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STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of )  
REGULAR MEETING )  
\_\_\_\_\_ )

DEL MAR RACE TRACK

2260 JIMMY DURANTE BOULEVARD  
DEL MAR, CALIFORNIA

THURSDAY, AUGUST 24, 2017

REPORTED BY:  
MICHAEL ABBOTT CER-931



## 1 APPEARANCES

## 2 COMMISSIONERS

3 Chuck Winner, Chairman

4 George Krikorian, First Vice Chairman

5 Madeline Auerbach, Second Vice Chairman

6 Jesse H. Choper, Commissioner

7 Araceli Ruano, Commissioner

8 Alex Solis, Commissioner

9  
10 STAFF

11 Rick Baedeker, Executive Director

12 John R. McDonough, General Counsel

13 Rick Arthur, Equine Medical Director

14 Mike Martin, Associate Analyst, Policy Regulations

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APPEARANCES

ALSO PRESENT

Michelle French

Kim Lloyd

Jack Liebau

Joe Morris

Nate Newby

Rick Hammerle

Cal Rainey

Dan Cirimele

Nate Newby

Chris Schick

Ed Cummings

Greg Avioli

Barry Broad

Darrel McHargue

Chantal Sutherland



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ACTION ITEMS:

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

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(e).

C. The Board may convene a Closed Session for the purposes of considering personnel matters as authorized by Government Code section 11126(a).



## P R O C E E D I N G S

9:34 A.M.

DEL MAR, CALIFORNIA; THURSDAY, AUGUST 24, 2017

This is the regular noticed meeting of the Del Mar Racetrack, 2260 Jimmy Durante Boulevard, Del Mar, California.

Present at today's meeting are: myself, Chuck Winner, Chairman; George Krikorian, First Vice Chairman; Madeline Auerbach, Second Vice Chairman; Jesse Choper, Commissioner; Araceli Ruano, 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 the public comment period if the matter concerns horseracing in California.

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

There is a public comment sign-in sheet for each



1 agenda matter on which the Board invites comments. Also,  
2 there's a sign-in sheet for those wishing to speak during the  
3 public comment period for matters not on the Board's agenda if  
4 it concerns horseracing in California.

5           Please print your name legibly on the public comment  
6 sign-in sheet. When a matter is open for public comment, your  
7 name will be called. Please come to the podium and introduce  
8 yourself by stating your name and organization clearly. This  
9 is necessary for the court reporter to have a clear record of  
10 all who speak.

11           When your three minutes are up, I will ask you to  
12 return to your seat so others can be heard.

13           When all the names have been called, I will ask if  
14 there's anyone else who would like to speak on the matter  
15 before the Board. Also, the Board will -- may ask questions of  
16 individuals who speak.

17           If a speaker repeats himself or herself, I will ask  
18 if the speaker has any new comments to make. If there are  
19 none, the speaker will be asked to let others make comments to  
20 the Board.

21           All right. The first item is approval of the minutes  
22 from the July 20th Board meeting.

23           Are there any corrections or additions to the  
24 minutes?

25           Is there a motion to approve the minutes?



1 COMMISSIONER CHOPER: Motion.  
2 Commissioner Choper moves.  
3 Commissioner Krikorian seconds.  
4 CHAIR WINNER: Commissioner Solis?  
5 COMMISSIONER SOLIS: Yes.  
6 CHAIR WINNER: Commissioner Auerbach?  
7 COMMISSIONER AUERBACH: Yes.  
8 CHAIR WINNER: Chairman votes yes.  
9 CHAIR WINNER: Vice Chair Krikorian?  
10 VICE CHAIR KRIKORIAN: Yes.  
11 CHAIR WINNER: Commissioner Choper?  
12 COMMISSIONER CHOPER: Yes.  
13 CHAIR WINNER: And Commissioner Ruano?  
14 COMMISSIONER RUANO: Yes.  
15 CHAIR WINNER: Okay. The minutes are approved.  
16 Now we go to the Executive Director's Report.  
17 Mr. Baedeker.  
18 EXECUTIVE DIRECTOR BAEDEKER: Thank you,  
19 Mr. Chairman.

20 A meeting of the Stewards Committee was held here at  
21 Del Mar on August 8th. All Boards of Stewards and Safety  
22 Stewards attended the meeting as well as staff which was  
23 chaired by Chairman Winner along with First Vice Chair  
24 George Krikorian.  
25 The Jockeys' Guild representative and several riders



1 attended the meeting at their request and discussed a number of  
2 issues with the stewards. It provided a good opportunity for  
3 the riders and the stewards to hear the others' point of view  
4 on various things, and both groups expressed an appreciation  
5 for the opportunity to communicate directly.

6           One of the items discussed was the minimum number of  
7 days for a suspension for careless riding, which resulted in  
8 the item being placed on today's agenda for discussion by the  
9 full Board. Chief Steward Darrel McHargue wrote the agenda and  
10 guided the discussion for the balance of the meeting, which  
11 included a number of issues related to jockeys, the racing  
12 office, substance abuse by licensees, and racehorse welfare and  
13 safety.

14           The CHRB conducted a meeting with industry  
15 stakeholders regarding the implementation of third-party Lasix.  
16 The new rule will become effective on December 26th when four  
17 race meets open simultaneously.

18           The administering veterinarians, whether a group or a  
19 number of individuals, must be identified by the associations  
20 agreed to by the horsemen and then presented to the Board for  
21 approval as part of Race Meet Applications, which need to be  
22 heard at the October meeting. So we talked to the racing  
23 associations about this tight timeline to have those things in  
24 place.

25           We provided the associations with a list of



1 particulars that need to be included in the Race Meet  
2 Applications. So there's much work to be done in the meantime  
3 to be ready for October. That timeframe should allow for  
4 practice drills of the procedures during the fall meets  
5 throughout the state.

6           The financials -- we've had a few meets conclude  
7 recently, and I've got End of Meets meet reports. The Los  
8 Alamitos thoroughbred meet, which is hard to compare to last  
9 year because last year was run in April and it was a three-week  
10 meet, this year it was run immediately before Del Mar, and it  
11 was a two-week meet. And as I recall, the first week was  
12 fairly good. The second week, right before Del Mar, was -- was  
13 more difficult. As a result, the average daily handle was down  
14 14.5 percent this year versus last.

15           Field sizes were pretty close: 7.07 horses per race  
16 last year; 6.88 this year.

17           The Golden Gate meet had a couple of additional days  
18 but still saw average handle down 6.41 percent, and I think  
19 that's probably mostly attributed to the 40-plus inches of rain  
20 that they got this year, which they didn't have to endure last  
21 year. Field size there was off a little bit too: 6.78 down to  
22 6.47.

23           The Santa Anita meet, if you count the whole meet,  
24 103 days, same number of days as last year, average daily  
25 handle was actually up 3.86 percent, and you could say the same



1 thing that caused Golden Gate numbers to be soft, could have  
2 been the case at Santa Anita because of all the rain that  
3 Santa Anita experienced. Yet, they did show an increase of  
4 3.86 percent daily average handle. And field sizes there:  
5 7.76 per race last year; 7.57 this year.

6           Then turning to the fairs, the Pleasanton meet had  
7 one less day this year than last and, nonetheless, on an  
8 average, the average daily handle was up 7.5 percent for  
9 Pleasanton, and they also, kind of similar to the other meets  
10 that I've reported, they had a small decline in the number of  
11 horses: 6.79 per race last year; 6.62 percent this year.

12           Cal Expo, the State Fair, had one additional day of  
13 racing this year. However, their average daily handle was down  
14 5 percent. It was a difficult meet from a weather standpoint.  
15 They had a number of days with temperatures hovering around  
16 104-105 degrees.

17           I must say Cal Expo did a terrific job working with  
18 CARF, Larry Swartzlander's group, and our safety steward and  
19 official veterinarian, and All Hands on Deck to make sure that  
20 we didn't have horses suffering heat stress. And it was really  
21 impressive.

22           They had six different locations. The horses there  
23 unsaddle just to the right of the finish line, and then they go  
24 back via the clubhouse turn to the stable area. And there were  
25 six locations where horses were watered down with ice available



1 and, as a result, I was very pleased to get a text at the end  
2 of the meet from our safety steward saying that throughout the  
3 season the horse ambulance "never moved." Happy to hear it.

4           And then for the month of July, two additional  
5 daytime dates this year versus last, and business was just  
6 about level: Down 0.3 percent. One less day of racing at  
7 night, handle was down 7.4 percent. Everything in for the  
8 month: Down 0.99; down 1 percent. For the year, there's  
9 actually been one fewer race day than last year during the day  
10 and three fewer during the night. And daytime racing is off  
11 2.1 percent. Nighttime racing is almost dead even: Up 0.14  
12 percent, and for the year, the entire industry is down 1.9  
13 percent.

14           And that's my report, Mr. Chairman.

15           CHAIR WINNER: Thank you very much.

16           Before we go into the public comment period, I just  
17 wanted to mention that horseracing in California, and all of us  
18 in general, lost a very dear friend since the last meeting.  
19 Brad McKinzie passed on. And all of you that knew Brad or had  
20 any chance to work with him know that not only was he a giant  
21 of a human being, a giant of a wonderful person, but he was  
22 absolutely incredible for our sport. I know that Rick Baedeker  
23 was a dear friend of Brad's, and I'm going to let Rick speak  
24 for a few moments about Brad.

25           We'll adjourn the meeting at the end of the meeting



1 in his memory.

2 EXECUTIVE DIRECTOR BAEDEKER: Well, I could probably  
3 talk for a long time about Brad. I've known him for about 40  
4 years; met him when I was working in the Publicity Department  
5 at Los Alamitos. You know, Brad started out working on the  
6 backside at Los Al. He worked for the -- for Blane  
7 Schvaneveldt, who was the kingpin down there. And it's kind of  
8 interesting.

9 Brad has kind of become a part of the -- of any  
10 family that he dealt with. He became a part of the  
11 Schvaneveldt family. He was a -- helped out family members  
12 there. He was always -- everybody wanted Brad to come to their  
13 family parties, and he did his best.

14 He was also great friend to the Bafferts. He met  
15 Bob Baffert, I was going to say, when they were both in school  
16 together at the University of Arizona Racetrack Industry  
17 Program. But, put it this way. They were both enrolled in the  
18 Racetrack Industry Program at U of A. Not sure how many times  
19 they were actually on the campus, but they did -- they did  
20 graduate from that program. They became lifelong friends, and  
21 along with Bob Baffert, his brothers Bill and P.A., Brad became  
22 a fourth brother. And Bob Baffert, I think, said that his  
23 mother used to say that Brad was her favorite.

24 So you all know -- you've worked with Brad over the  
25 years. You all know what the Chairman was referring to. And I



1 said, at the service the other day, it's a good example, I  
2 think, of how we look at Brad. Putting together some meeting  
3 of importance for the industry, and I emailed the list of  
4 proposed participants to Chairman Winner. And he replied back  
5 very simply, "Don't forget Brad. He's our voice of reason."

6           So we know that from a business standpoint. We know  
7 what he did for us for the Worker's Comp crisis. I mean,  
8 that's a while back, but it was a crisis. The industry was  
9 teetering at that point, and along with his business partner,  
10 Michael Lyons, they came up with a solution with the help of  
11 Dr. Allred, of course.

12           And then we had the issue of Hollywood Park closing  
13 and needing to relocate, you know, 2000 horses. And that's  
14 more fresh in people's memories. But he got right in the  
15 middle of that and -- I don't think I saw Brad in all of those  
16 years feel sorry for himself. And he had a bit of a temper.  
17 If you don't mind, I'll tell one story which I told you the  
18 other day.

19           We were both members at Old Ranch Country Club, right  
20 near Los Alamitos. And we used to -- I used to go over and  
21 meet him there on a Saturday and you could fly around in under  
22 three hours. It was great Saturday afternoon. Well, the golf  
23 club was sold to a doctor and the doctor was inviting all sorts  
24 of friends and acquaintances to come out to the course and play  
25 in the hopes that they would become members. And well, it got



1 to be that you'd get stuck behind a group of four that hadn't  
2 played before and, you know, they'd be taking eight practice  
3 swings before every shot. I mean, it was just -- you know, it  
4 was -- really changed the whole nature of the course.

5           And so we're there on a Saturday afternoon. I  
6 remember we're on the fourth tee and we've been stuck behind a  
7 group like this. And we're waiting there with our drivers up  
8 on the tee, and Brad just says, "I've had enough," throws down  
9 his driver. He goes over and gets in the cart and I see him  
10 take off towards the green.

11           The others, the foursome in front of us, working  
12 their way up to the green, they get there about the same time.  
13 And Brad gets out of the cart and walks over, and I can see him  
14 talking to the group, you know, and he's talking a little bit  
15 longer than I thought he would and -- but gets back in the  
16 cart, comes back up, walks up to the tee, and I said to him,  
17 "Well, how'd that go?"

18           "Good. Met the new owner."

19           So the man was -- I think just the definition of a  
20 good man. Just a good man. And as the Chairman said, and I  
21 know all the commissioners here who had a chance to work with  
22 him over the years, we will miss him -- miss him very much.

23           CHAIR WINNER: Thank you very much.

24           All right. Let's go on to the public comment period.

25           Michelle French?



1 MICHELLE FRENCH: My name is Michelle French, CEO of  
2 Animal Element, and we're based out of Tennessee. I come here  
3 today to really introduce you to our products and our company,  
4 and as we are endorsed and we have several members of our group  
5 that are heavily involved in racing. So we have a passion; we  
6 have a love for this sport. And as a child, my grandfather was  
7 an owner. So I was introduced very early and never lost that  
8 passion.

9 When we formed this company, it was formed out of a  
10 dire need of seeing products on the market that were filled  
11 with fillers that didn't work, that, you know, our own horses  
12 weren't evolving like they should, and we started developing  
13 and really doing intensive research and development.

14 We manufacture. We have our own facility where we  
15 manufacture. We have stringent SOPs and we source our own  
16 ingredients to ensure the finished product is a viable product.  
17 And it does meet the label claims which are somewhat rare in  
18 this industry. So we pride ourself on really helping the horse  
19 and helping the owners achieve success with their horses  
20 through a natural process. And being a part of this industry,  
21 we feel truly blessed to just assist them and assist the  
22 horses.

23 I greatly appreciate having the opportunity to  
24 introduce our products and our company to you and let you know  
25 how much we are honored to be here and to introduce ourselves.



