14 CHAIRMAN WINNER: Commissioner Beneto moves.

15 VICE CHAIR ROSENBERG: Second.

16 CHAIRMAN WINNER: Commissioner Rosenberg seconds.

17 All in favor?

18 ALL COMMISSIONER: Aye

19 CHAIRMAN WINNER: Any opposed? The motion
20 carries. Thank you.

21 Moving on, item number 16, discussion by the Board
22 regarding an update on the progress of the security camera
23 installation project at California race tracks.

24 Mr. Baedeker, are you speaking on this?

25 EXECUTIVE DIRECTOR BAEDEKER: No. I thought that

1 Joe Morris might -- might update the Board on the status.
2 It was brought up by Commissioner Auerbach, I think at the
3 last meeting, as part of a separate agenda item. And I
4 think at that time we said that the Board should probably
5 get an update, and so that's why we put it on the agenda for
6 today.

7 CHAIRMAN WINNER: Joe, you want to identify
8 yourself?

9 MR. MORRIS: Yeah. Joe Morris with the TOC.

10 This -- this agenda, this initiative actually goes
11 back to May of 2013. It's the very first Committee meeting
12 I went to when I -- when I got the TOC job. And it -- we
13 were talking -- and in the discussion on security the TOC
14 said we would be willing to put up \$150,000 to help get a
15 project going in that area.

16 So at that time I started conversations with
17 George Haines who was President of Santa Anita and we
18 started working on it. And then George changed jobs, going
19 to the head of SCOTWINC. And then the Commission got
20 involved and did some research and brought that forward to a
21 meeting, I think early this year right here in this room.
22 So I started working with Mr. Lewt (phonetic) on the project
23 of doing it. Well, Mr. Lewt is now no longer with the
24 company.

25 I have had a couple of subsequent meetings

1 with -- with US Vision who was the company we were talking
2 with. I got them together with the head of security at
3 Santa Anita. Part of the challenge is if you're putting
4 anything new into a backstretch it needs to sit on some sort
5 of an operating system that's already in place. So Santa
6 Anita is looking at their current software and cameras and
7 that type of thing. It came up at the Committee meeting
8 here a month ago. Since then I've had conversations with
9 Mr. Daruty and Mr. Brackpool. And we're going to get
10 reengaged with now the third set of people running, you
11 know, Santa Anita on that and see if we can push that
12 forward.

13 The TOC is still behind it on the \$150,000. But
14 we don't own the property, the barn areas. It really needs
15 to be a track initiative that ties into their current
16 security protocol and plan. So we'll keep pushing on it.

17 The other thing from that, go back to May 2013, in
18 that same meeting we got -- we got behind the Uniform
19 Medication Guidelines, which we haven't got that one done
20 yet. I mean, it is moving along but it is two projects that
21 probably both of them could use a little jumpstart. And
22 hopefully we can -- we can get them done.

23 CHAIRMAN WINNER: Go ahead, Commissioner
24 Krikorian.

25 COMMISSIONER KRIKORIAN: Have you at least gotten

1 as far as making some determination as to what kind of a
2 system you're looking to set up? Is it going to be on a
3 barn-by-barn basis? Is it going to be in a holding area?
4 Is it going to be -- you know, what's
5 the --

6 MR. MORRIS: I can tell you in the conversations I
7 had had with Mr. Lewt prior when we would go and we were
8 looking at making sure we could capture images from all
9 entrance and egress in barn areas, and then we were looking
10 more towards shed row and more towards the -- the stakes'
11 side of races and monitoring of the stakes' horses. But I
12 don't know if that will be the same when we get in with Mr.
13 Daruty and Mr. Brackpool.

14 COMMISSIONER AUERBACH: Yeah, Joe, I'm wondering,
15 are we going to need to just put it in our requirements for
16 a race meet? I mean, this is -- if we don't get -- just for
17 those of you who weren't here, but I think most of you are
18 familiar with this, the CHRB really stepped up and did the
19 research and came up with a viable cost-effective solution
20 to this problem. It isn't as if we, you know, said you guys
21 just do it. Mr. Baedeker was very astute in having Staff
22 get us a system, get the information together and provide it
23 to the industry. And I haven't seen the industry do what I
24 believe that they should do which is take it.

25 So I'm wondering if we as a Board maybe should

1 come up with a timeframe if there's folks can't get it
2 together and say, you know what, you're going to have to
3 have a system in place by X date. It has to be part of your
4 race agreement. Maybe the TOC should put it in their race
5 agreement so that we can get it done, because it's got to be
6 done and we've got to stop talking about it already.

7 MR. MORRIS: Well, and it's an expansion of
8 systems. I mean, Santa Anita does have security cameras and
9 surveillance there now. And on stakes' races, on the
10 \$100,000 and above, you know, we do all the -- all the
11 security guards that are brought in for those types of races
12 do have a GoPro. That's something that we put into our TOC
13 agreement with them. So anybody going in and out of the
14 stalls on those types of races are, you know, filmed by the
15 -- by the security guards.

16 So I would --

17 COMMISSIONER AUERBACH: Well, I --

18 MR. MORRIS: -- you know, in the talks with --
19 with Mr. Daruty I think they'll -- they'll grab the project
20 and we could report back on it --

21 COMMISSIONER AUERBACH: But we're looking to make
22 it --

23 MR. MORRIS: -- in a little while.

24 COMMISSIONER AUERBACH: -- not just about those
25 races. I mean, this -- this security system will go through

1 every single thing we're working on, from the stakes' races,
2 from the high-end races to the lowest claimers, to moving
3 ponies in and out, we need this security system. Because
4 without it you don't know for Stabling and Vanning exactly
5 who's there and who's not. And we have no way of following
6 what's going on. And we are living in, you know, 2015 and
7 it's kind of -- I hate to push on it, but I think we're
8 going to bring it up at every meeting until it gets done.

9 COMMISSIONER SOLIS: And one of the biggest
10 problems that we're having in the morning, it's all those
11 breaks. If we have some kind of camera where the exercise
12 boys and trainers know where the tractors are we eliminate
13 where we have 200 horses waiting to go onto the track. It's
14 -- it's -- one of these days there's going to be a really
15 bad accident.

16 As you know, we've got so many horses waiting to
17 go train, and those breaks, give them an idea where the
18 tractors are, having the camera where the tractors are, and
19 then they start marching to the track, get -- get to the
20 track when it's open and it would be a lot safer. It's a
21 big issue we're going to have. We can have an accident.

22 CHAIRMAN WINNER: I think these are all very, very
23 good points.

24 I think we all appreciate, Joe, what TOC has done
25 in terms of moving this forward and making the commitment

1 that they did, the financial commitment. I know Mr. Daruty
2 is here. And I'm sure that he's hearing this and has
3 understood this. We've had conversations about it, as well.

4

5 So we just want to move it as quickly as we can.
6 If we don't then it's clear that the Board will take action.

7 And that's I think what both Commissioner Solis and
8 Commissioner Auerbach are stating is that if we don't get
9 this done between the private parties, between the TOC and
10 the association, then we'll be forced to take regulatory
11 action which we'd prefer not to do if you guys can work it
12 out on -- on your own.

13 VICE CHAIR ROSENBERG: Joe, are there any special
14 issues with regard to Los Alamitos or Del Mar or the fairs?

15 MR. MORRIS: No. We just figured, you know, from
16 the get-go we would start at Santa Anita. That's all. When
17 -- when we come up with it, it needs to go across all
18 properties.

19 CHAIRMAN WINNER: And there are so many things, as
20 everybody has mentioned here, that we deal with
21 that -- that these -- this kind of security arrangement
22 would help, including, you know, the potential for problems
23 on the backstretch and so forth that may have nothing to do
24 with what, you know, the original intent would Board.

25 Okay, any other questions?

1 Thank you again, Joe.

2 MR. MORRIS: Yeah.

3 CHAIRMAN WINNER: And thank the TOC.

4 Where are we? Seventeen has been dropped. So
5 we'll move on to 18.

6 And again, I thank everybody involved for 17 and
7 their agreements on 17.

8 Discussion and action by the Board regarding an
9 update on future funding for the Vanning and Stabling Fund.

10 Mr. Morris?

11 MR. MORRIS: Yes. Joe Morris, TOC and Chairman of
12 the Stabling and Vanning Committee.

13 I think, as we know, this is something we're
14 working on. We discussed this at yesterday's Committee
15 hearing on dates.

