

CALIFORNIA HORSE RACING BOARD
1010 HURLEY WAY, SUITE 300
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REGULAR MEETING

of the California Horse Racing Board will be held on Thursday, April 24, 2008, commencing at 9:30 a.m., at the Hollywood Park Sunset Room, 1050 S. Prairie Avenue, Inglewood, California.

AGENDA

Action Items:

1. Discussion and action by the Board regarding the status of the card check agreement between the Pari-Mutuel Employees Guild, Local 280 and the licensed Advance Deposit Wagering providers.
2. Report to and discussion by the Board regarding the status of the negotiations of the horsemen's agreements for the horse racing meeting of the Hollywood Park Racing Association, LLC (T) at Hollywood Park, commencing April 23, 2008 through July 13, 2008, inclusive and the horse racing meeting of the Pacific Racing Association (T) at Golden Gate Fields, commencing May 14, 2008 through June 22, 2008, inclusive.
3. Report to and action by the Board regarding the report from the racing associations and the Thoroughbred Owners of California concerning Business and Professions Code Section 19605.71 in particular, the 2.5 percent or the amount of actual operating expenses, as determined by the Board, whichever is less, distributed to the organization authorized to operate the audiovisual signal system and how it is impacted by any deficiency in its funding.
4. Discussion and action by the Board on the Application to Conduct a Horse Racing Meeting of the Alameda County Fair (F) at Pleasanton, commencing June 25, 2008 through July 6, 2008, inclusive.
5. Public hearing and action by the Board on the adoption of the proposed amendment to CHRB Rule 1481, Occupational Licenses and Fees, Rule 1783, Registration of Stable Names, and Rule 1784, Registration to Disclose All Partners, to permit the licensing of "stable name groups" which would allow multiple entities, each owning multiple horses with different sets of owners under one stable name.
6. Discussion and action by the Board regarding a proposal to amend CHRB Rule 1481, Occupational Licenses and Fees and Rule 1486, Term of License, to initiate a Provisional Exercise Rider program, to provide a training program to allow aspiring exercise riders to gain experience before becoming licensed exercise riders.

7. Discussion and action by the Board regarding the feasibility of amending CHRB Rule 1505, **Qualifications for License as Horse Owner**, to permit a horse owner whose license has expired to qualify for renewal of the license even if they are not an owner of a properly registered race horse which is in the care of a licensed trainer at the time of renewal.
8. Discussion and action by the Board regarding a proposal to amend CHRB Rule 1853, **Examination Required**, to allow thoroughbred horses to race unshod.
9. Presentation to and discussion by the Board concerning AB 241, and the feasibility and potential profitability of operating a minisatellite wagering facility.
10. Discussion by the Board regarding strategic planning and race dates for 2009 and beyond, to include report from industry stakeholders regarding status of the development of a plan for race dates, stabling and related issues.
11. Report to and discussion by the Board regarding the status of the closure of the Sacramento Harness Association.
12. Staff report on the following concluded race meets:
 - A. **Bay Meadows Racing Association** at Bay Meadows from February 14, 2007 through November 4, 2007.
 - B. **Oak Tree Racing Association** at Santa Anita from September 26, 2007 through November 4, 2007.
 - C. **Hollywood Park Racing Association, LLC** at Hollywood Park from November 7, 2007 through December 22, 2007.
 - D. **Pacific Racing Association** at Golden Gate Fields from December 26, 2006 through December 22, 2007.
 - E. **Los Alamitos Quarter Horse Racing Association** at Los Alamitos from December 28, 2006 through December 23, 2007.
 - F. **Sacramento Harness Association** at Cal Expo from August 1, 2007 through December 22, 2007.
13. **Public Comment:** Communications, reports, requests for future actions of the Board. **Note:** Persons addressing the Board under this item will be restricted to **three (3) minutes** for their presentation.
14. **Closed Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by Section 11126 of the Government Code.
 - 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," as authorized by Government Code section 11126(e).

Additional information regarding this meeting may be obtained from the CHRB Administrative Office, 1010 Hurley Way, Suite 300, Sacramento, CA 95825; telephone (916) 263-6000; fax (916) 263-6042. This notice is located on the CHRB website at www.chrb.ca.gov. *Information for requesting disability related accommodation for persons with a disability who require aid or services in order to participate in this public meeting, should contact Jacqueline Wagner.

CALIFORNIA HORSE RACING BOARD

Richard B. Shapiro, Chairman
John C. Harris, Vice Chairman
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**PENDING LITIGATION
APRIL 2008**

CASE

CASE NUMBER

**CALIFORNIA HARNESS HORSEMEN'S
ASSOCIATION and CAPITOL RACING,
LLC, v.**
California Horse Racing Board

Sacramento County Superior Court
No. 03CS01033
Third District Court of Appeal
No. C051744

CAPITOL RACING, LLC, v.
California Horse Racing Board and
(California Harness Horsemen's Association
interested Party)

Sacramento County Superior Court
No. 05CS01116

**CALIFORNIA HARNESS HORSEMEN'S
ASSOCIATION v.**
Capitol Racing

Sacramento County Superior Court
No. 05AS05586

JAMGOTCHIAN, JERRY v.
California Horse Racing Board, et al.

Los Angeles County Superior Court
No. BS109909

JAMGOTCHIAN, JERRY v.
California Horse Racing Board, et al.

Los Angeles County Superior Court
No. BC380314

PARI-MUTUEL EMPLOYEES GUILD v.
California Horse Racing Board

Sacramento Superior Court

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING
THE STATUS OF THE CARD CHECK AGREEMENT BETWEEN
THE PARI-MUTUEL EMPLOYEES GUILD, LOCAL 280
AND
THE LICENSED ADVANCE DEPOSIT WAGERING PROVIDERS

Regular Board Meeting
April 24, 2008

BACKGROUND

Assembly Bill (AB) 765, Chapter 613, Statutes of 2007, provides the Board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization. (Commencing with Business and Professions Code section 19604(d)(1)(B) – the bolded language on the attached pages 7 and 8 of AB 765.)

At the November 29, 2007, Regular Board Meeting license applications for Churchill Downs Technology Initiatives Company (Twinspires); TVG; Youbet.com; and XpressBet, Inc. were heard. At that time staff informed the Board that there were unresolved issues regarding contractual agreements with labor organizations. However, Barry Broad, representing the Pari-Mutuel Employee's Guild stated:

“(The labor agreements were) ...not in place yet although the discussions are moving along apace. We would ask if there are no other impediments that you conditionally approve these agreements, for this one and all the rest of them, on the condition that the card check agreement be in place by December 31 (2007).”

During the discussion regarding the labor issue the Board asked if it had the authority to insist that an ADW provider in another state comply with the provisions of AB 765 relative to the labor issue. Mr. Broad stated: *“What you don't have authority to do is under the Constitution of California, is to refuse to enforce a statute on the basis that you might think is unconstitutional.”*

Deputy Attorney General Derry Knight has stated he suspects that if challenged, the out-of-state application of AB 765 would be found unconstitutional as impermissibly controlling commercial activity occurring wholly outside the boundary of the state. However, the California Constitution precludes an administrative agency such as the CHRB from refusing to enforce a statute on the basis of it being unconstitutional unless an appellate court has made a determination that such statute is unconstitutional (Calif. Constit. Art. III, sec. 3.5.)

The Board subsequently voted in favor of motions to approve the ADW applications for a period of one year, with the condition that the card check agreements would be in place by December 31, 2007. Richard Castro of the Pari-Mutuel Employee's Guild, Local 280 (Local 280), stated: *“All right, I'll accept that.”* The current ADW licenses would expire on December 31, 2008.

On December 12, 2007, staff received email notification that Local 280, and TVG had in place a signed agreement per AB 765, which included a provision for customer service type jobs.

At the January 16, 2008, Regular Board Meeting, Mr. Castro stated there were still some issues with Twinspires and XpressBet regarding labor agreements. Only TVG had reached an agreement with the union. He requested the issue be placed on a future Regular Board Meeting Agenda. Mr. Castro again raised the issue at the February 28, 2008, Regular Board Meeting.

On March 13, 2008, CHRB staff, representatives of Local 280, Twinspires, XpressBet and Youbet held a conference call regarding the card check dispute. The discussion centered on two issues:

- 1.) Did customer service representatives fall under the classification of employees covered by AB 765? and
- 2.) Did the statute bind third party subcontractors?

No agreement was reached. The ADW representatives agreed in concept to binding arbitration, but Local 280 did not embrace the idea.

On March 26, 2008, Local 280 served the CHRB with a lawsuit, which was an action to mandate that the existing ADW licenses be invalidated if there were no card check agreements.

At the March 27, 2008, Regular Board Meeting the status of the card check agreements was again discussed. Although the ADW providers stated they would agree to binding arbitration, Local 280 indicated it would continue with its legal action. The parties were invited to discuss the issue in private; however, after discussions, Local 280 announced it did not have an agreement. Mr. Castro stated he shared the contents of the TVG agreement with the other ADW providers, and he indicated he was optimistic that "...at some point in the very near future this issue will be resolved." Mr. Castro also stated Local 280 would continue pursuing its legal action.

RECOMMENDATION

Staff recommends that the Board hear from Local 280 and the ADW providers regarding the status of the card check agreement negotiations.

Assembly BILL NUMBER: AB 765

CHAPTER 613

An act to amend Section 19605.72 of, to amend and repeal Sections 19411, 19590, and 19595 of, and to add Sections 19601.4 and 19604 to, the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

APPROVED BY GOVERNOR OCTOBER 13, 2007

FILED WITH SECRETARY OF STATE OCTOBER 13, 2007

LEGISLATIVE COUNSEL'S DIGEST

Existing law requires fairs and racing associations to pay a certain percentage of the handle from races to the state as license fees, and to pay other portions of the handle out for other purposes, as specified.

This bill would authorize certain fairs or associations, or combined entities, to contribute 1% of the total amount handled daily in conventional and exotic pools for maintenance and improvements at a fair's racetrack inclosure, for those fairs that contribute. The money raised would be deposited into the Inclosure Facilities Improvement Fund, which would be created as a special fund in the State Treasury, and that money would be available upon appropriation by the Legislature in the annual Budget Act. The bill would direct the Secretary of Food and Agriculture to appoint a committee to advise on the administration of the funds raised pursuant to the provisions of the bill, and would require the secretary to report any allocations made pursuant to those provisions of the bill, as specified.

Under existing law, in addition to parimutuel wagering otherwise authorized, advance deposit wagering is authorized to be conducted, upon approval of the California Horse Racing Board. Provisions relating to the authorization of advance deposit wagering are to be repealed as of January 1, 2008.

This bill would extend that authorization indefinitely, and revise and recast provisions relating to advance deposit wagering, including clarifying terms, imposing requirements on advance deposit wagering providers, requiring the consent of a horsemen's organization before conducting advance deposit wagering on races conducted in this state, prescribing a process for hub fee agreements and disputes, and revising how the proceeds from advance deposit wagers are distributed. The bill would make additional conforming changes by deleting alternate provisions of law related thereto.

Under existing law, revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.

Because this bill would revise the amount of money deposited into, and distributed from, that fund, it would make an appropriation.

Appropriation: yes.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 19411 of the Business and Professions Code, as amended by Section 1 of Chapter 198 of the Statutes of 2001, is amended to read:

19411. "Parimutuel wagering" is a form of wagering in which bettors either purchase tickets of various denominations, or issue wagering instructions leading to the placement of wagers, on the outcome of one or more horse races. The association distributes the total wagers comprising each pool, less the amounts retained for purposes specified in this chapter, to winning bettors based on the official race results.

SEC. 2. Section 19411 of the Business and Professions Code, as added by Section 1.5 of Chapter 198 of the Statutes of 2001, is repealed.

SEC. 3. Section 19590 of the Business and Professions Code, as amended by Section 4 of Chapter 505 of the Statutes of 2005, is amended to read:

19590. The board shall adopt rules governing, permitting, and regulating parimutuel wagering on horse races under the system known as the parimutuel method of wagering. Parimutuel wagering shall be conducted only by a person or persons licensed under this chapter to conduct a horse racing meeting or authorized by the board to conduct advance deposit wagering.

SEC. 4. Section 19590 of the Business and Professions Code, as added by Section 8 of Chapter 198 of the Statutes of 2001, is repealed.

SEC. 5. Section 19595 of the Business and Professions Code, as amended by Section 9 of Chapter 198 of the Statutes of 2001, is amended to read:

19595. Any form of wagering or betting on the result of a horse race other than that permitted by this chapter is illegal.

SEC. 6. Section 19595 of the Business and Professions Code, as added by Section 9.5 of Chapter 198 of the Statutes of 2001, is repealed.

SEC. 7. Section 19601.4 is added to the Business and Professions Code, to read:

19601.4. (a) Notwithstanding any other provision of law, a fair, combination of fairs, or an association conducting racing at a fair, may, after approval from the board, deduct an additional 1 percent from the total amount handled daily in its conventional and exotic pools. The additional 1 percent shall be deposited into the Inclosure Facilities Improvement Fund, which is hereby created as a special fund in the State Treasury, the moneys of which are available upon appropriation by the Legislature in the annual Budget Act. Any moneys deducted from the handle pursuant to this section shall be used solely for the purpose of facilities maintenance and improvements at a fair's racetrack inclosure for those fairs that contribute to, or for those fairs where an association conducting racing at that fair contributes to, the Inclosure Facilities Improvement Fund.

(b) The secretary shall appoint a committee of not more than five and no fewer than three individuals with expertise in financing, constructing, and managing horse racing facilities, to advise in the administration of the funds. The secretary shall have oversight over the committee. The secretary shall adhere to the same oversight

responsibilities as outlined in Section 19620 when administering the funds contributed and disbursed pursuant to this section.

(c) The secretary shall include in the annual expenditure plan required pursuant to Section 19621 any allocations made pursuant to this section.

(d) For purposes of this section, "secretary" means the Secretary of Food and Agriculture.

SEC. 8. Section 19604 is added to the Business and Professions Code, to read:

19604. The board may authorize any racing association, racing fair, betting system, or multijurisdictional wagering hub to conduct advance deposit wagering in accordance with this section. Racing associations, racing fairs, and their respective horsemen's organizations may form a partnership, joint venture, or any other affiliation in order to further the purposes of this section.

(a) As used in this section, the following definitions apply:

(1) "Advance deposit wagering" means a form of parimutuel wagering in which a person residing within California or outside of this state establishes an account with an ADW provider, and subsequently issues wagering instructions concerning the funds in this account, thereby authorizing the ADW provider holding the account to place wagers on the account owner's behalf.

(2) "ADW provider" means a licensee, betting system, or multijurisdictional wagering hub, located within California or outside this state, that is authorized to conduct advance deposit wagering pursuant to this section.

(3) "Betting system" means a business conducted exclusively in this state that facilitates parimutuel wagering on races it simulcasts and other races it offers in its wagering menu.

(4) "Breed of racing" means as follows:

(A) With respect to associations and fairs licensed by the board to conduct thoroughbred, fair, or mixed breed race meetings, "breed of racing" shall mean thoroughbred.

(B) With respect to associations licensed by the board to conduct quarter horse race meetings, "breed of racing" shall mean quarter horse.

(C) With respect to associations and fairs licensed by the board to conduct standardbred race meetings, "breed of racing" shall mean standardbred.

(5) "Contractual compensation" means the amount paid to an ADW provider from advance deposit wagers originating in this state. Contractual compensation includes, but is not limited to, hub fee payments, and may include host fee payments, if any, for out-of-state and out-of-country races. Contractual compensation is subject to the following requirements:

(A) Excluding contractual compensation for host fee payments, contractual compensation shall not exceed 6.5 percent of the amount wagered.

(B) The host fee payments included within contractual compensation shall not exceed 3.5 percent of the amount wagered. Notwithstanding this provision, the host fee payment with respect to wagers on the Kentucky Derby, Preakness Stakes, Belmont Stakes, and selected Breeders' Cup Championship races may be negotiated by the ADW provider, the racing associations accepting wagers on those races pursuant to Section 19596.2, and the horsemen's organization.

(C) In order to ensure fair and consistent market access fee distributions to associations, fairs, horsemen, and breeders, for

each breed of racing, the percentage of wagers paid as contractual compensation to an ADW provider pursuant to the terms of a hub agreement with a racing association or fair when that racing association or fair is conducting live racing shall be the same as the percentage of wagers paid as contractual compensation to that ADW provider when that racing association or fair is not conducting live racing.

(6) "Horsemen's organization" means, with respect to a particular racing meeting, the organization recognized by the board as responsible for negotiating purse agreements on behalf of horsemen participating in that racing meeting.

(7) "Hub agreement" means a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.

(8) "Hub agreement arbitration" means an arbitration proceeding pursuant to which the disputed provisions of the hub agreement pertaining to the hub or host fees from wagers on races conducted outside of California provided pursuant to paragraph (2) of subdivision (b) are determined in accordance with the provisions of this paragraph. If a hub agreement arbitration is requested, all of the following shall apply:

(A) The ADW provider shall be permitted to accept advance deposit wagers from California residents.

(B) The contractual compensation received by the ADW provider shall be the contractual compensation specified in the hub agreement that is the subject of the hub agreement arbitration.

(C) The difference between the contractual compensation specified in subparagraph (B) and the contractual compensation determined to be payable at the conclusion of the hub agreement arbitration shall be calculated and paid within 15 days following the arbitrator's decision and order. The hub agreement arbitration shall be held as promptly as possible, but in no event more than 60 days following the demand for that arbitration. The arbitrator shall issue a decision no later than 15 days following the conclusion of the arbitration. A single arbitrator jointly selected by the ADW provider and the party requesting a hub agreement arbitration shall conduct the hub agreement arbitration. However, if the parties cannot agree on the arbitrator within seven days of issuance of the written demand for arbitration, then the arbitrator shall be selected pursuant to the Streamlined Arbitration Rules and Procedures of the Judicial Arbitration and Mediation Services, or pursuant to the applicable rules of its successor organization. In making the hub agreement arbitration determination, the arbitrator shall be required to choose between the contractual compensation of the hub agreement agreed to by the ADW provider or whatever different terms for the hub agreement were proposed by the party requesting the hub agreement arbitration. The arbitrator shall not be permitted to impose new, different, or compromised terms to the hub agreement. The arbitrator's decision

shall be final and binding on the parties. If an arbitration is requested, either party may bring an action in state court to compel a party to go into arbitration or to enforce the decision of the arbitrator. The cost of the hub agreement arbitration, including the cost of the arbitrator, shall be borne in equal shares by the parties to the hub agreement and the party or parties requesting a hub agreement arbitration. The hub agreement arbitration shall be administered by the Judicial Arbitration and Mediation Services pursuant to its Streamlined Arbitration Rules and Procedures or its successor organization.

(9) "Incentive awards" means those payments provided for in Sections 19617.2, 19617.7, 19617.8, 19617.9, and 19619. The amount determined to be payable for incentive awards under this section shall be payable to the applicable official registering agency and thereafter distributed as provided in this chapter.

(10) "Licensee" means any racing association or fair licensed to conduct a live racing meet in this state, or affiliation thereof, authorized under this section.

(11) "Market access fee" means the amount of advance deposit wagering handle remaining after the payment of winning wagers, and after the payment of contractual compensation, if any, to an ADW provider. Market access fees shall be distributed in accordance with subdivision (f).

(12) "Multijurisdictional wagering hub" means a business conducted in more than one jurisdiction that facilitates parimutuel wagering on races it simulcasts and other races it offers in its wagering menu.

(13) "Racing fair" means a fair authorized by the board to conduct live racing.

(14) "Zone" means the zone of the state, as defined in Section 19530.5, except as modified by the provisions of subdivision (f) of Section 19601. For these purposes, the central and southern zones shall together be considered one zone.

(b) Wagers shall be accepted according to the procedures set forth in this subdivision.

(1) No ADW provider shall accept wagers or wagering instructions on races conducted in California from a resident of California unless all of the following conditions are met:

(A) The ADW provider is licensed by the board.

(B) A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.

(C) The agreement referenced in subparagraph (B) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

(2) No ADW provider shall accept wagers or wagering instructions on races conducted outside of California from a resident of California unless all of the following conditions are met:

(A) The ADW provider is licensed by the board.

(B) There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

(C) If the parties referenced in clauses (i) and (ii) of subparagraph (B) are both signatories to the hub agreement, then no party shall have the right to request a hub agreement arbitration.

(D) If only the party or parties referenced in clause (i) of subdivision (B) is a signatory to the hub agreement, then the signatories to the hub agreement shall, within five days of execution of the hub agreement, provide a copy of the hub agreement to the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted for each race conducted outside of California on which California residents may place advance deposit wagers. Prior to receipt of the hub agreement, the horsemen's organization shall sign a nondisclosure agreement with the ADW provider agreeing to hold confidential all terms of the hub agreement. If the horsemen's organization wants to request a hub agreement arbitration, it shall send written notice of its election to the signatories to the hub agreement within 10 days after receipt of the copy of the hub agreement, and shall provide its alternate proposal to the hub and host fees specified in the hub agreement with that written notice. If the horsemen's organization does not provide that written notice within the 10-day period, then no party shall have the right to request a hub agreement arbitration. If the horsemen's organization does provide that written notice within the 10-day period, then the ADW provider shall have 10 days to elect in writing to do one of the following:

(i) Abandon the hub agreement.

(ii) Accept the alternate proposal submitted by the horsemen's organization.

(iii) Proceed with a hub agreement arbitration.

(E) If only the party referenced in clause (ii) of subdivision (B) is a signatory to the hub agreement, then the signatories to the hub agreement shall, within five days of execution of the hub agreement, provide written notice of the host and hub fees applicable pursuant to the hub agreement for each race conducted outside of California on which California residents may place advance deposit wagers, which notice shall be provided to all racing associations and fairs conducting live racing of the same breed covered by the hub agreement. If any racing association or fair wants to request a hub agreement arbitration, it shall send written notice of its election to the signatories to the hub agreement within 10 days after receipt of the notice of host and hub fees. It shall also provide its alternate proposal to the hub and host fees specified in the hub agreement with the notice of its election. If more than one racing association or fair provides notice of their request for hub agreement arbitration, those racing associations or fairs, or both, shall have a period of five days to jointly agree upon which of their alternate proposals shall be the official proposal for purposes of

the hub agreement arbitration. If one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed does not provide written notice of their election to arbitrate within the 10-day period, then no party shall have the right to request a hub agreement arbitration. If a valid hub agreement arbitration request is made, then the ADW provider shall have 10 days to elect in writing to do one of the following:

(i) Abandon the hub agreement.

(ii) Accept the alternate proposal submitted by the racing associations or fairs.

(iii) Proceed with a hub agreement arbitration.

The results of any hub agreement arbitration elected pursuant to this subdivision shall be binding on all other associations and fairs conducting live racing on that breed.

(F) The acceptance thereof is in compliance with the provisions of the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of such wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider.