1 CHAIR WINNER: Thank you.

2 Any questions?

3 SECOND VICE CHAIR AUERBACH: I have a question. I  
4 did not hear your name. I did not hear the name of the product  
5 and I don't have any idea what you do. And I think maybe that  
6 defeats a lot of the -- your purpose. So maybe you could --

7 MICHELLE FRENCH: Absolutely. I am incredibly  
8 nervous right now so --

9 EXECUTIVE DIRECTOR BAEDEKER: Don't be nervous.

10 MICHELLE FRENCH: Thank you.

11 SECOND VICE CHAIR AUERBACH: Take -- take a breath  
12 and just tell us who you are and what you do.

13 MICHELLE FRENCH: Yes. I am Michelle French. I am  
14 the CEO and Founder of Animal Elements, and we are a supplement  
15 company. It was developed with no fillers, no additives, and  
16 only pure ingredients so that's really our purpose.

17 SECOND VICE CHAIR AUERBACH: The only thing I would  
18 stress for you --

19 MICHELLE FRENCH: Yes.

20 SECOND VICE CHAIR AUERBACH: -- you're probably are  
21 very aware of it. Just make sure that whatever is in there  
22 doesn't show up on any of our lists.

23 MICHELLE FRENCH: Actually, what we've done is we  
24 went a step further and we had dosed at five to seven times the  
25 dosage -- the recommended dosage on the labels, and then we



1 tested with several labs to ensure we wouldn't pull a false  
2 positive or positive testing result with several different  
3 parameters. And so then that way when we talk to owners and  
4 trainers, we can ensure them that the products will not test  
5 and they will not cause any interference.

6 SECOND VICE CHAIR AUERBACH: Okay. Thank you. Good  
7 luck.

8 MICHELLE FRENCH: Thank you.

9 CHAIR WINNER: Thank you very much. And I agree with  
10 Vice Chair Auerbach. Good luck.

11 MICHELLE FRENCH: Thank you very much.

12 FIRST VICE CHAIRMAN KRIKORIAN: I would say our  
13 horses need healthy diets, and so anything that can be done in  
14 that direction is positive. Thank you.

15 MICHELLE FRENCH: Thank you. And that's really our  
16 purpose is -- you know for the health and welfare of the  
17 animals and, you know, it's been a passion. My first word was  
18 "horse," which my mother, still, you know, is not happy about.  
19 So it's a very deep passion with every one of our owners, in  
20 fact, in our partners in the company. So thank you, again, for  
21 your time.

22 CHAIR WINNER: Thank you.

23 Kim Lloyd.

24 KIM LLOYD: Hi. Kim Lloyd, General Manager of  
25 Barretts.



1 I'm here today to invite everybody to our yearling  
2 sale -- select yearling sale on Tuesday, August 29th, right  
3 here. We're selling horses for a lot of money here. So I want  
4 everybody to show up.

5 Mr. Winner, I'll be looking for you.

6 CHAIR WINNER: I'll be here.

7 COMMISSIONER SOLIS: (Inaudible) for Triple Crown?

8 UNIDENTIFIED MAIL VOICE: (Inaudible).

9 CHAIR WINNER: Moving along.

10 Then we'll go on to item No. 4:

11 Discussion and action by the Board on the application  
12 for license to conduct a horse racing meeting of the Los  
13 Angeles County Fair at Los Alamitos commencing September 6,  
14 2017, through September 26, 2017, inclusive.

15 CHAIR WINNER: Good morning, gentlemen.

16 Jack, do you want to start?

17 JACK LIEBAU: I'm Jack Liebau from Los Alamitos, and  
18 I have with me Kim Lloyd, who is with the Los Angeles County  
19 Fair, and the marketing person for the Fair here, Orlando  
20 (indiscernible). And I would hope that we have a successful  
21 meet and I think we've got everything ready to go.

22 CHAIR WINNER: Are there any questions?

23 EXECUTIVE DIRECTOR BAEDEKER: It's nice to have a  
24 full complete package.

25 CHAIR WINNER: Yeah. We appreciate that.



1 Any questions?

2 Any comments?

3 Is there a motion?

4 CHAIR WINNER: Commissioner Solis moves.

5 Vice Chair Auerbach seconds.

6 I'll call the roll.

7 Commissioner Ruano?

8 COMMISSIONER ROUANO: Yes.

9 CHAIR WINNER: Commissioner Choper?

10 COMMISSIONER CHOPER: Yes.

11 CHAIR WINNER: Vice Chair Krikorian?

12 VICE CHAIR KRIKORIAN: Yes.

13 CHAIR WINNER: Chairman votes yes.

14 CHAIR WINNER: Vice Chair Auerbach?

15 VICE CHAIR AUERBACH: Yes.

16 CHAIR WINNER: And Commissioner Solis?

17 COMMISSIONER SOLIS: Yes.

18 Motion carries unanimously.

19 Have a great week, guys.

20 JACK LIEBAU: Thank you very much.

21 CHAIR WINNER: Thank you very much.

22 Discussion and action by the Board on the application  
23 for license to conduct a horseracing meeting of the Los Angeles  
24 Turf Club II, at Santa Anita, commencing September 27, 2017,  
25 through October 31, 2017, inclusive.



1 I understand that all of the materials are in;  
2 correct?

3 EXECUTIVE DIRECTOR BAEDEKER: Yes. As of the printing of  
4 the Board package, they were not. They now are.

5 JOE MORRIS: Good morning. Joe Morris from --

6 CHAIR WINNER: Oh, I'm sorry. Go ahead.

7 JOE MORRIS: Joe Morris from Santa Anita. Good  
8 morning. We're here for our Fall Meet Application, Aa19-day  
9 meet. Will open on Friday, September 29<sup>th</sup>, and close on Sunday,  
10 October 29<sup>th</sup>. First week's a three-day with the opening on  
11 Friday and then we go to four days for the remainder of the  
12 meet, with the only difference being Columbus Day, the Monday,  
13 we'll race, and then we won't race the following Thursday.

14 Events every weekend. We did our normal and  
15 customary now track work over the summer. We took our main  
16 track, laser graded it, renovated it. Turf course was  
17 renovated also. They're both in very good shape. As I said,  
18 we have events scheduled for every weekend. And I'll let Nate  
19 walk you through those.

20 NATE NEWBY: Nate Newby, Santa Anita.

21 We're looking to start off the season's five weeks of  
22 racing, so not too long, but we're going to start it off with a  
23 big weekend, five grade 1s on opening Saturday. It's really  
24 one of the best race days in the country of the entire year.  
25 So we will take a big swing marketing-wise at that day with a



1 similar strategy that we used for our winter-spring meet which  
2 is those seven days. We were up in handle and attendance all  
3 seven of our premium days, which is opening day, Big 'Cap,  
4 Santa Anita Derby, the three Triple Crown days and Gold Cup.

5           So it's a similar strategy where basically we ramp up  
6 our advertising to the maximum level and we try and have events  
7 and promotions going on all over the track, for every type of  
8 experience, every type of price point, for all different  
9 demographics so that's been working well this season and we'll  
10 continue that; hopefully start off with a big opening weekend.

11           We have a couple of other things going on that are  
12 new. We're building on our Fantasy Football promotion, which  
13 is a free contest. All of our research has shown that sports  
14 fans are -- can be race fans and vice versa. So we try and  
15 give them options to come to Santa Anita to watch sports and  
16 also bet horses. That's a free contest.

17           The Dodgers: We had a major promotion with them this  
18 last season and we will be ramping that back up assuming they  
19 make the playoffs which, I think, is very likely at this point.

20           CHAIR WINNTER: (Inaudible).

21           NATE NEWBY: Yeah, probably. So we will be looking  
22 to do more with the Dodgers.

23           And then the other new thing that we're doing with  
24 626 Night Market. There is an event in -- two, about two-and-  
25 a-half weeks before the season starts. And so we're really



1 taking a big swing at that. That's over 100,000 people over  
2 three days with free admission passes, free wagers to come back  
3 to the races a couple of weeks later, and other incentives. So  
4 we're going to try to take advantage of that very large  
5 attendance, you know, that lives local to Santa Anita.

6 Happy to answer any questions too.

7 COMMISSIONER RUANO: What is that 626 festival?

8 NATE NEWBY: It's an Asian-themed night market.

9 COMMISSIONER RUANO: Asian-themed. Okay.

10 NATE NEWBY: Yeah. A three-day festival at Santa  
11 Anita. It takes place at night and the attendance on those  
12 events has been crazy big; well over 100,000 for each event.

13 FIRST VICE CHAIRMAN KRIKORIAN: Rick, I have an  
14 observation I'd like to discuss.

15 In looking at this, it's come to my attention because  
16 it just happens to be I've had two-year-old grass horses  
17 running recently. But I noticed that when the races are -- I  
18 mean, when the schedule comes out for all the stakes races,  
19 there's a substantial reduction in the purses for turf horses,  
20 you know, versus the dirt horses. Probably half the horses run  
21 better on turf and half the horses run better on dirt. But  
22 yet, there's this major discrepancy in the purse structure, and  
23 it goes all the way through, you know, when you get into your  
24 December opening and going through the spring. We don't have  
25 any real substantial, you know, turf races with any kind of



1 substantial purses for horses.

2           Can you explain to us why this is the case, and  
3 wouldn't it be better to incentivize the horses that run on the  
4 turf as equally as with the horses that run on the dirt

5           RICK HAMMERLE: Rick Hammerle, Santa Anita.

6           We're here for this 19-day meet that's coming up. So  
7 I'll be glad to speak about that meet. We're taking on a  
8 schedule that we've -- we -- basically mirrors 2015, which is  
9 the last time we didn't have the Breeders' Cup, which is  
10 becoming less frequent. I mean, usually we cut -- usually we  
11 have it unless we don't. So this is the last -- the last time  
12 we did that was 2015. This schedule that we have for this  
13 year, it actually mirrors that, and for the races that are  
14 running on the schedule, we did not reduce anything. We just  
15 flip-flopped the race we didn't take.

16           Because of the 19-day meet, we're not able to  
17 generate a whole lot of purse money. So we need to adjust --  
18 make a few adjustments. In 2015, we did not run the John Henry  
19 race, the Grade II mile-and-a-quarter race. We substituted it  
20 with the \$75,000 King Pellinore, and we did not do that this  
21 year. We substituted the City of Hope Mile and substituted  
22 that with another \$75,000 race. We just have to do that to  
23 adjust for the purses. Otherwise, every other purse for every  
24 other stake is intact. So --

25           FIRST VICE CHAIRMAN KRIKORIAN: Well, I don't want to



1 be argumentative; just trying to point out. The observation is  
2 is that the purse structure is substantially, you know,  
3 inequitable for turf horses generally. And it goes beyond the  
4 19-day meet. I'm talking about -- because if you look at  
5 your -- you know, your meet last spring, it wasn't a  
6 substantial turf race for three-year-old colts, for example,  
7 when, in fact, there never was one. So, you know, why is that?  
8 I mean, wouldn't it be better industry-wide to look at this and  
9 see if there's, you know, a solution that incentivizes the turf  
10 horses to be racing out here as well as the horses that run on  
11 the dirt.

12 RICK HAMMERLE: Well, like I said, we're doing the  
13 19-day meet right now. I'd be glad to sit down with you and --  
14 off mike and talk about the next meet and some of the theories  
15 behind how we do things. But, like I said, this meet is  
16 intact. We didn't do anything different for this meet.

17 FIRST VICE CHAIRMAN KRIKORIAN: I understand. And  
18 I'm not suggesting you change anything for this meet. I'm just  
19 trying to bring up the issue as an observation for moving into  
20 the future for what might be more beneficial for all of us.

21 RICK HAMMERLE: I'd love to sit down with you --

22 CHAIR WINNER: I think that's a good idea. You've  
23 mentioned, Rick, sitting down with Commissioner Krikorian. I  
24 think that would be a good idea, to sit and chat about -- about  
25 this very issue because it is an issue that, as you know more



1 than we do, comes up often with respect to grass horses. So  
2 it's -- it would be helpful.

3 RICK HAMMERLE: Not that often.

4 CHAIR WINNER: It comes up often, maybe, with others.  
5 It would be a good idea to sit down and discuss it with --

6 RICK HAMMERLE: I love -- I would welcome that so we  
7 can -- anyone that wants to discuss the reasons we do things --  
8 I'm always open.

9 CHAIR WINNER: Thank you.

10 FIRST VICE CHAIRMAN KRIKORIAN: Please let us know if  
11 we can do that after when it's convenient any time after, you  
12 know, your meet is concluded or whatever. It would be nice to  
13 talk about this some more.

14 RICK HAMMERLE: Sounds good.

15 FIRST VICE CHAIRMAN KRIKORIAN: Thank you.

16 CHAIR WINNER: Any other questions? Comments?  
17 Please, Commissioner Solis.

18 COMMISSIONER SOLIS: The inspection of the  
19 backstretch workers has been done yet or?

20 RICK HAMMERLE: Excuse me, Alex. I'm sorry.

21 COMMISSIONER SOLIS: The inspection for the  
22 backstretch housing, has it been done yet?

23 RICK HAMMERLE: We have -- I was going to say that we  
24 haven't had horses on our backside for about five weeks now --

25 COMMISSIONER SOLIS: Uh-huh.



1 RICK HAMMERLE: -- and we go to town. You know,  
2 cutting trees down, fixing, repairing. So, yes, we've done a  
3 lot of work.

4 COMMISSIONER SOLIS: For the housing, for the grooms  
5 and --

6 RICK HAMMERLE: Yes. We'll do it right up until  
7 September 1st, when the first horses come in so that's the only  
8 time we can go -- go in there full blast and not worry about  
9 the horses. So we've done an extreme amount of work this year.

10 SECOND VICE CHAIRMAN AUERBACH: I think  
11 Commissioner Solis was talking about the -- specifically about  
12 an inspection.

13 COMMISSIONER SOLIS: Inspection.

14 RICK HAMMERLE: We come --

15 SECOND VICE CHAIRMAN AUERBACH: You know, it's  
16 identified here as an inspection of the backstretch.

17 RICK HAMMERLE: I admit I'm not sure what he's  
18 talking about. Every year the Health Department comes by,  
19 gives us a list of things that they would like to see. We go  
20 ahead and complete that list. They come back and sign off on  
21 it.