16 Action taken to date on Stabling and Vanning and
17 fixing the deficit was at the end of last year we came into
18 agreement. We closed Fairplex for this year. That
19 certainly helped our cash flow. We've opened Galway
20 (phonetic). We did that on a different model. That's
21 helped our cash flow. We've put in new vanning procedures
22 and paperwork that goes with that. That's helped to tidy up
23 the vanning cash flow side of it.

24 Currently for this year we are projecting a little
25 more than a \$400,000 surplus. So we will take our beginning

1 overdraft of \$4.4 million down to just under \$4 million.
2 And as a part of our negotiating on our southern dates and
3 working, you know, as a group together to come up with a
4 solution for that we're working on the next steps of getting
5 the receivables paid down to Los Al and to Santa Anita and
6 San Luis and adding funding to
7 the -- to the current Stabling and Vanning situation.

8 We're looking at both a legislative solution, and
9 then possibly also a Commission solution, because the
10 legislation is going to take a while to get passed if we
11 take that route. And we may need to add to the half-a-
12 percent that -- that this -- your Board can -- can put.

13 So it's something we're working on. We have at
14 least stopped the decline and the growing of the overdraft
15 from the last couple of years. As I said, we have a surplus
16 this year and we're working through the solution on it. And
17 the good news is we do have enough stalls.

18 CHAIRMAN WINNER: Yeah.

19 MR. MORRIS: So it's, you know, it's a shame we
20 didn't do better planning with the closing of Hollywood but,
21 you know, we are working through it. And within the next
22 few months we'll have a solution and I think we'll be
23 properly funded going forward.

24 COMMISSIONER KRIKORIAN: That was my question.
25 You talk about \$4.4 million deficit right now. And then you

1 talk about paying down receivables. Is that an amount of
2 money that is in addition to the \$4.4 million?

3 MR. MORRIS: So we're looking at -- the
4 receivables will be paid down from the additional funding.
5 But we're looking at other possible solutions. The Del Mar
6 money that comes in November could be loaned to Stabling and
7 Vanning Committee and that money could be used to pay off
8 receivables. This other industry fund money that could also
9 be used to lower that receivable but --

10 COMMISSIONER KRIKORIAN: Well, I'm still not
11 clear. Is the -- is the receivable in addition to the \$4.4
12 million?

13 MR. MORRIS: No, it's part. It's part.

14 COMMISSIONER KRIKORIAN: It's part of it? Okay.

15 MR. MORRIS: It's in that, yeah.

16 COMMISSIONER KRIKORIAN: Okay. Thanks.

17 MR. MORRIS: Well, it is -- it is that.

18 COMMISSIONER KRIKORIAN: Okay.

19 MR. MORRIS: Yeah.

20 CHAIRMAN WINNER: Any other questions? Steve?

21 COMMISSIONER BENETO: What's your total budget, Joe?

22 MR. MORRIS: Our budget is right -- just a little
23 bit over -- on revenue a little bit over \$8 million.

24 COMMISSIONER BENETO: And you're running a
25 deficit?

1 MR. MORRIS: It's -- for this year a \$400,000
2 surplus.

3 COMMISSIONER BENETO: I heard that, yeah.

4 MR. MORRIS: Yeah.

5 CHAIRMAN WINNER: Which is a big --

6 MR. MORRIS: Which is a big change from --

7 CHAIRMAN WINNER: -- year.

8 MR. MORRIS: -- from the last three or four years.

9 CHAIRMAN WINNER: Right.

10 MR. MORRIS: Because it was a deficit before the
11 Hollywood situation.

12 CHAIRMAN WINNER: Right.

13 MR. MORRIS: So we've taken steps to -- to the
14 rest of the deficit.

15 CHAIRMAN WINNER: Which we appreciate.

16 Any other questions?

17 COMMISSIONER KRIKORIAN: Well, just a comment. My
18 understanding is that before the year is out we're going to
19 be hearing from folks who are looking for increase in what
20 they're getting now for stabling and vanning; correct?

21 MR. MORRIS: Yes. And we're working that in --

22 COMMISSIONER KRIKORIAN: So it's a real problem.

23 MR. MORRIS: -- as part of the additional funding.

24 COMMISSIONER KRIKORIAN: It's a very serious
25 problem.

1 CHAIRMAN WINNER: We're talking about substantial
2 increases that at least have been raised by the various
3 associations with respect to stabling over -- over what
4 they're currently receiving --

5 MR. MORRIS: Yeah.

6 CHAIRMAN WINNER: -- which would -- which would,
7 really, as Commissioner Krikorian points out, could really
8 put a dent --

9 MR. MORRIS: And that --

10 CHAIRMAN WINNER: -- in this whole process.

11 MR. MORRIS: And that needs to happen at the same
12 time the additional funding goes in.

13 CHAIRMAN WINNER: Right.

14 MR. MORRIS: And it can't happen before that.

15 CHAIRMAN WINNER: Then the question is: Where
16 does it come from?

17 MR. MORRIS: Right.

18 CHAIRMAN WINNER: And those are the things you're
19 working on.

20 MR. MORRIS: And it comes from purses and
21 commissions to the race tracks.

22 VICE CHAIR ROSENBERG: And on that --

23 COMMISSIONER BENETO: What's -- what's TOC's
24 budget, like your salary?

25 MR. MORRIS: Our budget is about \$1.1 million a

1 year.

2 COMMISSIONER BENETO: And how many people is that,
3 on the payroll?

4 MR. MORRIS: Three-and-a-half.

5 COMMISSIONER BENETO: So three-and-a-half?

6 MR. MORRIS: Pretty tight. There's on Northern
7 California operations person. There's a Southern California
8 operations person. There's me. And there's part-time
9 bookkeeper.

10 COMMISSIONER BENETO: Well, that's over \$300,000
11 per employee.

12 MR. MORRIS: No.

13 COMMISSIONER KRIKORIAN: You know, having been on
14 the TOC, they run a real tight ship.

15 MR. MORRIS: Yeah.

16 COMMISSIONER KRIKORIAN: I can tell you from
17 personal experience, they run a real tight ship on \$1
18 million budget for what they -- what they have to do every
19 year. So they're very, very reasonably run.

20 COMMISSIONER BENETO: Do you got a P&L we could
21 look at?

22 MR. MORRIS: We have -- we have an audited
23 financial statement that goes into you people, this Board,
24 90 -- within 90 days of our year end. Our year end is the
25 end of June. So 90 days from now you'll have this one. And

1 we always put our financials in.

2 COMMISSIONER BENETO: You give that to the Board?

3 Because I haven't seen it.

4 CHAIRMAN WINNER: Well, the staff has it.

5 VICE CHAIR ROSENBERG: Right.

6 CHAIRMAN WINNER: So if you ask for it
7 they'll -- they'll provide it to you. Just ask Jackie.
8 Commissioner Beneto, just -- Jackie will provide that for
9 you for last year. And then as this one is submitted it
10 will be available.

11 COMMISSIONER BENETO: I'm just curious where the
12 money is going, that's all.

13 VICE CHAIR ROSENBERG: Joe --

14 MR. MORRIS: Yeah?

15 VICE CHAIR ROSENBERG: -- in terms of the race
16 tracks getting reimbursed for the stabling, it's supposed to
17 be a reimbursement, not a profit venture for them.

18 MR. MORRIS: Correct.

19 VICE CHAIR ROSENBERG: I recall getting into this
20 issue several years ago on this in regard to SCOTWINC.
21 Whose responsibility will it be to determine how their costs
22 are calculated on a daily basis for off-track stabling?