(c) An advance deposit wager may be made only by the ADW provider holding the account pursuant to wagering instructions issued by the owner of the funds communicated by telephone call or through other electronic media. The ADW provider shall ensure the identification of the account's owner by using methods and technologies approved by the board. Any ADW provider that accepts wagering instructions concerning races conducted in California, or accepts wagering instructions originating in California, shall provide a full accounting and verification of the source of the wagers thereby made, including the postal ZIP Code and breed of the source of the wagers, in the form of a daily download of parimutuel data to a database designated by the board. The daily download shall be delivered in a timely basis using file formats specified by the database designated by the board, and shall include any and all data necessary to calculate and distribute moneys according to the rules and regulations governing California parimutuel wagering. Any and all reasonable costs associated with the creation, provision, and transfer of this data shall be borne by the ADW provider.

(d) (1) (A) The board shall develop and adopt rules to license and regulate all phases of operation of advance deposit wagering for ADW providers operating in California.

(B) The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization that provides all of the following:

(i) The labor organization has historically represented employees who accept or process any form of wagering at the nearest horse racing meeting located in California.

(ii) The agreement establishes the method by which the ADW provider will agree to recognize and bargain in good faith with a labor organization which has demonstrated majority status by

submitting authorization cards signed by those employees who accept or process any form of wagering for which a California ADW license is required.

(iii) The agreement requires the ADW provider to maintain its neutrality concerning the choice of those employees who accept or process any form of wagering for which a California ADW license is required whether or not to authorize the labor organization to represent them with regard to wages, hours, and other the terms and conditions of employment.

(iv) The agreement applies to those classifications of employees who accept or process wagers for which a California ADW license is required whether the facility is located within or outside of California.

(C) (i) The agreement required by subparagraph (B) shall not be conditioned by either party upon the other party agreeing to matters outside the requirements of subparagraph (B).

(ii) The requirement in subparagraph (B) shall not apply to an ADW provider which has entered into a collective bargaining agreement with a bona fide labor organization that is the exclusive bargaining representative of employees who accept or process parimutuel wagers on races for which an ADW license is required whether the facility is located within or outside California.

(D) Permanent state or county employees and nonprofit organizations that have historically performed certain services at county, state, or district fairs may continue to provide those services.

(E) Parimutuel clerks employed by racing associations or fairs or employees of ADW providers who accept or process any form of wagers who are laid off due to lack of work shall have preferential hiring rights for new positions with their employer in occupations whose duties include accepting or processing any form of wagers, or the operation, repair, service, or maintenance of equipment that accepts or processes any form of wagering at a racetrack, satellite wagering facility, or ADW provider licensed by the board. The preferential hiring rights established by this subdivision shall be conditioned upon the employee meeting the minimum qualification requirements of the new job.

(2) The board shall develop and adopt rules and regulations requiring ADW providers to establish security access policies and safeguards, including, but not limited to, the following:

(A) The ADW provider shall use board-approved methods to perform location and age verification confirmation with respect to persons establishing an advance deposit wagering account.

(B) The ADW provider shall use personal identification numbers (PINs) or other technologies to assure that only the accountholder has access to the advance deposit wagering account.

(C) The ADW provider shall provide for withdrawals from the wagering account only by means of a check made payable to the accountholder and sent to the address of the accountholder or by means of an electronic transfer to an account held by the verified accountholder or the accountholder may withdraw funds from the wagering account at a facility approved by the board by presenting verifiable account identification information.

(D) The ADW provider shall allow the board access to its premises to visit, investigate, audit and place expert accountants and other persons it deems necessary for the purpose of ensuring that its rules and regulations concerning credit authorization, account access, and

other security provisions are strictly complied with. To ensure that the amounts retained from the parimutuel handle are distributed under law, rules, or agreements, any ADW provider that accepts wagering instructions concerning races conducted in California or accepts wagering instructions originating in California shall provide an independent "agreed upon procedures" audit for each California racing meeting, within 60 days of the conclusion of the race meeting. The auditing firm to be used and the content and scope of the audit, including host fee obligations, shall be set forth in the applicable agreement. The ADW provider shall provide the board, horsemen's organizations, and the host racing association with an annual parimutuel audit of the financial transactions of the ADW provider with respect to wagers authorized pursuant to this section, prepared in accordance with generally accepted auditing standards and the requirements of the board. Any and all reasonable costs associated with those audits shall be borne by the ADW provider.

(3) The board shall prohibit advance deposit wagering advertising that it determines to be deceptive to the public. The board shall also require, by regulation, that every form of advertising contain a statement that minors are not allowed to open or have access to advance deposit wagering accounts.

(e) In order for a licensee, betting system, or multijurisdictional wagering hub to be approved by the board as an ADW provider, it shall meet both of the following requirements:

(1) All wagers thereby made shall be included in the appropriate parimutuel pool under a contractual agreement with the applicable host track.

(2) The amounts deducted from advance deposit wagers shall be in accordance with the provisions of this chapter.

(f) After the payment of contractual compensation, the amounts received as market access fees from advance deposit wagers, which shall not be considered for purposes of Section 19616.51, shall be distributed as follows:

(1) An amount equal to 0.0011 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting shall be distributed to the Center for Equine Health to establish the Kenneth L. Maddy Fund for the benefit of the School of Veterinary Medicine at the University of California at Davis.

(2) An amount equal to 0.0003 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting shall be distributed to the Department of Industrial Relations to cover costs associated with audits conducted pursuant to Section 19526 and for the purposes of reimbursing the State Mediation and Conciliation Service for costs incurred pursuant to this bill. However, if that amount would exceed the costs of the Department of Industrial Relations, the amount distributed to the department shall be reduced, and that reduction shall be forwarded to an organization designated by the racing association or fair described in subdivision (a) for the purpose of augmenting a compulsive gambling prevention program specifically addressing that problem.

(3) An amount equal to 0.00165 multiplied by the amount handled on advance deposit wagers that originate in California for each racing meeting shall be distributed as follows:

(A) One-half of the amount shall be distributed to supplement the trainer-administered pension plans for backstretch personnel established pursuant to Section 19613. Moneys distributed pursuant to

this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19613 or any other provision of law.

(B) One-half of the amount shall be distributed to the welfare fund established for the benefit of horsemen and backstretch personnel pursuant to subdivision (b) of Section 19641. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19641 or any other provision of law.

(4) With respect to wagers on each breed of racing that originate in California, an amount equal to two percent of the first two hundred fifty million dollars (\$250,000,000) of handle from all advance deposit wagers originating from within California annually, an amount equal to 1.5 percent of the next two hundred fifty million dollars (\$250,000,000) of handle from all advance deposit wagers originating from within California annually, an amount equal to one percent of the next two hundred fifty million dollars (\$250,000,000) of handle from all advance deposit wagers originating from within California annually, and an amount equal to 0.50 percent of handle from all advance deposit wagers originating from within California in excess of seven hundred fifty million dollars (\$750,000,000) annually, shall be distributed as satellite wagering commissions. Satellite facilities that were not operational in 2001, other than one each in the cities of Inglewood and San Mateo, and two additional facilities each operated by the Alameda County Fair and the Los Angeles County Fair and their partners and other than existing facilities which are relocated, are not eligible for satellite wagering commission distributions under this section. The satellite wagering facility commissions calculated in accordance with this subdivision shall be distributed to each satellite wagering facility and racing association or fair in the zone in which the wager originated in the same relative proportions that the satellite wagering facility or the racing association or fair generated satellite commissions during the previous calendar year. If there is a reduction in the satellite wagering commissions pursuant to this section, the benefits therefrom shall be distributed equitably as purses and commissions to all associations and racing fairs generating advance deposit wagers in proportion to the handle generated by those associations and racing fairs. For purposes of this section, the purse funds distributed pursuant to Section 19605.72 shall be considered to be satellite wagering facility commissions attributable to thoroughbred races at the locations described in that section.

(5) After the distribution of the amounts set forth in paragraphs (1) to (4), inclusive, the remaining market access fees from advance deposit wagers originating in California shall be as follows:

(A) With respect to wagers on each breed of racing, the amount remaining shall be distributed to the racing association or fair that is conducting live racing on that breed during the calendar period in the zone in which the wager originated. That amount shall be allocated to that racing association or fair as commissions, to horsemen participating in that racing meeting in the form of purses, and as incentive awards, in the same relative proportion as they were generated or earned during the prior calendar year at that racing association or fair on races conducted or imported by that racing association or fair after making all deductions required by applicable law. Notwithstanding any other provision of law, the

distributions with respect to each breed of racing set forth in this subparagraph may be altered upon the approval of the board, in accordance with an agreement signed by the respective associations, fairs, horsemen's organizations, and breeders organizations receiving those distributions.

(B) If the provisions of Section 19601.2 apply, then the amount distributed to the applicable racing associations or fairs shall first be divided between those racing associations or fairs in direct proportion to the total amount wagered in the applicable zone on the live races conducted by the respective association or fair. Notwithstanding this requirement, when the provisions of subdivision (b) of Section 19607.5 apply to the 2nd District Agricultural Association in Stockton or the California Exposition and State Fair in Sacramento, then the total amount distributed to the applicable racing associations or fairs shall first be divided equally, with 50 percent distributed to applicable fairs and 50 percent distributed to applicable associations.

(C) Notwithstanding any provisions of this section to the contrary, with respect to wagers on out-of-state and out-of-country thoroughbred races conducted after 6 p.m., Pacific time, 50 percent of the amount remaining shall be distributed as commissions to thoroughbred associations and racing fairs, as thoroughbred and fair purses, and as incentive awards in accordance with subparagraph (A), and the remaining 50 percent, together with the total amount remaining from advance deposit wagering originating from California out-of-state and out-of-country harness and quarter horse races conducted after 6 p.m., Pacific time, shall be distributed as commissions on a pro rata basis to the applicable licensed quarter horse association and the applicable licensed harness association, based upon the amount handled in state, both on- and off-track, on each breed's own live races in the previous year by that association, or its predecessor association. One-half of the amount thereby received by each association shall be retained by that association as a commission, and the other half of the money received shall be distributed as purses to the horsemen participating in its current or next scheduled licensed racing meeting.

(D) Notwithstanding any provisions of this section to the contrary, with respect to wagers on out-of-state and out-of-country nonthoroughbred races conducted before 6 p.m., Pacific time, 50 percent of the amount remaining shall be distributed as commissions as provided in subparagraph (C) for licensed quarter horse and harness associations, and the remaining 50 percent shall be distributed as commissions to the applicable thoroughbred associations or fairs, as thoroughbred and fair purses, and as incentive awards in accordance with subparagraph (A).

(E) Notwithstanding any provision of this section to the contrary, the distribution of market access fees pursuant to this subparagraph may be altered upon the approval of the board, in accordance with an agreement signed by all parties whose distributions would be affected.

(g) A racing association, a fair, or a satellite wagering facility may enter into an agreement with an ADW provider to accept and facilitate the placement of any wager from a patron at its facility that a California resident could make through that ADW provider. Deductions from wagers made pursuant to such an agreement shall be distributed in accordance with the provisions of this chapter governing wagers placed at that facility, except that the board may

authorize alternative distributions as agreed to by the ADW provider, the operator of the facility accepting the wager, the association or fair conducting that breed of racing in the zone where the wager is placed, and the respective horsemen's organization.

(h) Any issues concerning the interpretation or application of this section shall be resolved by the board.

(i) Amounts distributed under this section shall be proportionally reduced by an amount equal to 0.00295 multiplied by the amount handled on advanced deposit wagers originating in California for each racing meeting, and shall not exceed two million dollars (\$2,000,000). The method used to calculate the reduction in proportionate share shall be approved by the board. The amount deducted shall be distributed as follows:

(1) Fifty percent of the money to the California Horse Racing Board to establish and to administer jointly with the organization certified as the majority representative of California licensed jockeys pursuant to Section 19612.9, a defined contribution retirement plan for California licensed jockeys who retired from racing on or after January 1, 2009, and who, as of the date of their retirement, had ridden in a minimum of 1,250 parimutuel races conducted in California.

(2) The remaining 50 percent of the money shall be distributed as follows:

(A) Seventy percent shall be distributed to supplement the trainer-administered pension plans for backstretch personnel established pursuant to Section 19613. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19613 or any other provision of law.

(B) Thirty percent shall be distributed to the welfare fund established for the benefit of horsemen and backstretch personnel pursuant to subdivision (b) of Section 19641. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19641 or any other provision of law.

SEC. 9. Section 19605.72 of the Business and Professions Code is amended to read:

19605.72. (a) In addition to the amounts deducted and distributed pursuant to Section 19605.7, an amount equal to 1.25 percent of the total amount handled on thoroughbred races conducted by, or disseminated by, a thoroughbred racing association or fair at a satellite facility that is located on the premises where, and on days when, harness races are being conducted in the northern zone, shall be paid to the harness racing association and thereafter shall be distributed as purses to the harness horsemen racing at the harness racing meeting.

(b) In addition to the amounts deducted and distributed pursuant to Section 19605.71, an amount equal to 1.25 percent of the total amount handled on thoroughbred races conducted by, or disseminated by, a thoroughbred racing association or fair at a satellite facility that is located on the premises where, and during calendar periods when, quarter horse or harness race meetings are being conducted in Orange County, shall be distributed as purses to the horsemen racing at the quarter horse or harness racing meeting.

STAFF ANALYSIS
REPORT TO AND DISCUSSION BY THE BOARD REGARDING THE
STATUS OF THE NEGOTIATIONS OF THE HORSEMEN'S AGREEMENT
FOR THE HORSE RACING MEETING OF THE HOLLYWOOD PARK RACING
ASSOCIATION AT HOLLYWOOD PARK
AND THE
PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS

Regular Board Meeting
April 24, 2008

BACKGROUND

At the March 27, 2008 Regular Board Meeting the application for license of the Hollywood Park Racing Association at Hollywood Park (HPRA) was heard. During the discussion regarding the license the issue of a lack of a horsemen's agreement was raised. HPRA stated the horsemen's agreement was delayed due to a dispute with Thoroughbred Owners of California (TOC) over an interpretation of Business and Professions Code section 19605.71(a), which provides that 2.5 percent or the amount of actual operating expenses, as determined by the Board, whichever is less, shall be distributed to an organization described in Section 19608.2 (SCOTWINC). There was a question regarding how to handle any deficiency in the funding for actual operating expenses. Currently, if there were funds remaining from the 2.5 percent, of the amount of actual operating expenses the surplus is split 50 percent to the association and 50 percent to the horsemen as purses. HPRA claimed TOC was attempting to insert a provision in the horsemen's agreement that would require the track to bear the entire cost of a deficit in the fund. The TOC provision could create a precedent that would appear in subsequent horsemen's agreements with the other thoroughbred racing associations. A TOC representative subsequently agreed to withdraw the text from the agreement. However, this and other issues remain, as HPRA and Pacific Racing Association do not have completed horsemen's agreements as of April 17, 2008, the date of this staff analysis.

RECOMMENDATION

This item is presented for report to and discussion by the Board.

STAFF ANALYSIS
DISCUSSION REGARDING
REPORT FROM THE RACING ASSOCIATIONS AND
THOROUGHBRED OWNERS OF CALIFORNIA
CONCERNING BUSINESS AND PROFESSIONS CODE 19605.71
IN PARTICULAR, THE 2.5 PERCENT OR THE AMOUNT OF ACTUAL OPERATING
EXPENSES, AS DETERMINED BY THE BOARD, WHICHEVER IS LESS, DISTRIBUTED
TO THE ORGANIZATION AUTHORIZED TO OPERATE THE AUDIOVISUAL SIGNAL
SYSTEM AND HOW IT IS IMPACTED BY ANY DEFICIENCY IN ITS FUNDING

Regular Board Meeting
April 24, 2008

BACKGROUND

Business and Professions Code section 19605.71 states the total percentage deducted from wagers at satellite wagering facilities in the central and southern zone shall be the same as the percentage deducted from wagers at the racetrack where the racing meeting is being conducted and shall be distributed accordingly. Amounts deducted by a satellite wagering facility shall be distributed as follows: (a) For thoroughbred meetings, 2 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, **2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in Section 19608.2**, and 0.54 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2, and 0.033 percent shall be distributed to the Center for Equine Health and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

At the March 27, 2008 Regular Board Meeting the license application to conduct a horseracing meeting for Hollywood Park Racing Association was heard. At that time staff informed the Board that there were unresolved issues regarding the Horsemen's Agreement. Hollywood Park and the Thoroughbred Owners of California (TOC) shared their disagreement regarding the interpretation of the Business and Professions Code section 19605.71(a). There is a question regarding how to handle any deficiency in the funding for actual operating expenses. Currently, if there are funds remaining from the 2.5 percent, or the amount of actual operating expenses the surplus is split 50 percent to the association and 50 percent to the horsemen as purses. Hollywood Park is proposing to handle any deficiencies in the same manner as used for surplus funds, 50 percent of the deficiency would be the responsibility of the association and 50 percent would be the horsemen's responsibility.

TOC had proposed language to be included in the horsemen's agreement clarifying its interpretation of the statute. The proposed TOC language stated the track would bear the entire cost of any deficiency. The TOC subsequently agreed to withdraw the text from the agreement. However, the issue remains as the statute is silent on how potential deficiencies in the expense fund are handled.

RECOMMENDATION:

This item is presented to the Board for discussion and action.

**CALIFORNIA CODES
BUSINESS AND PROFESSIONS CODE
SECTION 19605.71**

19605.71. The total percentage deducted from wagers at satellite wagering facilities in the central and southern zone shall be the same as the percentage deducted from wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted by a satellite wagering facility under this section shall be distributed as follows:

(a) For thoroughbred meetings, 2 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in Section 19608.2, and 0.54 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2, and 0.033 percent shall be distributed to the Center for Equine Health and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(b) For harness, quarter horse, Appaloosa, Arabian, or mixed breed meetings, 0.4 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, for fair meetings, 1 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, and 6 percent of the amount handled by the satellite wagering facility or the amount of actual operating expenses, as determined by the board, whichever is less, distributed to an organization described in Section 19608.2. In addition, in the case of quarter horses, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7; in the case of Appaloosas, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9; in the case of Arabians, 0.4 percent shall be held by the association to be deposited with the official registering agency, pursuant to Section 19617.8, and thereafter shall be distributed in accordance with Section 19617.8; in the case of standardbreds, 0.4 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section

19619; in the case of thoroughbreds, 0.48 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2; and 0.033 percent shall be distributed to the Center for Equine Health and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(c) In addition, for Appaloosa and mixed breed meetings, 1 percent shall be distributed to an organization described in Section 19608.2 for promotion of the program at satellite wagering facilities. Notwithstanding any other provision of law, on wagers made in the Counties of Orange and Los Angeles on thoroughbred races conducted in the County of Orange or Los Angeles, or both, excluding the 50th District Agricultural Association, the amount deducted for promotion of the satellite wagering program at satellite wagering facilities shall be 0.5 percent. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year. If promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. For harness meetings, 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, and 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horsemen participating in the meeting. For quarter horse meetings 0.5 percent of the total amount handled by satellite wagering facility on races run in California shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, 0.5 percent of the total amount handled by each satellite wagering facility on out-of-state and out-of-country imported races shall be distributed to the official quarter horse registering agency for the purposes of Section 19617.75, and 0.5 percent of the total amount handled by each satellite wagering facility on all races shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horseman participating in the meeting.

(d) Additionally, for thoroughbred, harness, quarter horse, mixed breed, and fair meetings, 0.33 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) Notwithstanding any other provision of law, a racing association is responsible for the payment of the state license fee as required by this section.

CALIFORNIA CODES
BUSINESS AND PROFESSIONS CODE
SECTION 19608.2

19608.2. (a) In order to permit associations providing audiovisual signals the ability to do so without undue burden and expense, to avoid unnecessary duplication of facilities, to permit the associations to protect the security of their signals, and to permit the associations to protect the integrity of their parimutuel pools and to account for wagering proceeds included in those parimutuel pools, associations and fairs providing audiovisual signals pursuant to Section 19608 or 19608.1 may form an organization to operate, pursuant to board supervision, the audiovisual signal system.

(b) An organization operating under board supervision pursuant to this section may consist of any combination of associations and fairs.

(c) Nothing in this section precludes any other person or business entity from participating in, or holding a financial interest in, an organization formed by associations or fairs to operate satellite wagering, except that the person or business entity shall be approved by the board.

(d) Any organization formed shall provide horsemen's organizations contracting with associations and fairs for racing meetings and nonracing fairs operating satellite wagering facilities meaningful representation on its governing board, and shall administer the audiovisual signal and parimutuel operations at satellite wagering facilities.

(e) (1) An organization shall bear the costs of operating the audiovisual signal system, including the costs of leasing or purchasing and operation of equipment for transmission and decoding of audiovisual signals and wagering data, the costs of totalisator equipment, mutuel department labor and equipment charges, and the costs, including labor, and overhead of the organization administering the satellite wagering program.

(2) A satellite wagering facility shall bear the costs of satellite receiving dishes, head-end assemblies, television monitors or screens, facility buildings, labor at the satellite wagering facility other than mutuel department labor, and any and all other costs at the satellite wagering facility not specifically referred to in paragraph (1).

(3) The board shall approve all costs and resolve any differences between an organization and a satellite wagering facility as to which party is required to bear the costs for a disputed item.

STAFF ANALYSIS
April 24, 2008

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE ALAMEDA COUNTY FAIR AT PLEASANTON JUNE 25, 2008 THROUGH JULY 6, 2008.

Alameda County Fair (ACF) filed its application to conduct a horse racing meeting at Pleasanton:

- June 25 through July 6, 2008, or 11 days, the same as 2007. The fair proposes to race a total of 120 races.

June - 2008						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July - 2008						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4 H	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

- Racing Wednesday through Monday the first week and Wednesday through Sunday the second week. 10 races per day Monday, Wednesday, Thursday, and Friday, June 27. 12 races on Saturday, Sunday and Friday, July 4th.
 - Number of horses available determines the number of daily races programmed by breed.
 - 2007 Race Meeting: Average number of runners per race (TB): 7.20
 - 2007 Race Meeting: Average number of runners per race (Arabian): 7.00
 - 2007 Race Meeting: Average number of runners per race (Quarterhorse): 6.50
 - 2007 Race Meeting: Average number of runners per race (Mules): 7.38

Hollywood Park (HP) and ACF are racing concurrently June 25 through July 6, 2008, with the exception of Monday, June 30, 2008. HP's application was approved at the March 2008 meeting of the Board. Their racing dates are shown below:

April - 2008						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May - 2008						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June - 2008						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July - 2008						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

- First post 12:35 p.m.
- Specific changes from the 2007 license application:
 - Admission/Adults increase from \$9 to \$10
 - Programs/off track increase from \$2.00 to \$2.25.
 - New Program: Reserved Box Seats \$3.50
- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - \$1 pick 4 on the first 4 and last 4 races and \$2 pick 6 on the last 6 races.
 - \$1 place pick all on all races carded.
 - Early wagering will not be offered.
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

Specific information **still needed** to complete this application includes:

FROM CARF:

1. TOC Agreement
2. Vanning & Stabling contract
3. CTT Agreement

RECOMMENDATION:

Staff recommends that the application for license not be heard until the TOC, CTT and Vanning and Stabling agreement is received.