22 COMMISSIONER SOLIS: Who does the inspection?

23 SECOND VICE CHAIRMAN AUERBACH: The Health  
24 Department.

25 COMMISSIONER SOLIS: The Health Department? Okay.



1 CHAIR WINNER: And that's completed?

2 RICK HAMMERLE: It will be. It's a process every  
3 year. They come in, they give us a checklist of what they'd  
4 like to see. we go through and do it, and they sign off on it.

5 EXECUTIVE DIRECTOR BAEDEKER: It says here in the  
6 notes that inspection of backstretch worker housing has been  
7 requested.

8 Do you know, Phil? Are we talking about -- have we  
9 requested it, or have you all requested it and are waiting for  
10 inspection?

11 JOE MORRIS: We finished the work on the backstretch  
12 this last week and then that's when we request the Department  
13 to come in and do the inspection. It happens the same way  
14 every year. It's on its usual schedule.

15 SECOND VICE CHAIRMAN AUERBACH: I do have a question,  
16 Chuck.

17 CHAIR WINNER: Please go ahead.

18 SECOND VICE CHAIRMAN AUERBACH: I know that this is a  
19 short meet for you, but one of the things that I thought that  
20 Del Mar did, that I thought was brilliant, and I don't know if  
21 you can do it at this meet or if you've talked about it, and  
22 that is with reference to the Pick 6 jackpot making a payout  
23 day sometime during the meet so you can hit the reset button on  
24 the jackpot, I thought that doing it on Pacific Classic Day was  
25 very smart and generated a lot of interest and I don't know if



1 19 days is long enough? If you've thought about it?

2           JOE MORRIS: If the 19 days is too short, we think,  
3 and it's something we'll be looking to do in our bigger meet in  
4 the winter-spring.

5           SECOND VICE CHAIRMAN AUERBACH: Okay. When you put  
6 in your request on that meet, would you specify that, because I  
7 just thought that was really brilliant.

8           The only thing that I think could have been done a  
9 little better was maybe -- like we really didn't know about it  
10 beforehand, but it would be a great thing for, you know, for  
11 publicity, to be able to pump up and, you know, hopefully they  
12 don't hit it the day before, but, you know, we never know that.  
13 I was just curious.

14           Thank you.

15           CHAIR WINNER: Any other questions?

16           Comments?

17           COMMISSIONER RUANO: I have a question.

18           CHAIR WINNER: Yes, please. Commissioner Ruano.

19           COMMISSIONER RUANO: This is regarding the  
20 backstretch employee housing section. Just curious -- and I  
21 had seen in other applications to break down female-to-male  
22 access to restrooms. Is that -- do you know the numbers? I'm  
23 just curious.

24           JOE MORRIS: Offhand, I do not.

25           COMMISSIONER RUANO: No. I was just curious. Okay.



1 I'd like to see that at some point.

2 CHAIR WINNER: Anything else?

3 Is there a motion?

4 VICE CHAIRMAN AUERBACH: I so move.

5 Commissioner -- Vice Chair Auerbach moves and  
6 Commissioner Choper seconds.

7 CHAIR WINNER: Commissioner Ruano?

8 COMMISSIONER RUANO: Yes.

9 CHAIR WINNER: Commissioner Choper?

10 COMMISSIONER CHOPER: Yes.

11 CHAIR WINNER: Vice Chair Krikorian?

12 VICE CHAIRMAN KRIKORIAN: Yes.

13 CHAIR WINNER: Chairman votes yes.

14 Vice Chair Auerbach?

15 VICE CHAIRMAN AUERBACH: Yes.

16 CHAIR WINNER: Commissioner Solis?

17 COMMISSIONER SOLIS: Yes.

18 CHAIR WINNER: Have a wonderful meet. I look forward  
19 to seeing you there.

20 Item No. 6: Discussion and action by the Board on  
21 the Application for License to Conduct a Horse Racing meeting  
22 of the Pacific Racing Association at Golden Gate Fields  
23 commencing October 18, 2017, through December 19, 2017,  
24 inclusive.

25 Gentlemen, all the documents are in?



1 Mr. Baedeker? Yes.

2 EXECUTIVE DIRECTOR BAEDEKER: There was one listed as  
3 outstanding in the report, but that's no longer applicable.  
4 They're now presenting that -- that take-out on that wager.

5 CHAIR WINNER: That's it?

6 EXECUTIVE DIRECTOR BAEDEKER: Yes. All the documents  
7 are in.

8 CHAIR WINNER: Thank you.

9 CAL RAINEY: Good morning.

10 I'm Cal Rainey for Golden Gate Fields. Mr. Chairman  
11 and Members of the Board, we're here today to present our Fall  
12 Race Meet Application to the Board for approval.

13 Today is the opening day of the summer meet at  
14 Golden Gate Fields that runs through September 17th. We're  
15 looking forward to hosting a turf festival at the end of this  
16 meet in September with the hope of attracting larger fields at  
17 a time when there is no turf racing at other tracks in  
18 California.

19 We continue to develop new fans through our Dollar  
20 Days and social media advertised events that, combined with the  
21 increased group sales in our last meet, provided Golden Gate  
22 with a 5 percent increase in on-track attendance.

23 Our fall meet, beginning October 18th and running  
24 through Christmas break, will have 32 race days. Racing runs  
25 Thursdays through Sundays with a post time of 12:45, except on



1 Breeders' Cup, Friday at 12:05, Saturday at 11:40, and 11:15 on  
2 Thanksgiving. Fifteen hundred stalls will be available for the  
3 fall meeting with the permits in place and the finishing  
4 touches underway.

5           A new fire alarm system throughout the stable area is  
6 currently being installed. On the front side, we have added  
7 new flooring and replaced carpeting in some areas, upgraded our  
8 surveillance system, and constructed a camera platform house  
9 for the new HD jip camera in the paddock.

10           On the race track, we have added new mower and vacuum  
11 for the turf course, and for the main track we have purchased  
12 new harrows and are in the process of leasing new tractors and  
13 equipment necessary to maintain consistency and the integrity  
14 of the tapeta track.

15           In 2016, we added a stakes race, the Bear Fan,  
16 \$75,000 guaranteed. Fillies and mares, three and up, Cal-Breds  
17 going three-quarters of a mile, that includes \$25,000 in  
18 Breeders' -- California Breeders' incentives.

19           We have the same stakes schedule as last year, which  
20 includes eight races including the Grade III Berkeley Handicap.  
21 Our application is complete. With all requirements fulfilled,  
22 we respectfully request that the Board approves our fall racing  
23 license as presented.

24           Thank you.

25           CHAIR WINNER: Thank you. Can you talk a little bit



1 about the marketing?

2 DAN CIRIMELE: Dan Cirimele. Golden Gate Fields.

3 We started off this year with a good increase, as Cal  
4 had mentioned, in attendance. And when we looked at where that  
5 success was coming from, two things popped up and that was our  
6 local marketing initiatives and our social media. I think that  
7 was discussed by my colleague during our last meeting.

8 Just to elaborate on that, the local marketing -- it  
9 was nothing revolutionary, but it was strictly just going out  
10 and knocking on doors and communicating with local shop owners,  
11 bars, restaurants, letting them know that we're their neighbor,  
12 we're open, dropping off tickets, passes, collateral for them  
13 to advertise for their customers.

14 For social media, we've seen good success with first  
15 thing our history -- our historic moments that have taken place  
16 at Golden Gate. It kind of gets forgotten -- the great horses  
17 and horsemen that have come up to Golden Gate to run. A  
18 perfect case is -- we just recently posted video of John Henry  
19 winning our Golden Gate Handicap and that received over 45,000  
20 impressions. It was one of the most interactive posts that  
21 we've put up.

22 Seeing that, what we've done is we started an  
23 initiative of going through our library now, identifying  
24 pictures, videos, putting them into a format so we can put  
25 those up on line, and really start to advertise that to



1 everyone and get that back on everyone's radar that Golden Gate  
2 does have this rich history that's out there.

3           In terms of Dollar Day -- we talk about every time  
4 that we're up here. But that is our -- that's our number one  
5 promotion that we have up there. It's our strongest, most  
6 attended day of the week. And what was promising is during our  
7 winter-spring meet, we saw double-digit growth in attendance.  
8 And -- we saw a double-digit growth on our Sundays for our  
9 Dollar Days, yeah, 13 percent year-over-year attendance for our  
10 Dollar Days. And what's encouraging about that is the makeup  
11 of that crowd is -- we're getting -- that's when we get our  
12 most newcomers coming through the door.

13           So when we see that 5 percent spike in attendance at  
14 the end of that winter-spring meet, we're encouraged by that  
15 because a lot of that growth came from that Dollar Day  
16 promotion that we have out there. So we do stress that a lot  
17 when we come up here, but it's one that it's famous for us, and  
18 for good reason. But to see double-digit growth is very  
19 promising for us.

20           CHAIR WINNER: Thank you.

21           SECOND VICE CHAIRMAN AUERBACH: I have a question.

22           CHAIR WINNER: Yes.

23           SECOND VICE CHAIRMAN AUERBACH: You specify here in  
24 your literature that between November 30th and December 10th  
25 you're going to have the only turf racing in California, and



1 you're talking about vanning subsidies.

2 Can you tell me the nature of the subsidies that  
3 you'll be providing?

4 NATE NEWBY: The period of time is actually during  
5 this next Los Al meet. Because in -- in the fall, Del Mar will  
6 be running and there is turf then. But we have got a two-week  
7 window in the first two -- right after Labor Day where we have  
8 it.

9 SECOND VICE CHAIRMAN AUERBACH: That's where I picked  
10 up the dates.

11 NATE NEWBY: That's -- that's the spot and --

12 SECOND VICE CHAIRMAN AUERBACH: So there's two of  
13 them?

14 NATE NEWBY: For -- for horses from the south? It's  
15 free shipping.

16 SECOND VICE CHAIRMAN AUERBACH: It is free?

17 NATE NEWBY: Yeah. We will contract with one of the  
18 haulers, and you'll have to get on that specific trailer,  
19 but --

20 SECOND VICE CHAIRMAN AUERBACH: The earn-back is  
21 free?

22 NATE NEWBY: Yeah.

23 SECOND VICE CHAIRMAN AUERBACH: Okay. It's good to  
24 know. Thank you.

25 CHAIR WINNER: Yes.



1           COMMISSIONER RUANO: Just a quick question regarding  
2 your local marketing going door-to-door. That's very time-  
3 consuming effort, but good. I'm just curious if you've tracked  
4 how many individuals have actually come as a result of that.

5           DAN CIRIMELE: You know, yeah. I mean -- I don't  
6 have the specific figures in front of me, but we do see a  
7 considerable amount coming from, you know, on Gilman Street  
8 right there up from the track. We do have a brewery that just  
9 opened up.

10          COMMISSIONER RUANO: Uh-huh.

11          DAN CIRIMELE: So we get good relations with the  
12 owners that own these parts that come through. Specifically --  
13 unfortunately, I don't have it in front of me right now, but we  
14 do see the foot traffic coming through the doors from these  
15 spots. And, you know, it kind of makes sense, and as Nate had  
16 mentioned before, is sports fans, they like to come out to the  
17 races, and if we can -- all we have to do is put ourselves in  
18 front of them. So if we can connect with that, they'll come  
19 with us.

20          COMMISSIONER RUANO: Got it. Great.

21          COMMISSIONER CHOPER: I'm just -- if I -- what was  
22 the big delay with the Super Hi-5 approval from the TOC? You  
23 said in order to complete the application you needed a TOC  
24 approval letter for the Super Hi-5 14 percent takeout.

25          NATE NEWBY: We were looking at going to a rolling



1 Super Hi-5 at Santa Anita and Golden Gate, and we decided to  
2 wait until the next meet to do that.

3 CHAIR WINNER: So that's what caused the delay? Is  
4 it --

5 NATE NEWBY: That was just on the one piece. Yeah,  
6 they were kind of hooked together with Santa Anita. We wanted  
7 to launch them both for both of our tracks, and we didn't think  
8 that we wanted to do it in the 19-day meet. We wanted to wait  
9 to the next one. So we pushed Golden Gate along with it.

10 CHAIR WINNER: All right.

11 Is there a motion?

12 COMMISSIONER RUANO: So moved.

13 CHAIR WINNER: Commissioner Ruano moves.

14 Vice Chair Krikorian seconds.

15 CHAIR WINNER: Commissioner Solis?

16 COMMISSIONER SOLIS: Yes.

17 CHAIR WINNER: Vice Chair Auerbach?

18 VICE CHAIRMAN AUERBACH: Yes.

19 CHAIR WINNER: Chairman votes yes.

20 Vice Chair Krikorian?

21 VICE CHAIR KRIKORIAN: Yes.

22 CHAIR WINNER: Commissioner Choper?

23 COMMISSIONER CHOPER: Yes.

24 CHAIR WINNER: Commissioner Ruano?

25 COMMISSIONER RUANO: Yes.



1 CHAIR WINNER: Yes. Okay. Have a good meet,  
2 gentlemen.

3 NATE NEWBY: Thank you.

4 CHAIR WINNER: Discussion and action by the Board on  
5 the Application for License to Conduct a Horse Racing Meeting  
6 of Watch and Wager, LLC, at Cal Expo, commencing October 1,  
7 2017, through December 24, 2017.

8 The documents are now in?

9 EXECUTIVE DIRECTOR BAEDEKER: No, Mr. Chairman. The  
10 outstanding issue is the naming of the association or track  
11 veterinarian for the meet.

12 CHAIR WINNER: Oh, yes.

13 EXECUTIVE DIRECTOR BAEDEKER: And this has been a bit  
14 of a challenge at Cal Expo given the calendar which has, you  
15 know, two -- two racing days per week, and those days are, of  
16 course, at night and on the weekends. So it's -- it's always a  
17 challenge for these folks to have sufficient vets on site.  
18 They do a good job. They've always had it covered, but in this  
19 particular situation, they're still searching for that track  
20 vet.

21 They've been in conversation with Dr. Arthur about  
22 it, and it would be staff's recommendation, we think, that  
23 given the fact that that's the lone outstanding item, and given  
24 the fact that they are working well with Dr. Arthur in locating  
25 a candidate that perhaps you might consider moving the Race



1 Meet Application on the condition that staff receive the name  
2 of the association vet with the approval of Dr. Arthur within  
3 some period of time, perhaps three weeks.