23 MR. MORRIS: We'll audit that through the Stabling
24 and Vanning Committee. So we'll --

25 VICE CHAIR ROSENBERG: Okay.

1 MR. MORRIS: Yeah. Which is a group where the TOC
2 is half of it, and then the race track make up the other
3 half.

4 VICE CHAIR ROSENBERG: Oh.

5 CHAIRMAN WINNER: Any other discussion?

6 Thank you, Joe.

7 Moving on, Commissioner Auerbach, a report from
8 the Medication and Track Safety Committee.

9 COMMISSIONER AUERBACH: Yeah. Unfortunately, this
10 is a little bit long, but I'll try to keep it succinct.

11 We had a Committee meeting on 5/27/15. And I
12 wanted to thank everybody who attended. We had very good
13 attendance from all the stakeholders. And it was well
14 attended and we had a lot of people express their opinions,
15 and I found that to be very, very helpful.

16 There are about eight items on here. The first
17 thing that we discussed, Dr. Arthur delivered a brief
18 presentation on the necropsy report. And there were 199
19 fatalities in California in Fiscal Year 2013 and '14
20 compared with 209 the previous year. And of those, 52 died
21 from non-exercise related causes. There was also a
22 significant decrease in quarter horse deaths over the last
23 five years. And I'm not really sure why that was so, but
24 I'm sure if we need to know Dr. Arthur could tell us.
25 Obviously, that was good news. And the full report is

1 available on the CHRB website.

2 The second item we talked about was a proposed
3 addition to Rule 1846.6, to require a postmortem examination
4 review of each equine facility -- fatality within the
5 enclosures. And Philip Laird explained the concept of a
6 review panel. And we talked about this review panel taking
7 the information from the postmortem and looking at it and
8 talking with the trainer, maybe with the owner, with the
9 related parties and deciding if we could get some
10 information that was valuable to us about how we treat our
11 horses and what we learn from -- from all this information.

12 It's great to gather the information, but there is coming a
13 point now where we need to utilize it and see what we can do
14 to better protect the horses and the people.

15 My biggest concern, and I think this was shared by
16 people, that no sanctions would emanate from this review
17 board because I want it to be a process where we learn
18 something, not where we, oh, my god, I can't actually admit
19 that I did this, that or the other because I'm going to get
20 into trouble. We want this to be a review panel that will
21 actually help us learn what to do with our horses to make
22 everything safer for everybody. So the staff is going to
23 get some proposed language back to us on what -- how we're
24 going to utilize this information and set up these panels.

25 The third thing we talked about was kind of a long

1 presentation about emerging threats. And Dr. Stanley and
2 Dr. Arthur are here and can go into detail if anybody has
3 any questions. But there were specific items that we talked
4 about such as new compounds appearing in humans with growth
5 hormones. We talked about gene therapy. Dr. Arthur talked
6 about how it's rapidly developing and changing things. And
7 we also talked about the labs' abilities or inabilities to
8 find these various situations that are happening. And Dr.
9 Arthur pointed to the need to prepare for these emerging
10 threats. And Dr. Stanley reported that the Maddy Lab is
11 continually conferring with other labs, as well as human-
12 testing labs, in order to update us on what's going on and
13 where we look to find the next problem.

14 Dr. Baedeker suggested that we might
15 consider --

16 CHAIRMAN WINNER: Oh, now you're a doctor.

17 COMMISSIONER AUERBACH: Oops. I just made him a
18 doctor, which I think is really good. Everybody needs that.

19 Rick Baedeker -- I said doctor so many times I
20 just got in the habit. Sorry.

21 EXECUTIVE DIRECTOR BAEDEKER: Doctor of
22 handicapping.

23 COMMISSIONER AUERBACH: The Doctor of Handicapping
24 Baedeker --

25 EXECUTIVE DIRECTOR BAEDEKER: There you go.

1 COMMISSIONER AUERBACH: -- said that we should
2 really consider regulations to prohibit gene doping and
3 other emerging threats. So instead of playing catch-up the
4 idea was that perhaps we could be ahead of the curve. We're
5 aware of it. We have the best medical people around to
6 handle it. And it is a good idea if we listen to them and
7 try to come up with this -- with these things while they're
8 there.

9 And I think it's very interesting that Bo is here
10 today during this time because I know how active she was
11 with medications. And I think she's probably glad to hear
12 that that's going to continue.

13 The fourth item we talked about was the
14 examination procedures of the track by the vets. And Dr.
15 Arthur pointed out that we don't have as many vets examining
16 the horses at the track as other locals have. And we need
17 to come up with a formula as a way of the vets being able to
18 actually examine the horses because they have so many horses
19 to look at when they do their pre-race examinations and
20 post-race examinations, that there's very little time that
21 they can actually look at the horse because it's more about
22 numbers than it is about quality.

23 Dr. Stead had suggested adopting a regulation
24 requiring a minimum number of examining vets. And Dr.
25 Baedeker -- I think I'll just keep him that way -- said that

1 he would prefer that the industry find a solution to make
2 sure we have enough vets rather than the Board mandating how
3 many vets.

4 Another item that seems to be an item whose time
5 has come has been the need for digitized records. I don't
6 think any of question the fact that if these records become
7 digitized it will be much easier for the vets to have the
8 information in hand. And it should be an easier process,
9 the idea of maybe having an assistant hired to the vet so
10 they can take the notes, enter stuff on a handheld, whatever
11 it is. It's something that we need to streamline and make
12 more convenient so that it -- that it works better.

13 The fifth item that we discussed was the proposed
14 amendment to allow race secretaries to write races in which
15 horses would not be given Lasix within 24 hours of the race.

16 And, of course, this was the most heated discussion that we
17 had.

18 The bottom line to our discussion was that there
19 does not appear to be an appetite at this time among the
20 stakeholders for this amendment to proceed, so that's where
21 we are right now. The folks who are in the game don't want
22 it at this point.

23 The sixth item was we discussed a need to keep a
24 better eye on the ponies, and I think we've all heard about
25 that, about the examinations. As a matter of fact, after

1 this meeting I was fortunate enough to attend a meeting with
2 Dr. Arthur and with Safety Steward Jauregui. And we had the
3 pony riders in a meeting. And it's -- it's a whole cultural
4 dynamic to now start talking to them about their
5 responsibility in terms of the horses. We have seen an
6 improvement. A lot of the trainers have mentioned it to me
7 that the ponies are looking healthier and they're looking in
8 better condition.

9 A lot of this started with -- with the -- with the
10 CARMA off-track race program where we try to get some of
11 these horses and find homes for them. One or two of the
12 pony people came to us and said, "Can't you help us too?"
13 It became apparent that the ponies need as much attention as
14 the horses. And the economics behind the pony community are
15 worse than the racing, and the racing is bad enough as it
16 is.

17 So when it's time for these horses, whether
18 they're performing thoroughbreds or ponies, we do need to
19 find ways to not only take better care of them at the races
20 but take better care of them when they're going to retire.
21 And there's no way to put a program in place for retiring
22 horses unless we know we're taking care of the horses before
23 they get to that point where they're so used up that there's
24 no career that they could have. So it's, once again, it's
25 part of this whole community effort of taking care of all

1 the horses.

2 And we also have found that Rick Hammerle has
3 started a program at Santa Anita where the ponies are
4 registered and identified and assigned stalls. Once again,
5 this goes with the other things that we're working on, the
6 microchipping, the security cameras, all of these things
7 that we're doing, they appear divergent but they're all part
8 of one general plan to make this a better community for all
9 of us.

10 The seventh item, we were talking about -- Dr.
11 Arthur said we have a couple of issues here to adjust the
12 penalties for medication violation. One of the things that
13 we have a problem with is the ambiguity concerning penalties
14 for repeated violations. And another one is the greater
15 restrictions on suspended trainers. And the CTT is opposed
16 to an absolute mandate concerning the transfer of horses by
17 a suspended trainer to another licensee. And he feels and
18 the CTT feels that the stewards should make these
19 discussions [sic]. They talked about a mandatory reduction
20 in the number of trigger days to 45.

21 The staff will amend the text. They're going to
22 amend -- they're supposed to address these concerns and
23 bring it back to Committee. There's a lot of confusion
24 about which penalty we're using, does it overlap, does it
25 contradict the other penalty, and we're going to try to

1 straighten a lot of that language out.

2 The final item was the item of the scratches for a
3 gelding. And after I introduced the situation I spent some
4 time learning a lot more about the situation. And initially
5 I had supported the proposal. But recently I had become
6 aware of problems that are beyond the CHRB and our local
7 horsemen's controls such as the misreporting by another
8 jurisdiction, which I find out happens all the time.