Application is hereby made to the California Horse Racing Board (CHRB) for a license to conduct a horse racing meeting of a California fair as authorized by Article 6.5 of the California Business and Professions (B&P) Code, Chapter 4, Division 8, Horse Racing Law, and in accordance with applicable provisions and the California Code of Regulations, Title 4, Division 4, CHRB Rules and Regulations.

1. APPLICANT FAIR ASSOCIATION

A. Name, mailing address, telephone and fax numbers of fair:

Alameda County Agricultural Fair Association
4501 Pleasanton Avenue, Pleasanton, CA 94566
925-426-7600 925-426-7644 (Fax)

B. Fair association is a: District Fair County Fair Citrus Fruit Fair
 California Exposition and State Fair Other qualified fair

NOTICE TO APPLICANT: Application must be filed not later than 90 days before the scheduled start date for the proposed meeting pursuant to CHRB Rule 1433.

2. DATES OF RACE MEETING

A. Inclusive dates of race meeting: **June 25, 2008 – July 6, 2008**

B. Dates racing will NOT be held: **July 1, 2008**

C. Total number of racing days: **11**

3. RACING PROGRAM

A. Total number of races: **120**

B. Number of races by breed:

<input type="text" value="93"/>	Thoroughbreds	<input type="text" value="8"/>	Quarter Horses	<input type="text" value="0"/>	Appaloosas
<input type="text" value="11"/>	Arabians	<input type="text" value="0"/>	Paints	<input type="text" value="8"/>	Mules

C. Number of races daily:

	Wed 6/25	Thurs 6/26	Fri 6/27	Sat 6/28	Sun 6/29	Mon 6/30	Wed 7/2	Thurs 7/3	Fri 7/4	Sat 7/5	Sun 7/6
Thoroughbred	7	8	8	9	10	7	8	8	9	10	9
Other Breeds	3	2	2	3	2	3	2	2	3	2	3
Total	10	10	10	12	12	10	10	10	12	12	12

CHRB CERTIFICATION

Application received: *3/25/08*
 Reviewed: *[Signature]*

Hearing date: *4/24/08*
 Approved date:
 License number:

D. Total number of stakes races by breed:

<input type="text" value="5"/>	Thoroughbreds	<input type="text" value="2"/>	Quarter Horses	<input type="text" value="0"/>	Appaloosas
<input type="text" value="2"/>	Arabians	<input type="text" value="0"/>	Paints	<input type="text" value="1"/>	Mules

E. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each.

ALAMEDA COUNTY FAIR ASSOCIATION OVERNIGHT 2008 STAKES SCHEDULE

THOROUGHBRED:

Alamedan Handicap – 43rd Running 3-year olds and upward 1 1/16 Miles	\$50,000 Added	Sat. June 28
Everett Nevin Alameda County Stakes – 47th Running 3-year olds 1mi. 70yds.	\$50,000 Added	Sun. June 29
Sam J. Whiting Memorial Handicap – 46th Running 3-year olds and upward – 5 1/2 Furlongs	\$50,000 Added	Fri. July 4
Alameda County Fillies and Mares Handicap – 40th Running Fillies and Mares 3 years old and upward – 1 1/16 Miles	\$50,000 Added	Sat. July 5
Juan Gonzalez Memorial Stakes – 30th Running Fillies 2-years old – 5 1/2 Furlongs	\$50,000 Added	Sun. July 6

QUARTER HORSE:

P.C.Q.H.R.A. Handicap – 39th Running 3-year olds and upward, 350 yards	\$10,000 Guar.	Sat. June 28
Jack Robinson Handicap – 35th Running 3-year olds and upward, 870 yards	\$10,000 Guar.	Sun. July 6

ARABIAN:

Pleasanton Arabian Distaff – 9th Running Fillies and Mares 3- years old and upward – 5 ½ Furlongs	\$10,000 Guar.	Fri. July 4
Pleasanton Arabian Handicap – 13th Running 3-years old and upward – 5 ½ Furlongs	\$10,000 Guar.	Sat. July 5

MULES:

Pleasanton Mule Championship Three year old and upward – 870 yds.	\$10,000 Guar.	Sun. June 29
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F. Will provisions be made for owners and trainers to use their own registered colors?

Yes No If no, what racing colors are to be used:

G. List all post times for the daily racing program:

Race Number	Weekdays	Weekends & July 4
Race # 1	12:35 p.m.	12:35 p.m.
Race # 2	1:05 p.m.	1:05 p.m.
Race # 3	1:35 p.m.	1:35 p.m.
Race # 4	2:05 p.m.	2:05 p.m.
Race # 5	2:35 p.m.	2:35 p.m.
Race # 6	3:05 p.m.	3:05 p.m.
Race # 7	3:35 p.m.	3:35 p.m.
Race # 8	4:05p.m.	4:05 p.m.
Race # 9	4:35 p.m.	4:35 p.m.
Race # 10	5:05 p.m.	5:05 p.m.
Race # 11		5:35 p.m.
Race # 12		6:05 p.m.

** As much as possible, we intend to align our post times to compliment the Hollywood Park post times*

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813.

4. FAIR ASSOCIATION

A. Names of the Fair Directors:

Lil Arnerich	Gordon Galvan	Janet Lockhart	Bonnie Sabraw	Naomi Wallace
Sherman Balch	Patsy Gilbert	Tony Macchiano	Dean Schenone	Ario Ysit
Paul Banke	Frank Imhof	Bill McCammon	Arthur Scott	
Nell Barnett	Patricia Ising	Patrick O'Brien	Richard Sealana	
Keith Boyer	Jack Kavanagh	Anthony Pegram	Harvey Smith	
Connie Campbell	Jim Knudsen	Pete Ruggeri	Anthony Varni	

B. Names of the directors serving on the Racing Committee or otherwise responsible for the conduct of the racing program:

Lil Arnerich	Gordon Galvan	Tony Macchiano	Naomi Wallace	
Keith Boyer	Patty Ising	Arthur Scott	Ario Ysit	
Connie Campbell	Jack Kavanagh	Harvey Smith		

C. Name and title of the fair manager or executive officer and the names and titles of all department managers and fair staff, other than those listed in 9B, who will be listed in the official program:

Name	Title
Rick K. Pickering	C.E.O. and Director of Racing
Randy Magee	C.F.O.
Anthony Varni	President, Board of Directors
Tom Doutrich	Racing Secretary
Tony Macchiano/Ario Ysit	Co-Chairs, Racing/Satellite Committee
Jeanne Wasserman	Satellite Manager
Jim Burns	Racetrack Superintendent/Maintenance
Bryan Wayte	Mutuel Manager
Frank Mirahmadi	Announcer

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate: **\$1,616,308**
 Prior meet actual: **\$1,616,308**

Average Daily Purse (5A1 ÷ number of days):

Current meet estimate: **\$ 146,937**
 Prior meet actual: **\$ 146,937**

2. Overnight stakes:

Current meet estimate: **\$ 150,000**
 Prior meet actual: **\$ 150,000**

Average Daily Purse (5A2 ÷ number of days):

Current meet estimate: **\$ 13,363**
 Prior meet actual: **\$ 13,363**

3. Non-overnight stakes:

Current meet estimate: **\$ 150,000**
 Prior meet actual: **\$ 150,000**

Average Daily Purse (5A3 ÷ number of days):

Current meet estimate: **\$ 13,636**
 Prior meet actual: **\$ 13,636**

B. Funds to be generated for all California-bred incentive awards:

Current meet estimate: **\$ 166,380**
 Prior meet actual: **\$ 166,380**

C. Payment to each recognized horsemen's organization contracting with the fair:

	Current Meet Estimate	Prior Meet Actual
CTT	\$ 5,745	\$ 5,745
TOC	\$ 11,490	\$ 11,490
NTRA	\$ 7,239	\$ 7,239
PCQHRA	\$ 2,116	\$ 2,116
CWAR	\$ 0	\$ 0
ARAC	\$ 7,781	\$ 7,781
AMRA	\$ 4,192	\$ 4,192
CHBPAPEN	\$ 17,235	\$ 17,235
CTHF	\$ 17,235	\$ 17,235
TOTAL	\$ 73,033	\$ 73,033

D. Amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen (5A+5B+5C):

Current meet estimate: **\$ 2,155,721**
 Prior meet actual: **\$ 2,155,721**

Average Daily Purse (5D ÷ number of days):

Current meet estimate: \$ 195,975

Prior meet actual: \$ 195,975

E. Purse funds to be generated from on-track handle and intrastate off-track handle:

Current meet estimate: \$1,612,883

Prior meet actual: \$1,612,883

Average Daily Purse (5E ÷ number of days):

Current meet estimate: \$ 146,625

Prior meet actual: \$ 146,625

F. Purse funds to be generated from interstate handle:

Current meet estimate: \$ 174,317

Prior meet actual: \$ 174,317

Average Daily Purse (5F ÷ number of days):

Current meet estimate: \$ 15,847

Prior meet actual: \$ 15,847

G. Bank and account number for the Paymaster of Purses' purse account:

West America Bank (C.A.R.F.) Account No: On file

H. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:

Disher Accountancy Corporation, 1816 Maryal Drive, Sacramento, CA. 95864, (916) 482-4224

NOTICE TO APPLICANT: All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, **shall not** be deemed as income to the fair and **shall**, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from off-track simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards shall also be deposited within 3 calendar days following receipt into such liability account. In the event the fair is obligated to the payment of purses prior to those obligated amounts being retained from pari-mutuel wagering for such purpose, or as a result of overpayment of earned purses at the conclusion of the meeting, the fair shall transfer from its own funds such amounts as are necessary for the Paymaster of Purses to distribute to the horse owners statutorily or contractually entitled thereto. The fair is entitled thereafter to recover such transferred funds from the Paymaster of Purses' account; and if insufficient funds remain in the account at the conclusion of the meeting, the fair is entitled to carry forward the deficiency to its next succeeding meeting as provided by B&P Code Section 19615(c) or (d). In the event of **underpayment** of purses which results in a balance remaining in the Paymaster of Purses' account at the conclusion of the meeting after distribution of amounts due to horsemen and breeders and horsemen's organizations, the fair may carry forward the surplus amount to its next succeeding meeting; provided, however, that the amount so retained does not exceed an amount equivalent to the average daily distribution of purses and breeders' awards during the meeting. Amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

6. STABLE ACCOMMODATIONS

A. Number of usable stalls available for racehorses at the track where the meeting is held:

684 – (Portables also available if needed)

B. Minimum number of stalls believed necessary for the meeting:

2,000

C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **3,204**

D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:

Bay Meadows, San Mateo, California	900 stalls
Solano County Fair, Vallejo, California	864 stalls
Golden Gate Fields	1,440 stalls

E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site.

Northern California Stabling and Vanning Fund (To Be Published)

Complete subsections F through H if the fair will request reimbursement for off-site stabling as provided by B&P Code Sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, skip to Section 7.

F. Total number of usable stalls made available on-site for the 1986 meeting:

884

G. Estimated cost to provide off-site stalls for this meeting. Show cost per-day per stall:

Northern California Stabling and Vanning Fund (To Be Published)

H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:

None

7. PARI-MUTUEL WAGERING PROGRAM

A. Pursuant to B&P Code Section 19599, and with the approval of the CHRB, fairs may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each:

Use DD for daily double, E for exacta (special quinella), PK3 for pick three, PK4 for select four, PNP for pick (n) pool, PPN for place pick (n), Q for quinella, SF for superfecta, TRI for trifecta, and US for unlimited sweepstakes (pick 9).

	<u>TYPE OF WAGERS</u>	<u>APPLICABLE RULES</u>
Example Race	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$1PK4	CHRB #1959, CHRB #1977, CHRB 1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB#1978
Race #2	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8
Race #3	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8

Race #4	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8
Race #5	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #6	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #7	\$1E, \$1PK3, \$1PK4*, \$1TRI, \$2Q \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1978, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #8	\$1E, \$1PK3, \$1PK4*, \$1TRI, \$2Q \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1978, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #9	\$1E, \$1PK3, \$1PK4*, \$1TRI, \$2Q \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1978, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #10	\$1E, \$1PK3, \$1PK4*, \$1TRI, \$2Q \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1978, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #11	\$1E, \$1TRI, \$2Q, \$1PK4* \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1979, CHRB #1958, CHRB #1978 CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #12	\$1E, \$1TRI, \$2Q, \$1PK4* \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1979, CHRB #1958, CHRB #1978 CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool:
July 6, 2008 (Closing Day)

C. List any options requested with regard to exotic wagering:
\$1pk4* on first race and last 4 races
@\$2Pick 6 on last 6 races
% \$1 Place Pick All on the last 10 races

D. Will "advance" or "early bird" wagering be offered? Yes No
If yes, when will such wagering begin:

E. Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract:
Scientific Games Racing (George Brannon) Expiration: September 30, 2012.
Equipment description on file with Board.

8. ADVANCE DEPOSIT WAGERING (ADW)

- A. Identify the ADW provider(s) to be used by the fair for this race meeting:
Express Bet, T.V.G. (Television Games Network), Twin Spires, You Bet

9. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the fair to conduct simulcast wagering:
NCOTWINC
- B. Attach the agreement between the fair and simulcast organization permitting the organization to use the fair's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.
On file

- C. California simulcast facilities the fair proposes to offer its live audiovisual signal:
All California facilities authorized to accept the signal, including:

NORTHERN CALIFORNIA

Alameda County Fair, Pleasanton
 Bay Meadows, San Mateo
 Big Fresno Fair, Fresno
 California State Fair & Exposition, Sacramento
 Club One, Fresno
 Golden Gate Fields, Albany
 Kern County Fair, Bakersfield
 Monterey County Fair, Monterey
 Redwood Acres Fair, Eureka
 San Mateo County Fair, San Mateo
 San Joaquin County Fair, Stockton
 Santa Clara County Fair, San Jose
 Shasta District Fair, Anderson
 Solano County Fair, Vallejo
 Sonoma County Fair, Santa Rosa
 Stanislaus County Fair, Turlock
 Tulare County Fair, Tulare

SOUTHERN CALIFORNIA

Barona Casino, Lakeside
 Fantasy Springs Casino (Cabazon), Indio
 Del Mar Thoroughbred Club, Del Mar
 Hollywood Park, Inglewood
 Desert ExpoCentre, Indio
 The Farmers Fair, Perris
 Antelope Valley Fair, Lancaster
 Santa Barbara County Fair, Santa Maria
 Los Alamitos Racecourse, Los Alamitos
 Mid-State Fair, Paso Robles
 National Orange Show, San Bernardino
 Fairplex Park, Pomona
 Santa Anita, Arcadia
 Viejas Casino & Turf Club, Alpine
 Earl Warren Showgrounds, Santa Barbara
 Sycuan Gaming Center, El Cajon
 Ventura County Fair, Ventura
 San Bernardino County Fair, Victorville

- D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal:
Attached
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair:
Attached
- F. List the host tracks from which the fair proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

NOTICE TO APPLICANT: B&P Code Section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being conducted in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or

fair is conducting its racing meeting cannot exceed a combined daily total of 23 imported thoroughbred races statewide. The limitation of 23 imported thoroughbred races per day statewide does not apply to those races specified in B&P Code Section 19596.2(a)(1), (2), (3) and (4).

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Arlington Park	6/25/08-7/6/08	Full or Partial Cards
Assiniboia Downs	6/25/08-7/6/08	Full or Partial Cards (International)
Calder	6/25/08-7/6/08	Full or Partial Cards
Canterbury	6/25/08-7/6/08	Full or Partial Cards
Charles Town	6/25/08-7/6/08	Full or Partial Cards
Churchill Downs	6/25/08-7/6/08	Full or Partial Cards
Colonial Downs	6/25/08-7/6/08	Full or Partial Cards
Delaware Park	6/25/08-7/6/08	Full or Partial Cards
Ellis Park	6/25/08-7/6/08	Full or Partial Cards
Emerald Downs	6/25/08-7/6/08	Full or Partial Cards
Evangeline Downs	6/25/08-7/6/08	Full or Partial Cards
Fort Erie	6/25/08-7/6/08	Full or Partial Cards (International)
Grand Prairie	6/25/08-7/6/08	Full or Partial Cards
Hastings Park	6/25/08-7/6/08	Full or Partial Cards (International)
Hawthorne Park	6/25/08-7/6/08	Full or Partial Cards
Horsemen's Park	6/25/08-7/6/08	Full or Partial Cards
Indiana Downs	6/25/08-7/6/08	Full or Partial Cards
Lone Star	6/25/08-7/6/08	Full or Partial Cards
Louisiana Downs	6/25/08-7/6/08	Full or Partial Cards
Monmouth	6/25/08-7/6/08	Full or Partial Cards
Mountaineer Park	6/25/08-7/6/08	Full or Partial Cards
NYRA (Belmont)	6/25/08-7/6/08	Full or Partial Cards
Northlands Park	6/25/08-7/6/08	Full or Partial Cards (International)
Penn National	6/25/08-7/6/08	Full or Partial Cards
Philadelphia Park	6/25/08-7/6/08	Full or Partial Cards
Portland Meadows	6/25/08-7/6/08	Full or Partial Cards
Prairie Meadows	6/25/08-7/6/08	Full or Partial Cards
Presque Isle Downs	6/25/08-7/6/08	Full or Partial Cards
River Downs	6/25/08-7/6/08	Full or Partial Cards
South America	6/25/08-7/6/08	Full or Partial Cards (International)
Suffolk Downs	6/25/08-7/6/08	Full or Partial Cards
Thistledown	6/25/08-7/6/08	Full or Partial Cards
Woodbine	6/25/08-7/6/08	Full or Partial Cards (International)
Yavapai Downs	6/25/08-7/6/08	Full or Partial Cards

G. List imported simulcast races the fair plans to receive during the racing meeting which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:

N/A

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
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H. If any out-of-state or out-of-country races will commence outside of the time constraints set forth in B&P Code Sections 19596.2 and 19596.3, attach a copy showing agreement by the appropriate racing association(s). N/A

NOTICE TO APPLICANT: All interstate wagering to be conducted by a fair is subject to the provisions of Title 15, United States Codes, which require specific **written** approval of the CHRB and of the racing commission having jurisdiction in the out-of-state venue. All international wagering to be conducted by a fair is subject to the provisions of B&P Code Sections 19596, 19596.1, 19596.2, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

Every fair shall pay to the simulcast organization within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and vanning deductions. Every fair shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 5.)

10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:

Association Veterinarian(s)	Dr. Robert Connelly (Track) & (Fitness) Dr. Don Dooley
Clerk of Scales	Gary Lawless
Assistant Clerk of Scales	Danny Winnick
Clerk of the Course	Dolores Collins (E-Breeds) & Tina Walker (Thoroughbreds)
Assistant Clerk of the Course	Lisa Jones
Film Specialist	James Dreyer
Horse Identifier	Patrick Kealy
Horseshoe Inspector	Jack Hammonds
Paddock Judge	Joe Gibson
Patrol Judges	James Dreyer & Kenneth Sjoldal
Placing Judges	Greg Brent & Ella Robinson
Starter	Robert Mooneyhan
Timer	Melody Trutt

B. Management officials in the racing department:

Director of Racing	Rick K. Pickering
Racing Secretary	Tom Doutrich
Assistant Racing Secretary	Linda Anderson
Paymaster of Purses	Victoria Layne (C.A.R.F.)
Others (identify by name and title)	

C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:

**Secretary, Alameda County Agricultural Fair Association
4501 Pleasanton Avenue, Pleasanton, CA 94566, 925-426-7600**

D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:

Plusmic Corporation, USA – Bill O'Brien (Expires 12/7/10)

E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.

Pegasus Communication, Inc. (Jim Porep) (Extended Dates TBD)

- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:

Pegasus Communication, Inc. (Jim Porep) (Extended Dates TBD)

11. SECURITY CONTROLS

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers.

Racetrack/Grandstand: Alameda County Sheriff Chief in Charge

Liaison Officer yet to be assigned (925-426-7525)

Barn Area: David Rezendes, President, Security Eye Patrol, Inc. (925-455-6585)

(See attached)

- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:

Racetrack/Grandstand: 8 Sheriff's Deputies

Barn Area: 5 Security Officers, 2 Security Rovers, 3 Licensed Gatemen based on 8/hour shifts

1. Attach a written plan for enhanced security for graded/stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns.

N/A

2. Detention Barns:

(The Fair is not running graded stakes)

- A. Attach a plan for use of graded stakes or overnight races.

N/A

- B. Number of security guards in the detention barn area during a 24-hour period.

N/A

- C. Describe number and location of surveillance cameras in detention barn area.

N/A

3. TCO2 Testing:

- A. Number of races to be tested, and number of horses entered in each race to be tested.

All horses in thoroughbred races

- B. Plan for enhanced surveillance for trainers with high-test results.

Trainer with high test results will be moved to the detention area

- C. Plan for detention barns for repeat offenders.

Ten (10) stalls adjacent to Test Barn, which are under 24-hour video surveillance

- D. Number of security personnel assigned to the TCO2 program.

One (1) 24-hour security guard when detention stalls are occupied.

- C. Describe the electronic security system.

C.A.R.F. Surveillance equipment and program that travels between racing Fairs.

Item 11 A:

Security Organizational Chart

Security during the Live Race Meet is coordinated by a number of groups. Day-to-day security items are handled the Stable Manager in concert with Security Eye personnel assigned to the Guard Shacks and Barn Area. As issues escalate, Fair Management, Security Eye Management, and the Sheriff's Department become involved as necessary.

Alameda County Agricultural Fair Association

Rick K. Pickering, CEO	925-426-7501
Ed Johnson, Manager of Maintenance Operations	925-426-7500
Judy Carrico, Fair Operations Manager	925-426-7500

Security Eye

Dave Rezendes, President	925-455-6585
Dave Graber, Vice President	925-455-6585
Barn Area Guard Shack, various personnel	925-426-7519
Roadway 12 Guard Shack, various personnel	925-426-7519

Alameda County Sheriff Department

Fairgrounds Command Center	925-426-7525
Sergeant J.D. Nelson, Sheriff Liaison Officer	510-272-6901

Note: Confidential cell phone numbers are made available to CHRB staff. Additional security related personnel are available by direct radio contact.

1. Location and number of video surveillance cameras for the detention barn and stable gate.
4 surveillance cameras monitoring this area

12. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:
American Medical Response (A.M.R.), 640 143rd Avenue, San Leandro, CA 94577, 510-895-7600
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:

Bay Meadows Bayshore Ambulance P.O. Box 4622 Foster City, CA 94404 650-525-9700	Golden Gate Fields Turf Rescue LLC 19615 Barclay Road Castro Valley, CA 94546 510-5818470	Solano County Fair Medic Ambulance 506 Couch Vallejo, CA 94590
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- C. Describe the on-track first aid facility, including equipment and medical staffing: **(Attachment)**
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
Dr. Peter Wong, 1.925.997.0015 (cell)
- E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:
**Valley Care Medical Center, 5555 W. Las Positas, Pleasanton, CA 94588
(admittance & emergency: 925-416-6125)**
- F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey:
(Attachment)
- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B& P Code 19481.3(d):
Randy Magee, Health & Safety Manager, Vicki Hunter, Assistant Manager
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Fire clearance inspection scheduled for June 6, 2008 (prior to summer race meet)
- I. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the fair for payment of workers' compensation.