4 CHAIR WINNER: I think that's a good suggestion.

5 FIRST VICE CHAIRMAN KRIKORIAN: When does the meet  
6 start?

7 CHAIR WINNER: The meet starts on October 1st.

8 EXECUTIVE DIRECTOR BAEDEKER: 28th of October. They  
9 have plenty of time. We were just mindful of the fact that  
10 they traveled down today from Sacramento without any knowledge  
11 that it might be put over. So -- but if you want to make them  
12 come back, teach them a lesson.

13 FIRST VICE CHAIRMAN KRIKORIAN: Yeah, but can we give  
14 them a date by which they provide it?

15 CHAIR WINNER: Yeah. I think the three weeks is a  
16 good idea that the --

17 UNIDENTIFIED VOICE: That would be the middle of  
18 September?

19 CHAIR WINNER: -- Executive Director recommended.

20 EXECUTIVE DIRECTOR BAEDEKER: Yeah. Why don't we say  
21 prior to the issuance of the next Board agenda.

22 CHAIR WINNER: Okay.

23 SECOND VICE CHAIRMAN AUERBACH: I wanted to comment  
24 on the new stake at -- it was nice to see how did that come  
25 about?



1 CHAIR WINNER: Do you want to --

2 CHRIS SCHICK: Good morning, Chairman Winner, members  
3 of the Board.

4 Chris Schick, Watch and Wager.

5 First of all, on the vet, we were notified after we  
6 put the License Application that our track vet had received a  
7 job opportunity down here in the south, and we've been  
8 diligently searching for a vet. And as Executive Director  
9 Baedeker pointed out, we've been working with Dr. Arthur and  
10 talking to Davis. So it's -- you know, like he said, it's not  
11 that easy to get a vet to work Friday and Saturday night, you  
12 know, during the winter months. So we're diligently going  
13 after it, but it kind of happened suddenly within the last few  
14 weeks. So we appreciate the Board hearing our application  
15 today.

16 But to go to Commissioner Auerbach's point, yes, we  
17 added a \$20,000 stake to this fall overnight meeting and we're  
18 really happy to do so. As many of you know, we've lost one of  
19 our iconic figures. Alan Horowitz passed away during the fall  
20 last year and this race is named in his honor. And it's  
21 actually a claim -- it's a starter allowance for claiming  
22 horses which is right kind of in the wheelhouse of the type of  
23 horses that we're trying to recruit to race at Cal Expo --  
24 horses that have started for a claiming price of \$5,000 or  
25 less, and there won't be any claiming in this series. So we've



1 generated a lot of interest with the stake in and of itself in  
2 terms of people going out and trying to find a horse for the  
3 series as well.

4 I would just like to add a couple of things regarding  
5 the meet, if I could just back up a second. Last meet, as we  
6 heard here prior, we had a lot of rain. We had a lot of  
7 challenges at our meet last year. We had damage to our plant.  
8 We had coyotes that moved into our infield and seemingly like  
9 to go out on our track during live racing. We've faced  
10 challenges, quite frankly, that we never really saw before.  
11 But all-in-all we got through it well, worked with the staff.

12 Our field size, last meet, went from 7.6 to 7.9. We  
13 are really, really happy about that and our handle was up 4.8  
14 percent. So we were -- overall it was a decent meet  
15 considering the things that we went through, and we are really  
16 kind of happy with it.

17 The industry, last year, invested 287,000 in new  
18 horse incentives and that incentive plan is obviously an  
19 ongoing thing this year. Ben and I have been seemingly on the  
20 road quite a bit this summer, out talking to horsemen about --  
21 and recruiting in the Midwest. We were up in Alberta. We were  
22 in PEI. We were in Maine. So we've been out trying to get  
23 product, and we realize that we've got a market, but we need to  
24 put a product on the field. So we're working hard certainly in  
25 that regard.



1           But anyway, this meet, it's the same amount of days  
2 as last year. As Commissioner Auerbach pointed out, we've  
3 added this overnight stake.

4           One other thing that I think is significant. as some  
5 of you know, we -- we had the Sire Stakes, and the Horsemen's  
6 Association, and us as management we supported a bill last year  
7 that would open our Sire Stakes program to other states that  
8 were struggling -- five other states and beginning with foals  
9 in 2018. So horses that are being bred in 2017, that program  
10 will be eligible.

11           We had six sires nominated in 2016. Since we passed  
12 this bill, we now have 22 sires that have nominated. So we're  
13 looking at this as something that, down the road, these horses  
14 won't actually race until 2021, but we're looking at that as a  
15 very stable supply of horses coming to race with us in the  
16 winter. So we're trying to deal with our structural problems,  
17 and I think we're making some progress.

18           CHAIR WINNER: Do you have any coyote racing going on  
19 up there?

20           Any other questions or comments?

21           FIRST VICE CHAIRMAN KRIKORIAN: I'll just say  
22 congratulations on all the innovative things you're doing.  
23 Those are great things.

24           CHAIR WINNER: I agree.

25           FIRST VICE CHAIRMAN KRIKORIAN: Keep it up.



1           SECOND VICE CHAIRMAN AUERBACH: You know, it's really  
2 interesting listening to you gentlemen speak. Having done this  
3 for a few years now, I remember sitting here listening to how  
4 dire things were and how you were struggling, and to watch what  
5 you've done is very credible and worthy of praise. And I thank  
6 you for your constituents, because I think that's very special.

7           ED CUMMINGS: Yeah. I'd just like to record that --  
8 Ed Cummings, President of Watch and Wager.

9           I think it's great credit to the team that Cal Expo  
10 Harness, obviously led by Chris and Ben, and the entire team  
11 there, they had a very tough, tough year with unprecedented  
12 rainfall but managed to race through it. And we despite, you  
13 know, very tough trading conditions in California generally,  
14 are fully supportive of the meet and in it for the long term.

15           CHRIS SCHICK: I would just like to add, for our  
16 second year in a row, we had no racing fatalities at all either  
17 at Cal Expo.

18           CHAIR WINNER: That's the best news of all.  
19 Thank you.

20           Is there a motion?

21           VICE CHAIRMAN AUERBACH: Yes.

22           CHAIR WINNER:

23           Commissioner Vice Chair Auerbach moves.

24           Vice Chair Krikorian seconds.

25           CHAIR WINNER: Commissioner Solis?



1 COMMISSIONER SOLIS: Yes.

2 CHAIR WINNER: Vice Chair Auerbach?

3 VICE CHAIRMAN AUERBACH: Yes.

4 CHAIR WINNER: Chairman votes yes.

5 CHAIR WINNER: Vice Chair Krikorian?

6 VICE CHAIRMAN KRIKORIAN: Yes.

7 CHAIR WINNER: Commissioner Choper?

8 COMMISSIONER CHOPER: Yes.

9 CHAIR WINNER: Commissioner Ruano?

10 COMMISSIONER RUANO: Yes.

11 CHAIR WINNER: Motion carries unanimously.

12 Have a wonderful meet.

13 Hold on. Mr. Avioli.

14 GREG AVIOLI: Hi. It's Greg Avioli of the TOC.

15 Social media being what it is, I've just received 10

16 emails in the last minute. I want to clarify some comments

17 that were made by Santa Anita on the 14 percent Pick 5 --

18 CHAIR WINNER: Can you -- can you hold on just a

19 second? Because let us finish this item and we'll come back to

20 the next one.

21 GREG AVIOLI: I'm sorry.

22 CHAIR WINNER: Okay.

23 Motion carries unanimously.

24 Have a great week. Thank you for everything.

25 Okay. Greg.



1           GREG AVIOLI: For all those who are listening in  
2 cyberspace, there seems to be a misunderstanding that Santa  
3 Anita just announced they were going with a lower 14 percent  
4 takeout on this Rolling Super Pick 5 or whatever -- I forget  
5 the exact name. But there is no agreement with the TOC. They  
6 came to us and asked us if we would consider that bet. We  
7 said, "Would you please give us the data on where that wager  
8 has done, has been." They said it was implemented around the  
9 country.

10           They never provided that data. We never considered  
11 it. That wager has not been approved by the TOC. I think it  
12 was clear that Santa Anita and Golden Gate are not actually  
13 planning on offering at this meet, but given all those who are  
14 listening around the state, I wanted to make that very clear.

15           Thank you.

16           EXECUTIVE DIRECTOR BAEDEKER: They made it clear that  
17 they were withdrawing that -- that proposal.

18           GREG AVIOLI: Yes, they did. I just now -- okay.  
19 Thank you.

20           CHAIR WINNER: Thank you.

21           Okay. Item No. 8: Discussion and action by the  
22 Board regarding the request from the Jockey Defined  
23 Contribution Retirement Plan pension trustees to amend the plan  
24 to eliminate the cap on lump sum distributions.

25           CHAIR WINNER: Mr. Broad.



1           BARRY BROAD: Good morning. I'm Barry Broad.  
2           I'm here today in my capacity as the Chair of the  
3 Pension Trust for the Jockeys Pension Plan. Mr. McDonough is a  
4 co-trustee and also Shane Gusman, and Wendy Voss is here from  
5 the staff. And before I start, let me just say I've worked  
6 with Wendy since the inception of this trust in trying to  
7 figure out how to get it established, and she's a fantastic  
8 person and a great employee, and you're really lucky to have  
9 her.

10           UNIDENTIFIED MALE VOICE: We agree.

11           UNIDENTIFIED FEMALE VOICE: How much did she pay you  
12 to say that?

13           BARRY BROAD: Well, it's an attorney-client  
14 relationship. So I can't -- I can't disclose that.

15           UNIDENTIFIED FEMALE VOICE: Excellent.

16           BARRY BROAD: So here's the -- here's the situation  
17 with our trust. When we designed it, we went to the jockeys  
18 and said, "What kind of a pension do you want to have? What  
19 rules do you want to have?"

20           And what they came back and told us at the time is,  
21 "Don't let us get access to our own money. Make it as  
22 impossible -- as hard as possible for us to get access to our  
23 own money." And so we designed it like that.

24           And one of the features of the trust is that if you  
25 have more than \$5,000 -- it's a very small amount of money --



1 in your account in each -- this is an interesting hybrid-type  
2 of pension trust, but each individual jockey has their own  
3 account, like a 401K Plan, but this is a trust that is invested  
4 for the entire group and the returns are shared. So it's  
5 not -- there's not individual risk. It's collective risk. So  
6 it resembles traditional defined benefit pension plan and a  
7 defined contribution plan.

8           So what that means is if somebody retires and has  
9 \$6,000 in their account, they will get a life pension for their  
10 rest of their actuarial life of \$6,000 divided into those  
11 years. This year, a jockey named Diego Sanchez, who last year  
12 or two years ago suffered a very devastating injury on track,  
13 is permanently disabled, is severely disabled, a quadriplegic.  
14 He -- he has \$40,000 in his plan, and our only choice -- he  
15 could not cash out that \$40,000 which he desperately needs.

16           Our only choice was to have him collect a \$250 --  
17 because he's a young man -- a \$250-per-year pension for the  
18 rest of his life, which is -- it just makes no sense. So what  
19 the -- the three trustees, we got together and we decided that,  
20 notwithstanding the original desire of the jockeys, that we  
21 should probably treat this retirement trust like most  
22 retirement plans are treated of this sort. That is to say,  
23 when you reach -- when you retire either at normal retirement  
24 age, which is 50 under this plan, or if you are permanently  
25 disabled and can no longer race that you can make an election



1 to take your money either as a lump sum or a life pension. So  
2 it will be up to the jockeys to do that.

3 Now that means that somebody who has \$500,000 in  
4 there could take \$500,000 out and pay enormous amount of taxes  
5 and blow through that money, and we recognize that. But we've  
6 decided that they're going to have to -- we can't be  
7 paternalistic even when they've asked us to -- that they're  
8 going to have to be responsible and make responsible decisions,  
9 and we hope that those that have large amounts of money, and  
10 the ones that have retired so far have certainly exercised very  
11 intelligent judgment, will take a life pension. So it will  
12 help support them for the rest of their life.

13 So we -- what you have before you is an amendment to  
14 the plan document that would allow this change and we would ask  
15 you to support that change.

16 And I'm available for any questions that you may  
17 have.

18 CHAIR WINNER: Thank you, Barry.

19 Are there any questions?

20 Any thoughts?

21 CHAIR WINNER: Commissioner Solis, do you want to  
22 comment on this one?

23 COMMISSIONER SOLIS: I think I like to support this.  
24 I really do. I think it's a good idea. Unfortunately, we  
25 never know, as a rider, how long you're going to ride for, and



1 when you end up like Diego, it's very critical. And I can --  
2 my cousin Michael Martinez, he ended up paralyzed too. And  
3 luckily, for him, Santa Anita -- I mean Golden Gate, the State  
4 of California, had the catastrophic insurance, and it really  
5 helped him. So I think this be a way to help these guys.

6 The other thing is, I mean, individually we all have  
7 to really make the right decisions with our money so that's  
8 something we do individually. So I do support the amendment.

9 COMMISSIONER CHOPER: I have a question.

10 CHAIR WINNER: Yes, please, Commissioner Choper.

11 COMMISSIONER CHOPER: Just out of pure curiosity,  
12 what is, you know, apart from an exception or two, what's the  
13 basic top amount that a jockey in a normal course can  
14 accumulate?

15 BARRY BROAD: So here's how this pension works. The  
16 answer is there is no actual limit. So what -- the way  
17 contributions are made is the money that funds this trust is a  
18 small amount of revenue that comes from bets placed on the  
19 internet, advance deposit wagering, and that amount of money,  
20 every year, is divided by the number of starts for all the  
21 jockeys. And then you take -- and then so that yields a number  
22 of so much of a contribution per start, let's say its \$20.00,  
23 and then each individual jockey gets that amount per start. So  
24 jockeys who race the most get the largest pension contribution.  
25 Those who race the least get a smaller contribution which



1 generally follows the principle of retirement plans that the  
2 more you work the more goes into your account so that's how it  
3 works.

4           At this point right now -- now this trust really got  
5 going about 2009. Legislation was in 2007. So it's just  
6 really young, but it already has about \$7,000,000 in assets.  
7 It's growing at about \$1,000,000 a year, and the jockeys with  
8 the highest balances right now are at about \$300,000.