9 Alan Balch said we needed to be careful about
10 surveying just one segment of the market, because we had
11 done a survey with HANA which showed that they were very
12 much in favor of it. However, I bet if they had been on one
13 of those horses that we automatically threw out of the race
14 they wouldn't be as happy with the result.

15 So we have decided that this is less of a problem
16 today. That the problem of the -- of the non-report of
17 gelding has to do more with honest and legitimate mistakes
18 than it does have to do with nefarious activity by any of
19 the horsemen. It's become much less of a problem and we're
20 not looking to create any additional ones. So right now we
21 are not going to forward that proposal.

22 Thank you.

23 CHAIRMAN WINNER: Thank you very much,
24 Commissioner Auerbach. It obviously was a very productive
25 meeting. I thank -- thanks to you and Commissioner Solis.

1 Any questions for Commissioner Auerbach?

2 COMMISSIONER AUERBACH: Or Dr. Baedeker.

3 CHAIRMAN WINNER: Or Dr. Baedeker. He certainly
4 serves as our doctor all the time.

5 All right, then we'll move along to Jockey and
6 Driver Welfare Committee, Commissioner Solis.

7 COMMISSIONER SOLIS: Good morning again.

8 In our meeting the first agenda that was discussed
9 is regarding the use of riding crops in California,
10 including harness racing, effective in July 1st which limits
11 the rider from using the crop more than three times in
12 succession without giving the horse a chance to respond.

13 The best constructed riding crop is the one from
14 England with a soft popper. And this -- and this
15 (inaudible) and has the most padding or the most foam inside
16 the popper. They may have added Corafoam leather which is
17 denser and harder than the soft vinyl that is required. I
18 really feel that the jockeys are getting riding crops from
19 all over the -- all over. They can be thinner and look like
20 the soft popper that applies in the rule. But they're not
21 exactly actually helping our situation. They're not soft
22 enough.

23 The rule does -- does state that a riding crop are
24 subject to inspection and approval of the steward -- safety
25 steward and should be examining whips once or twice a week.

1 A jockey will go through riding crops, three or four a
2 month. A lot of them have up to 15 whips in the jockeys'
3 room. We should fine a jockey that doesn't have the right
4 type of riding crop. I think you'd be surprised, they'll
5 start -- start purchasing the riding crop from England or
6 something that has a little more cushion.

7 The inspection of the rule are clear. They may be
8 difficult to measure. I'm not sure how we work on that. In
9 the future it will be a great idea for two-year-olds to --
10 to use the riding crop only for guiding and to protect
11 ourselves. Instead of running these four-and-a-half races
12 that to us it's a big issue because it doesn't give us
13 enough run to the -- to the first turn. Move it up to five
14 furlong. It will give us an eight-of-a-mile more to get a
15 better position where we don't have all the horses bounding
16 around with each other. And that's where you're going 35,
17 40 miles per hour, that will cause a lot of problems. And
18 that's why a lot of horses are getting injured.

19 We pushed -- we've been pushing these two-year-
20 olds way too early before they get to the races. And one of
21 the things is a lot of sales, they have these horses working
22 a little too early too fast. Things like this, they will
23 help us to keep our horses sound for the future. A lot of -
24 - all these owners, they pay a lot of money for these -- for
25 these horses. And that would be a way to keep them safe.

1 Again, whip-free races -- whip-free -- crop -- riding-crop
2 free racing will allow us to just use the whip for -- for
3 guidance and for safety.

4 We want to go over and maybe do some videos. I
5 think having these great jockeys (inaudible) a video or
6 something where we can educate other riders on how to use
7 the whip without just focusing on hitting and more on just
8 being in rhythm with the horses, etcetera.

9 In harness races the riding crop -- I don't know
10 if it's called riding crop or whip because it's different.

11 CHAIRMAN WINNER: I don't know what you call them
12 for harness racing.

13 COMMISSIONER SOLIS: Yeah. More flagrant, but
14 there's very little attention paid to that part of the rule.

15 At least relative to the riding crop that say that you can
16 use a whip when these horses are not responding out or are
17 out of contention, do we have this same language for harness
18 racing? Harness has been overlooked regarding whipping.
19 The Horse Racing Board need to bring the harness industry to
20 a level field with what has been done on the flats.

21 We (inaudible) harness drivers about imposing the
22 current rule. So far they have stayed under the radar.
23 Staff is going to work with the harness industry, at least
24 members of the industry that are available to us right now,
25 to come back with similar modification to the rule that we

1 enacted for the flats. And we're going to ask for safety
2 stewards to work with the Guild and the jockeys themselves
3 or -- and to come back with a recommendation for additional
4 change that can made.

5 Another main point for me was the starting of the
6 race where a lot of guys are using these -- using the whip
7 to encourage the horse out of the gate. There are many ways
8 that we can -- we can do this. You can yell at them out of
9 the gate. That will prevent, again, from a lot of these
10 horses shifting in -- in and out that, as we know, that's
11 how they get injured really easy. There are many things you
12 can do.

13 We talked about a gate rule they have here at Los
14 Alamitos. I guess it started a few years ago, that you can
15 hit a horse the first 30 yards. Once they're in the
16 straight then they need to -- you can hit them, and then you
17 want to go back to hit them if you have to. But I think
18 that's a great, great idea, that 30 yards -- 30 yards rule.

19 EXECUTIVE DIRECTOR BAEDEKER: Commission Solis, on
20 that point, I mentioned that to Brad McKinzie about the
21 house rule that used to be in place here. He said it wasn't
22 a house rule. It was a rule imposed by the jockeys on the
23 jockeys, which I thought was interesting.

24 COMMISSIONER SOLIS: I second that.

25 EXECUTIVE DIRECTOR BAEDEKER: Uh-huh.

1 COMMISSIONER SOLIS: My recommendation for the
2 future, again, is to have this -- get rid of the four-and-a-
3 half races really because it doesn't give us enough time.
4 You have 100 yards to get a position, you're going to have
5 seven or eight horses. And all of you are paying a lot of
6 money and I think we're responsible to keep these horses
7 safe. That will give us -- the five furlong would give us
8 more time to get a better position and --

9 COMMISSIONER BENETO: Commission Solis --

10 COMMISSIONER SOLIS: Yes, sir?

11 CHAIRMAN WINNER: Hold on. Let him just finish
12 his report and then we can --

13 COMMISSIONER BENETO: All right.

14 COMMISSIONER SOLIS: Yeah, it would make it a lot
15 easier really and safe, keep the horses safe.

16 Again, like I said, when you're going 35, 40 miles
17 per hour that's -- that's a lot of pressure on those --
18 those babies that are not fully developed -- developed yet.

19 Thank you.

20 CHAIRMAN WINNER: Thank you very much,
21 Commissioner Solis.

22 As -- and I know you have a question which I'll
23 give you in a second.

24 Let me just make the point that it's obvious that
25 all of us on this Board, frankly, I think stimulated a great

1 deal by Commissioner Derek originally, are very concerned
2 about riding crops and the sensitivity to the horses. And
3 having -- this is something that we had a long discussion
4 about, as Executive Director Baedeker mentioned, at the
5 Stewards Committee meeting. And obviously at your meeting
6 it was an item of very important discussion. And it is --
7 it is something that fortunately we all care a great deal
8 about and we want to do whatever we can to be kinder in
9 every way to these animals that we -- that we all love.

10 So we really appreciate your -- what your
11 committee is doing and share your concerns. And I think
12 some of your comments about -- some of the other comments
13 you made about four-and-a-half furlong races, etcetera, are
14 something that we should consider, and hopefully the
15 associations and the horsemen will consider as we go forward
16 with these -- with these two-year-olds.

17 I think it's obviously how important it is
18 that -- what a good thing it is that we have a jockey on the
19 Board who in some ways brings real life to some of these
20 critical issues that we are constantly discussing but, of
21 course, we don't have the hands-on experience that they
22 have. So they can explain to us, as Commissioner Solis
23 does, can explain to us some of the things that he
24 understands that maybe we don't about what goes on in
25 reality on the race track between the jockeys and the

1 horses.