Attached

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall pursuant to B&P Code 19481.3 maintain, staff, and supply an on-track first aid facility, that may be either permanent or mobile, and which shall be staffed and equipped as directed by the board. A qualified and licensed physician shall be on duty at all times during live racing, except that this provision shall not apply to any quarter horse racing at the racetrack if there is a hospital situated no more than 1.5 miles from the racetrack and the racetrack has an agreement with the hospital to provide emergency medical services to jockeys and riders. An ambulance licensed to operate on public highways provided by the track shall be available at all times during live racing and shall be staffed by two emergency medical technicians licensed in accordance with Division 2.5 (commencing with Section 1797) of the Health and Safety Code, one of whom may be an Emergency Medical Technician Paramedic, as defined in Section 1797.84 of the Health and Safety Code. (b) Each racing association and racing fair shall adopt and maintain an emergency medical plan detailing the procedures that shall be used in the event of an on-track injury. The plan shall be posted in each jockey room in English and Spanish. (c) Prior to every race meeting, the racing association or racing fair shall contact area hospitals to coordinate procedures for the rapid admittance

Attachment to ACF License Application – Section 12 C

Alameda County Fair Emergency Care and Medical Facilities

Alameda County Fair as well as all Racing Fairs provide emergency care which provides for comprehensive medical care for jockeys, track staff and allied personnel. Emergency care focuses on immediate stabilizing, comfort and evacuation of injured racetrack personnel to appropriate hospital care facilities.

Staffing

Two Emergency Medical Technicians from American Medical Response staff located in an on-track ambulance that follows at a safe distance from the horses racing during each race. This ambulance and crew are present whenever horses are on the track (during both racing and training hours) and are responsible for initiating basic life support measures, including immediate medical stabilization, care and evacuation to medical care facilities.

Licensed Physician on duty is responsible for care on an ongoing basis of jockeys, track staff and allied personnel requiring non-emergency medical care.

Physical Resources

Alameda County Fair provides the services of a state of the art Kimzey Horse Ambulance as well as a senior experienced driver who is responsible for the evacuation and disposition of injured horses at all racing fairs.

Redundant communications services are provided to ensure constant contact between all emergency care personnel. Two way radio networks are established within the racing operations as well as fair emergency operations. All key emergency care personnel also carry cell phones and each is provided a laminated card containing all contact numbers. The fair also has an emergency response cell which responds to all emergencies both medical as well as non-medical.

Attachment to ACF License Application – Section 12 F in English

Alameda County Fair Racing Accident Procedures

In case of an accident on the racetrack, the following procedures are to be implemented:

Track Ambulance

The track ambulance will travel immediately to the scene of an accident and assume triage and patient care responsibilities and evacuate.

Security

1. As soon as possible, a member of the track security staff shall report to the scene of the accident and thereafter take direction from the EMT responsible for the accident scene management. The track security representative shall be responsible for keeping bystanders away from the accident scene.
2. A member of the track security staff shall proceed to the Jockey's Room to secure the ambulance transfer area and prevent visitation from bystanders away from the accident area.
3. A member of the track security staff shall be responsible for escorting emergency vehicles.
4. The security staff shall be responsible for all "crowd control" activities.

Racing Staff/Track Veterinarian

1. Upon arrival at the scene, the Outrider should hold the injured horse in order to prevent further harm to people, horses and property.
2. Horses with severe injuries should be transported off the track via the horse ambulance whenever it is practical to do so.
3. The track veterinarian shall make the decision as to the necessity of euthanasia on the track.
4. The screen blocking the public's view of the injured horse shall be set-up prior to the euthanasia procedure.
5. Outriders are responsible for the removal of any debris from the racetrack following the removal of the injured person or horse from the track.

Plant Staff

1. The Horse Ambulance shall travel immediately to the scene of an accident whenever it appears that a horse will require transport.
2. Members of the plant department who are near the accident site shall assist in screening the accident scene from the public view and shall take direction from the EMT that is responsible for the management of the accident scene.

Announcer

The announcer shall make riders aware of the details of the situation (such as the location of a loose horse, the necessity to pull up, etc), enabling them to take the necessary steps to mitigate additional problems.

Senior Management

1. A senior management representative should quickly proceed to the location on the racetrack where the accident has occurred. The manager should report to other members of the management team as to the accident status.
2. An additional member of the management team should report to the video department in order to monitor the scene and access the extent of video coverage to be transmitted to the public.
3. A member of the management team should provide input as to announcements to be made by the track announcer.
4. A member of the senior management team should be responsible for seeing that information regarding the accident is communicated to family member of the injured. Efforts need to be made to escort family members to the hospital, if necessary. In this regard, a current compilation as to who should be notified in the case of an injured jockey is kept on file.
5. All public address announcements and responses to press inquiries are within the sole purview of the senior member of the management team then available.

All Department Heads

All Department heads shall communicate to their employees that, although intentions are good, the treatment of the injured rider must be left up to trained personnel, and all other employees must stay away from the scene of an accident.

Attachment to ACF License Application – Section 12 F in Spanish

Procedimiento en caso de Accidente en Alameda County Fair

De ocurrir un accidente en el hipodromo, se debe hacer lo siguiente:

El personal de la Ambulancia

El personal de la ambulancia trasladarse inmediatamente al lugar del accidente siempre que lo necesario para tratar a la(s) victima(s).

Seguridad

1. Tan pronto como sea posible, un miembro de seguridad del hipodromo debera reportarse al lugar del accidente y desde ahi recibir las instrucciones del Paramedico responsable del lugar del accidente. El miembro de seguridad sera responsable de mantener a los transeuntes fuera del lugar del accidente..
2. Un miembro del departamento de seguridad del hipodromo se acercara al cuart del jockey para aguardar el area donde la ambulancia estara y prevenir que transeuntes y personas ajenas se acerquen.
3. Un miembro de seguridad del hipodromo sera responsable de escoltar a los vehiculos de emergencia..
4. Los miembros de seguridad seran responsable de controlar a la multitud.

Personal de Carreras/Vetennano del hipodromo

1. Una vez en el lugar del accidente, el Outrider/escolta debera sujetar al caballo herido para evitar que lastime a la gente, a otros caballos o a la propiedad.
2. Los caballos muy mal heridoa deberan ser sacados de la pista con la ambulancia para caballos, siempre que sea posible hacerlo de esa manera.
3. El veterinano del hipodromo debera decidir si se sacrifique al caballo en la pista.
4. Sea posible hacerlo, se debe colocar la pantalla/screen para tapa la vista al publico, antes de iniciar el procedimiento de sacrificio del animal.
5. Los Outriders son responsables de remover cualquier desecho en la pista despues de que la persona o caballo accidentado haya sido trasladado del lugar.

Personal de Planta/Plant Staff

1. La Ambulancia de Caballos debera trasladarse inmediatamente al lugar del accidente siempre que un caballo este severamente lesionado y necesite transporte.
2. Los miembros del departamento de planta que esten cerca del accidente deberan ayudar a fapar el lugar para que el pulico no pueda ver lo que sucede, ademas deberan recibir instrucciones del Paramedico responsable del lugar del accidente.

Locutor

El locutor debera informar a los jinetes acerca de los detalles de la situacion (como la ubicacion del caballo suelto, la necesidad de adelantar, etc.) para que puedan hacer lo necesario y mitigar otros problemas.

Gerencia

1. Un representante de la gerencia se apersonara rapidamente al lugar del accidente en el hoipodromo. El genente informara a los otros gerents sobre las lesions sufridas.
2. Otro representante de la gerencia debera informar al departamento de videio para monitorear la escena y ver la cobertura de video que sera transmitida al publico.
3. Un miembro de la gerencia debera aportar con informacion sobre los anuncios que debera hacer el locutor.
4. Un miembro de la gerencia sera responsable de ver que la informacion con respecto al accidente sea dada a los familiars de los heridos. Se debe hacer lo necesario para acompanar a los familiars a los hospitals, de ser el caso. Al respecto, es necesario tener un registro de la persona a quien se debe comunicar en caso de que un jockey sufra un accidente.
5. Todos los anuncios publicos y respuestas a la prensa las realice unicamente el funcionario de gerencia de alto nivel que se encuentre disponible en ese momento.

Todo los Jefes de Departamento

Todos los Jefes de Departamento deben comunicar a sus empleados que, a pesar de que las intenciones sean buenas, el tratamiento de un jinete/jockey herido debe ser realizado por el personal calificado para ello, y todos los demas empleados deben permanecer lejos del lugar del accidente.

To: California Horse Racing Board (CHRB)
 Attn: Andrea Ogdén
 1010 Hurley Way, Suite 300
 Sacramento, CA 95825

Re: Alameda County Fair Association
 4501 Pleasanton Avenue
 Pleasanton, CA 94566

Please be advised that the Alameda County Fair Association is a member of the California Fair Services Authority (CFSA), and participates in the following self-insurance and loss pooling programs which are administered by CFSA:

I. COMPREHENSIVE GENERAL LIABILITY PROGRAM

- A. Primary Coverage \$750,000 self-insured retention California Fair Services Authority
 Coverage continuous until cancelled
- B. Excess Coverage \$9,250,000 in excess of \$750,000
 Coverage provided by Insurance Company of the State of Pennsylvania
 Term: 01/01/2008 to 01/01/2009

II. WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

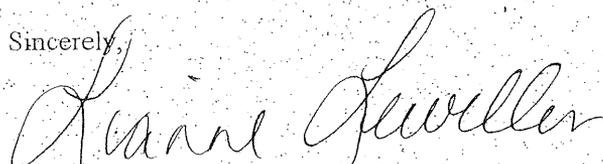
- A. Primary Coverage \$500,000 self-insured retention California Fair Services Authority
 Coverage continuous until cancelled
- B. Excess Coverage (a) Workers' Compensation: \$299,500,000 in excess of \$500,000
 (b) Employers' Liability: \$4,500,000 in excess of \$500,000
 Coverage provided by CSAC Excess Insurance Authority
 Term: 07/01/2007 to 07/01/2008

CFSA represents to CHRB that within the above limits, terms and provisions of the coverage stated, to the extent provided by law, CFSA will provide defense, payment, and indemnification on loss funding in accordance with the terms of the contractual assumption of the Alameda County Fair Association as set forth in CHRB's "Insurance Requirements".

You will be given at least thirty (30) days notice of any change in the foregoing information. We trust that this commitment will satisfy your insurance requirements.

Please feel free to contact this office on all matters including possible claims.

Sincerely,



Lianne Lewellen
 Risk Analyst

and treatment of emergency injuries. (d) Each racing association or racing fair shall designate a health and safety manager and assistant manager, who shall be responsible for compliance with the provisions of this section and one of whom shall be on duty at all times when live racing is conducted. The health and safety manager may, at the discretion of the racing association, be the person designated to perform risk management duties on behalf of the association.

13. CONCESSIONAIRES AND SERVICE CONTRACTORS

Names and addresses of all persons to whom a concession or service contract has been given, **other than those already identified**, and the goods and/or services to be provided by each:

CONCESSION/SERVICE	COMPANY	OWNER	ADDRESS
Food & Beverage (Non-Alcoholic)	Stroud Enterprises	Tom Stroud	5119 North Archerdale, Linden, CA 95236
Food Service	Ovations Fanfare	Charlie Neary Nick Nicora	4501 Pleasanton Avenue, Pleasanton, CA 94566
Food & Beverage (Alcoholic & Non)	Ovations Fanfare	Charlie Neary Nick Nicora	4501 Pleasanton Avenue, Pleasanton, CA 94566
Tip Sheets	Jack's Blue Card	Lisa Wasserman	127 Sun Avenue, San Leandro, CA 94544
Race Program and Daily Racing Form	Daily Racing Form	Wicks Sports Information Grp	100 Broadway, 7 th floor, New York City, N.Y. 10005
Winners Circle Pictures	Vassar Photography	Bill Vassar	5075 Double Point Way, Discovery Bay, CA 94514
Jockey Laundry Service	Bailey Mobile	Lorene Dutton	3263 Vineyard venue, #35, Pleasanton, CA 94566
Starting Gate	United/Puett Start Gate	Michael Costello	1 Soundview Loop, S. Salem, N.Y. 10590
Sound System	Speeda Sound	Mike King	5617 W. San Madele, Fresno, CA 93722
Armor Car Service	NOTWINC		11875 Dublin Blvd., #D275, Dublin, CA 94568

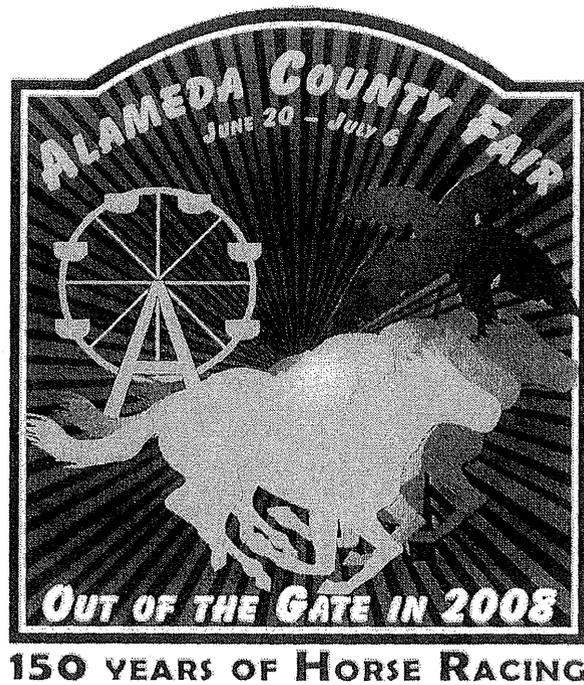
14. ON- TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Describe any promotional plans:
(See Attached for A-D)
- B. Number of hosts and hostesses employed for meeting:
- C. Describe facilities set aside for new fans:
- D. Describe any improvements to the physical facility in advance of the meeting that directly benefits:
 - 1. Horsemen
 - 2. Fans
 - 3. Facilities in the restricted areas

15. SCHEDULE OF CHARGES

- A. Proposed charges, note any changes from previous year:

General Admission/Grand Stand	Free with Fair Admission
Fair Admission/Adults (13 & older)	\$ 10.00
Advanced Sale Tickets (On-line)	30% discount
Fair Admission/Children (6-12)	\$ 6.00 (Free on Fridays)
Fair Admission/Seniors	\$ 7.00 (Free on Wednesdays)
Fair Admission/V.I.P. Discount	\$ 5.00
Admission (clubhouse)	N/A



"The Oldest One-mile Racetrack in America"

On-Track Attendance & Fan Development Plan 2008 Alameda County Fair Live Horse Race Meet

The 2008 Alameda County Fair will operate 17 days this summer from June 20 – July 6, with an estimated attendance in excess of 400,000 patrons. The Live Horse Race Meet will be conducted during 11 days of the Fair, June 25 – July 6 (dark on Tuesday, July 1). More than \$1.9 million in cash and cash equivalents (in-kind advertising) will be spent to promote the 2008 Annual Fair and Race Meet. The majority of advertising for the Annual Fair includes advertising of the Race Meet.

Fair Horse Racing takes racing to the public in a very unique manner. The thrill and excitement of concerts, carnival rides, unique food items, exhibits, etc., all combine to provide a one-of-a-kind experience in a local community. Many first timers and casual players, who might never attend a private track, are exposed to Horse Racing in an exciting manner at California's Racing Fairs. Consequently, the Alameda County Fair utilizes a wide variety of methods to market, promote and advertise Live Horse Racing during its 17-day Annual Fair event.

Our Horse Racing Marketing is designed to enhance on-track attendance and develop fans through a variety of multifaceted marketing channels and on-site experiences. Each element is designed to interconnect into a successful and effective program, helping to create exposure for the Fair Race Meet and Horse Racing in general.

The 2007 Alameda County Fair Horse Racing Meet was successful in attaining many of its goals. With pleasant weather came the highest Race Meet Handle in Fair history, estimated at \$39,000,000. Mr. Pickering commented, "Everything was in our favor to have a wonderful race meet and it simply all came together as you can only hope."

The eleven days of racing saw several revamped additions, all receiving positive feedback from loyal fairgoers alike. The largest and most successful revamp was Trackside Terrace, the Grandstands open-air dining lounge. With three levels of seating, catered food, private betting machines, full bar, and a quiet place to sit and enjoy the day with friends, Trackside Terrace will be a staple for Fair racing. The racing crowd was also treated to the daily professional handicapping insight of Gordon "The Professor" Jones, a new \$500 Text Messaging Contest, and the crowd favorite, \$10,000 putting contest.

This success was attributed to the even greater inclusion of Horse Racing in the Fair's overall advertising campaigns, and additional promotion from the opening day Russell Baze T-shirt giveaway and Jockey Photo Day. Also contributing was the significant amount of publicity generated by the local media especially around the Fair's 95th anniversary celebration.

The Live Race Meet continues to gain new customers while retaining existing patrons. The continued and increased participation of the Fair patrons in the many Live Racing promotions offered by the Fair further attests to the fact that our marketing campaigns are attaining many of their objectives.

Trackside Terrace:

Fairgoers can experience a winning view of the races at the Trackside Terrace, a VIP lounge with an elevated view of the racetrack. The largest and most successful revamp from 2007 was the Trackside Terrace, the Grandstands open-air dining lounge. With three levels of seating, catered food, private betting machines, full bar, and a quiet place to sit and enjoy the day with friends, Trackside Terrace will be a staple for Fair racing. The Trackside Terrace offers a gourmet buffet including carving stations and private betting windows with open-air terrace seating overlooking the finish line. This site is perfect for corporate parties and group reservations. The Trackside Terrace is marketed in several ways which include county wide Chamber of Commerce marketing channels, local events, guerilla marketing, electronic newsletters and Fair website.

Sponsorships and Partnerships:

The Marketing Department works year-round to develop strong relationships with local and national companies. Additionally, the Fair develops new advertising partnerships, and strengthens existing partnerships, in an effort to incorporate more "in-kind" trade and promotion into the advertising mix. For example, the Fair Staff will once again partner with the Oakland Coliseum to trade on-site booth presence in the Racing Grandstand for all 11 days of Racing, in exchange for advertising on the Oakland Coliseum's highly visible electronic reader board (along side Highway 880.) Additionally, the Valley Times, a local newspaper, will continue to sponsor the Live Race meet due to the great exposure and high subscription sign-up rates the paper received in prior years. Budweiser will once again sponsor the Grandstands. Cross-promotions with Budweiser are currently being planned to increase on-track attendance.

Paid Advertising:

Buying advertising on radio, television, and in print is necessary to encourage more people to come to the Fair and Race Meet. The Fair's general marketing strategy is to include the Race Meet in all advertising mediums whenever possible. For example, a portion of the Fair TV commercial focuses on shots of the horse races. Fair Staff targets sports-related and older generation-formatted radio stations to advertise the Live Race Meet. Print is especially important in advertising the Horse Races. Advertising for the Live Race Meet is included in all general Fair print ads. Additionally, racing-specific ads are created for the sports sections of the newspapers and for sports-focused print media.

Grassroots Marketing:

Poster placement is a grassroots marketing method employed by the Fair. Businesses and public organizations displaying posters, flyers, and brochures advertising the Fair and the Live Race Meet show their community support and enthusiasm for the Fair. Organizations in Alameda County continually support the Fair by allowing Fair information to be included in their internal and external communications, such as newsletters, email programs, direct mail pieces, etc.

Online Marketing:

The Alameda County Fair utilizes the Web to communicate and promote the Fair's message. The website is an informative and functional tool because of the number of ways it can be used. Email newsletters with Horse Racing information are sent via the Internet to the Fair's continually growing database of patrons. Additionally, the website lists the daily schedule and links to real-time race results each day of the Fair's Live Race Meet.

Box Seat Sales:

The Marketing Department is responsible for selling the over 200 Box Seats in the Race Track Grandstands. A number of methods are used to achieve the sale of Box Seats including direct mail, print advertising and online banner ads at partner websites. Promotion of the Fair's Live Horse Race Meet is incorporated in the Box Seat Sales strategy.

Non-profit Outreach:

Each year the Marketing Department makes available on a daily basis a select number of Box Seats to various non-profit organizations. The non-profits in turn raffle off "A Day at the Races." This includes parking, Fair admission and box seat admission.

Publicity:

The Marketing Manager meets with area media prior to the Race Meet to disseminate information on the Race Meet and the many promotions occurring at the Race Track. Print, radio and television media are all used to promote the Race Meet. The Fair Association's Marketing Manager serves as the Racing Publicist and provides information and statistics to various media outlets daily during the Race Meet.

Educational Programs:

The Fair, in partnership with CARF, holds educational seminars every morning before the first Post Time to educate beginners on how to wager at the races. The panel consists of experienced and well-known personalities within the racing industry. Seminars have included such guests as owners, trainers, jockeys, handicappers, racing officials, racing reporters, and information on how to make various wagers. The Fair, CARF and the Daily

Racing Form sponsor the daily racing seminars. The Racing Seminars have become quite popular, with attendance increasing year after year.

Additional educational displays by CARF will be on hand to promote "How to Wager" for those new to horse racing and not able to attend the seminars. Also displayed will be different samples of synthetic track surfaces to educate racing fans on the future of track surfaces.

Promotions:

Many types of promotions have been developed for the 2008 Live Horse Race Meet. Some are designed to attract new patrons, while others cater to existing customers. A sampling includes:

- **"150 Years of Horse Racing at the Fair" Coloring Contest** - downloaded from the Fair's website. Each youth who participates will receive a Free Admission ticket to the Fair. These pictures will be displayed in the Grandstands for all to enjoy.
- **Win, Place and Show Contest** - is a randomly drawn voucher giveaway to those who enter the correct Win, Place and Show horses in the ballot box. The prize amount is \$600 per day: \$300 Win, \$200 Place & \$100 Show. The winners are drawn every day after the 8th Race.
- **Horse Racing Themed T-shirt Giveaway** - to the first 1000 people who enter the Win, Place and Show contest on Wednesday, June 25th. This years T-shirt will celebrate the track's 150 Years of Horse Racing.
- **\$10,000 Putting Contest** - was such a success in prior years that the Fair will bring the contest back for another year. Each day, randomly selected fairgoers will try to qualify for the chance to compete in a 40-yard, \$10,000 Putt on Saturday July 6th.
- **"150 Years" Video Montage** - fairgoers will take a trip down memory lane in a video of popular racing fans reminiscing of past good times at the Fair's Live Races. This video will be played on the website prior to Fair and on the Jumbotron during the Races.
- **"Scratch & Win \$500" Contest** - fairgoers can enter to win cash in a scratcher contest located by the Amphitheater. A random number of scratcher tickets will be vouchers valued at \$2, \$5, \$10 and \$500. These vouchers can be cashed at the Grandstands. A "Second Chance Drawing" for non-winners will be offered as a consolation on the back of the scratcher. Fairgoers can guess the amount of horse shoes in the barrel for a second chance to win \$500. The fairgoer with the closest guess to the actual number of horse shoes will win \$500 and be contacted via email. The collection of email address allows the Fair to expand the email database to further promote horse racing.
- **Horse and Jockey Cutouts** - fairgoers can get their picture taken as a jockey riding a horse at the Grandstands.
- **NTRA Racing Commercials** - will air on the Fairgrounds Public Address System periodically during the races to promote the Live Race Meet to all Fair patrons.
- **Chamber of Commerce Days at the Races** -where all Chambers within Alameda County are invited to attend the Race Meet on their own day. Chamber Presidents and Executives are hosted in the Fair Director's VIP Lounge for lunch. These honored guests in-turn present a basket in the Winner's Circle during their named race.
- **City Days at the Races** - each Mayor, City Council and City Manager in Alameda County are invited to attend the Race Meet in concert with their local Chamber of

Commerce. City Officials are hosted as VIP's and participate in the Winner's Circle presentation.