9           CHAIR WINNER: \$300,000 per jockey.

10          BARRY BROAD: Per jockey.

11          CHAIR WINNER: I got it.

12          BARRY BROAD: Now, we really haven't had a situation  
13 where somebody worked, say, a full 20-year career. I mean we  
14 just haven't had the experience yet, but I think it's possible  
15 that, you know, a jockey who works 20 years and is a regular,  
16 kind of full-time jockey who's racing would have a very good  
17 pension plan at the end of this. And if the -- somehow this  
18 internet poker bill passes, there's a provision in there that  
19 would actually double the amount of the contribution for jockey  
20 pensions and also supplement healthcare for them. So then  
21 they'd be really in good shape. So, you know, I'm personally  
22 hoping that will happen someday. So that's the answer to your  
23 question.

24          COMMISSIONER CHOPER: No. I -- thanks for that.

25 That's very -- that's a very encouraging answer that you gave.



1           BARRY BROAD: You know, I've worked for 35 years  
2 representing workers and I've done a lot of things, worked on a  
3 lot of legislation.

4           COMMISSIONER CHOPER: Yeah. But how does --

5           BARRY BROAD: I'm as proud of this accomplishment as  
6 anything I've ever done because these are the only jockeys in  
7 the world that have a pension plan, and many of these jockeys,  
8 they're not rich, and when they retire, their choices of jobs  
9 are not great, and so this will really save them in their old  
10 age.

11           COMMISSIONER CHOPER: When you said, "We're the only  
12 ones," you mean, California?

13           BARRY BROAD: Yeah.

14           COMMISSIONER CHOPER: Is that so?

15           BARRY BROAD: This is it.

16           COMMISSIONER CHOPER: No other -- no other state  
17 has --

18           BARRY BROAD: Or country that I'm aware of.

19           COMMISSIONER CHOPER: Well I think we ought to try to  
20 publicize that a little more broadly.

21           CHAIR WINNER: Yeah.

22           COMMISSIONER CHOPER: Widely.

23           CHAIR WINNER: I didn't know that.

24           BARRY BROAD: For jockeys, just so you know, this is,  
25 like, the best place there is to race. That's how they view



1 it. And it's because this is a place where they -- they're  
2 covered for Worker's Compensation insurance, they have  
3 healthcare that is significantly supplemented. When I started,  
4 they couldn't even get healthcare because of pre-existing  
5 conditions, and they have a retirement plan. So, for jockeys,  
6 this is the best place in the world to race.

7 CHAIR WINNER: It's also the best place in the world  
8 to race because we have the best racing.

9 BARRY BROAD: Right. But they are treated because of  
10 a lot of the things that you have done and that the legislature  
11 have done, they're treated better in this S  
12 state than anywhere else, by far.

13 CHAIR WINNER: And we're proud of that.

14 FIRST VICE CHAIRMAN KRIKORIAN: One question: You  
15 said that those funds are then -- that are generated on the  
16 annual basis that they're then invested for their benefit --

17 BARRY BROAD: Yes.

18 FIRST VICE CHAIRMAN KRIKORIAN: -- to grow on it. So  
19 what kind of rate is -- those growing on an annual basis?

20 BARRY BROAD: What the trustees -- you're sort of  
21 given a choice as a trustee of how -- of what level of risk you  
22 want to take. What we did is took what you might call the  
23 middle-level risk. So it's invested half in equities and half  
24 in fixed returns with the idea of trying -- the goal is to  
25 generate around 7 percent per year, and we've met that goal.



1           FIRST VICE CHAIRMAN KRIKORIAN: Excellent. That's  
2 very good.

3           COMMISSIONER RUANO: Quick question.

4           CHAIR WINNER: Yes.

5           COMMISSIONER RUANO: I'm just thinking of your  
6 initial comment about most jockeys initially wanting to have  
7 procedures or process to not give them all the money at once.  
8 Given this change, I'm wondering what type of notice would be  
9 provided in order to make sure you get a cash-out. What type  
10 of consents? What is the process to cash out, to make sure  
11 that they --

12           BARRY BROAD: Well, what they would have to do is  
13 apply to retire.

14           COMMISSIONER RUANO: Uh-huh.

15           BARRY BROAD: And then they have to be deemed to be  
16 eligible to retire, and then they would make an election. So  
17 it would be -- it's not sort of a notice thing. It's sort of  
18 an application process.

19           COMMISSIONER RUANO: Just an application?

20           BARRY BROAD: Pardon me?

21           COMMISSIONER RUANO: Just an application?

22           BARRY BROAD: Yes, and -- and we have a third-party  
23 administrator, a company called Pentegra, that went through a  
24 competitive bidding process when we first did this, and they  
25 administer the pension plan.



1 CHAIR WINNER: What happens if a jockey retires and  
2 then changes and comes back as Gary Stevens did?

3 BARRY BROAD: We haven't -- we haven't encountered  
4 that yet. But the general view is, is if they retire and come  
5 back, because the State law says that they -- they are  
6 automatically enrolled upon licensure -- that's what the State  
7 law now says -- I think the view would be that they would start  
8 over again, or they would start adding on.

9 We are going -- there are some pension plans that  
10 actually have rules that say when you retire you may not return  
11 to the craft for the -- because there are some people that  
12 would retire and un-retire and retire and un-retire. And if  
13 we -- you know, we're not going to anticipate problems, but if  
14 we were to see a pattern of that kind of behavior, we might  
15 have to think about -- as the trustees, about how to respond.  
16 Because it is not -- it is not and cannot be treated as a  
17 savings account where every time, you know, you've spent your  
18 money unwisely perhaps, you decide, "Well, I'll just tap into  
19 my pension plan and get my money out, say I'm retiring and then  
20 un-retire 15 minutes later."

21 CHAIR WINNER: Right.

22 BARRY BROAD: That will not be acceptable. We  
23 haven't had that happen. I think most -- I think the jockeys  
24 understand that this is a -- that this is for their benefit,  
25 and, you know, we do have -- you can't borrow from this plan as



1 you can in some plans. There are hardship withdrawals.  
2 However, with hardship withdrawals, you have to show that an  
3 amount of money is due and you cannot pay it. So you can't say  
4 I need -- like in the case of Diego Sanchez, he can't say,  
5 "Look, I project that I'm going to need this \$40,000 to live in  
6 the next few years." He would have to say, "I have received an  
7 eviction notice," and give us that eviction notice and then we  
8 would pay out of his amount the exact amount that he needed to  
9 meet that. So the hardship withdrawal is truly a hardship.

10 So the answer to your question is: It's a good  
11 question. And it's something we may have to grapple with in  
12 the future, but I can tell you as someone who deals with a lot  
13 of trust fund-related issues for a lot of Taft-Hartley trusts  
14 and unions and so forth, I take nothing more seriously than my  
15 fiduciary responsibility to this trust.

16 CHAIR WINNER: Thank you very much.

17 Any other questions?

18 Is there a motion?

19 Commissioner Ruano moves.

20 Commissioner Choper seconds.

21 CHAIR WINNER: Commissioner Solis?

22 COMMISSIONER SOLIS: Yes.

23 CHAIR WINNER: Vice Chair Auerbach?

24 VICE CHAIR AUERBACH: Yes.

25 CHAIR WINNER: Chairman votes yes.



1 Vice Chair Krikorian?

2 VICE CHAIRMAN KRIKORIAN: Yes.

3 CHAIR WINNER: Commissioner Choper?

4 COMMISSIONER CHOPER: Yes.

5 CHAIR WINNER: Commissioner Ruano?

6 COMMISSIONER RUANO: Yes.

7 CHAIR WINNER: Thank you very much, Barry.

8 BARRY BROAD: Thank you.

9 CHAIR WINNER: We'll move on then, to item No. 9.

10 And I think -- didn't you want to stay up here?

11 BARRY BROAD: Well, yeah, if you want me to.

12 CHAIR WINNER: It's up to you.

13 BARRY BROAD: Change of hats, however.

14 CHAIR WINNER: All right. Let me just read this.

15 Discussion and action by the Board regarding a  
16 proposed amendment to CHRB Rule 1699, Riding Rules, to consider  
17 establishing a minimum suspension penalty for a jockey riding  
18 contrary to Rule 1699, and to consider the length of the  
19 minimum suspension.

20 CHAIR WINNER: Darrel, are you going to -- Darryl  
21 McHargue, are you going to explain this?

22 DARREL MCHARGUE: Darrel McHargue, Chief Steward to  
23 the CHRB.

24 EXECUTIVE DIRECTOR BAEDEKER: I want to set the table  
25 in one way for this because I think the focus is probably going



1 to be on the number of days. But there's a structural issue  
2 that needs to be resolved and that is that our Riding Rule 1699  
3 says that "For more than one infraction of this rule by the  
4 jockey within any contiguous 60-day period, there shall be a  
5 greater penalty."

6 But the problem is that the first penalty that might  
7 be assessed could be for something that's egregious and it  
8 could be for five days. But in reading the rule, the stewards  
9 might say, "Well, even though the second offense might not be  
10 egregious, nonetheless it needs to be greater than five days."  
11 And so that was identified as being unfair. That's one issue.

12 The other issue is the number of days that's  
13 appropriate for the minimum, and so I just wanted to say that  
14 we really probably need this -- to solve that structural  
15 problem in the current rule.

16 CHAIR WINNER: This was an issue that was discussed  
17 at some length at the Stewards Meeting that the jockeys  
18 attended, that Executive Director Baedeker discussed at the  
19 outset of this meeting, and I think that's what led to this  
20 being put on the agenda. And clearly, it has to be, in my  
21 view, at least, there has to be some minimum.

22 So, Darrel, do you want to go ahead?

23 COMMISSIONER CHOPER: Can I ask you a question?

24 DARREL MCHARGUE: If it's possible, I'd like to hear  
25 first.



1 CHAIR WINNER: Hold on a second.

2 COMMISSIONER CHOPER: When you say days, does "days"  
3 mean racing days? What is the meaning of "days"?

4 DARREL MCHARGUE: Racing days.

5 CHAIR WINNER: Racing days. That's clear someplace.

6 UNIDENTIFIED MALE VOICE: If it's possible, I'd like  
7 to follow Mr. Broad and Mr. Haire in their presentation.

8 CHAIR WINNER: Sure.

9 BARRY BROAD: Okay. I'm Barry Broad on behalf of the  
10 Jockeys Guild.

11 So let's start with where we agree. We agree that  
12 there should be a minimum number of days. We agree that,  
13 generally speaking, for minor infractions, a second offense  
14 within a 60-day contiguous period should be greater. So we  
15 agree on that.

16 We also agree and really strongly advocate that it  
17 should be uniform throughout the state. The current practice,  
18 it's been somewhat harsher in Northern California than in  
19 Southern California. That makes no sense. I think we can  
20 probably all agree to that. And it's led - it's led some of  
21 the jockeys to feel that the discipline that's being meted out  
22 is, in some ways, arbitrary, because it differs from place to  
23 place for the same behavior.

24 Obviously, we're not here to argue that somehow  
25 jockeys should get to violate the rules and it's okay or



1 anything like that. The real question that this comes down to,  
2 honestly -- well, let me back up. In terms of the issue that  
3 Mr. Baedeker raised, there probably should be some kind of  
4 catch-all provision in this that says, "The stewards, in the  
5 interest of justice, can adjust the days to make it fair,"  
6 which I think would allow them to say, you know, if somebody  
7 did something in a -- you know, that was major, and then they  
8 did something really minor that you wouldn't -- it would not be  
9 appropriate in the interest of justice to have them, if they  
10 got, you know, five days for it, to then give them ten days for  
11 something that you would normally give them, you know, two days  
12 for, or whatever.

13 I think that there's a way to do that as a catch-all  
14 provision without turning it into sort of a much more  
15 complicated rule than it needs to be. So that's how I would  
16 suggest handling that. There may be other ways to do it.

17 COMMISSIONER CHOPER: The language is very important.

18 BARRY BROAD: It is very important. It is very  
19 important. So we -- we generally agree on the basic issues.  
20 So let's talk about the number of days. The issue of the  
21 number of days, and I think the proposed rule says three. We  
22 think it should be two on the first offense. And we, you know,  
23 submitted comments in writing, two, then three, then four, if  
24 it happens, you know, twice in a 60-day period.

25 The issue for the jockeys has been this: That with



1 fewer racing days in the last decade, and shorter fields, the  
2 suspensions for minor infractions have become a major economic  
3 burden. In other words, the relative punishment has increased  
4 from what it was given what's going on. So even though it may  
5 not seem like a lot of days, if it's your whole week, it's a  
6 week. And then if it's twice that, it could be two weeks of  
7 income in a 60-day period which could be a lot of income. And  
8 there has been situations where jockeys have gotten to the  
9 point where they want to apply for a hardship from the pension  
10 plan; right? Because they're worried about, you know, paying  
11 their mortgage.

12           So the question of weighing justice, as I'm sure  
13 Commissioner Choper will understand from all our days in law  
14 school and whatnot, is the question of what is the appropriate  
15 level of punishment that stops the behavior or incentivizes  
16 people not to engage in this behavior, but isn't so much that  
17 it's draconian or oppressive.

18           The other thing that goes on here, which I think that  
19 you need to know about, that isn't really talked about very  
20 much is despite the fact that the horseracing law requires that  
21 jockeys be paid to ride horses in the morning if they are not  
22 engaged to ride that horse in the race, that rule has never  
23 been enforced and it's not -- and it's observed in the breach.  
24 And I'm not asking necessarily to change it, because I don't  
25 want to start anything here despite the fact there is a lot of



1 pressure from trainers to -- for jockeys to work those horses.  
2 And that includes on days that they're having a suspension,  
3 which means they're working for free on a day that they can't  
4 earn any income. And, frankly, that's just not fair. It's  
5 contrary to the law and it's not fair.

6           None of them are going to complain. I'm talking  
7 reality here. None of them are going to complain. None of  
8 them are going to say anything because they're going to worry  
9 that they're not going to get mounts. And I hate to bring up  
10 that kind of thing, but that exists, and you need to know that.  
11 And that's part of this calculation, although it's certainly  
12 nothing that the stewards, as such, need to worry about, unless  
13 they want to get in the middle of enforcing this statute that  
14 is observed in the breach.

15           But that said, we think two days as the minimum for  
16 the first offense -- and it is a minimum, is a reasonable  
17 amount. Three days for a second offense within this 60-day  
18 period, so that means five days, and four days for the third  
19 offense within that 60-day period. That's the minimum. So  
20 we're talking about the minimum is going to be levied on  
21 someone who the stewards determine have engaged in a minor  
22 riding offense, not a major offense. We obviously get -- if  
23 they do something extremely dangerous, they're going to get way  
24 more days than that.