2 So I'm delighted that you're here. And I think
3 all of us will gain even more as we go through this
4 experience.

5 Commissioner Beneto?

6 COMMISSIONER BENETO: What do you think about not
7 running a two-year-old until the fall --

8 COMMISSIONER SOLIS: Our --

9 COMMISSIONER BENETO: -- where you could -- I'll
10 finish my question -- where we can -- in other words, the
11 horse is more matured and you can run him say five furlongs,
12 in other words, rather than the four-and-a-half? What's
13 your take on that?

14 COMMISSIONER SOLIS: Well, I mean, all these
15 babies, they're born around April, May and so on. And
16 we -- they're already training. We all know that they're
17 not fully developed. A lot of their knees are not closed
18 100 percent. We keep training them.

19 And I agree with you, I think if we wait longer
20 that would be better for the -- for the horses and we would
21 have -- the whole population would be bigger. The
22 population of the horses would be bigger because you let
23 them develop and they're not going to be so soft.

24 Again, four-and-a-half races, I mean, it's a very
25 short run to the turn. And when you're riding you come out

1 of the gate as fast as you can just to establish position,
2 if there are two or three horses that are quicker than the
3 other one then you have five or six horses bouncing and --
4 bouncing around, going into the turn. And some of them,
5 they're lugging out and lugging out, lugging in or lugging
6 out because they getting that sand in their face. And
7 that's -- that's a lot of stress in a baby. They're just
8 learning how to ride. And we're using the whip on them to
9 encourage it to go quicker.

10 COMMISSIONER BENETO: So do you think it's a good
11 idea to prolong two-year-old races until fall?

12 COMMISSIONER SOLIS: Definitely. Definitely.
13 Again, I mean, you won't -- you won't take your kid and push
14 him to walk when he's not ready.

15 COMMISSIONER BENETO: In fact, I'm --

16 COMMISSIONER SOLIS: So --

17 COMMISSIONER BENETO: In fact, I'm in favor of not
18 running a horse until he's a three-year-old. But I think
19 I'd get thrown -- thrown into the fire for that -- for that
20 remark.

21 COMMISSIONER SOLIS: So I assume that most of your
22 horses run for a long time?

23 COMMISSIONER BENETO: Mine?

24 COMMISSIONER SOLIS: Yes.

25 COMMISSIONER BENETO: Well, I'd like to have them

1 run longer but I'm just -- my luck is just about like
2 everybody else's.

3 COMMISSIONER SOLIS: But just for --

4 CHAIRMAN WINNER: I don't care about longer. I'd
5 like mine to run faster.

6 COMMISSIONER SOLIS: Yeah. But again, I think
7 that --

8 CHAIRMAN WINNER: No, I'd want them to run longer
9 than more than faster.

10 COMMISSIONER BENETO: I don't rush my two-year-
11 olds. I --

12 COMMISSIONER SOLIS: Yeah. If I was a horse owner
13 or a trainer I would do the same thing, I would wait for
14 that horse to be ready, that he's telling me he's ready to
15 run, not just to push just to make the first few two-year-
16 old races. But that's --

17 COMMISSIONER BENETO: Well, thank you for your
18 comment.

19 CHAIRMAN WINNER: Thank you, Commissioner Solis
20 and Commissioner Auerbach.

21 COMMISSIONER KRIKORIAN: I'm sorry. A horse has
22 to -- their birthday has to be at least two years old before
23 they can run anyway; right? So -- so if the horse is, you
24 know, born in May or June --

25 COMMISSIONER AUERBACH: May. May, June.

1 COMMISSIONER SOLIS: June, yeah.

2 COMMISSIONER KRIKORIAN: -- yeah, then they can't
3 -- they've got to be at least two.

4 COMMISSIONER AUERBACH: I think it's interesting.
5 I think the current scenario we have is something that
6 developed. There's more and more emphasis on two-year-olds
7 and running two-year-olds. And it's become almost a fate
8 accompli that if you don't run them when they're two they're
9 not going to run and blah, blah, blah.

10 I happen to agree with Commissioner Solis. I know
11 that my horses are all late developing. We don't push them.

12 But I do know there's a segment of the industry that does
13 push horses to run at two. And I understand that inventory-
14 wise sometimes that gets to be an overriding consideration.

15 I do know that when I was on the TOC Board one of
16 the things I fought the hardest for was getting rid of the
17 two-furlong races.

18 CHAIRMAN WINNER: Right.

19 COMMISSIONER AUERBACH: So getting rid of the two-
20 furlong races, and now hopefully pushing back a little bit
21 on the two-year-old races, it's got to be a gradual thing if
22 we're going to be able to get it done. But I think in the
23 long run, not only for the benefit of the inventory but the
24 benefit of the horses and the horses health, if we can get
25 this idea -- and, of course, this is a whole marketplace

1 thing that we've got to work within to try to push that
2 back, to have people not be so hard on their two-year-olds
3 and give them an opportunity.

4 But it's -- it's, once again, it's not just us.
5 It's --

6 COMMISSIONER BENETO: Madeline --

7 COMMISSIONER AUERBACH: Yes, sir?

8 COMMISSIONER BENETO: -- when you go to Keeneland
9 or any of these big sales or small sales you -- these
10 yearling sales, as soon as they -- the guy buys them they're
11 at a ranch getting broke --

12 COMMISSIONER AUERBACH: Yeah.

13 COMMISSIONER BENETO: -- as a yearling. That's
14 crazy.

15 COMMISSIONER AUERBACH: Well, I agree with you.
16 But I, you know, I don't get to make all the rules.
17 So -- I don't get to make any of them actually.

18 COMMISSIONER BENETO: Well, that's a rule we can't
19 make. But I'm just --

20 COMMISSIONER AUERBACH: Right.

21 COMMISSIONER BENETO: I'm just throwing that out.

22 But --

23 COMMISSIONER AUERBACH: You're right.

24 COMMISSIONER BENETO: -- that's why I think we
25 ought to make a rule that you don't run two-year-olds until

1 the fall of the year. It gives them a chance to develop,
2 knees closed. They're past their two -- two-and-a-half --
3 two-year mark.

4 COMMISSIONER AUERBACH: Well, I think -- I think
5 their knees are closed because I don't think they'll stand
6 training. But I think we can't do this in a vacuum. I
7 think we've got to talk to everybody before we try to do
8 this.

9 CHAIRMAN WINNER: But anyway, let me move on then
10 to -- to items number 21 and 22; 21 is a report from a
11 Northern California Race Dates and Stabling Oversight
12 Committee, 22 is a discussion by the Board regarding the
13 allocation of the 2016 Northern California race dates. So
14 we'll combine 21 and 22.

15 And let me preface the discussion by saying that
16 in both -- in the case of both the items 21 and 22, Northern
17 California, and 23 and 25, Southern California, there were
18 Committee meetings. There were discussions. There were
19 presentations of plans at Committee meetings. No vote was
20 taken and no vote will be taken here. To make it very
21 clear, there's nothing on the agenda that calls for or
22 requires or permits us to vote because it hasn't been
23 noticed. So there will be no vote on -- on race dates for
24 either Northern or Southern California. This is simply here
25 for a report of the Committee meetings in both cases and a

1 discussion thereof for -- for the chairman of each Committee
2 and members of each Committee to speak if they so choose,
3 and also for the purposes of any public discussion if there
4 is any public discussion.

5 So with that I'll turn it over to Commissioner
6 Beneto who is the Chairman of the Northern California Race
7 Dates Committee.

8 COMMISSIONER BENETO: Well, we had our meeting two
9 Fridays ago. And nothing was done as far as agreements made
10 about the dates. CARF agreed on the proposal, one or two of
11 the proposals that I put out there. Golden Gate did not
12 agree with it. They came up with their proposal.

13 So to make it short and sweet, we're right back to
14 square one. And I don't know where we want to go with this
15 because we've got six race tracks agreeing on the -- on the
16 -- the dates that I proposed. One race track is not which
17 is Golden Gate. They came up with their -- their proposal
18 which they're trying to get us to agree on, I guess.

19 So that's about where we're at, to cut it short.

20 CHAIRMAN WINNER: Commissioner Choper, you wanted
21 to --

22 COMMISSIONER CHOPER: Well, I would just add that
23 there was an agreement reached among people representing all
24 the stakeholders that they would have a meeting among
25 themselves.