- **VIP Director's Lounge** - each Director of the Fair Association Board has the opportunity to entertain dignitaries, VIPs, elected officials, business leaders, etc., daily in an air-conditioned lounge at the top of the Race Track Grandstand.
- **The Palm Pavilion** - will offer patrons the opportunity to enjoy full meal and bar services alongside the Rail of the Race Track. Patrons may also place their wagers in the Palm Pavilion.
- **Advertising of Local Businesses** - occurs on the Jumbotron and in the Racing Program during the race meet. Many of these businesses cannot afford to advertise at the private tracks.
- **Naming of Feature Races** - is another opportunity provided to businesses, families, local wineries, etc., to showcase their name and products in the Winner's Circle.
- **Public Service Announcements** - appear on the Jumbotron during racing.

Commentator at the Race Track Paddock:

For 2008 the Fair Association has once again scheduled a commentator to do interviews with jockeys and report on race results at the Paddock. Known as the "The Professor" within the racing industry, this well-known personality will solicit fairgoer participation and interest with trivia, contests, giveaways and lively racing commentary.

Improvements to the Grandstands:

Aesthetic improvements are scheduled in the Grandstands including the painting of scenic murals behind the mutuel lines and other prominent locations, pictures, flags and banners. The Fair will celebrate its 150 years of history by enlarging old photographs depicting historical pictures of the races and Grandstands and placing them for all to view in the Grandstands.

Satellite Wagering Facility:

The Fair Association operates the most successful Fair Satellite Wagering Facility in Northern California. The Fair Association's Satellite Wagering Manager takes a very active role in the Live Race Meet and actively cross promotes with Satellite Wagering customers. In-turn the Fair Association also promotes its Satellite Wagering Facility to patrons of the Live Race Meet.

Item 14 D

Improvements to the physical facility:

Horsemen, Fans & Restricted Area

The Palm Pavilion, located trackside, has been fully remodeled. This remodel included installing outdoor patio viewing of the track, indoor large screen TV's to broadcast racing, self-serve wagering terminals, etc... The Palm Pavilion also serves food and beverages & includes a full bar.

The Racing Paddock has been remodeled so that more fans can gather in the general area. The roof was elevated to enhance the safety of riders. A grass oval was installed to accommodate owners and trainers. Additional cameras were used to enhance the broadcasting of the Paddock area.

The VIP Directors Lounge has been refurbished with new carpet, air conditioning, paint, etc., to better accommodate VIP's. Every Mayor, City Council Member and Chambers of Commerce from throughout the County of Alameda, is extended an invitation to visit the VIP Directors Lounge. Racing VIP's, elected officials from the County, State and National level also attend the lounge.

The Jockey's Club House has been remodeled to open up the dining area, relocate the laundry facilities, add more sleeping areas, etc...

Restrooms & Showers in the barn area have been remodeled to provide upgraded facilities for employees.

Roadway #12 has been upgraded and widened to better accommodate horse trailers. Catch basins and a storm drain line have been installed to prevent flooding that previously occurred in this area.

Campgrounds have been upgraded and more spaces added to better house out-of-the-area trainers and racing employees during the Race Meet.

Barn Roofs & Solar Energy – All barns received new roofs in 2004, in advance of the Fair installing a 1 Megawatt Solar Energy System on the barns. According to PG&E, the Fair is the largest nonprofit generator of solar energy in the nation.

The Pole Barn Arena has been upgraded to better allow training under a covered roof during the winter.

Upgrades to "cash management areas."

Reserved Seating (general)	\$ 3.00
Reserved Seating (clubhouse)	N/A
Reserved Box Seats	\$ 3.50
Parking (general)	\$ 8.00
Parking/Western Pacific Lot	\$15.00
Parking (preferred)	\$15.00
Parking (valet)	N/A
Programs/on track	\$ 1.00
Programs/off track	\$ 2.25

B. Describe any "Season Boxes" or other special accommodation fees:
Daily box seat sales - \$3.50 (if available). All box seats usually sell out 30-60 days in advance.

C. Describe any "package" plans such as combined parking, admission and program:

Family Pack

1-General Parking

2-Adult Admissions, 2-Child Admissions

Coupon-redeem for Carnival Rides, 2/1 drink coupons for Midway

16. JOCKEYS' QUARTERS

A. Check the applicable amenities available in the jockeys' quarters:

<input type="checkbox"/> Corners (lockers and cubicles)	How many	<input type="text" value="40"/>
<input type="checkbox"/> Showers	<input type="checkbox"/> Steam room, sauna or steam cabinets	<input type="checkbox"/> Lounge area
<input type="checkbox"/> Masseur	<input type="checkbox"/> Food/beverage service	<input type="checkbox"/> Certified platform scale

B. Describe the quarters to be used for female jockeys:
Separate area containing an office, lounge area, sauna, showers, restroom facilities, lockers, & bunks. Jockeys & Jockettes share the scale.

17. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing will be completed by **Anne Glossock, Supervising Investigator.**

B. Number of rooms used for housing on the backstretch of the racetrack:

60 Rooms

C. Number of restrooms available on the backstretch of the racetrack:

7 Restrooms

D. Estimated ratio of restrooms to the number of backstretch personnel:

11 to 1

18. TRACK SAFETY

A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: feet.

B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.),

the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.

Inner rail: Fontana Safety Rail

Outer rail: Aluminum gooseneck supports with aluminum top rail

Inner rail height at: ¼ mile – 42”

½ mile – 40.5”

¾ mile – 40”

1 mile – 42”(finish line)

- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:

Jim Burns

- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.

On file.

- E. If the fair is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing.

N/A

19. DECLARATIONS

- A. All labor agreements, concession and service contracts, and other agreements necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state):

No Exceptions

- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.

Horsemen's Agreement Pending through CARF.

- C. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):

No Exceptions

- D. Absent natural disasters or causes beyond the control of the fair, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the fair except as follows (if no exceptions, so state):

No Exceptions

NOTICE TO APPLICANT: Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

20. CERTIFICATION BY APPLICANT

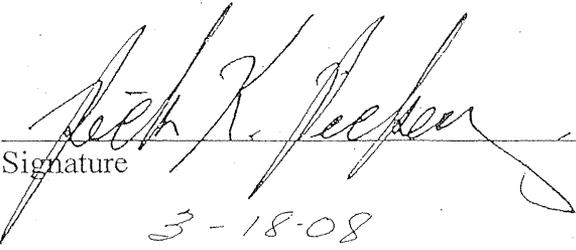
I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the fair to attest to this application on its behalf.

RICK K. PICKERING

Print Name

C.E.O.

Print Title



Signature

3-18-08

Date

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1481. OCCUPATIONAL LICENSES AND FEES
RULE 1783. REGISTRATION OF STABLE NAMES
RULE 1784. REGISTRATION TO DISCLOSE ALL PARTNERS
TO PERMIT LICENSING OF
STABLE NAME GROUPS

Regular Board Meeting
April 24, 2008

BACKGROUND

Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of Chapter 4, Business and Professions Code. Responsibilities of the Board shall include licensing of each racing association and all persons, other than the public at large, who participate in a horse racing meeting with pari-mutuel wagering. Business and Professions Code section 19520 provides that every person not required to be licensed under Article 4 (commencing with section 19480) who participates in, or has anything to do with, the racing of horses shall be licensed by the Board pursuant to rules and regulations that the Board may adopt. No person required to be licensed may participate in any capacity in any horse race meeting without a valid and unrevoked license authorizing the participation.

The CHRB has multiple regulations governing the occupational licensing of individuals who participate in horse racing, and the registration of stable names, partnerships, corporations and limited liability companies (LLC). These regulations fit well with individuals, small partnerships and persons or single entities wishing to run under a stable name; however, this is not necessarily the case with larger groups, especially groups that sell many shares in one or more horses. Little Red Feather Racing (LRFR) is an example of one such group that does not fit the norm with regards to licensing. LRFR is a registered stable name that buys thoroughbred horses, which it markets as an LLC in ownership units of 5 percent to 10 percent. Each horse owned by LRFR is a separate entity with distinct ownership.

In 2006 LRFR contacted staff with a number of licensing issues it felt needed to be addressed. LRFR contended the Board's regulations were "*not practical to modern day partnership groups,*" and made suggestions regarding changes to rules governing stable name registrations. LRFR's main complaint was the manner in which it was listed in the program. Staff worked with LRFR, and it was determined that LRFR would run as "LRFR, et. all." This arrangement worked for approximately 18 months, but in May 2007 LRFR again contacted staff with the same concerns. LRFR wished to be listed in the program under its stable name, without the "et. all." LRFR stated it wanted its statistics accounted in that manner, as it was a "*critical sales tool.*"

The issues regarding LRFR were discussed at the July and October 2007 Security and Licensing Committee meetings. To accommodate the LRFR model, and to allow it to run only under its stable name, staff proposed amending Rule 1783, Registration of Stable Names, and

Rule 1784, Registration to Disclose All Partners. Rule 1481, Occupational Licenses and Fees would also have to be amended to reflect the new Stable Name Group registration.

At the December 14, 2007, Regular Board Meeting staff was instructed to notice for a 45-day public comment period proposed amendments to Rule 1481, Occupational Licenses and Fees; Rule 1783, Registration of Stable Names; and Rule 1784, Registration to Disclose all Partners.

ANALYSIS

The proposal to amend Rule 1481 would add “stable name group” to the list of entities that must register with the board and pay a license fee. The proposed amendment of Rule 1783 and Rule 1784 would create a separate license classification for stable name groups. A stable name group would allow multiple entities to run under one stable name. Each entity would be comprised of a unique set of investors, and each would own one or more horses. Any Board licensed horse owner, including horse owners with registered stable names, could invest in a stable name group. These revisions are incorporated in the proposed amendment to Rule 1783 and Rule 1784.

The proposed amendment to Rule 1783 provides that if a partner in a stable name group entity owns 10 percent or less of the entity, he may elect not to be licensed as a horse owner. However, the partner may – at any time – elect to become licensed. This allows the stable name group to sell shares of its entities to persons who may not be interested in becoming licensed.

The proposed amendment to Rule 1783 exempts stable name group partners from the provisions of Rule 1606, Coupling of Horses, if their ownership interest in any entity that runs under a stable name group is 10 percent or less. If a partner has an ownership interest in another horse entered in the same race as a horse owned by the stable name group entity in which he has a 10 percent or less interest, the horses need not be coupled. The exemption to Rule 1606 applies only when one or both horses is run under a stable name group. The exemption to Rule 1606 was included because the committee believed a stable name group partner with 10 percent or less ownership interest would have little or no ability to influence the outcome of a race.

RECOMMENDATION

No comments were received during the 45-day public comment period. This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD
 TITLE 4. CALIFORNIA CODE OF REGULATIONS
 ARTICLE 4. OCCUPATIONAL LICENSES
 PROPOSED AMENDMENT OF
 RULE 1481. OCCUPATIONAL LICENSES AND FEES

Regular Board Meeting
 April 24, 2008

1481. Occupational Licenses and Fees.

No person required to be licensed shall participate or attempt to participate in a race meeting without holding a valid license authorizing that participation.

(a) A person acting in any capacity within the restricted area of an inclosure, simulcast facility or auxiliary stabling area shall procure the appropriate license(s) and pay the fee required.

(b) A person acting in any of the following capacities shall procure the appropriate license(s) and pay the fee required:

- (1) Horse Owner by Open Claim\$250
- (2) Officer, Director, Partner or any individual or person who holds 5% or more of the outstanding shares of a racing association, simulcast service supplier or totalizator company.
\$200
- (3) Horse Owner\$150
- (4) Trainer, Assistant Trainer, Driver, Jockey, Apprentice Jockey, Jockey Agent\$150
- (5) Veterinarian\$150
- (6) Steward, Associate Steward, Steward (Veterinary Service), Simulcast Facility Supervisor, Assistant Simulcast Facility Supervisor, Racing Official, Administrative or Managerial personnel including General Manager of a racing association, simulcast organization or an intrastate guest association, who exercise control over other licensees, horse racing, pari-

mutuel wagering or simulcast operations, or whose duties routinely require access to restricted areas of the inclosure\$150

(7) Bloodstock Agent.....\$150

(8) Valet, Jockey Room or Drivers' Room Attendant or Custodian or Service Person, Colors Attendant, Paddock Attendant \$75

(9) Assistant to a Racing Official or Official, Assistant General Manager of a racing association, simulcast organization or an intrastate guest association, Assistant Starter, Assistant to the Veterinarian, Assistant Manager, Announcer, Paymaster of Purses, Superintendent, Starting Gate Driver, Flagman, Marshal, Stewards' Aide \$75

(10) Exercise Rider, Pony Rider, Outrider \$75

(11) Horseshoer, Stable Agent, Vendor or Vendor's Employee when duties require access to the restricted area, Stable Foreman \$75

(12) Pari-mutuel Employee, Totalizator Technician, Video Operator, Photofinish Operator. \$75

(13) Security Officer, Security Guard, Stable Gateman, Fire Guard, Security Investigator .. \$75

(14) Clerical Employee or Uncategorized Employee of a racing association, intrastate guest association, simulcast organization, simulcast service supplier, totalizator company, horsemen's organization or concessionaire when employed in a restricted area..... \$75

(c) A person acting in the capacity of Backstretch Event Personnel, Groom, Stable Employee or Stable Assistant shall procure the appropriate annual license. The fee for an original license is \$35, and the annual renewal of license is \$20.

(d) A person acting in the capacity of Authorized Agent shall register an authorized agent agreement and registration of authorized agent and pay a fee of \$25 for each registration.

(e) A person or persons electing to conduct racing operations by use of a Stable Name, or stable name group, shall register the Stable Name, or stable name group, and pay a fee of \$300.

(f) A person or persons conducting racing operations as a syndicate, an entity running under a stable name group or as a partnership having more than ten general partners or having one or more limited partners shall register the syndicate, entity running under a stable name group or partnership as a multiple ownership and pay a fee of \$300.

(g) A person participating in any capacity required to be licensed under this rule who participates or attempts to participate at a mule racing meeting shall procure an annual Mule Racing Participant license and pay an annual fee of \$25. A license for participating in a mule racing meeting is valid only at mule racing meetings and any license otherwise valid for horse racing meetings is not valid for mule racing meetings.

(h) A person whose license-identification card is lost, destroyed or mutilated shall procure a replacement license-identification card and pay a fee of \$15.

(i) A person who elects to participate in the Association of Racing Commissioners International (ARCI) Licensing Reciprocity Program shall pay the associated costs charged by the ARCI and the Federal Bureau of Investigation.

(j) The date the payment of the required fee is received and recorded by the Board is the effective date of issuance of a continuous occupational license for the capacity in which licensed. The fees required herein are for the entire period for which the issued license is to be valid.

Authority: Sections 19440, 19510, 19520 and 19704 ~~19703~~,
Business and Professions Code.

Reference: Sections 19510, 19520 ~~19512~~ and 19704,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 12. COLORS, STABLE NAMES, AGENTS
PROPOSED AMENDMENT OF
RULE 1783. REGISTRATION OF STABLE NAMES AND STABLE NAME GROUPS

Regular Board Meeting
April 24, 2008

1783. Registration of Stable Names and Stable Name Groups.

(a) A licensed owner may register a stable name with the Board by filing an application and paying the fee for such stable name.

(1) A stable name is subject to the approval of the Board.

(2) No person may register more than one stable name at the same time.

(3) No person may use the real name of any owner of ~~race horses~~ racehorses as his stable name.

(4) No stable name registration may be used for advertising purposes.

(5) A stable name ~~which~~ that has already been registered may not be registered by another owner.

(b) A licensed owner may register a stable name group with the Board by filing an application and paying the fee for the stable name group. The stable name group shall be subject to Subparagraphs (a)(1) through (a)(5) above. The stable name group may establish multiple entities that shall run under the name of the registered stable name group.

(1) Each entity shall be registered, as applicable, in accordance with Rule 1481; Rule 1506; Rule 1507 and Rule 1784 of this division.

(2) The entity shall name the horse(s) it owns, and such horse(s) shall be owned separately from the other entities within the stable name group.

(3) Each entity shall possess a unique roster of owners. The roster shall name each owner and state if the owner is a general or a limited partner as well as the percentage of ownership of each. The roster shall be filed with the racing office and with the Board's occupational licensing office.

(4) A licensed owner may participate in the horse ownership of one or more entities that run under a stable name group.

(A) A partner whose ownership interest in an entity that runs under a stable name group is 10 percent or less of such entity may elect not to obtain a license as horse owner. For the purposes of this regulation, such partner shall be considered a limited partner. However, the partner may elect at any time to obtain a license as horse owner, and for the purposes of this regulation, shall then be considered a general partner.

(5) A partner who owns 10 percent or less of an entity that runs under a stable name group is not subject to the provisions of Rule 1606 of this division when a horse owned by the entity in which the partner participates is entered to race in the same race in which the partner has ownership interest in another horse that is entered to race.

(bc) The granting of a stable name or stable name group registration by the Board shall not relieve any person from his obligation to file or register a fictitious name as provided by the laws of the State of California.

Authority: Sections 19440 and 19460,
Business and Professions Code.

Reference: Sections 19460 and 19520,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 12. COLORS, STABLE NAMES, AGENTS
PROPOSED AMENDMENT OF
RULE 1784. REGISTRATION TO DISCLOSE ALL PARTNERS

Regular Board Meeting
April 24, 2008

1784. Registration to Disclose All Partners.

(a) An application to register a stable name shall disclose the real names of all partnership or ownership interests participating in the stable and the percentage of ownership interest of each, including the interest owned by any corporation, limited liability company (Corporations Code section 17000 et seq.), general partnership, limited partnership, trust, estate, person or individual.

(b) A registered stable name group shall comply with the provisions of subparagraph (a) of this regulation for each entity that runs under the stable name group.

Authority: Sections 19440 and 19460,
Business and Professions Code.

Reference: Sections 19460 and 19520,
Business and Professions Code.

STAFF ANALYSIS
PROPOSAL TO INITIATE A PROVISIONAL EXERCISE RIDER PROGRAM
TO PROVIDE A TRAINING PROGRAM TO
ALLOW ASPIRING EXERCISE RIDERS TO
GAIN EXPERIENCE BEFORE BECOMING A LICENSED
EXERCISE RIDER

Regular Board Meeting
April 24, 2008

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include licensing all persons, other than the public at large, who participate in a horseracing meeting with pari-mutuel wagering. Business and Professions Code section 19520 states every person who participates in, or has anything to do with, the racing of horses shall be licensed by the Board pursuant to rules and regulations that the Board may adopt. Board Rule 1481, Occupational Licenses and Fees, provides that a person acting in any capacity within the restricted area of an inclosure, or auxiliary stabling area shall procure the appropriate license and pay the fee required. A person acting in the capacity of an exercise rider shall procure an exercise rider license and pay a fee of \$75.00. The term of an exercise rider license is three years.

Leigh Ann Howard of San Luis Rey Downs has requested that a proposal to create a provisional exercise rider (PER) license, to provide a training period to allow aspiring exercise riders to gain experience before becoming licensed as an exercise rider, be brought before the Board. Ms. Howard contends California is losing experienced and professional exercise riders. This is occurring because there is no venue where an aspiring exercise rider can learn to ride a thoroughbred racehorse in a setting that duplicates the conditions at California racetracks. If they are able to get a license, inexperienced exercise riders are often thrown into the system without supervision and can become a danger on the racetrack.

Currently, to receive an original exercise rider license, a rider must contact the CHRB licensing office where he or she fills out an application and receives an approval card. To complete the licensing process the applicant must gallop a horse on the track in front of the official outrider, who judges the rider's skill regarding handling a racehorse and knowledge of track rules. The outrider must then sign the recommendation card, which is then signed by the stewards. The applicant returns to the CHRB licensing office with the completed approval card and receives an occupational license. The signature of the outrider indicates the applicant is qualified to gallop and breeze horses with experienced riders. Once an inexperienced rider

has a license, there is no way to distinguish him or her from other exercise riders, and trainers have no way to judge the competence of such riders when they seek employment.

ANALYSIS

The proposal to establish a PER license would require the addition of a new Rule 1504.5, Provisional Exercise Rider, the amendment of Board Rule 1481, Occupational Licenses and Fees, and the amendment of Rule 1486, Term of License.

The draft proposal for the addition of Rule 1504.5 states that no person who has not previously been licensed by this state as an exercise rider, or who is not licensed by another racing jurisdiction as an exercise rider may be licensed as an exercise rider. This will allow potential and current exercise riders who qualify for a license as an exercise rider to obtain a license without having to first become a PER.

To become licensed as a PER and applicant must be employed by a licensed trainer. The trainer would be responsible for supervising the rider until the PER license is upgraded to full exercise rider. The PER would only be allowed on the racetrack under specific conditions. They are:

1. The PER would not be allowed on the track without the permission of the outrider,
2. A mounted trainer or assistant trainer must accompany the PER until the Outrider determines the PER is competent enough to ride unaccompanied.
2. Must wear distinctive helmet and vest covers that would identify them to other riders on the track, and

The upgrade to a full exercise rider license could occur as soon as 60 days after the issuance of the PER license if the outrider determines that the PER is qualified; however, the full term of the PER license would be set at one year. The upgrade to a full exercise rider license could take place anywhere within the 60-day to one year period.

The California Thoroughbred Trainers have expressed support for the PER license concept, but has reserved final approval as it has not seen any proposed regulations.

A survey of the Arizona, Illinois, Kentucky, Louisiana, Maryland, New York, Ohio, Pennsylvania and Texas racing commissions revealed that none of the racing jurisdictions had an apprentice or provisional exercise rider license. Pennsylvania does allow stable employees to exercise horses with the permission of the outrider. Such employees may go on to become licensed exercise riders. The remaining jurisdictions have much the same requirements as California: the outrider and the stewards must approve the initial licensing of an exercise rider.

RECOMMENDATION

This item is presented for discussion and action. The Board may wish to hear from Leigh Ann Howard. The Board might consider referring the issue to the Security and Licensing Committee for further input from interested parties.