25           CHAIR WINNER: Isn't that -- isn't that the key --



1 isn't that one the keys, is that it is a minimum and the  
2 stewards have discretion, do they not, to impose a greater?

3 BARRY BROAD: That is correct.

4 CHAIR WINNER: So what we're talking about here is  
5 the minimum number of days.

6 BARRY BROAD: Exactly. And seems to me that in the  
7 major tracks where we have four-day racing schedules, sometimes  
8 five days like at this track, but this has a shorter meet, and  
9 sometimes three days -- that two days is a reasonable amount,  
10 which is basically half a week of what is essentially a loss of  
11 income and a loss of opportunity for a jockey. That's -- and  
12 maybe this is the difference between two and three. And we're  
13 just asking you to go for two. The stewards feel that that is  
14 not sufficient, then they can impose a greater penalty.

15 Thank you.

16 CHAIR WINNER: And the other point that you made,  
17 which I think we all agree with, is that there should be  
18 consistency north and south.

19 BARRY BROAD: Correct. Thank you.

20 COMMISSIONER CHOPER: It just strikes me that this is  
21 pretty -- the more I listen, the more complicated it gets. And  
22 we can only change a rule, you know, after what, a couple of  
23 months go by before the rule gets changed.

24 EXECUTIVE DIRECTOR BAEDEKER: Best case.

25 COMMISSIONER CHOPER: Pardon?



1 CHAIR WINNER: Best case.

2 COMMISSIONER CHOPER: The best case. That's right.  
3 So my instinct, and I may well be wrong, is that this ought to  
4 be put over in some way and thought of in a committee meeting  
5 with, you know, when we have several hours on it, and try to  
6 come up with a better -- with a better, more specific plan.

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

8 COMMISSIONER CHOPER: No. That's all I have to say.

9 CHAIR WINNER: I would say this with respect to that.  
10 Number one, Vice Chair Krikorian and myself met with a number  
11 of jockeys on this issue at their request with Darrel McHargue,  
12 and I don't know -- 12 jockeys, something to that effect. This  
13 was a major issue for them.

14 As you just pointed out, Commissioner Choper, if we  
15 put a -- it already takes a long time to implement any change,  
16 and if we put it over to a committee meeting, that means a  
17 committee meeting and then another Board meeting and then  
18 continual change.

19 Now whether -- we may decide not to make the change;  
20 that's up to the Board. And we haven't heard from our chief  
21 steward as yet, Mr. McHargue, who -- and it would be very  
22 important to hear from him. But not only did we have this  
23 meeting with the jockeys, the jockeys then came, as Executive  
24 Director Baedeker pointed out, the jockeys, a number of jockeys  
25 then attended the stewards committee meeting and this



1 discussion took, I don't know, may be an hour at the Stewards  
2 Committee Meeting.

3           So there has -- it has gone through committee, so to  
4 speak. As far as the specific language is concerned, that, of  
5 course, has not been done. But what we're talking about here  
6 is the minimum number of days and adjusting that. We could  
7 then make other changes should we choose to do that.

8           COMMISSIONER CHOPER: Is it possible to do those  
9 things simultaneously, that is, initiate the, whatever, 60-day  
10 period and so forth? But at the same time --

11           CHAIR WINNER: We would have to go out for 45 days to  
12 start --

13           COMMISSIONER CHOPER: Well, whatever it is. But to  
14 hand this over to the appropriate committee to think through.

15           CHAIR WINNER: But see, I think the Stewards  
16 Committee was the appropriate committee.

17           COMMISSIONER CHOPER: And they've come up with --

18           CHAIR WINNER: This is the outgrowth of the Stewards  
19 Committee meeting.

20           COMMISSIONER CHOPER: Okay.

21           CHAIR WINNER: Now we can send it on to another  
22 committee, if we choose, but we also have the 45-day public  
23 hearing, public --

24           COMMISSIONER CHOPER: Well, I certainly defer to you  
25 on that judgment. If you think that this -- that if further



1 consideration is necessary, we're not doing anything by going  
2 ahead that would stop that.

3 CHAIR WINNER: No, I don't think. Well, we would  
4 be --

5 COMMISSIONER CHOPER: Yeah.

6 CHAIR WINNER: -- implementing -- sort of at first  
7 reading, would be implementing this 45-day period.

8 COMMISSIONER CHOPER: Yeah, yeah. That's fine.  
9 That's fine. Okay.

10 CHAIR WINNER: Darrel?

11 DARREL MCHARGUE: Chief Steward for the California  
12 Horse Racing Board.

13 We had a meeting with the stewards throughout the  
14 state. There were seven jockeys that actually came to that  
15 meeting and they requested that the minimum be lowered from  
16 three days suspension to two days.

17 During that time that we spoke with the riders, we  
18 asked the riders, you know, if they were riding, whether they'd  
19 rather ride under a strict board of stewards or a lenient board  
20 of stewards. To the person, all jockeys said that they would  
21 rather ride under a strict board of stewards.

22 Mr. Broad mentioned earlier that the stewards in  
23 Northern California do it a bit differently than in the south.  
24 Currently, consistently throughout the state, if a jockey  
25 violates the Careless Riding Rule, he is given a three-day



1 minimum. Jockeys' Guild, they voiced their concerns and their  
2 arguments were based on economics of some meets going to three  
3 days a week.

4           Currently, the only meets that I know of that are  
5 three days a week are at Los Alamitos. It's been that way for  
6 a number of years and the fairs. Southern California has been  
7 four days a week for a number of years and down at Del Mar,  
8 it's five days a week.

9           In the history of horse racing, when jockeys got  
10 days, suspension days, usually it was a week. When I first  
11 started riding, it was seven days. Then it went to five days  
12 because you were going five days a week. We reduced it at one  
13 point, later one, to three days and it was based -- it was  
14 reduced at that time because jockeys were appealing, and they  
15 thought it would be a reduction of appeals.

16           Jockeys conveniently file appeals. If their riding  
17 commitments are greater, they want to ride those horses. Their  
18 agents are going to give them the recommendation to appeal  
19 those days.

20           During that committee meeting -- the stewards, when  
21 they are making a decision to issue a set of days, you heard  
22 Mr. Broad earlier mention the dangers of riding. If jockeys  
23 are not penalized for riding carelessly, then it filters down.  
24 They just start riding tighter and tighter and tighter, and  
25 somebody goes down. And that's what the stewards are doing



1 when they're issuing suspension days for careless riding.  
2 They're actually making it safer for the horse and the jockey,  
3 and they're allowing it to be determined out on the track by  
4 who the best horse for horse for horse.

5           If the stewards are consistent in setting the  
6 boundaries and issuing suspensions, jockeys learn those  
7 boundaries and they ride accordingly. In my opinion, the best  
8 races are those where the stewards aren't involved. So the  
9 vote was taken during the Stewards Committee Meeting and by an  
10 eight to four vote, the stewards were of the opinion that three  
11 days has worked well for the industry and should remain in  
12 place; eight to four. Three of those votes were people that  
13 worked in three-day meets. Three of those stewards -- three of  
14 those four votes that voted for reducing the minimum to two  
15 where stewards that worked at three-day meets.

16           In my opinion, when you lessen the routine riding --  
17 lessen the penalty for routine careless riding suspension, you  
18 lessen the deterrent for the steward or, excuse me, for a  
19 jockey to avoid fouling a horse. In my opinion as Chief  
20 Steward, I recommend that the Board, if they enter into the  
21 rule to make it a minimum, to make it a three-day minimum.

22           FIRST VICE CHAIRMAN KRIKORIAN: I have a question for  
23 you.

24           DARREL MCHARGUE: Sure.

25           FIRST VICE CHAIRMAN KRIKORIAN: One of the things



1 that was discussed that whether there's a change in the minimum  
2 or not, that could the penalty start when the next book --  
3 yeah, the next condition book comes out as opposed to  
4 disrupting the rides that they are already committed to.

5 Thank you.

6 DARREL MCHARGUE: And that was discussed in the  
7 Stewards Committee Meeting.

8 FIRST VICE CHAIRMAN KRIKORIAN: Yeah. What's your  
9 opinion on that?

10 DARREL MCHARGUE: My opinion is, in that instance,  
11 the system that we have now is fair. And I believe that the  
12 jockeys in the room that day agreed that it was fair on both  
13 sides. Currently, if a jockey gets days, if he -- if he rides  
14 a race today and he's called into the stewards (inaudible), his  
15 days will start a week from that day.

16 EXECUTIVE DIRECTOR BAEDEKER: A week from tomorrow.

17 DARREL MCHARGUE: A week from tomorrow. By doing so,  
18 that gives him a chance to, if they want to appeal, all the  
19 appeal process is before them, they have time to do that. That  
20 has been the most equitable way. And the stewards can also,  
21 effectively, get their job done too, like keeping it as safe as  
22 possible for everyone. I think the jockeys generally did all  
23 agree that the system that we had in place should be  
24 maintained.

25 CHAIR WINNER: Well, I'm not sure about that, but I



1 think that may have been what came out of the meeting. There  
2 was, as I said earlier, there was an earlier meeting where may  
3 be the discussion was slightly different. But nonetheless,  
4 when you said that it's currently three days, it's currently  
5 three days in practice, not in rule; correct?

6 DARREL MCHARGUE: That is correct. There is --

7 CHAIR WINNER: In other words, it's arbitrary.  
8 Arbitrarily, the stewards have determined that the minimum  
9 would be three days. It's not by rule.

10 DARREL MCHARGUE: It is not by rule. There is  
11 (inaudible) set in the rule for 1699.

12 CHAIR WINNER: That's why we're here today -- one of  
13 the things that we think is appropriate, and that the jockeys  
14 have asked for, and I don't think anybody disagrees is that  
15 there ought to be a minimum, for all the reasons that  
16 Mr. Baedeker mentioned, which is when and if there is a second  
17 offense, and the rule currently states that the second offense  
18 must be greater than the first offense -- or the penalty must  
19 be greater than the first penalty. So the question is the  
20 setting of whether it's two or three or five or whatever the  
21 determination is.

22 And then the second issue is you did mention,  
23 correctly in my view, that in Southern California we're talking  
24 about four-day meets, but as we all know, at Santa Anita, I  
25 think there were two weeks when the number of -- when they



1 didn't race on Thursday. There may have been more than that  
2 where --

3 SECOND VICE CHAIRMAN AUERBACH: There was three or  
4 four.

5 CHAIR WINNER: Yeah, three -- whatever it was. So in  
6 those cases, they were, in essence, there were three-day meets.  
7 And if you give a three-day suspension, in a three-day meet,  
8 you're basically putting that person and that person's agent  
9 out of work for those three days.

10 So, again, I'm -- clearly I'm of the opinion, it's  
11 just my opinion, is that we ought to set a minimum and I think  
12 it ought to be two days which gives discretion to the stewards.  
13 If they think it should be three days or if they think it  
14 should be four days or if they think it should be five days,  
15 they can do that. But I don't know why we would arbitrarily  
16 say it has to start at three days. So that's -- that's just my  
17 view. So I would argue for setting a minimum and setting it at  
18 two days rather than three days.

19 DARREL MCHARGUE: I can appreciate that, Mr. Winner.  
20 The -- what happens is, is when you do set the minimum it  
21 becomes the standard. We're talking about how it came to play  
22 as it currently is. You're right. You put it in there as a  
23 two-day minimum, racing days may decline even further, or they  
24 may increase; hopefully, they increase. But keep in mind when  
25 we talk about a jockey not being able to make a living.



1           Jockeys can be in a position. They have control over  
2 these horses. And if this Board of Stewards are consistently  
3 opposing the days in a consistent manner, jockeys that they  
4 just grab the reins and straighten these horses, we're not  
5 discussing days. If it's a horse that causes it, then the  
6 horse is blamed. You hold the jockey blameless.

7           But if -- but if jockeys -- if jockeys are allowed to  
8 angle out when they're boxed in -- and the one thing that I  
9 didn't mention, that I did have in my notes here -- when  
10 stewards issue suspension days, they're teaching riders good  
11 riding skills. This filters down to the young riders as well.  
12 It teaches them the correct way to extricate themselves from a  
13 boxed-in position. They do it smoothly. Horses don't get  
14 knocked around and you don't have bumper cars.

15           A trainer said to me -- and this is during my riding  
16 career -- and I was an aggressive rider. I was as aggressive  
17 as the stewards would allow me to be. The next day I won one  
18 of the races. The next day I was proud of winning a race, and  
19 I thought he was going to congratulate me.

20           But he says, he says, "Darrel," he says, "You jockeys  
21 go out there and you play bumper cars with these horses. The  
22 lead horsemen are the ones that have to keep that horse sound  
23 or we're faced with horses getting knocked around out on the  
24 track. We're trying to keep these horses sound and you guys  
25 are out there playing bumper cars with them."



1           That was what we were allowed to do when I was riding  
2 in some cases and in some places.

3           Stewards have a good control over the riders, and if  
4 the Board supports that, you will see fewer incidents out on  
5 that track of fouls, which is better for the public, it's  
6 better for the game, and it's also better for the horse.

7           SECOND VICE CHAIRMAN AUERBACH: With all due respect,  
8 the way that jockeys ride and everybody's position -- everybody  
9 is correct to a certain degree. The one thing I haven't heard  
10 is that there is a lot of investment, that the owners have not  
11 only in the horses and we need people to ride with care, but  
12 they also have investment in the jockeys. And when you are  
13 looking at a condition book, and you have a certain rider and  
14 your rider makes a mistake and gets days, which does happen,  
15 and you are going to enter a race and, oh, goodness,  
16 everybody's out of town that would be competent that you'd feel  
17 comfortable, it's not just the effect that you have on the  
18 jockey, it's the effect that you have on the ownership.

19           This is another little underbelly to minimums. And  
20 it has happened to us, and I'm sure it's happened to other  
21 people where you're a rider and when you looked at the race  
22 maybe you didn't agree; maybe you didn't see what the steward  
23 saw. Maybe you saw an incident that, in your view, was a human  
24 being, it should not have been one where you would take the  
25 jockey down, or take him off the mount. You've got a horse



1 racing the first day of his suspension. So you get penalized,  
2 too, even though you weren't part of the problem, or part of  
3 the solution.