1 And I understand that such a meeting, Rick, you've
2 called for and agreed to July 7th or 8th, I don't know the
3 exact date.

4 EXECUTIVE DIRECTOR BAEDEKER: It's going to be
5 July 8th. But we'll -- we'll send out a notice with
6 location and time.

7 COMMISSIONER CHOPER: And I was told it's in
8 Sacramento.

9 EXECUTIVE DIRECTOR BAEDEKER: That's -- that's
10 correct.

11 COMMISSIONER CHOPER: So the head item on the
12 agenda is compromise with all caps on that one because
13 without that we're not going anyplace on this thing. And I
14 think I already have -- you know, I have to talk. I just
15 have to turn the button and I repeat the same thing again.
16 I'm not going to do it here today. But everybody who is
17 going to that meeting understands that. It doesn't make any
18 sense to have it otherwise.

19 COMMISSIONER BENETO: Are we going to -- do you
20 want us, me and Jesse, there at this meeting or what?

21 COMMISSIONER CHOPER: Well, I think let them --
22 let them go on themselves.

23 EXECUTIVE DIRECTOR BAEDEKER: It's up to you,
24 Commissioners. I think the suggestion that was made by
25 Commissioner Choper at the meeting two weeks ago was that

1 this just be with the stakeholders and staff. But obviously
2 we'll follow whatever direction you give us.

3 COMMISSIONER BENETO: Well, why have a Committee?

4 EXECUTIVE DIRECTOR BAEDEKER: Pardon me?

5 COMMISSIONER BENETO: I said why have a Committee?

6 EXECUTIVE DIRECTOR BAEDEKER: The purpose is to
7 bring back information, any -- any results from that meeting
8 back to the -- back to the Committee. But we -- we'll
9 follow your directions.

10 COMMISSIONER CHOPER: Well, can I --

11 COMMISSIONER BENETO: Well, that's the Chairman's
12 call.

13 COMMISSIONER CHOPER: Yeah. Well, let me add --

14 CHAIRMAN WINNER: Well, I --

15 COMMISSIONER CHOPER: Can I add this?

16 CHAIRMAN WINNER: Please.

17 COMMISSIONER CHOPER: I understand that there was
18 such a meeting. Were you the Chairman, George, of that
19 meeting of the Southern California stakeholders? And they
20 reached an agreement.

21 CHAIRMAN WINNER: Well, actually, yeah --

22 COMMISSIONER CHOPER: Yeah.

23 CHAIRMAN WINNER: -- I think that's an important
24 point.

25 COMMISSIONER CHOPER: Yeah, please.

1 CHAIRMAN WINNER: The point -- the point is that
2 there are -- there are various series of meetings that take
3 place. The board will make the decision. The Committee
4 will make a recommendation to the Board. The Board will
5 make a decision with respect to race dates, both north and
6 south. That's clear.

7 And historically what happened -- what has
8 happened, and I'm more familiar with the south than I am the
9 north because I've been involved in the southern rate dates
10 issues more than I have, obviously, in the south [sic], but
11 the way it's worked in the south is that there are various
12 series of meetings with the -- with the stakeholders and the
13 stakeholders include the associations, the TOC, the CTT, has
14 been invited to participate and has made -- offered a number
15 of suggestions. Some of those they have individually
16 amongst themselves. Some of them they have as a group. And
17 some of them the Committee gets involved in, that is the
18 chairman of the Committee and myself as a member of the
19 Committee, and historically it was Commissioner Israel and
20 myself -- Chairman Israel and myself.

21 And it's a process that tends to work, at least in
22 the south, I can't speak for the north, but it's a process
23 that tends to work itself out in a way where you have -- you
24 try to reach an agreement on which
25 everybody -- nobody gets everything they want, everybody

1 gets something.

2 I think the best example is what was achieved with
3 respect to the 2015 Fairplex/Los Alamitos/Santa Anita, the
4 two -- the two days that we've been evaluating, discussing
5 and debating over a period of time. The fact is that with
6 the leadership of Commissioner Krikorian and the leadership
7 of the stakeholders involved who at times were meeting
8 individually and at times were meeting with us and at times
9 were meeting with Commissioner Krikorian, and it got worked
10 out. It got worked out because everybody had the good will
11 of trying to do what's best for racing, and that's exactly
12 what happened.

13 COMMISSIONER BENETO: Well, my problem is, is I
14 got six fairs to deal with. And they work -- one closes,
15 one opens, one closes, one opens, and that's been going on
16 for years. You've got vendors that move from fair to fair.
17 That's the way they make their living during the fair time.
18 You've got the 4H. You've got Future Farmers of America.
19 You've got animal sales. You've got so many things
20 happening besides racing that to change the dates to like
21 the proposal that Golden Gate gave us and want four weeks in
22 March. I mean, that is -- that is ludicrous. You've got
23 concerts which you've done in your business, I imagine. You
24 know, they're -- they're in the summertime. They've got no
25 -- so it's open-air stuff. They've got -- they can't be

1 fighting the weather.

2 So there's more to it than just racing dates here.

3 There's -- you've got to look at the whole package.

4 CHAIRMAN WINNER: I don't -- frankly, Commissioner
5 Beneto, I don't think there's any disagreement about that.
6 I think the question is process. And at the end of the day
7 it's going to come back to you anyway. And then at --
8 you're going to be, you, the Committee, are going to be
9 making the decision on whatever -- if they can reach an
10 agreement, then come back to you with and you're not -- you
11 don't feel that it's a good one, I assume if they reach
12 agreement, my assumption would be if the fairs and Golden
13 Gate reaches an agreement, then the fairs will -- it will be
14 beneficial to the fairs. They're not going to agree to
15 something -- I assume CARF and Santa Rosa, they're not going
16 to agree to something that isn't in their interest.

17 COMMISSIONER BENETO: My calendar, if you look at
18 it, it's basically the same as the calendar we got for '15.

19 I didn't do much changing, outside of, you know, a startup
20 date might be one or two days either way because of the leap
21 year or whatever the calendar is. So I tried to simplify it
22 as much as I could. And this thing just got out -- it's out
23 of control.

24 CHAIRMAN WINNER: Yeah, please.

25 VICE CHAIR ROSENBERG: A question on timing. What

1 is your plan in terms of putting this on an agenda to have a
2 final decision if the parties can't reach -- reach an
3 agreement? Because I think, Commissioner --

4 CHAIRMAN WINNER: August.

5 VICE CHAIR ROSENBERG: August would be the
6 deadline? Okay.

7 COMMISSIONER AUERBACH: I had a point I'd like to
8 make, too, if --

9 CHAIRMAN WINNER: Madeline, let me just --

10 COMMISSIONER AUERBACH: I'm sorry.

11 CHAIRMAN WINNER: -- make a point.

12 COMMISSIONER AUERBACH: Excuse me.

13 CHAIRMAN WINNER: So in other words, the process
14 would be, at least as suggested, is the process would be
15 stakeholders meet. Stakeholders come back to the Committee
16 with whatever they recommend or no recommendation because
17 they can't agree. Then the Committee will make a decision
18 based on however -- whatever you decide. And then you come
19 back to the Board. It will be on the agenda for the August
20 meeting. And in August we'll vote on it.

21 COMMISSIONER BENETO: That's fair.

22 CHAIRMAN WINNER: Okay?

23 VICE CHAIR ROSENBERG: Okay.

24 CHAIRMAN WINNER: Commissioner Rosenberg.

25 Oh, I'm sorry. Commissioner Auerbach?

1 COMMISSIONER AUERBACH: That was me.

2 I just wanted to bring up a point because
3 Commissioner Beneto brought up a point, and I heard what he
4 said about the fairs and all the other activities they've
5 got going on and how it somehow needs to make sense, all of
6 it needs to make sense.

7 My big concern, and I don't envy anybody who's
8 involved in these meetings, I'm glad I'm not, my big concern
9 is our, the way I read our charges, we're in the racing
10 business. And we have to do what's best for racing, in our
11 opinion what's best for racing. I know the fairs are
12 important. I know they're politically important. But I
13 know that their main business isn't racing. And I think
14 that what we have to concentrate on is what's best for
15 racing. And I think that that should be at the forefront of
16 whether it's the north or the south or Indiana or whatever
17 it is, our job is to take care of racing.