DRAFT

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 4. OCCUPATIONAL LICENSES
PROPOSED ADDITION OF
RULE 1504.5. PROVISIONAL EXERCISE RIDER

Regular Board Meeting
April 24, 2008

1504.5. Provisional Exercise Rider.

No person may be licensed as an exercise rider who has not previously held such license in good standing in this state, or who was or is currently licensed as an exercise rider in good standing in another racing jurisdiction.

(a) Except as otherwise provided under this article, an applicant for a provisional exercise rider license shall provide evidence that a licensed trainer employs him or her by submitting a notarized Provisional Exercise Rider Agreement CHRB- XXX (New 04/08), which is hereby incorporated by reference. The CHRB XXX shall be available at CHRB licensing offices at live race meetings, and at CHRB headquarters offices.

(b) A licensed provisional exercise rider shall:

(1) Not enter the track without the permission of the outrider, and unless the outrider states otherwise shall be accompanied by a mounted trainer or assistant trainer while on the track.

(2) Wear a distinctive helmet cover and vest cover while on the track.

(c) A provisional exercise rider license is eligible for license as an exercise rider 60 days after the date of issue of his or her exercise rider license. To qualify for an exercise rider license the provisional exercise rider license must submit a completed Application For License CHRB-4 (REV. 08/05), which is hereby incorporated by reference, and a recommendation

DRAFT

card form California Horse Racing Board CHRB-59, which is hereby incorporated by reference, that has been signed by the outrider and the stewards. The Application For License CHRB-4 and the California Horse Racing Board CHRB-59, shall be available at CHRB licensing offices at live race meetings, and at CHRB headquarters offices.

Authority: Sections 19420, 19440 and 19520,
Business and Professions Code.

Reference: Sections 19420, 19440 and 19520,
Business and Professions Code.

I _____, a licensed trainer (CHRB license no. _____) have employed _____ as a provisional exercise rider. During _____ employment he/she will be under my supervision while within the inclosure, and will ride only horses trained by me. If _____ employment with me is terminated for any reason prior to the expiration of his/her provisional exercise rider license, I will notify the stewards and outrider immediately, and remove him/her from my work list.

Trainer's Signature: _____ Date: _____

Worker's Compensation Insurance Policy no. _____ Expiration Date: _____

I understand that during my employment as a provisional exercise rider with _____ I will be under his/her supervision while within the inclosure, and will ride only horses trained by him/her. If my employment as a provisional exercise rider is terminated for any reason prior to the expiration of my provisional exercise rider license, I may not exercise horses within the inclosure unless I have executed a Provisional Exercise Rider Agreement CHRB-XXX (New 04/08) with a CHRB licensed trainer.

Provisional Exercise Rider Signature: _____ Date: _____

Provisional Exercise Rider License no.: _____

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 4. OCCUPATIONAL LICENSES
PROPOSED AMENDMENT OF
RULE 1481. OCCUPATIONAL LICENSES AND FEES

Regular Board Meeting
April 24, 2008

1481. Occupational Licenses and Fees.

No person required to be licensed shall participate or attempt to participate in a race meeting without holding a valid license authorizing that participation.

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(b) A person acting in any of the following capacities shall procure the appropriate license(s) and pay the fee required:

- (1) Horse Owner by Open Claim.....\$250
- (2) Officer, Director, Partner or any individual or person who holds 5% or more of the outstanding shares of a racing association, simulcast service supplier or totalizator company.
\$200
- (3) Horse Owner.....\$150
- (4) Trainer, Assistant Trainer, Driver, Jockey, Apprentice Jockey, Jockey Agent\$150
- (5) Veterinarian\$150
- (6) Steward, Associate Steward, Steward (Veterinary Service), Simulcast Facility Supervisor, Assistant Simulcast Facility Supervisor, Racing Official, Administrative or Managerial personnel including General Manager of a racing association, simulcast organization or an intrastate guest association, who exercise control over other licensees, horse racing, pari-

mutuel wagering or simulcast operations, or whose duties routinely require access to restricted areas of the inclosure\$150

(7) Bloodstock Agent.....\$150

(8) Valet, Jockey Room or Drivers' Room Attendant or Custodian or Service Person, Colors Attendant, Paddock Attendant \$75

(9) Assistant to a Racing Official or Official, Assistant General Manager of a racing association, simulcast organization or an intrastate guest association, Assistant Starter, Assistant to the Veterinarian, Assistant Manager, Announcer, Paymaster of Purses, Superintendent, Starting Gate Driver, Flagman, Marshal, Stewards' Aide \$75

(10) Exercise Rider, Pony Rider, Outrider \$75

(11) Horseshoer, Stable Agent, Vendor or Vendor's Employee when duties require access to the restricted area, Stable Foreman \$75

(12) Pari-mutuel Employee, Totalizator Technician, Video Operator, Photofinish Operator. \$75

(13) Security Officer, Security Guard, Stable Gateman, Fire Guard, Security Investigator .. \$75

(14) Clerical Employee or Uncategorized Employee of a racing association, intrastate guest association, simulcast organization, simulcast service supplier, totalizator company, horsemen's organization or concessionaire when employed in a restricted area..... \$75

(c) A person acting in the capacity of Backstretch Event Personnel, Groom, Provisional Exercise Rider, Stable Employee or Stable Assistant shall procure the appropriate annual license. The fee for an original license is \$35, and the annual renewal of license is \$20.

(d) A person acting in the capacity of Authorized Agent shall register an authorized agent agreement and registration of authorized agent and pay a fee of \$25 for each registration.

(e) A person or persons electing to conduct racing operations by use of a Stable Name shall register the Stable Name and pay a fee of \$300.

- (f) A person or persons conducting racing operations as a syndicate or as a partnership having more than ten general partners or having one or more limited partners shall register the syndicate or partnership as a multiple ownership and pay a fee of \$300.
- (g) A person participating in any capacity required to be licensed under this rule who participates or attempts to participate at a mule racing meeting shall procure an annual Mule Racing Participant license and pay an annual fee of \$25. A license for participating in a mule racing meeting is valid only at mule racing meetings and any license otherwise valid for horse racing meetings is not valid for mule racing meetings.
- (h) A person whose license-identification card is lost, destroyed or mutilated shall procure a replacement license-identification card and pay a fee of \$15.
- (i) A person who elects to participate in the Association of Racing Commissioners International (ARCI) Licensing Reciprocity Program shall pay the associated costs charged by the ARCI and the Federal Bureau of Investigation.
- (j) The date the payment of the required fee is received and recorded by the Board is the effective date of issuance of a continuous occupational license for the capacity in which licensed. The fees required herein are for the entire period for which the issued license is to be valid.

Authority: Sections 19440, 19510, 19520 and 19704 ~~19703~~,
Business and Professions Code.

Reference: Sections 19510, 19520 ~~19512~~ and 19704,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 4. OCCUPATIONAL LICENSES
PROPOSED AMENDMENT OF
RULE 1486. TERM OF LICENSE

Regular Board Meeting
April 24, 2008

1486. Term of License.

(a) Every occupational license, original or renewal, granted by the Board under this Article, other than a license as a groom, provisional exercise rider, stable employee, stable assistant, backstretch event personnel and mule racing participant shall expire in its third year on the last day of the birth month of the licensee.

(b) Every original occupational license as groom, provisional exercise rider, stable employee, stable assistant, backstretch event personnel and mule racing participant shall expire on the last day of the calendar year in which it is issued. Such original license shall be automatically extended to expire on the last day of the birth month of the licensee. Renewal licenses shall expire on the last day of the birth month of the licensee on an annual basis.

Authority: Sections 19440 and 19704,
Business and Professions Code.

Reference: Sections 19510, 19520, 19521 and 19704,
Business and Professions Code.

**PRESIDENT**

ED MOGER, JR

1ST VICE PRESIDENT

BRIAN PITNICK

2ND VICE PRESIDENT

JAMES CASSIDY

SECRETARY/TREASURER

THOMAS R. BELL, II

PRESIDENT EMERITUS

NOBLE THRELEWITT

VIA FAX (916) 263-6042

April 14, 2008

BOARD OF DIRECTORS

WILLIAM ANTON
 THOMAS R. BELL, II
 JAMES CASSIDY
 GLORIA HALFY
 DAN HENDRICKS
 ED MOGER, JR
 JEFF MULLINS
 BRIAN PITNICK
 HOWARD ZUCKER

Mr. Richard Shapiro, Chairman
 California Horse Racing Board
 1010 Hurley Way, Suite 300
 Sacramento, CA 95825

EXECUTIVE STAFF

EDWARD I. HALPERN
 Executive Director
 & General Counsel

RE: CHRB Meeting of April 24, 2008 - Agenda Item #6

CHARLES F. DOUGHERTY, JR.
 Deputy Director

Dear Mr. Shapiro:

ANGIE CARMONA
 Deputy Director

The California Thoroughbred Trainers supports the initiation of a professional exercise riders program. As of this date, we have not seen the proposed rules and, therefore, cannot comment further except to express our support in concept.

Very truly yours,

EDWARD I. HALPERN
 Executive Director & General Counsel

SO CALIFORNIA - MAIN OFFICE

Santa Anita Race Track
 285 W. Huntington Drive
 P.O. Box 110000
 Arcadia, CA 91006-0139
 (626) 447-2145
 (626) 447-0270 FAX
 E-Mail: caltrn@pacbell.net

NO CALIFORNIA - FIELD OFFICE

Ray Meadows Race Track
 P.O. Box 5050
 San Mateo, CA 94401
 (650) 343-1646
 (650) 343-1642 FAX
 E-Mail: nocact@pacbell.net

STAFF ANALYSIS
DISCUSSION REGARDING THE FEASIBILITY OF AMENDING
CHRB RULE 1505, QUALIFICATIONS FOR LICENSE AS HORSE OWNER
TO PERMIT A HORSE OWNER WHOSE LICENSE HAS EXPIRED TO
QUALIFY FOR RENEWAL OF THE LICENSE EVEN IF
THEY ARE NOT AN OWNER OF A PROPERLY REGISTERED RACE HORSE
WHICH IS IN THE CARE OF A
LICENSED TRAINER AT THE TIME OF RENEWAL

Regular Board Meeting
April 24, 2008

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in this state where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include, but not be limited to, licensing of each racing association and all persons who participate in a horse racing meeting with pari-mutuel wagering. Business and Professions Code section 19460 provides that all licenses granted under this chapter are subject to the rules, regulations, and conditions from time to time prescribed by the Board, and shall contain such conditions as are deemed necessary or desirable by the Board for the purposes of this chapter. Business and Professions Code section 19520 states every person who participates in, or has anything to do with, the racing of horses shall be licensed by the Board pursuant to rules and regulations that the Board may adopt.

Board Rule 1481, Occupational Licenses and Fees, states no person required to be licensed shall participate or attempt to participate in a race meeting without holding a valid license authorizing that participation. A person acting in the capacity of a horse owner shall procure the appropriate license and pay the fee required.

Board Rule 1505, Qualifications for License as Horse Owner, provides that no person may be licensed as a horse owner who is not the owner of record of a properly registered race horse which is in the care of a licensed trainer, or who does not have an interest in such race horse as a co-owner, part owner, or lessee. A horse owner's license shall be granted to individual natural persons only.

An applicant for license as horse owner must demonstrate that he or she owns a properly registered race horse in the care of a licensed trainer. To verify such ownership Board licensing staff uses the Board's California Horse Racing Information System (CHRIS). If the

horse has run in California, CHRIS will list the horse and its ownership at the time the horse last ran. If CHRIS does not list the applicant as the owner, Board licensing staff will contact the clerk of the course to verify the horse's registration, and/or contact the trainer. This process is repeated every time the horse owner renews his or her license.

Individuals who do not own a properly registered race horse in the care of a licensed trainer may *not* obtain a horse owner license. If such persons wish to buy a race horse, they may currently apply for a Horse Owner by Open Claim certificate. This gives the potential horse owner access to the restricted area of the racetrack. Another licensee (usually a trainer) may sign potential horse owners onto the backside if they wish to observe a horse they might claim.

Occasionally persons who have held a CHRB license as horse owner will attempt to renew such license, but are denied renewal because they are currently not an owner of record of a properly registered race horse. Most such persons accept that they may not renew their license until they buy a horse. However, some persons argue that once they have been licensed as a horse owner, the Board should renew their licenses regardless of their actual *need*, and a refusal to renew the licenses somehow violates a principal or discourages persons from participating in horseracing. *This argument does not take into account the reason the Board issues occupational licenses.*

Occupational licenses provide the board with a means to fulfill its obligation under the law to regulate horse races with pari-mutuel wagering on the results and to protect the public. By issuing occupational licenses the Board is able to determine who participates in a horse racing meeting, and who has access to the restricted areas of the racetrack. An occupational license also provides the Board with jurisdiction over persons who violate its rules and regulations.

The CHRB issues occupational license for persons who will participate in horse racing meetings. Each class of license has certain criteria that must be fulfilled prior to issuance of the license. Under Board Rule 1485, License Subject to Conditions and Agreements, every license is subject to conditions and agreements contained in the application and the Board's rules. The Board may place conditions on any license it issues, and all licensees shall strictly comply with any condition imposed by the Board. Additionally, every license remains the property of the Board. Board Rule 1509, Use of License Required, states that to maintain his qualifications for any license a licensee must have been regularly engaged in the occupation for which the license was issued, and the Board may require that such licensee of applicant for renewal of a license re-establish his qualifications for such license.

Persons who own a horse are more likely to attend live race meetings to watch their horses run. Horse owner licenses confer a certain amount of privileges to the holder. At the very least they provide easier access to the restricted areas of the inclosure. The two thoroughbred associations currently running do issue validation stickers for horsemen participating in a meeting. The validation stickers are to be placed on the owner's license and used to gain entrance to the backside, but that does not necessarily mean a current horse owner's license without a validation sticker will not provide access. Bay Meadows issues validation stickers to

grooms and trainers to control access to the backside; however, owners simply need a current owners license to gain access, and there are no special privileges for owners with such stickers. The act of registering a horse at Bay Meadows provides parking, clubhouse and access to the restricted areas. At Santa Anita validation stickers are required to gain access to the backside for owners. Owners do not gain additional privileges by having a validation sticker.

ANALYSIS

The proposal to amend Rule 1505 will add subsection 1505(d) to allow an applicant to renew a horse owner license without owning a properly registered race horse in the care of a licensed trainer.

If the Board determines it wishes to renew horse owner licenses without requiring the actual ownership of a properly registered race horse, it must take into account the potential numbers of persons who could qualify for such licenses. In fiscal year 2006 – 2007 the Board issued 4,033 horse owner licenses (original and renewal). Over the three previous fiscal years the Board issued 12,908 horse owner licenses (original and renewal). Each of the applicants was required to own a horse in whole or in part at the time of licensing. If horse ownership were no longer a requirement for licensing, there could be a significant number of persons who may seek to take advantage of renewing a horse owner license without ever owning a horse. And, while providing the perks of a horse owner license, such owners' licenses would give little incentive for such persons to actually buy a horse.

A survey of Arizona, Illinois, Kentucky, Louisiana, New York, Ohio, Texas and Pennsylvania revealed that each racing jurisdiction requires an applicant for license as horse owner to own a race horse in the care of a licensed trainer. None of the jurisdictions would issue or renew an owner's license without proof of horse ownership.

RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 4. OCCUPATIONAL LICENSES
DISCUSSION REGARDING THE FEASIBILITY OF AMENDING
RULE 1505. QUALIFICATIONS FOR LICENSE AS HORSE OWNER

Regular Board Meeting
April 24, 2008

1505. Qualifications for License as Horse Owner.

(a) No person may be licensed as a horse owner who is not the owner of record of a properly registered race horse which is in the care of a licensed trainer, or

(1) who does not have an interest in such race horse as a co-owner, part owner, or lessee, or

(2) who is not the responsible managing employee of a corporation or a limited liability company (Corporations Code section 17000 et seq.) which is the legal owner of such horse.

(b) No person licensed by the Board as a jockey, apprentice jockey, racing official, assistant starter or veterinarian's assistant shall be licensed also as a horse owner.

(c) A horse owner's license shall be granted to individual natural persons only.

(d) An applicant for renewal of a horse owner license whose license is in good standing with the Board, but who does not currently own a properly registered race horse which is in the care of a licensed trainer, or who does not have an interest in such race horse as a co-owner, part owner, or lessee, may renew such license as horse owner.

Authority: Sections 19420 and 19440,
Business and Professions Code.

Reference: Sections 19460 and 19520,
Business and Professions Code.

STAFF ANALYSIS
PROPOSAL TO AMEND 1853, EXAMINATION REQUIRED
TO ALLOW THOROUGHBRED HORSES TO
RACE UNSHOD

Regular Board Meeting
April 24, 2008

BACKGROUND

Business and Professions Code section 19420 states jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Board Rule 1853, Examination Required, states the horseshoe inspector shall inspect the horseshoes of each horse. No horse shall be eligible to start in a race, and shall be declared by the stewards, if it is found to be improperly shod.

In 2006 the Board adopted an amendment to Board Rule 1433, Application for License to Conduct a Horseracing Meeting to provide that as of January 1, 2008, no racing association that operates four weeks or more of continuous thoroughbred racing in a calendar year shall be licensed to conduct a horse racing meeting at a facility that has not installed a polymer synthetic type racing surface. To date, all major thoroughbred racetracks, except Bay Meadows, have installed such synthetic racing surfaces. After the synthetic racetrack surfaces were installed the possibility of allowing horses to run unshod on them was raised.

Vice-Chairman Harris has requested that a proposal to amend Rule 1853, Examination Required, to allow horses to run unshod, be placed on the agenda for the April 24, 2008, Regular Meeting. He has suggested a proposed amendment to allow horses to run unshod be expanded to all surfaces

ANALYSIS

The proposed amendment to Board Rule 1853 provides that a horse may run in a race unshod provided the horse's condition is declared at time of entry and noted in the official program. The requirement to declare the horse's condition at time of entry and to note it in the official program is common among the racing jurisdictions that currently allow horses to run unshod. The proposed text does not specify the types of surfaces upon which a horse may run unshod. The Board currently allows mules to run unshod under Board Rule 1748, Shoeing Mules. The rule does not require the mule's unshod condition to be announced due to a history of mules running unshod in California.

Vice-Chairman Harris provided three informational items for this issue. They are:

- A survey of shoeing rules.
- A package of articles regarding the effects of shoeing a horse.
- An article entitled: The Unfettered Foot: A paradigm change for equine podiatry.

The survey of shoeing rules showed that Delaware; Idaho; Illinois; Indiana; Kentucky; Louisiana; Maine; Maryland; Michigan; New Hampshire; New York; Virginia and Wyoming allow horses to run unshod under certain conditions. California currently allows mules to run unshod.

Arizona; Arkansas; Tampa Bay Downs; Kansas; Minnesota; Nebraska; Ohio; Oregon; Pennsylvania; Texas; Washington and West Virginia do not allow horses to run unshod. California also currently does not allow horses to run unshod.

RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
RULE 1853. EXAMINATION REQUIRED

Regular Board Meeting
April 24, 2008

1853. Examination Required.

(a) The official veterinarian shall examine each horse which is scheduled to race to determine its fitness to start. The horse identifier shall examine each horse to identify such horse from the Board's identification record and the photographs, record of pedigree, tattoo or brand number and such other points of identification as may be available. The horseshoe inspector shall inspect the horseshoes of each horse. No horse shall be eligible to start in a race, and shall be declared by the stewards, if it is found to be unfit to race, not properly identified, or improperly shod.

(b) A horse that is not shod is eligible to start in a race provided the horse's "unshod" participation in such race is declared at time of entry and noted in the official program.

Authority: Sections 19420 and 19440,
Business and Professions Code.

Reference: Sections 19420 and 19440,
Business and Professions Code.

Survey of Shoeing Rules

Summary:

Allow Barefoot: California (mules only); Delaware (if approved by Stewards); Idaho (if approved by Stewards); Illinois (if declared at entry); Indiana; Kentucky (if approved by Stewards); Louisiana (if approved by Stewards); Maine (must be reported); Maryland; Michigan (with authorization to change from shod to unshod or vice versa); New Hampshire (if not detrimental to horse); New York (with announcement); Virginia (with approval and noted in program); Wyoming

Do Not Allow Barefoot: Arizona (track rule); Arkansas (Regulation); California – TB, QH, Paint, Arab, Appaloosa (Regulation, as interpreted), Tampa Bay Downs (FL) (Track Rule); Kansas (Regulation); Minnesota; Nebraska; Ohio (regulation); Oregon (Steward policy); Pennsylvania (regulation); Texas (regulation); Washington (Regulation); West Virginia

Toe Grab Prohibition: California (>4mm on front; >1/4 inch on rear); Arlington Park (IL) (Quarter Horses shoes and toe grabs >1/4 inch); Indiana (>4mm on front); Keeneland (KY) (Quarter Horses shoes and toe grabs >1/4 inch); Maryland (no raised quarter toes); Minnesota (Model Rules); Nebraska (>1/2 inch); New Mexico (> 4mm); Washington (>4mm on front)

Arizona

By track rule, a horse may not run unshod in Arizona. (Bill Walsh)

Arkansas – Rule 1211

A thoroughbred horse, starting in a race, shall not be shod with ordinary or training shoes or turn down shoes.

Rule 2022

The Paddock Judge shall in each and every race require the Plater in attendance in the paddock to see to it that all horses are properly shod.

California – Rule 1853

The official veterinarian shall examine each horse which is scheduled to race to determine its fitness to start. The horse identifier shall examine each horse to identify such horse from the Board's identification record and the photographs, record of pedigree, tattoo or brand number and such other points of identification as may be available. The horseshoe inspector shall inspect the horseshoes of each horse. No horse shall be eligible to start in a race, and shall be declared by the stewards, if it is found to be unfit to race, not properly identified, or improperly shod.

(Rule Up For Consideration)

At the present time the stewards' policy has been that all horses must be properly shod. Acting on an earlier request from the mule industry, the CHRB already allows mules to race unshod. (Mike Martin)

1748 Shoeing Mules

A mule that is not shod is eligible to start in a race. (*Dr. Rick Arthur*)

Del Mar-

- Turf Shoe Policy. Only Queen's Plates or flat shoes will be allowed on the turf course. This rule applies to both workouts and races on the turf. Failure to obey these rules may result in severe penalties.
- Shoes for the main track.

Rule 1690.1

Toe Grabs prohibited (a) Toe grabs with a height greater than four millimeters, worn on the front shoes of thoroughbreds while racing are prohibited.

Hind shoe – Turndowns, or any shoe with a toe grab of more than one-quarter inch will not be allowed on the main track for training or racing.

Rule 1555

The horseshoe inspector shall make an inspection of the horseshoes of each horse prior to its departure for the post. He shall report immediately to the stewards any horse which is improperly shod, and he shall maintain a record of the type of shoes worn by each horse. He has the authority to make adjustments and corrections in shoes of any horse as he may deem necessary, subject to the approval of the stewards.