4           When I look at this -- and I do believe that we need  
5 the rules. When you have cut the number of days down available  
6 for that person to earn a living, I don't think you are  
7 teaching them anything when you say "It's a minimum of three  
8 days," when the aggressive behavior might be looked at  
9 differently. Because, let's be fair, Darrel. We all look at  
10 these rulings and sometimes, unfortunately more often than we'd  
11 like to admit, we don't necessarily agree with what the  
12 stewards have decided. We don't necessarily think -- and maybe  
13 it's two to one in the room. Somebody just, for whatever  
14 reason. So we're making a lot of economic decisions based upon  
15 something that we can't all get behind and feel good about.

16           Yeah. We all feel good about we want to keep the  
17 horses safe and we want to keep the riders safe. But sometimes  
18 the punishment doesn't fit the crime. And all we're saying  
19 here is let's start out a little bit easier so -- so establish  
20 a minimum of two days -- and look if their behavior is so  
21 egregious and they need five days when they walk into a room,  
22 they should get it. I don't think we're saying that they  
23 shouldn't. What we're saying is let's -- there are so many  
24 factors that we don't even talk about here, but we can't  
25 because we'd be here until next Thursday.



1           There are so many other things to consider. So let's  
2 do the thing that keeps the horses safe, keeps the jockeys  
3 safe, and also protects the owners' interests. We've got a lot  
4 of money in these horses and there's nothing worse than you've  
5 been bringing along a two-year-old or three-year-old, or  
6 whatever it is, and you finally get a race written -- because  
7 you can get a race written -- you finally get everything  
8 perfect and that jockey gets three days for something that the  
9 rest of the universe looks at and says wasn't that big a deal.

10           So, you know, we're affecting a lot of things and I  
11 just -- I don't want to obfuscate or make it more confusing,  
12 but there are other considerations.

13           DARREL MCHARGUE: I understand those, and I do know  
14 that there are times when jockeys are upset too because they've  
15 been working this horse that you're talking about. But even  
16 though if you go to the two-day minimum, it doesn't mean that  
17 that two days isn't going to affect the race that you --

18           SECOND VICE CHAIRMAN AUERBACH: No. It doesn't -- it  
19 doesn't mean that, but it does mean that we are aware of the  
20 fact of how many days a week we actually run and how fewer the  
21 opportunities are. And if you go to Santa Anita in the  
22 mornings -- I'm not going to speak so much about Del Mar -- and  
23 I meet 12 new jockeys every time I go there. So the  
24 competition is fierce amongst the colony, which is good,  
25 because you want the better riders.



1           CHAIR WINNER: We also have a situation. I mean,  
2 it's Southern California is one thing; Northern California, the  
3 fair meets are something else, and you talk about three days to  
4 some of those jockeys who are barely struggling just to make a  
5 living, it's a lot of days. If they miss a whole week, it's,  
6 you know, again, one thing for a jockey that's doing quite  
7 well. It's another thing for a jockey -- it's more money to  
8 the jockey who's doing quite well, but there's probably a  
9 bigger percentage, or it means more in terms of the jocks who  
10 are riding at the fair meets and so forth if they lose -- if  
11 they lose three days.

12                     Did you want to say something, Darrel? Darrel  
13 McHargue?

14           DARREL MCHARGUE: Well, on just -- the economics.  
15 These jockeys work so hard and with the short fields, they --  
16 you know, they try so hard and sometimes they make mistakes  
17 because of the financial -- I mean, they're professionals, but  
18 they're pushing it too hard. And they get three days and then  
19 because they've got three days within 60 days, they get five  
20 days and it just destroys them -- their business, and they  
21 can't -- it just sets them way back. It's a big financial, you  
22 know, it's --

23           SECOND VICE CHAIRMAN AUERBACH: I think we want to  
24 teach them a lesson, but we don't want to put them out of  
25 business either.



1           BARRY BROAD:    Can I -- let me make one comment as  
2 someone who's been around this industry for 30 years now, but  
3 I'm not an owner and I'm not a trainer. I've just sort of  
4 observed it. It's an interesting industry because the jockeys  
5 or sport -- because the jockeys get out there and they have to  
6 compete individually and they have to all try their hardest to  
7 win. But they can't try so hard that they endanger the horse  
8 or one another, which means it's individual competition with  
9 sort of a collective -- collective self-discipline. And those  
10 are in tension with one another.

11                   In most sports, you know, there are penalties. You  
12 get a long way -- you have to do something really, really bad  
13 for them to tell you you can't work. So the -- and jockeys  
14 don't make that much money. I mean, some make a reasonable  
15 living, but not compared to other sports, professional sports.  
16 And many are, you know, barely getting by. And so the level of  
17 sanction here, whether it's two days or three days or one day,  
18 frankly, it's a big economic penalty that they're paying.

19                   If it was translated to a fine, it's a big fine in  
20 comparison to their total income. And so, I mean I think the  
21 difference between two days and three days -- I mean, we're  
22 fighting for that which is a measure of how much one day makes  
23 a difference. You know, if this was the NFL, nobody would be  
24 fighting over an extra \$100. But in this industry, an extra  
25 \$100 is part of the rent payment. And that's really what's



1 going on.

2           And so we're all part of this collective effort to  
3 make the race work and be fair in the eyes of everyone, and if  
4 jockeys break the rules, they need to be punished and the  
5 punishment should be sure and swift, but it also needs to be  
6 fair and it needs to not feel arbitrary. And I -- so we think  
7 that two days as a minimum is reasonable; and it is a minimum,  
8 which means they're all going to get at least two days, and  
9 perhaps more. So with that, I would say thank you for the  
10 opportunity for us to comment and we hope you vote our way.  
11 Thank you.

12           CHAIR WINNER: I think Mr. Baedeker wanted to see if  
13 he can throw in his two cents.

14           EXECUTIVE DIRECTOR BAEDEKER: Thank you for letting  
15 me do that.

16           CHAIR WINNER: You can do three cents, depending on  
17 whether you're for three or two.

18           EXECUTIVE DIRECTOR BAEDEKER: I'm going to quote  
19 Alan Balch here because I identify with something he told a  
20 blogger who was just going nuts over a decision that the  
21 stewards had made. One of them all fired, and -- and I've been  
22 around at least as long as Alan, maybe longer, since I was born  
23 into the game. But never have I heard during a race meet  
24 anybody say, "Gee, this is a great board of stewards."

25           And it's because nobody looks -- very few people look



1 at the decisions they make through a clear lens. You've either  
2 lost a bet or you've won a bet or you own the horse or you own  
3 a different horse or you have some other reason that may cloud  
4 the way you look at the decision that the stewards have made.

5 I only bring that up because it is really the  
6 definition of a thankless job. Very few times in the course of  
7 a long meet do they ever hear from anybody saying, "Yeah. I  
8 agreed with you on that one; nice going." That's one point I  
9 just wanted to make.

10 The other point is that this Board has taken action  
11 on this 1699 Riding Rule twice, has expanded the language,  
12 clearly defined what reasons for disqualification are, what  
13 careless riding is, and also put in the stipulation that a  
14 second violation results in a greater penalty.

15 During that Stewards Committee meeting with all the  
16 riders there, one of the most respected riders in the country  
17 said when he leaves the state to ride, he can't wait to get  
18 back to California because you ride straight here. He says in  
19 those other states, "They're bumping me and I gotta bump them,  
20 and I come back banged up and so does the horse."

21 I just make the point that while appreciating that  
22 there needs to be a minimum for the reasons that have been  
23 discussed, what this Board has done, I think, has resulted in  
24 safer and cleaner riding in California.

25 I think we've made a lot of progress and I'm, I



1 guess, most concerned about what Darrel said, and that is that  
2 putting in the minimum of two it's going to become the  
3 standard. I'd like to think that the stewards, and maybe now  
4 with you in this position, Darrel, that the stewards could be  
5 counseled, that, as a matter of fact, they're not bound by two,  
6 even if it is the minimum.

7 CHAIR WINNER: Thank you very much.

8 Go ahead, George.

9 FIRST VICE CHAIRMAN KRIKORIAN: I just want to say  
10 that I appreciate what Darrel is saying here, because I don't  
11 think that economics should overrule safety at all. And he's  
12 bringing up an excellent point. And you want to deter people,  
13 as much as possible, from doing anything that affects the  
14 safety of horses and the jockeys, of course.

15 So I think we have to give, you know, a lot of  
16 serious consideration to cutting this thing to the two days,  
17 and if you decide to cut it to the two days, it should be very  
18 closely monitored so that in the event there is any increase in  
19 problems that we're having, you know, with issuing suspensions,  
20 then we should have the right to change it again.

21 Thank you.

22 CHAIR WINNER: Well, clearly we have the right to  
23 change it again.

24 SECOND VICE CHAIRMAN AUERBACH: I just want to ask a  
25 question of -- I still have the question, though -- if I



1 understood everybody correctly - Hi, Chantal -- if I understood  
2 everybody correctly, the stewards can, today, give a one-day  
3 suspension because there is no minimum; is that correct?

4 DARREL MCHARGUE: That's correct.

5 CHAIR WINNER: That is correct.

6 SECOND VICE CHAIRMAN AUERBACH: So they could -- even  
7 if we took no action on this regard, they could give one-day  
8 suspensions as opposed to five days, or whatever the number.

9 DARREL MCHARGUE: Three days.

10 CHAIR WINNER: That is correct. If we took no  
11 action, they could -- they could give one; they don't, but they  
12 could.

13 SECOND VICE CHAIRMAN AUERBACH: But they could. They  
14 have that discretion.

15 CHAIR WINNER: I mean, we are -- I think we all agree  
16 that what Commissioner Baedeker said, or Director Baedeker  
17 said, in terms of the thankless job that the stewards have and,  
18 frankly, what a terrific job they do, I mean, anybody that has  
19 been up in the stewards' booth watching the work that they do  
20 and how they do it and how conscientious they area and what a  
21 difficult job it is, you have to -- you have to -- it's a  
22 thankless job and we, on the Board, need to thank them all the  
23 time for the work that they do.

24 Having said that, of course, there are subjective  
25 decisions that are made, and as Commissioner Auerbach, or Vice



1 Chair Auerbach stated, those decisions are not always correct;  
2 they are subjective decisions like in any sport. Officials  
3 make subjective decisions, and they're not right all the time,  
4 and oftentimes, it's proven that they're not right. But it's  
5 also true that in, for instance, in the NFL, if you have  
6 spearing, which is, some would say, as dangerous as what goes  
7 on with horse racing if somebody rides carelessly, they usually  
8 get thrown out of the game. But they don't lose their  
9 livelihood; it doesn't affect their income.

10 I agree with George, with Vice Chair Krikorian.  
11 Economic reasons don't trump safety reasons. Safety trumps  
12 everything. So we have to take that into consideration. But  
13 that doesn't mean that another consideration shouldn't be the  
14 impact on the livelihood of the people involved in the sport.  
15 That's why I think it's really important that we stress that  
16 it's -- whatever it is, two, three days, one day -- whatever it  
17 is, that we stress that it's a minimum and that the stewards  
18 have the ability, as they do now, to impose a much greater  
19 number of days.

20 It's -- what we're talking about here is a minimum  
21 which allows them to have that discretion -- and I understand  
22 what you're saying, Darrel McHargue, with respect to if you set  
23 a minimum then that becomes the norm, but I also believe that  
24 if we tell -- if we inform the stewards that it isn't the norm,  
25 it's the minimum, and you do have that discretion, it may, in



1 fact, lead to, in some cases, stiffer penalties, which is not a  
2 bad thing if it's deserved.

3 DARREL MCHARGUE: That is correct. If it is  
4 egregious, then it should be more days.

5 CHAIR WINNER: Right.

6 DARREL MCHARGUE: The -- you talk about riders not  
7 being able to make a living. Riders, right now, have  
8 designated races. So they can still make a living with certain  
9 races even when they're under suspension. So you do have the  
10 designated races if they are designated at the beginning of the  
11 meet. Those are the bigger races. But that was put into  
12 facilitate the jockeys staying with their horse in big races,  
13 not losing a big mount or a big race, but it also gave them a  
14 chance to hopefully, the Board, at the time jockeys were  
15 appealing a lot of races -- appealing their suspension days.  
16 They thought it would reduce the reduction of appeals. It  
17 didn't work.

18 So it's an area where hopefully the Board always, and  
19 I know they are, mindful of the safety and trying to keep these  
20 jockeys healthy and the horses healthy. I know that it's in --  
21 everybody's mind is keep that at the forefront.

22 CHAIR WINNER: Chantal, did you want to say  
23 something?

24 CHANTAL SUTHERLAND: I apologize for being late. I  
25 was representing another jockey in the stewards' office. I



1 guess I'm bringing this on behalf of the jockeys.

2 CHAIR WINNER: Please identify yourself.

3 CHANTAL SUTHERLAND: I'm Chantal Sutherland, jockey  
4 Chantal Sutherland.

5 And I just wanted to make one point aware or mention  
6 something that, I think, you know the percentage of jockeys  
7 that are riding in those huge designated races is probably  
8 5 percent of the rest of us. And I do respect what you're  
9 saying, Mr. Baedeker and also Chuck and Darrel about the  
10 safety. I think we all -- like, the top jockeys are here, and  
11 I think we all do respect that safety and we, ourselves, want  
12 to be safe.

13 Like, what that other jockey said at the meeting,  
14 it's true. It does feel safer here. It's very important to  
15 us. That being said, when it's three days a week and it's the  
16 three days and then it's an automatic five days from the ruling  
17 that we talked about and was written, it's tough. Like, it's  
18 really tough to not work for a week -- a whole week. And it's  
19 not just losing those, you know, if you only ride one or two  
20 horses in the three days, that's fine. If you're riding five  
21 or six, that's five or six horses that day, the next day, and  
22 the third day. You know, we're talking about 12-13 horses.

23 It takes a lot of work in the morning that you don't  
24 get paid for to get this kind of roster. And trust me, you're  
25 not getting back on the horses. It's very hard to get back on



1 them and it can really hurt you for two weeks out and then say  
2 there's another race and someone's careless and something  
3 happens, you know, that's another five, and then six. It's  
4 tough.

5 I'm just letting you know from a jockey's standpoint,  
6 I'm scraping by, barely making it even. So it's tough for us.  
7 And then we're moving around, and it's not cheap to live in  
8 California; it's tough. And it's making some of the jockeys  
9 think maybe we've got to go somewhere else. This isn't the  
10 place we can ride; can't afford to do it; can't afford to, you  
11 know, live in this high life, and then also getting days like  
12 this. It's tough. And that's all I kind of wanted to say  
13 about it.