18 COMMISSIONER BENETO: Well, and to answer that
19 question --

20 COMMISSIONER AUERBACH: That's wasn't a question.
21 That was my feeling on it.

22 COMMISSIONER BENETO: -- okay, or comment, the
23 fairs are enthused about racing and they want to race. In
24 fact, they want more dates. They've already approached me.
25 Boy, they -- they want to run more than 12 days at a meet.

1 They -- so --

2 COMMISSIONER AUERBACH: Yeah, but --

3 COMMISSIONER BENETO: Well, but --

4 COMMISSIONER AUERBACH: -- Commissioner Beneto, is
5 that what's best for racing? I don't care what --

6 COMMISSIONER BENETO: Well, racing --

7 COMMISSIONER AUERBACH: Actually, I don't
8 care --

9 COMMISSIONER BENETO: -- racing is racing.

10 COMMISSIONER AUERBACH: I don't care what Santa
11 Anita wants and I don't care what the fair wants. What I
12 want is for what -- when we look at is what's best for
13 racing, in our opinion.

14 COMMISSIONER BENETO: Well, don't you think I'm
15 trying to do that?

16 COMMISSIONER AUERBACH: Oh, I'm sure you are
17 trying to do that.

18 COMMISSIONER BENETO: I'm not --

19 COMMISSIONER AUERBACH: I'm just --

20 COMMISSIONER BENETO: I'm not against racing.

21 COMMISSIONER AUERBACH: I'm just making a point.

22 COMMISSIONER BENETO: I'm for it. I'm buried it
23 in like about as much as you are.

24 CHAIRMAN WINNER: Okay.

25 COMMISSIONER AUERBACH: Then we're --

1 CHAIRMAN WINNER: So --

2 COMMISSIONER AUERBACH: You're in trouble.

3 CHAIRMAN WINNER: -- is there any other -- I mean,
4 obviously historically when it comes to the fairs racing,
5 and the fairs have -- have come together, I'm
6 not -- if I'm not incorrect and I may be, the whole purpose
7 -- racing started at the fairs, is that right, in
8 California?

9 COMMISSIONER BENETO: You're absolutely right.

10 CHAIRMAN WINNER: So, you know, there is a history
11 and there is the importance of cross -- the cross-marketing
12 advantages, etcetera. There are all kinds of reasons to try
13 to work out accommodations that everybody is comfortable
14 with. There's no question that, in my view, Commissioner
15 Auerbach is right. Frankly, I think that's our charter is
16 to -- is to do what's in the best interest of racing, that's
17 -- that's what we're here for, the integrity of racing and
18 what's in the best interest of racing. But I'm not sure
19 those things are necessarily not consistent to be concerned
20 about the fairs and racing at the fairs, as well as to be
21 concerned about racing. I don't see those as mutually
22 exclusive. Hopefully the stakeholders will be able to reach
23 agreement and reach an accord. And if not, then the
24 Committee will do it. And then the Committee will bring it
25 to the Board.

1 COMMISSIONER BENETO: We don't -- the thing is we
2 don't want any race track to have to close up, because
3 you'll never see another race track built in California. And
4 we got seven race tracks in Northern California that need to
5 be protected. Just like down here, what's left down here is
6 not -- there's not much to choose from, really. You've got
7 three tracks, and you had two close down in the last two
8 years. I don't think that's healthy for racing.

9 CHAIRMAN WINNER: Well, let's move on then to
10 items 23 and 24, combining the two, as well.

11 Commissioner Krikorian, this is a report on
12 Southern California Race Dates.

13 COMMISSIONER KRIKORIAN: Well, Chairman Winner and
14 myself, we had our meeting yesterday with all the
15 stakeholders here in Southern California. And first we
16 identified a number of concerns that we need to be sensitive
17 to moving forward.

18 One is -- and no order of importance here, but we
19 talked about hoping to avoid Breeders' Cup racing day
20 conflicts, avoid pre-Breeders' Cup race day controversies
21 like we just went through recently.

22 Look at the concept of coordinating turf racing in
23 Southern California with Northern California race dates to
24 avoid gaps in having turf races available since they
25 represent about 40 percent of our horses.

1 And to be sensitive to which tracks generate the
2 biggest handles for racing because a bigger purse -- purses
3 -- I mean, bigger handle means bigger purse account for --
4 that's what feeds the backstretch and the employees, the
5 owners, the trainers, the breeders, and influences the field
6 sizes and the quality of horses that we can -- that we can
7 attract an which also will then increase revenues for horse
8 racing in the future.

9 We talked about wanting to avoid overworking --
10 being sensitive to overworking track surfaces, training too
11 many horses on a track for a long period of time, and try to
12 avoid horse injuries and reduce those as much as possible.
13 And to keep our patrons interested by not having race meets
14 that go on too long.

15 We talked about the concept of tying race dates to
16 stabling commitments for the calendar year, which I think is
17 -- would -- personally, it would be very important so we
18 don't have a problem with stabling once the race dates are
19 determined. And that way trainers also know where they
20 stand and what the stabling opportunities are for their
21 horses in advance, and for the whole calendar year as well.

22 We talked about the possibility to evaluate a
23 spring-winter -- a spring break at the -- during the Santa
24 Anita meet between the winter meet and spring meet, and
25 giving the surface time to be worked. Keep the horses off

1 it for a few weeks and move racing possibly to Del Mar or
2 some other -- the other track options we have.

3 And we want -- I also pointed out that it's
4 important to understand that because tracks were awarded
5 racing dates for 2014 does not -- and 2014 for 2015 -- does
6 not automatically entitle those tracks to automatically be
7 entitled to those dates in the future. That's a Board
8 decision, not a -- not a track decision.

9 Santa Anita made a presentation and indicated they
10 would like to keep the same number of weeks that they were
11 awarded for 2014 and '15.

12 Del Mar suggested they'd like to perpetuate the
13 historic summer days that they -- they had last year. And
14 they have four weeks in the fall.

15 Los Alamitos preferred to have two four-week meets
16 versus the current meets that they have now. And they would
17 also -- Los Alamitos also indicated that there's the last
18 week of December leading up to Christmas Eve and that no one
19 is planning on racing that week, and they'd like to have
20 those dates if possible.

21 TOC spoke and thought a spring break racing from
22 Santa Anita would make -- would make good sense, and could
23 possibly bring extra money into stabling as a consequence.

24 CTT, they were concerned that all the moving parts
25 are not being -- have not been evaluated. And that they

1 thought a spring break at Santa Anita would also make sense,
2 but that if we did that, that that would go to a loss at Al
3 from approximately mid-April until just prior to the
4 Kentucky Derby which would be the first week or May. And a
5 possible option of no September dates for Los Alamitos. And
6 those would then go to, I guess to Santa Anita in lieu of --
7 in lieu of the dates that they have no; right? Okay.

8 Also, CTT thought we should be looking at the
9 north and south together and, if possible, to have the
10 simultaneous -- simultaneous racing at Golden Gate and Los
11 Alamitos; is that correct? Thank you.

12 Jim Henwood spoke representing Fairplex and said
13 he's been very pleased with their results in changes in race
14 -- in race dates and the tracks, and felt that the changes
15 that they made last year and -- you know, have all been very
16 helpful for the industry moving forward. And he believes
17 that all of what they're shutting down has been -- has a
18 positive influence on racing in Southern California.

19 My opinion, and I know that Chairman Winner has
20 his, but my opinion -- opinion is we need to be thoughtful
21 before making any decisions on giving out the dates.
22 Decisions should not be based on prior year allocation.
23 Stabling commitments and fees are as important to establish
24 racing dates as anything. They do tie together, in my
25 opinion. We need to think outside the box, not make long-

1 term commitments without clear long-term commitments from
2 the tracks. We need to consider the next 20 years, not the
3 next 10 years.

4 And we need to require that all commitments be for
5 sure put in writing. And within 30 days of any commitments
6 made as a condition for race dates, if they're not put in
7 writing within 30 -- within 30 days, then it should
8 automatically be voided and they'd have to come back to the
9 Board and address them. That's just my opinion.