Delaware

Pertaining to Thoroughbreds, horses generally run "with shoes" rather than unshod. This is due to safety factors associated with poor footing on unshod horses. However, if a trainer came to the Stewards and made a compelling argument for running their horse without shoes, it would be under their discretion to permit. Obviously, this would have to be done in advance so that the betting public would be made aware of this. Also, as with any equipment change, it would have to be noted in the horse's racing record. Historically, our Stewards at Delaware Park recall one instance of a horse running unshod approximately twenty years ago with less than successful results. (*John F. Wayne*)

Florida

The Division does not have rules regarding toe grabs or horses running without shoes. (*David Roberts*)

-Tampa Bay Downs

We do not allow horses to run with no shoes here at Tampa Bay Downs. (*Dennis Lima*)

-Calder Race Course

- TURF SHOES. In an effort to preserve the turf course NO shoes with caulks, raised toes, mud nails or BENT SHOES will be allowed. This will be strictly enforced. Block heels will be allowed.
- NO TURN DOWNS. True Turn Downs will not be permitted on any racing surface.

Idaho

Shodding. A horse starting in a race shall not be shod with ordinary shoes, training shoes or bar plates except by permission of the Stewards.” In other words if a horse wants to run “bare foot” it needs to be approved by the stewards and has to be announce over the loud speaker. It happened once three years ago where the owner wanted to run the horse with no shoes on the rear legs. The stewards approved it, the announcement was made and the horse then ran last. The owners were then informed to get shoes on the horse before running again. *(Mike Bosen)*

Illinois – Rule 1415.260

A representative of the operator shall inspect the plating of each horse as it enters the paddock before the race, record the type of shoes worn on a board provided for that purpose in the paddock and keep a written record for the stewards. Any deficiency in shoeing shall be reported immediately by said inspector to the paddock steward. A trainer or owner shall not enter or start, or cause to be entered or started, a horse that, if plated, is not plated properly, as determined by the paddock blacksmith. If a horse is intended to start without shoes, it must be declared at the time of entry.

Arlington Park

Shoes for Polytrack: turndowns, quarter horseshoes and any shoe with a toe grab of more than one-quarter inch will not be allowed on polytrack for training or racing.

Indiana

Rule 5. Eligibility for Racing. 71 IAC 7.5-5-1 Horses ineligible

Sec. 1. (a) A horse is ineligible to start in a race when: (26) it has shoes (racing plates) that have toe grabs with a height greater than four (4) millimeters (fifteen thousand seven hundred forty-eight hundred-thousandths (0.15748) inches) on the front hooves.

Indiana has adopted the model rule banning toe grabs greater than 4mm on front hooves. Our rules on silent on bare feet, so we would permit a horse to race barefoot. (Joe Gorajec)

Iowa

We do not have a rule requiring shoes or types of shoes/grabs – that would be up to the racetrack. *(Keith Soring)*

Rule 491-10.5(1)

a. Responsibility. The trainer is responsible for: (23) Ensuring that the trainer’s horses are properly shod, bandaged, and equipped. *(Patrick Lamoreux)*

Kansas

By regulation it is illegal for any horse to enter the racing surface unshod at Kansas Pari-mutuel tracks. *(Bryce Peckham)*

It is our opinion that more research is in order regarding the presumed increase risk for limb injury associated with the use of toe grabs. We have therefore not restricted toe grabs. *(Bryce Peckham)*

Kentucky – 810 KAR 1:012. Horses. Section 10.

Equipment. (1) Whips and blinkers shall be used consistently on a horse. Permission to change use of any equipment used on a horse in its last previous start shall be obtained from the stewards. A horse's tongue may be tied down during a race with a clean bandage or gauze. A horse's bridle may weigh no more than two (2) pounds. Bits shall be of a metallic alloy base of stainless steel or aluminum and may be encased in rubber, plastic, or leather. War bridles shall be prohibited. No horse shall race in ordinary training shoes. Bar shoes may be used for racing only with permission of the stewards.

The rules state that a horse may not run in "ordinary training shoes", and that the trainer is responsible for "proper shoes" on his horse. However, on a case by case basis the Stewards will grant permission for a horse to run without a shoe or shoes. (*Barbara Borden*)

Keeneland

-Shoes for Turf Course - Shoes with caulks, stickers, blocks, raised toes or turndowns will not be allowed on the turf course. This includes quarter horseshoes or any shoe with a toe grab of more than one-quarter inch.

-Shoes for Polytrack® - Turndowns, quarter horseshoes or any shoe with a toe grab of more than one quarter inch will not be allowed on Polytrack® for training or racing.

Turfway

Shoes: No turndowns permitted.

Louisiana

Horses are, by commission rule, conditionally allowed to run barefoot in La. provided it is approved by the stewards prior to entry and is restricted to the horse starting that way through the balance of the meet. Toe grabs are not regulated as such. Our rule states "no ordinary or training shoes" and refers to "properly plated". The associations usually have restrictions on turndowns and other forms of shoes especially if they have a turf course. This is published in the condition book which is approved by the commission and given the force of a rule. (*Larry Munster*)

Maine

Please be advised that the type and shape of the horse shoe is the responsibility of the trainer and must be reported to the licensed equipment person on included on the horse's equipment card. Any changes must be approved by the equipment person and recorded on the card. In Maine we have only harness horse racing. (*Henry Jackson*)

Maryland

A horse in Maryland can race with no shoes, with just 2 front, with just 2 hind. It doesn't matter. If they come back and race again and are wearing shoes that is alright. We have a blacksmith in the paddock that looks at the horses when they come in the paddock and he tells the announcer, who in turn announces it to the public, if a horses has no shoes, if he has a bar shoe, if he has stickers on etc. he reports anything out of the ordinary that the public would want to know. Our shoe rules are the following:

-Dirt Course- The use of shoes with raised quarter horse toes will not be permitted on the main dirt track. Hind shoes may have a bend of up to 1/4 inch.

-Turf Course- Only Flat, Queen's Plate, Queen's Plate XT or factory Wedge Queen's Plate shoes will be allowed for the use on the turf course. (*Georganne Hale*)

Michigan

Shoes are defined as equipment for flat racing in Michigan. There are no rules about whether a horse may race barefoot. In fact, during the last several years, we have had a few horses that have run barefoot. Since shoes are defined as equipment, the trainer must get authorization from the stewards to change from shoes to barefoot or reverse. We do not have a rule or policy that dictates how long the horse may run one way or the other before changing back. (*Christine White*)

We do not have a rule regulating toe grabs. (*Christine White*)

Minnesota

Horses have to be shod to race. They can train without shoes, but not race. We have adopted the RMTC recommendations for toe grabs and the rule goes into effect this season. (*Lynn Hovda*)

Nebraska

Must be shod with shoes or racing plates, may not run without shoes, may not run with turn downs more than one-half inch. Stewards may give permission to run with experimental shoe. (*Jim Haberlan*)

New Hampshire

There is nothing in our rules that stop a horse from racing barefoot or with toe grabs EXCEPT if it was detrimental to the well being of the horse, which then falls under the trainer responsibility rule. (*Dale Childs*)

New Jersey – Rule 13:70-19.15. Shodding of Horses.

The paddock judge shall, in each race, require the plater in attendance to see to it that all horses are properly shod. (*Anthony Socci*)

Meadowlands

-TURNDOWNS: The use of turndowns or turned down heels are prohibited at all New Jersey tracks due to safety concerns.

- Use of a bar shoe(s) must be declared at time of entry

-In order to prolong usage of our turf course, we require that only inner rim/outer rim or plain shoes be worn. No caulked shoes or extended toe grabs will be allowed on the turf course.

New Mexico

15.2.5.13 RUNNING OF THE RACE:

A. EQUIPMENT: (3) Toe grabs with a height greater than four millimeters worn on the front shoes of horses while racing are prohibited. The horse shall be scratched and the trainer subject to fine.

Ruidoso: Toe Grabs: Toe grabs with a greater than four millimeters worn on the front shoes of horses while racing are prohibited.

New York

The rules regarding shoes are house (association) policies. The NYSRWB thoroughbred rules only state that shoe information must be announced and posted for the public.

- Turf shoe policy - ONLY Queen's Plate or Queen's Plate XT will be allowed on the front and hind.
- Only plain hind shoes may have a bend of up to 1/4 inch. All other shoes must be flat.
- Stickers no longer than 3/8 inch (front only), bar shoes, aluminum pads, clips, wedges and plastic wedges will be permitted all around.
- Any shoe changes involving bar shoes and aluminum pads should be reported at entry time. These changes will be published on the overnight and in the official program.
- Should a change of shoes fail to appear on the overnight, it is the trainer's sole responsibility to immediately notify the Racing Secretary's Office of the discrepancy no later than 10 a.m. on the day of the race. Failure to do so may result in a late scratch and a possible fine at the discretion of the Board of Stewards.

Horses may run without shoes, though we rarely see that any more. A couple of trainers used to start their 2 year olds w/o shoes, but that was years ago. Of course, horses running barefooted are announced and posted for the public. When the horse runs back, the shoeing status will be announced and posted, i.e., "runs w/o shoes again", or "will be running with shoes today". (*Dr. Ted Hill*)

Ohio – Rule 3769-4-49

A horse shall not start in a race if not properly shod. (*John Izzo*)

Oklahoma

There are no rules concerning toe grabs at this time in Oklahoma. We will however, review the issue this year for a possible rule. (*Constantin "Tino" Rieger*)

Oregon

At the present time the steward's policy has been that all horses must be properly shod. (*Mike Twiggs*)

At present time we do not have any regulations on toe grabs, but will be addressing the issue this summer as we go through our rule making/changing process. (*Mike Twiggs*)

Pennsylvania

(d) The paddock judge shall, in each race, require the plater in attendance in the paddock to see that the horses are properly shod. The judge shall report the findings of the plater immediately to the stewards.

Texas

Lone Star Park Horsemen's Guide: Shoes

On both the dirt and turf tracks, no turn-down shoes are allowed. On the turf course, the only shoes allowed are queens plates, level grips and world class race plates. All shoes will be inspected upon arrival in the paddock.

In Texas a horse can not run barefooted since our rule only states a horse must be properly shod. So we interpret the rule as you must have shoes.

The only rule that most of the associations have concerning shoes is that no turn-downs are allowed. (*John Ferrera*)

Rule 313.51

(a) The horseshoe inspector shall inspect the horseshoes of each horse in the paddock. The inspector shall immediately report to the stewards and paddock judge a horse that is improperly shod.

(b) The horseshoe inspector shall maintain a record of unusual types of racing plates worn by each horse scheduled to race. With the approval of the stewards, the horseshoe inspector may order adjustments or corrections to the racing plates of a horse.

Rule 313.44

(c) The paddock judge shall maintain a record of all equipment on a horse saddled for a race and shall report to the stewards any change indicated at a subsequent saddling.

Virginia

In Virginia, running barefoot falls into our change of equipment rule—it can be done subject to approval of the Paddock Judge and duly noted in the program. (*Stan Bowker*)

Washington – Rule WAC 260-44-150. Horseshoes.

(1) A horse starting in a race must be fully shod with racing plates.

(2) During off-track conditions the trainer is required to report any additional traction devices to the board of stewards or designee.

(3) For turf racing, horses must be shod with racing plates approved by the association.

(4) Toe grabs with a height greater than four millimeters, worn on the front shoes of thoroughbred horses while racing or training on any surface or conditions are prohibited.

West Virginia

We do not allow horses to run barefoot and there is no rule allowing for toe grabs. (*Linda L. Lacy*)

Wyoming

There is no prohibition against running a horse barefoot or regulation regarding toe grabs in Wyoming. (*Frank Lamb*)

THE UNFETTERED FOOT:

A paradigm change for equine podiatry

Tomas G. Teskey D.V.M¹.

"PRIMUM NON NOCERE" (First, do no harm)

-Attr. Hippocrates c.460-357 B.C

Equine veterinarians have a responsibility to study the evidence that shoeing is harmful to horses.¹⁻³⁴ At graduation, we swear an oath to use our knowledge to enhance animal health and we accept, as a lifelong commitment, the obligation to continually improve our knowledge and competence.

In the last eight years, a quantum leap has been achieved in the understanding of hoof care. In the words of the old song, the speed and distance of the leap has left many veterinarians and farriers feeling "bewitched, bothered and bewildered."² The result is that, for a period of time yet, a widely stretched spectrum of professional opinion will exist, together with some tension, concerning what is considered to be appropriate hoof care. At the traditional end of the spectrum are farriers who combine their knowledge of hoof anatomy with blacksmithing skills to provide a metallic system of hoof care that has been firmly in place for over a thousand years. At the opposite end of the spectrum is the new paradigm that first emerged in the closing years of the 20th century. These are barefoot systems of hoof care initiated by two pioneers, a veterinarian, Hiltrud Strasser, and a farrier, Jaime Jackson. They are based on and nourished by knowledge gained by research, observation and trimming to provide physiologically acceptable, non-metallic systems of hoof care.^{2, 4,5,7}

Many farriers, and many veterinarians who have previously obtained farriery credentials, remain ardent advocates of shoeing. Though they damn their craft with faint praise when they concede that shoeing is a necessary evil, they revoke this weakness by citing the millennium-long history of shoeing, under management strictures imposed by non-leisure usage, as evidence that horses suffered no ill effects from such a practice.^{25 3}

The farrier-cum-veterinarians are fighting a rearguard action to defend the metallic end of the spectrum. Feeling the need to stay loyal to their first profession and its traditions, they are finding it difficult to defend their position in the face of an increasing army of knowledgeable horse owners who have studied barefoot hoof care. It is easy to sympathize with their dilemma. As more and

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² Rodgers and Hart, 1944

³ The survival of a hypothesis over a long period of time is of course no guarantee of its validity. As Carl Sagan pointed out, Ptolemy's hypothesis that the earth was the center of the universe survived 1500 years before being shown to be dead wrong.

more horse owners demonstrate success in working their horses without steel shoes, unheeding farriers and veterinarians alike will become increasingly uneasy at remaining entrenched in the metallic end of the hoof care spectrum. Utilizing the knowledge of natural hoof form and function as the basis for barefoot hoof care advances our success with horses, whereas holding fast to an untenable paradigm leaves hoof care mired in the past.

I am fortunate to have practiced at both ends of this spectrum. Having been raised and employed on working cattle ranches in Arizona, I learned from the wisdom of three generations how to shoe the horses in order to get the work done. These jobs demanded long hours of cross-country riding, a chore I recall as being dictated by necessity rather than choice. I am now aware that it is not only possible, but preferable, more efficient, and healthier for horses to work barefoot.³²⁻³⁴

Nevertheless, the entrenched opinion of most farriers and veterinarians is that horses are simply unable to work without shoes. It is more correct, however, to say that their *own* horses cannot work unshod, while others can. Their opinion stems from the retention of traditional thinking and, therefore, practices that have not appreciably changed over the past few decades. There are those that cling to tradition by portraying modern-day shoeing as advanced and no longer the harmful practice it was, speaking of "new shoeing methods" or even using another odd term, "natural principled" shoeing. But with awareness of hoof biodynamics and of how and why horses can be trimmed and managed barefoot, these opinions are refuted. In their place emerges a new paradigm for hoof care that enhances the welfare of the horse.

I submit that any acceptable method of hoof care should provide the hoof capsule with the ability to:

- Flex and torque in all directions in response to changes in terrain
- Assist in the movement of blood and lymph through weight-driven pump mechanics
- Protect sensitive inner structures from physical and environmental variables
- Exfoliate itself in a process that eliminates old and stimulates new growth
- Transfer sensory information about the environment to the central nervous system

Such criteria are met by the unfettered foot: a marvel of engineering that accomplishes these tasks by virtue of 60 million years of evolution. It possesses structures based on three very strong shapes ... a cone-shaped inner and outer wall and coffin bone, a dome-shaped sole and coffin bone, and a triangular frog and bar-heel. This arrangement is healthy and helpful to the horse only when the hoof can shape itself by movement or be sculpted appropriately by tools and remain in a dynamic state. Inappropriate sculpting or the attachment of shoes

impedes all these functions and, to varying degrees, hurts every hoof and harms every horse.

Forcing the flexible hoof to function when restricted by a rigid, steel shoe is one powerful prescription for promoting the hoof's deterioration. It results in deformity of the hoof and other nearby tissues, disrupts physiological processes, and leads to harmful overgrowth of the hoof capsule. Because when a shoe is finally removed, the overgrown hoof is trimmed in a manner designed to ensure the retention of the next shoe (rather than comply with the physiology of the hoof) additional harm follows. Such trims do not respect the shape conducive to optimal hoof performance.

Though iron, a thousand years ago, was utilized as the material of choice to prevent hooves from wearing down, we now realize that hooves are harmed when fixed in space due to the rigidity of metal, and fixed in time due to the normal growth of horn no longer being exfoliated. A review of my clinical records in equine veterinary practice over the past ten years has revealed that 85% of hoof and leg ailments of all kinds have occurred in shod horses, including catastrophic limb fractures. Yet the prevalence of shod horses amongst my clientele during that time was only 48%. The hoof capsule is a highly-evolved and specialized area of skin ... but it is still skin. Steel has no redeeming qualities as a material for protecting skin.

Shod horses have historically represented what has been thought of as a "higher level" of care in my area and throughout the equine industry, receiving "better" nutrition, housing and management than barefoot horses. However, in my practice, the incidence of limb disease and injury is 70% higher amongst shod horses. Shod hooves cannot adequately dissipate forces of torque and concussion. Instead, these forces harm the hoof and are also referred up the limb to assault other structures that have not evolved to withstand these stresses and strains. The resultant harm to the horse's flesh and bone is both predictable and inevitable.

So common are hoof deformities in our daily clinical experience that many veterinarians accept them as normal. But upright cylindrical hoof capsules; with high, contracted heels; long toes; flat, oval soles; and relatively horizontal hairlines represent common and severe deformities. Normal hooves have sloping, conical capsules; with low, expansive heels; short toes; domed, round soles; and 30 ° hairlines. Many veterinarians blame the poor shape and condition of horse's feet today on genetic flaws, arguing that steel shoes are necessary to prevent further deterioration and breakage. But the evidence points to a simple environmental reason for the flawed feet of our domesticated horses ... an overall lack of movement of both horse and hoof. Foals, from the time they are born, are often confined on soft footing instead of being allowed to walk and run on firm terrain. The foal's feet are not shaped by the natural wear that should start in the first few days of life.²⁴ Though we know that bone mass increases until four or five years of age, many horses are shod at one or two years old. Many adults continue to live sedentary lives and receive improper trimming

and/or are regularly shod. Any combination of the above variables results in hoof deformities and small feet for the horse's size. Horses rarely inherit poor feet. They develop poor quality, atrophied feet due to improper trimming, confinement, and shoeing. My observations indicate that foals born from "genetically small-footed" parents with deformed feet have beautiful, appropriately sized feet when trimmed properly from a young age, allowed adequate movement, and kept barefoot.

Steel shoes weaken the hoof capsule. Preparation of a hoof for shoeing begins the weakening process by removing its strong, natural shape. A normal hoof is not flat in any plane, having naturally arching quarters, recessed bars and sole. But these important shapes are eliminated to permit the secure application of a shoe. A horse left barefoot, but trimmed as for shoeing, has poor hoof form, an uncomfortable gait, and impaired hoof function. Such improper trimming leaves an owner with the impression that their horse "can't go barefoot." The abnormally high pressure on bars and sole harms the hoof, as well as other portions of the limb and the whole of the body. With the shoe applied, the hoof incurs further harm through contact of the shoe with the outer wall. The outer wall has evolved to fulfill a function that is primarily protective rather than weight bearing. Increased concussion and constant pressure on the outer wall causes the commonly seen rippling and buckling of horn tubule and disrupts the normal flow of the outer wall relative to the inner wall^{7,25}. The transfixing metal nails course along the distal aspect of the inner wall, transmitting the excessive and harmful concussive force from the shoe through these areas. This breach of external surfaces results in mechanical disruption of the hoof wall, an unavoidable degree of laminar separation, the invasion of saprophytic bacteria and fungi, and exposure of the hoof to extremes of temperature. In addition, shoes inhibit the pumping system that promotes full circulation in the hoof, so reducing shock-absorbing ability.^{1,3} It is also easy to appreciate how this ischemia interferes with normal horn growth and metabolism. A congested physiology, with resultant dysplastic, weakened growth is the result, leading to the severe hoof deformities and leg diseases we see daily in clinical practice. Shoes provide such an effective barrier to sensation that their presence automatically debars a horse from being declared sound at any speed. The definition of a sound horse *should* be one free from pain that can walk, trot and canter with animation and impulsion, *on unfettered feet*.

In my experience, the terms "therapeutic" and "corrective" shoeing are oxymorons. Five years ago, I observed and provided reluctant veterinary support for a gelding that had prolapsed both coffin bones through the soles of his front feet and, at this late stage, was finally being managed on a barefoot hoof care program. Seven months later, this gelding was being ridden, never having had anything nailed to his feet to 'support' him through the ordeal. I was accustomed to forecasting one and a half to two years of healing time when applying the protocol of the Equine Digital Support System (EDSS), having seen several master farriers use this system on about fifty such cases. I noticed these horses grew what appeared to be new hooves, but upon removal of the EDSS appliance

they were still unable to walk normally. When I learned about some barefoot trimming techniques, I discovered the problem. Realizing that healthy horses are suspended by their hoof capsules rather than supported by their soles, it became clear that EDSS and other shoeing protocols encourage horn growth that remains highly dependent on solar support, ignoring the need to develop strong laminar suspension. I quickly discovered that barefoot trimming techniques, boots, and a respect for the normal physiology of the hoof allowed these horses to grow durable structure with strong suspension. To "therapeutically" shoe them was contra-indicated. Healing in a natural manner minimized the redundant tissue repair and metabolic stresses that otherwise the horse's body had to endure. In this way, feet regained their normal shape and outperformed shod ones in a shorter time, becoming honestly sound.

Users of EDSS and other shoeing systems often advocate that the heels of laminitic and foundered horses should be elevated above their physiological height.^{30,31} I trust that this regrettable procedure will soon be discontinued, because laminae become even more stressed and ischemic when heels are elevated beyond physiologic parameters. The belief that deep digital flexor tendon tension must be "slackened" to prevent further coffin bone separation is erroneous. Mathematical equations and structural models indicate that it is primarily the weight of the horse on a coffin joint with higher than normal heels, not deep digital flexor tendon tension, that leads to coffin bone rotation.⁷ The majority of foundered horses have deformed heels that are already too long. To elevate them even higher is contraindicated and harmful. It robs the horse of the strength and attributes of normal hoof form and is contrary to the normal biomechanics of the hoof. It causes decreased circulation, desensitization, severe hoof contraction, coffin bone deterioration and worsening separation. Surgical transection of the deep digital flexor tendon adds insult to injury, as it needlessly disrupts one of the important anatomical components offering dynamic support in the caudal region of the foot. Foundered horses can be properly managed through respectful sculpting of their hooves and the judicious use of boots and firm, nonconcussive terrain. What the inventors of the EDSS appliances intend, and what the EDSS patients in my practice develop is wildly different.