14 And with all due respect, everything you're saying.  
15 We love the game. We want to -- we want to be here and do it  
16 and we want the horses to be safe. We love the horses. But we  
17 are very competitive. We're -- we want to make money. We're  
18 trying to win and I guess we're doing the best we can. We just  
19 want it to be more discretionary from the stewards. They know  
20 when we've done something stupid and they know when we've, you  
21 know, it wasn't that bad. Can they have that discretion?  
22 Because we love the stewards here. I do. I think they're,  
23 like, the best I've ever seen. And they don't get thanked, but  
24 sometimes they do. We have a good relationship with them and I  
25 really do respect them and really like them.



1 CHAIR WINNER: Do you want to make a motion?

2 SECOND VICE CHAIRMAN AUERBACH: Yeah. I'll make the  
3 motion. What's my motion -- that we establish a minimum. Is  
4 that the way we want to word this? That we establish a  
5 minimum.

6 CHAIR WINNER: Establish a minimum.

7 SECOND VICE CHAIRMAN AUERBACH: And I would like to  
8 establish a minimum of two days with the emphasis on it is a  
9 minimum because I think that it -- that's appropriate.

10 CHAIR WINNER: I'll second that.

11 Is there discussion?

12 FIRST VICE CHAIRMAN KRIKORIAN: Maybe we should  
13 construct a penalty box at the finish line as an alternative.

14 SECOND VICE CHAIRMAN AUERBACH: We'll probably end up  
15 in it.

16 CHAIR WINNER: All right. Any discussion? Any  
17 further discussion? All right.

18 It's been moved and seconded.

19 CHAIR WINNER: Commissioner Ruano?

20 COMMISSIONER RUANO: Yes.

21 CHAIR WINNER: Commissioner Choper?

22 COMMISSIONER CHOPER: Yes.

23 CHAIR WINNER: Vice Chair Krikorian?

24 VICE CHAIRMAN KRIKORIAN: Yes.

25 CHAIR WINNER: Chairman votes yes.



1 CHAIR WINNER: Vice Chair Auerbach?

2 VICE CHAIRMAN AUERBACH: Yes.

3 CHAIR WINNER: Commissioner Solis?

4 COMMISSIONER SOLIS: Yes.

5 Motion carries unanimously.

6 Thank you very much, everyone.

7 CHAIR WINNER: All right. Report of the Race Dates  
8 Committee.

9 You're going to give that report, Mr. Baedeker? We're  
10 not going to have a report of the Race Dates Committee; is that  
11 correct?

12 EXECUTIVE DIRECTOR BAEDEKER: I can just brief  
13 everybody on kind of where we stand with the race dates. The  
14 Committee did meet on July 21st, the day after the last Board  
15 meeting, and nothing was decided at that meeting. There were  
16 various proposals out.

17 There is a situation in the south, as everybody  
18 knows, it's been part of the public record here, that there is  
19 a legal agreement between the stakeholders and Los Alamitos  
20 that incorporates stabling in exchange for support for race  
21 days and so forth. So it's a little bit difficult for anybody  
22 to get up and contradict the commitment that they have made.  
23 Nobody on this Board has made any such commitment.

24 So in the south, staff did propose various calendars  
25 just for the sake of conversation and which included some



1 breaks here and there in the long winter meet where prior to  
2 Del Mar, also incorporated some three-day weeks. There was  
3 discussion of those and that pretty much summarizes where we  
4 stand in the south at this point.

5           In the north, CARF has made a proposal that would  
6 basically begin the fair season at Pleasanton in June and end  
7 it at the end of Fresno. The odd man out there is Golden Gate  
8 Fields in the summer. Golden Gate has expressed support for  
9 the current calendar except that they would like to be  
10 considered for the former Stockton dates that are being run at  
11 Pleasanton. They'd like to be considered to have those dates  
12 run at Golden Gate Fields.

13           The one unknown at this point is the performance of  
14 the current Santa Rosa meet which, as you recall, was pushed  
15 back this year because of where the 4th of July fell, pushed  
16 back a little bit into the school year, and so it was  
17 determined that it would be best for the Committee to wait  
18 until after that meet is concluded to meet again.

19           So that's the plan. The meeting is tentatively  
20 scheduled for the day before the next Board meeting. I might  
21 point out to you that that Board meeting in September is later  
22 than usual. It will be on September 28th. And so, at least at  
23 this time, we're looking at having a Race Dates Committee  
24 Meeting the day before. That's subject to change.

25           CHAIR WINNER: Thank you very much.



1           I want to go back just for a second, if I may, just  
2 for the record. You know, we passed a motion on Watch and  
3 Wager, but I don't think we inserted that language that they  
4 must have selected that and gotten the approval of Dr. Arthur,  
5 within, I think we said three weeks; is that right?

6           EXECUTIVE DIRECTOR BAEDEKER: We did.

7           John McDonough, what do we need to do to correct that  
8 problem? The intention of the Board was to include language in  
9 their motion for Watch and Wager that stipulated that the  
10 applicant needed to supply the name of the track veterinarian  
11 to staff within three weeks.

12           SECOND VICE CHAIRMAN AUERBACH: I think it was prior  
13 to the Board package.

14           EXECUTIVE DIRECTOR BAEDEKER: Oh, that's right, prior  
15 to the next Board package being compiled and if, as a matter of  
16 fact, they were unable to do that, then the item would be put  
17 back on the agenda for September.

18           JOHN MCDONOUGH: You can amend the -- you can amend  
19 the motion and then vote on the amendment of the motion.

20           CHAIR WINNER: Okay. I move to amend the motion to  
21 approve the Watch and Wager license.

22           Is there a second?

23           SECOND VICE CHAIRMAN AUERBACH: Second.

24           EXECUTIVE DIRECTOR BAEDEKER: Do you want to  
25 stipulate that --



1 CHAIR WINNER: With the stipulation that Watch and  
2 Wager provide the name of a vet to staff prior to the next  
3 meeting or the matter will be put over until the next meeting.

4 SECOND VICE CHAIRMAN AUERBACH: Prior to the issuance  
5 of the next Board packet.

6 CHAIR WINNER: Yeah. Good. Prior to the issuance of  
7 the next Board packet.

8 PHIL LAIRD: Phil Laird, CHRB staff.

9 The agenda will come out September 15th. So if it  
10 were by September 15th.

11 CHAIR WINNER: By September 15th? Okay.

12 Seconded by Commissioner Auerbach.

13 CHAIR WINNER: How do you vote, Commissioner Solis?

14 COMMISSIONER SOLIS: Yes.

15 CHAIR WINNER: Vice Chair Auerbach?

16 VICE CHAIRMAN AUERBACH: Yes.

17 CHAIR WINNER: Chairman votes yes.

18 CHAIR WINNER: Vice Chair Krikorian?

19 VICE CHAIRMAN KRIKORIAN: Yes.

20 CHAIR WINNER: Commissioner Choper?

21 COMMISSIONER CHOPER: Yes.

22 CHAIR WINNER: And Commissioner Ruano?

23 COMMISSIONER RUANO: Yes.

24 CHAIR WINNER: Okay.

25 The amendment carries.



1           Do we have to vote again on the motion now that we've  
2 amended it?

3           JOHN MCDONOUGH: Yes.

4           CHAIR WINNER: Okay.

5           So Commissioner Solis moves and Vice Chair Auerbach  
6 seconds.

7           CHAIR WINNER: How do you vote, Commissioner Solis?

8           COMMISSIONER SOLIS: Yes.

9           CHAIR WINNER: Vice Chair Auerbach?

10          VICE CHAIRMAN AUERBACH: Yes.

11          CHAIR WINNER: Chairman votes yes.

12          Vice Chair Krikorian votes yes.

13          Commissioner Choper votes yes.

14          Commissioner Ruano votes yes.

15          And that carries unanimously.

16          CHAIR WINNER: All right.

17          Report from the Medication and Track Safety  
18 Committee.

19          VICE CHAIRMAN AUERBACH: We met yesterday at Del Mar,  
20 and mostly it was Dr. Arthur updated us on a series of things.  
21 I'll try to go through them as succinctly as possible.

22                 There were 40,000 samples tested last year. There  
23 were only eight Class I, II, and III medication or drug  
24 violations in the year. There were 70 Class IV and V  
25 violations.



1           Dr. Arthur briefly reported on the progress of the  
2 necropsy program. There were 206 fatalities in the last fiscal  
3 year; one more than the previous year.

4           He also reported on the new pilot program for the  
5 necropsy review, and we started with the 2016 cases at Del Mar.  
6 And the trainers do not always see or discuss the reports with  
7 their veterinarians or anyone else. For the most part, the  
8 injuries were totally unexpected by the trainer. In some  
9 cases, the trainer knew the horse had a problem but didn't  
10 think it was serious enough to cause major injuries.

11           Many pre-existing injuries are not readily apparent,  
12 but many of them are. For the most part, the trainers were  
13 very engaged. Some trainers invited their assistant trainers  
14 and their foreman to the discussions and this is all part of  
15 the effort to really review what happens with a horse, to see  
16 if we can learn anything about caring for them in a manner that  
17 keeps them safer.

18           We also talked about the modules for continuing  
19 education and the need to improve our program, and all of these  
20 things are very much a work in process. They need to be user  
21 friendly.

22           Dr. Arthur reported on the new education -- I'm  
23 sorry, that was out of order. This was talking about the  
24 education program, and we have been developing plans for  
25 continuing education. The particular module is aimed, that we



1 looked at, for veterinarians. So it was very difficult and  
2 very technical. But we're trying to get them in layman terms.

3 And it was also brought up, as I recall, by  
4 Commissioner Solis, that in these modules that we use for  
5 continuing education, the value of having them in Spanish as  
6 well as in English so that they are multi-lingual and the  
7 people who are using them can actually understand them and use  
8 them.

9 Right now, they're in the process of getting these  
10 modules out more to the public, largely through the  
11 collaboration of UC Davis, The Jockey Club Welfare and Safety  
12 website, and our continuing ed mods from several other groups.

13 I think the ARCI has a model for continuing ed and  
14 we'll be proposing continuing ed provisions for trainers as  
15 part of their licensing, and also, I think we should do it on  
16 their re-licensing.

17 Rick Baedeker said that he and his staff have been  
18 putting a program together for California which will include  
19 these teaching modules developed by all of these industry  
20 groups, and we're trying to figure out a foundation for the  
21 program and we're about ready to approve the actual rule.

22 Dr. Arthur said that we tested 1,684 out of  
23 competition blood samples in 1,617. The program not only tests  
24 for prohibited drugs, but checks to ensure all treatments are  
25 prescribed by veterinarians as required by regulation. And he



1 expressed some concern that we are seeing a rise in use of  
2 clenbuterol in certain barns. Actually, yesterday, I did want  
3 to get into that more. We didn't. And I would ask Dr. Arthur  
4 to, next time we talk, or very shortly, educate us on why he  
5 thinks that's going on and what we can do to -- well, I guess  
6 the out-of-competition testing is going to take care of it, but  
7 I'm curious as to why that's reared its head again.

8           He also outlined the out-of-competition testing  
9 program for the Breeders' Cup, and the Breeders' Cup is  
10 limited -- limiting to their own out of competition testing  
11 program that will be complementary to our CHRB program.  
12 Dr. Arthur will work with the Breeders' Cup with their  
13 out-of-competition program and will handle out of state and out  
14 of country samplings this year which will be a very welcome  
15 change. So it won't be quite so much pressure on our program  
16 having the Breeders' Cup here.

17           Dr. Arthur reported on several other testing  
18 programs, including NSAIDs during training. A research program  
19 related to liver enzymes and a proposed pilot survey of  
20 glyphosate in horse urine.

21           Next we discussed a proposed rule to prohibit any  
22 horse from starting within seven days of being injected with  
23 corticosteroids. Dr. Arthur and Rick Baedeker said this is an  
24 effort to allow examining vets the best opportunity to identify  
25 injuries at pre-race exam time.



1           The corticosteroid regulation setting thresholds for  
2 individual corticosteroid drugs was effective, but now we are  
3 dealing with the problem of stacking. That's when  
4 corticosteroid medications close to the race, which involves  
5 administering multiple steroids, each in a very limited dose,  
6 intended to fall under the threshold level of a particular  
7 drug. In other words, we're seeing a lot of corticosteroids  
8 put together. None of them will register higher than they're  
9 supposed to, but the combination is felt to be harmful to the  
10 horse's physical condition and well-being.

11           Dr. Arthur said the seven-day period would give the  
12 horses in need of these medications adequate time to recover  
13 and hopefully be sound when they are entered rather than  
14 patched up with corticosteroids after the entry time.

15           The Committee recommends that the full Board approve  
16 this proposal -- that is, the proposal for seven days out, for  
17 the administration of corticosteroids, and for public notice to  
18 occur at our September meeting.

19           Finally, we discussed another proposed regulation to  
20 require trainers to maintain a record of all intra-articular  
21 injections administered to horses within their care. These  
22 records will be made available for inspection by the examining  
23 veterinarian during the racing soundness exam or at other times  
24 as requested by the stewards, official veterinarian, or equine  
25 medical director.



1           Dr. Arthur said the objective is to improve the  
2 racing soundness exam so that horses should not be racing, can  
3 be identified, and result in fewer equine fatalities. At the  
4 request of Alan Balch, we are going to have further discussions  
5 with the horsemen to nail down the procedures for record-  
6 keeping so that we get the best possible results. In other  
7 words, we're going to treat this proposal as we did the  
8 proposal pertaining to medications in training hours and try to  
9 come up with industry cooperation standards in getting this  
10 done without having to go through the regulatory path.

11           And that was our meeting.

12           CHAIR WINNER: Thank you very much, Vice Chair  
13 Auerbach and Commissioner Solis. Dr. Arthur -- obviously that  
14 committee is, if not the most important, certainly one of the  
15 most important committees and the work that they do is  
16 extraordinary.

17           Is there a motion to adjourn in the memory of  
18 Brad McKinzie?

19           VICE CHAIRMAN AUERBACH: So moved.

20           CHAIR WINNER: Vice Chair Auerbach moves.

21           Vice Chair Krikorian seconds.

22           All in favor.

23           "Aye."

24           Any opposed.

25           Meeting is adjourned. We're going to Executive



1 Session.

2 (Conclusion of Recorded Material.)

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