10 And that's it. Thank you.

11 CHAIRMAN WINNER: Thank you, Commissioner
12 Krikorian.

13 COMMISSIONER BENETO: Can I --

14 CHAIRMAN WINNER: Yes. Let me just say as -- also
15 as a member of that Committee that, number one, we'll agenda
16 the race dates for Southern California for August, as well
17 as the Northern California race dates item. I think -- I
18 think we would both agree that the -- that the meeting
19 yesterday among the various participants, stakeholders,
20 etcetera, was helpful, cooperative. And obviously there are
21 disagreements. One has to anticipate there are going to be
22 disagreements when it comes to race dates. And there are
23 disagreements.

24 But I was -- I think we were both quite pleased at
25 the -- at the manner in which the meeting took place and the

1 recommendations, suggestions, understandings of the various
2 participants. We got a lot of different calendars suggested
3 which is what one would expect. They came from all of the -
4 - all of the participants that Commissioner Krikorian
5 mentioned. Some -- some submitted multiple projected or
6 recommended calendars. So we're going to have to spend some
7 time and evaluate all of the suggestions and possibly have
8 another Committee meeting. But by August we'll be coming
9 before the Board with -- with recommendations for the
10 Southern California rate dates.

11 Any other discussion on that item? Commissioner
12 Beneto?

13 COMMISSIONER BENETO: Well, I've got a question.

14 CHAIRMAN WINNER: Well, let's start with
15 Commissioner Beneto and we'll come right down this way.

16 COMMISSIONER BENETO: December of '16, George, I
17 see Santa Anita is not marked to open the 26th. Is that a
18 mistake?

19 CHAIRMAN WINNER: No, no, no.

20 VICE CHAIR ROSENBERG: No.

21 CHAIRMAN WINNER: No, no. First of all, the --
22 they would be opening -- you're looking at 2017, I think.

23 COMMISSIONER BENETO: '16.

24 EXECUTIVE DIRECTOR BAEDEKER: It's the end of --

25 CHAIRMAN WINNER: It's the end of 2016, so

1 it's --

2 COMMISSIONER BENETO: '15 they show -- in December
3 they show racing the 26th.

4 CHAIRMAN WINNER: Yeah.

5 COMMISSIONER BENETO: But down here it shows Del
6 Mar and --

7 CHAIRMAN WINNER: Right.

8 COMMISSIONER BENETO: -- Los Al, and then it's
9 blank.

10 CHAIRMAN WINNER: Yeah. The problem is Christmas
11 falls in 2007 -- I think it's -- we're talking 2017.

12 COMMISSIONER BENETO: It's on a Sunday.

13 CHAIRMAN WINNER: Yeah, for the -- but that's --
14 it depends how you look at the calendar. Because if you
15 look at the calendar from when the -- when the meet opens,
16 which is generally December 26th --

17 COMMISSIONER BENETO: 26th.

18 CHAIRMAN WINNER: -- for Santa Anita, the problem
19 is that Christmas in that year, 2016 which is the 2017
20 calendar, falls on a Sunday. So there was discussion about
21 that and whether -- some were advocating opening the meet on
22 the Monday which is generally a holiday following the Sunday
23 Christmas, etcetera, and others were not. But that really
24 is a part of the 2017 calendar.

25 The 2016 calendar actually commences with the

1 December 26th, Santa Anita, 2015 actual date.

2 COMMISSIONER BENETO: Well, this is not '16 here?

3 CHAIRMAN WINNER: Yeah, I understand. It is. But
4 if you look at the top left, that's really where it
5 commences, which is 2015, December. At any rate -- and
6 that's not necessarily the calendar anyway. That's just a
7 recommended -- one of --

8 COMMISSIONER BENETO: I know.

9 CHAIRMAN WINNER: -- one of many recommended
10 calendars.

11 COMMISSIONER BENETO: Because that's always been a
12 tradition, Santa Anita's always opening day.

13 CHAIRMAN WINNER: Yeah. And we all -- everybody
14 understands. The question is: Can you do it on a Sunday?
15 Because Christmas falls on a Sunday in 2016.

16 COMMISSIONER BENETO: Well, you wouldn't do it on
17 a Sunday, you'd do it on a Monday.

18 CHAIRMAN WINNER: Right. And that's -- that was
19 the discussion. You're exactly right. We had the
20 discussion at some length of whether -- how that would work
21 and whether they would be doing it. But you are correct.
22 Any --

23 VICE CHAIR ROSENBERG: I've got a quick question.

24 CHAIRMAN WINNER: Yes, please.

25 VICE CHAIR ROSENBERG: Commissioner Krikorian, I

1 didn't quite understand the significance of Mr. Henwood
2 talking at the meeting him being pleased that they closed,
3 it was good for racing. What was the point of his even
4 being there? I mean, he didn't talk about it was good for
5 racing to close the stabling area, did he?

6 COMMISSIONER KRIKORIAN: He was just -- he was
7 just expressing his opinion as to -- as to how -- what he
8 felt has materialized since Fairplex has closed down.

9 CHAIRMAN WINNER: This gets a little more
10 complicated. These things are all complicated.

11 But here's -- here's the issue. The issue is that
12 in 2015 the Los Al -- the Fairplex fair meet was run at Los
13 Alamitos. There was legislation that approved, that said
14 that the CHRB may -- that was a big question that was under
15 discussion at the meeting -- the CHRB may assign the L.A.
16 County Fair meets to Los Alamitos going forward. He was
17 there for that purpose.

18 Furthermore, there is legislation that limits the
19 amount of race dates that may take place at Los Alamitos
20 that we are discussing with the stakeholders supporting the
21 CHRB in removing that language which would give the dates
22 back to the state of California so that we are not hamstrung
23 or tied by a piece of legislation which wasn't intended to
24 do what it is currently doing. So we are going to try to
25 change that language.

1 But that is -- so Mr. Henwood was there because
2 the dates that were recommended as I understand from Los
3 Alamitos were L.A. County Fair dates at Los Alamitos for
4 that -- for that meet.

5 Correct? Is that correct, George?

6 COMMISSIONER KRIKORIAN: Yes, that's right.

7 CHAIRMAN WINNER: Okay. Any other discussion?

8 I think Mr. Baedeker has an announcement to make.

9 EXECUTIVE DIRECTOR BAEDEKER: Oh, just take one
10 minute of your time, Commissioners, and members in the
11 audience. I wanted to point out a great product of the hard
12 work of CHRB Staff. This is a Safety Steward Handbook which
13 is in draft form right now but near completion, a
14 collaborative effort by our primarily Safety Steward Luis
15 Jauregui, along with Chief Westerman and our Equine Medical
16 Director Rick -- Rick Arthur and Dr. Stanley. And it
17 combines all of our procedures for medication violations and
18 investigations, administrative of tests such as trainer
19 test, exercise rider test and much more than that, including
20 in the index the minimum standards of horse care in the
21 state of California that was published by the Veterinarian
22 Medicine Center at UC Davis.

23 And it just is an example of the resources that
24 this Board has, not only on a staff level, but also through
25 our equine medical resources and these two doctors. And the

1 beauty of this is that we can update it as the sciences
2 change and we can improve it. And we also intend to make it
3 available on the web page, not only for the industry
4 stakeholders but for the public.

5 And I just wanted to publicly thank the work of
6 all of those individuals that went into completing this.

7 CHAIRMAN WINNER: Anything else? Any other
8 discussion by the Board? Is there a motion to adjourn?

9 COMMISSIONER BENETO: I will make a motion.

10 CHAIRMAN WINNER: Commissioner Beneto moves.

11 COMMISSIONER AUERBACH: Second.

12 CHAIRMAN WINNER: Commissioner Auerbach seconds.

13 The meeting is adjourned. We will go into Executive Session
14 for a very brief item, I believe. Thank you all very much
15 for attending.

16 (Whereupon the meeting of the California Horse Racing Board
17 adjourned into closed session at 12:18 p.m.)

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CERTIFICATE OF REPORTER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of June, 2015..



MARTHA L. NELSON

CERTIFICATE OF TRANSCRIBER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

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.



MARTHA L. NELSON, CERT**367

June 30, 2015