Other examples abound, such as horses with typical navicular-type pain at age two, to teenage horses with the more classical 'navicular' syndrome.⁶ When properly managed barefoot, such affected horses often achieve honest soundness, and this at a time when traditional veterinary care claims no cure for such a condition.³⁴ Navicular problems are absent in horses that have been trimmed for optimum hoof form and function from day one and allowed freedom of movement. Instead of investigating these shining examples and examining these case histories, most equine practitioners continue to use drugs, special bar shoes and surgical neurectomy to attempt a "cure". All such affected horses can be seen to have obvious deformities of their hooves, yet the drugs and shoes prescribed do nothing to provide these horses with better hoof form. A sad situation exists when large amounts of money are spent on misguided

"therapeutic" or "corrective" treatments that are contrary to the physiology of the hoof and only serve to progressively worsen the horse's condition.

The increasing body of evidence about barefoot rehabilitation techniques and the demonstrably convincing performance of barefoot endurance horses is both fascinating and compelling. Other veterinarians that both ride and shoe cite the "impossibilities" of riding barefoot. I can only say that my own and thousands of other horses can and do ride, for hundreds of miles a week, on rocks, without steel shoes. Clearly, domestic equine hooves can be conditioned beyond a level that is customary in feral horses. Five short years ago, I lacked the knowledge of proper hoof form and function and, as a result, I was unable to salvage many horses with devastating hoof problems. It was the shoeing and the subsequent progressively debilitating hoof deformities in these horses that brought them to their end. I realized I could not, in good conscience, continue to use steel appliances to bring "healing" to hooves that were deformed due to the use of such appliances in the first place. Now the horses I see with similar problems improve in a short time. The knowledge of normal hoof form and function is powerful. Using it to *prevent* hoof deformities beats rehabilitating deformed feet any day, and is the key to honest hoof health. Pete Ramey is another enlightened 'former farrier' who no longer uses metal. He writes, "Our goal continues to be for every horse to outperform its former shod self, and the hooves deliver this with shocking consistency that amazes me more every day."
28

Other common but unsound arguments claim that shoes are needed because of the added weight of tack and rider, the harder terrain, and the extreme sports that are expected of the modern-day horse. Each of these arguments can be refuted, in order, on physiological, evolutionary and historical grounds. For example, the feet of pregnant mares comfortably adapt, in the wild, to the increased weight of the gravid uterus. Horses evolved in varied terrains, including desert, where hard terrain is the norm. The 'extreme sport' of cavalry warfare was conducted for c. 2500 years without shoes. For the last two hundred years of this period, horses were carrying the 'added weight' of armor and equipment.

We should recognize that, on weight bearing, steel shoes hold the sole of the hoof in a non-weight-bearing, vaulted position against the descending coffin bone. We misinterpret so-called "stone bruising" of the soles of shod horses as being caused by stones on the ground. This pattern of bruising originates from concussion followed by pressure necrosis of solar corium that cannot escape the blows of the coffin bone above and an unyielding sole beneath. Bruising of the moonsickle points to a pathology at the tip of the coffin bone and originates because of excessive heel height. Another example is the almost 'epidemic' incidence of ringbone among shod horses in my practice. With or without extra weight, shod hooves are disallowed vital flexion and torsion, forcing the proximal interphalangeal and other joints to torque unnaturally. Add to these stresses the greatly increased concussive forces from the shoe below ^{7,11,24} and the weight

above, and it inevitably follows that nailed-on shoes are a prescription for disease.

The provision of movement is an important factor in a barefoot management program.^{2, 4,7,12,13,24} The ideal is turnout 24/7 with companion horses on terrain that, at least in part, matches the ground on which they have to work. But where movement cannot be provided, such as for horses in more urban environments where turnout space is limited, they are still much better off barefoot than shod. All horses should be provided with dry or well-drained footing whether kept in confinement or on several acres of pasture. But firm, dry footing is mandatory for those that are confined. Daily riding or lead exercise is especially critical for the confined horse. Similarly, when confined, frequent trimming of the hooves is essential to prevent the onset of imbalances, cracks, infections and overgrowth. Physical confinement does not necessitate shoeing, but it does necessitate more regular and careful attention to the hooves and, when riding on rough terrain, the use of boots. If the unshod feet of stalled horses are cared for, as outlined, they can remain healthy and sound. To achieve this goal some simple changes in management become necessary.

My own and other barefoot horses have hooves that wear slower than steel shoes over a given period of time. If at first that seems "impossible", stop and appreciate the critical variables that are the allies of the barefoot horse: time, wear, growth, callusing and a dynamic existence. Their "unprotected" hooves grow overnight in response to the wear they receive between daily rides, whereas shod horses are unable to help themselves with hoof growth or balance and are totally dependent on the shoes which transfix their hooves in a predetermined plane. Other interesting comparisons can be made on the basis of speed, agility and degree of soundness.

Proprioception is significantly impaired in shod horses.⁷ Through lack of sensory feedback, they pay less attention to where their feet are landing and suffer more trauma from interference, slipping and stumbling on rocky terrain. Having a normal (i.e. highly sensitive) feedback system, barefoot horses are more agile, watch where they are stepping, avoid rocks, and rarely stumble. Due to the superior traction of a yielding hoof, neither do they slip and slide. The result is healthy, but minimal hoof wear and a safer, more enjoyable ride for them and their passengers. Those who ride shod horses on rocky ground know how dangerous it is. Those who have experienced the confidence of a barefoot horse in such terrain are most reluctant to get back on a shod horse.

I have documented a decreased incidence of heart murmurs, and lower resting heart rates, in my own barefoot horses as well as in many barefoot endurance horses. Their cardiovascular fitness, as judged by cardiac recovery measurements, is superior compared to shod horses doing similar work.

One of the most compelling examples of the underlying unsoundness of all shod horses is the crippling lameness that quickly follows the loss of a shoe. This becomes a serious problem when miles from home and nails or appropriately

sized boots are unavailable. If shod horses suffer no ill effects from their shoes, as many professionals contend, why are they so lame within minutes when walking a short distance without them? Again, the earlier proposed definition of a truly sound horse comes to mind.

Sound, barefoot horses, when allowed movement over a suitably demanding terrain, often trim their own feet. This is the most ideal trim they can get. But many still need trimming despite having been worked on rough terrain. Though I have mentioned little about how barefoot trimming is performed, the above two sentences provide the key. A barefoot trim sculpts the horse's hoof by mimicking the effects of mileage. If occasions arise in which hoof wear does exceed growth, boots allow the work to get done.

Boots provide an outstanding option for honest hoof protection, being made of dynamic materials that move and recoil to complement a hoof capsule's function.^{28,29} They are especially helpful in this transition age of hoof care, in which the need to rehabilitate hooves harmed by shoeing is omnipresent. The number of new boot designs that have been marketed in the last five years has tripled, and the demand for new and user-friendly designs is increasing to the point where supply sometimes fails to meet demand. Nevertheless, riders find that the more they work with properly trimmed and conditioned horses, the less are hoof boots needed. "These days", says Pete Ramey, "I have traded in my metal shoes for state of the art hoof boots, and I have learned the awesome power in allowing the 'off season barefoot healing period' to extend throughout the horse's life."²⁸ It is ironic that the iron shoe we once thought offered protection, support and traction is now known to expose the hoof to harm, deprive it of support, and render it incapable of providing proper traction. And these are only a few of the harms that a shoe inflicts.¹¹ There just aren't any good excuses for nailing rigid steel shoes to horses' hooves, recommending their use, or standing idly by while they are used. As veterinarians, we should be advocating what is healthiest for the horses under our care

Barefoot hoof care works exquisitely well with the natural horsemanship philosophies of today, and the welfare of the horse is enhanced. As in any work with a horse, "asking" instead of "telling" becomes our guide for trimming a hoof. Horses are only too happy to perform with their bodies and spirits intact. That spirit of the horse always keeps us coming back for more. As hoof care specialist Martha Olivo remarks, "Horses and I just 'find' each other...we always have. They have been my best teachers and at many important levels, we keep each other whole."

It is a grave mistake for 'entrenched' veterinarians to comfort themselves with the belief that the barefoot movement is no more than a passing fad. It dismisses the fact that this body of knowledge is securely based on a respect for the horse's inherent genetic endowments. If we nurture their physiological inheritance, horses are perfectly able to complete a longer, more fruitful, lifetime of work. Keeping horses barefoot is a phenomenal win-win situation, offering increased vitality and performance. Though I can continue to write about these facts, others

must do their own research and use their own observational skills if they wish to arrive at the same understanding.

Championing the barefoot cause allows us to comply with the oath we took on graduation. Barefoot methods of hoof care stand firm on a sound body of knowledge. Farriers and veterinarians are the best men and women to promote this movement as they have the necessary broad training, the clientele, the love for the horse, and the tools. The primary objective is to improve the welfare of the horse by carefully applying barefoot (i.e. physiological) management programs. Happily, this brings its own secondary rewards, as such work is not only more successful and professionally satisfying than the traditional approach but it is physically less strenuous and safer. For the cooperating farrier it actually extends his business, as most owners would prefer not to do their own trimming. The former farrier KC La Pierre tells his audiences that shoeing is not, as claimed, a necessary evil. The evil arises, he says, from our lack of understanding of the hoof. It is this that leads to the belief that shoeing is necessary. Julian Huxley expressed the same thought in five words, "... false thinking brings wrong conduct."

The currently divisive spectrum of hoof care will be less polarized in the future. Similarly, organizations can expect sports activities that depend solely on specialized shoeing techniques to wane. Slider shoes that allow for exaggerated sliding stops, gait-altering shoes that interfere with normal hoof flight arcs, racing plates with grabs that increase the incidence of injuries, and other appliances that are used strictly for fashion will be replaced with barefoot trimming techniques and/or boot designs that do no harm.

We are professionals, pledged to advance our knowledge and competence and offer it to people who count on us, without restraints of ego or tradition. Science is a self-correcting system and, though the corrections are often sadly delayed, they do eventually take place. For example, we no longer fight disease by blood-letting: the practice of pin-firing and the use of caustics is on the wane: medial patellar desmotomy is largely a surgery of the past: and we now know that riders can communicate better with their horses if the bit is removed,^{9,14} metal in the mouth being the cause of over a hundred behavioral and medical problems. Clients will come to us to find out about barefoot hoof care, to discover how their horses can improve their performance, and become less prone to a whole host of problems when barefoot. Veterinarians should be aware that there is a growing dissatisfaction among horse owners with the traditional hoof care options that are currently being offered by the profession. Already the climate of opinion among knowledgeable horse owners is such that an owner whose veterinarian has overlooked, ignored, refused or failed to offer them the barefoot option might construe such an omission as an act of negligence.

All of us want nothing less than faster, more complete healing for our patients. We would do well to take seriously the evidence clearly indicating that horses should not be shod. Taking the lead in promoting healthy hooves, educating ourselves, and our veterinary students, is a worthwhile, rewarding project and it

is one that we have a responsibility to adopt. Those who resist shouldering this responsibility will soon find themselves corralled by horse owners who have a better understanding of the horse's foot than they do.

Conclusion

The shod and deformed foot is a sad and sorry sight, harmful to the horse.

The bare and healthy foot is a joy to behold, and does no harm, of course.

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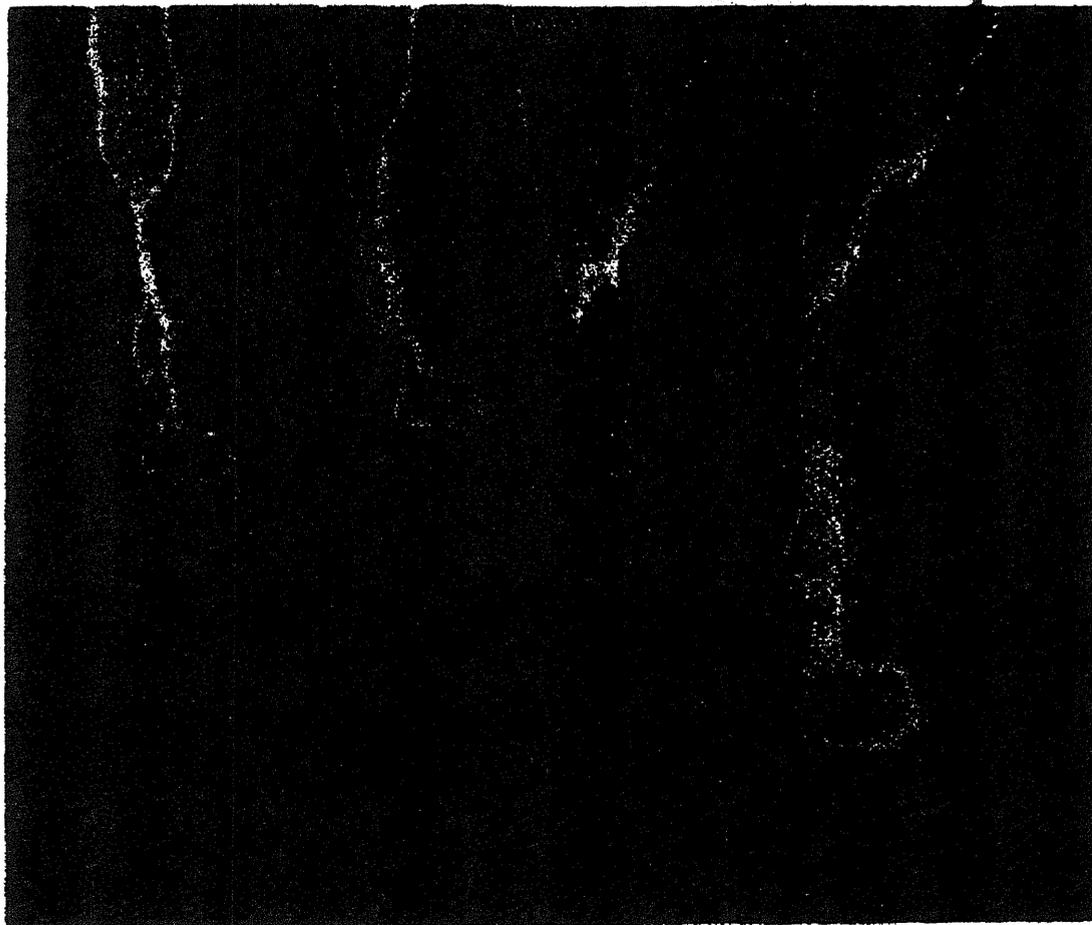
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[The above list of references, in year order of publication, includes a dozen books and provides comprehensive descriptions of the rationale and practice of barefoot hoof care. The Internet also contains an enormous amount of supplementary information, case histories and user comment. A Google search on 'barefoot hoof care' reveals nearly 2000 entries and provides a sense of the intense interest expressed by horse owners in this new approach, and the worldwide momentum that this movement has achieved in the last eight years.]

Shoeing blocks the energy flow in the feet and metacarpus



The right front hoof is shoed

Barefoot Racing

Introduction

An Insurance study done in Germany from 1984-1994 found the loss of use (excluding death and euthanasia) in horses was due between 46.8 - 55.9% of the time to lameness of some kind. Another study completed in 1995 revealed the most permanent loss of use was once again lameness at an incredible 83%. Only about 11% of the horses studied lived past the age of 14.

These astounding statistics prompted Dr. Hiltrud Strasser to research the causes. Over the last 20 years her research has surmounted any to date. Yet nothing has changed in the way we look at the natural hoof. In Australia in 1999, another such study showed again 83% of young race starters came up lame.

Today, there are two distinct groups promoting barefoot performance horses working throughout Europe and North America. One being Dr. Strasser's from Germany, and the other, Jaime Jackson from the USA. Jaime Jackson began studying the wild horses in the USA and has written numerous books on the subject of the barefoot performance horse. He is also the founder of a growing organization, The American Association of Natural Hoof Care Practitioners. What you will find in the next few pages to follow is a very brief overview of some of Dr. Strasser's research work that she accumulated over 20 years. The first section of the overview examines how the natural hoof works which allows the reader to understand more fully the true harmful effects of the iron shoe which man has so needlessly infringed on the horse for far too long. Since the publishing of the many books on the evils of horseshoeing, no person has yet been able to undermine these findings. Horseshoes are a slow painful death for any horse subjected to this cruelty. These two groups are leading the equine industry into a massive revolution. The Barefoot Performance Horse. Man's evolution, Horse's revolution!

Mechanics of the Horse's Hoof

The hoof is a highly complex vascular organ which is very flexible enabling it to act like a shock absorber and suction cup on any terrain when left in its natural healthy state. The moment a shoe is nailed onto the foot, the vital mechanism is prevented. When shod, the hoof is fixed in its narrowest state preventing flexibility and therefore blood flow, slowing down waste elimination from the body, as well as, a whole multitude of devastating chain reactions.

What is the function of the foot

1. Protection and Traction
2. Shock absorption
3. Heart supporting circulatory pump

Protection

The outer hoof protects the sensitive internal vascular system from outside forces, acts as a temperature insulator and secures footing on any terrain. The hoof capsule must keep the temperature of the inside of the hoof constant in order that the cell metabolism, ie. horn production, protein removal from the bloodstream, is maintained.

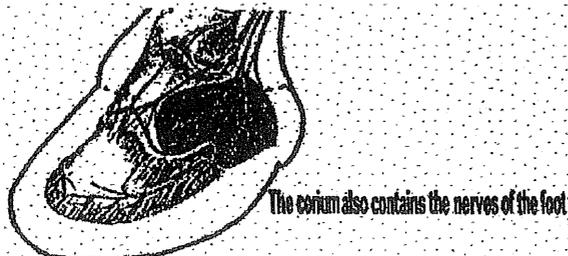
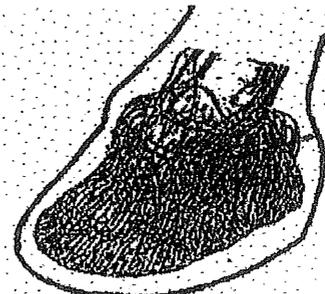


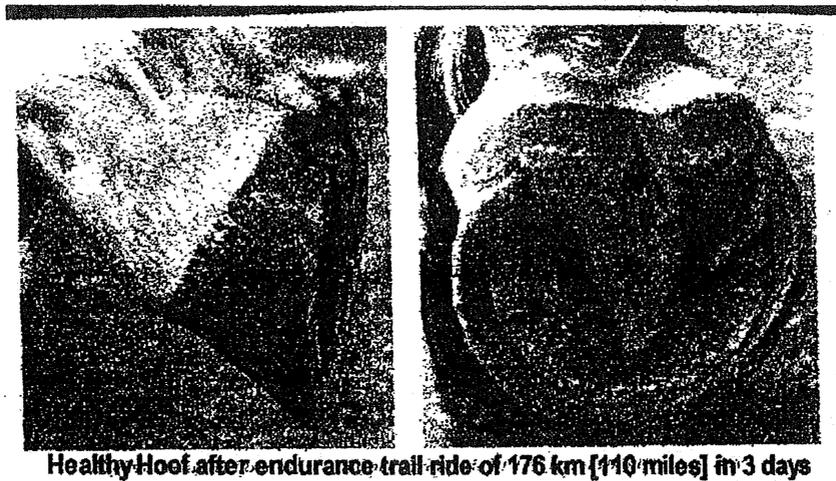
Fig. 35: Nerves in the Foot



Vascular network of the corium

Traction

In a natural worn hoof the bars and walls of the heels protrude slightly above the concave sole; very similar to the traction grooves of a car. Through the skid brake action of the bars, the wedging action of the toe and the suction cup effect of the sole and frog, the natural hoof ensure safe footing on any terrain. Since the hoof is conical in shape, this means its walls meet the ground at any angle giving the hoof again a wedge-like action insuring surefootedness both forward and sideways.



Healthy Hoof after endurance trail ride of 176 km [110 miles] in 3 days

Shock Absorption

One of the most important functions that is achieved through the principle of energy transformation (energy cannot be destroyed, only changes form), is shock absorption. There are four major forms that Dr. Strasser has noted:

1. Leaf spring effect of bone alignment

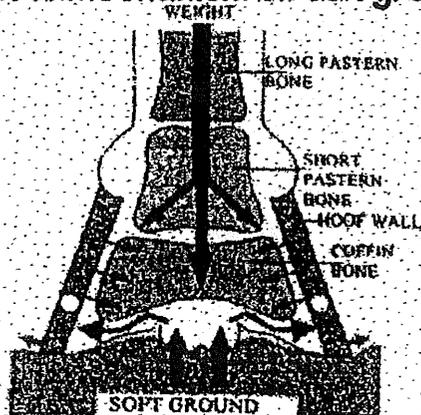
The bones of the foot are not aligned vertically, but in a harmonic curve. This way when the hoof contacts the ground, the impact force does not travel straight up the leg, but is partially absorbed the way a leaf spring will absorb shocks.



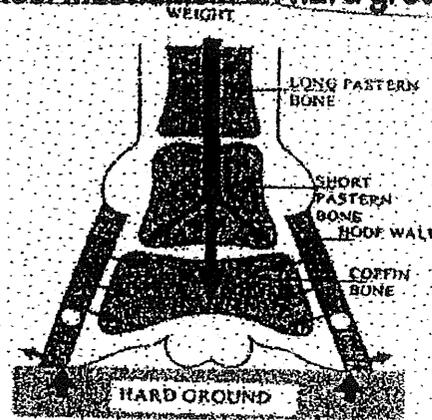
Fig. 33: Photo of Sagittal Cross-section of the Foot

2. Expansion of the hoof capsule (hoof mechanism) narrows when the foot is lifted and expands again on weight bearing. This constitutes 79 to 80% absorption, Luca Bein, University of Zurich. See Professor Prueuschoff 1980, University of Bochum.

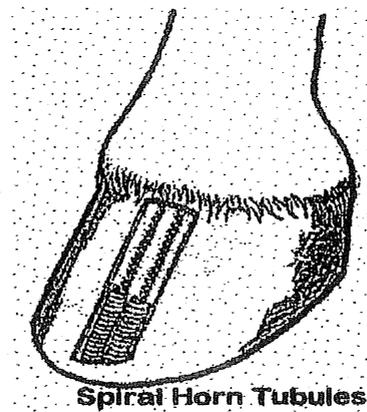
Hoof mechanism on soft ground



Hoof mechanism on hard ground



3. Compression of the spiral horn tubules in the wall act like individual springs compressing independently of each other, ensuring the greatest possible shock absorption and aiding in surefootedness. fig. 54 page 93



Spiral Horn Tubules

4. Stretching of laminar horn and lamellae. The lamellae and laminar horn have interlocking leaves and since both are elastic they add a bit of spring, contributing to further shock absorption

Heart - Supporting circulatory Pump

The hoof corium is a highly vascular sponge which lies between the hoof capsule and the internal structures of the hoof. When the horse lifts the foot (non weight bearing) the hoof capsule narrows and squeezes the blood out of the corium and up the leg. It then fills with blood when the hoof capsule expands or is weight bearing. Fig. 55 pg 95

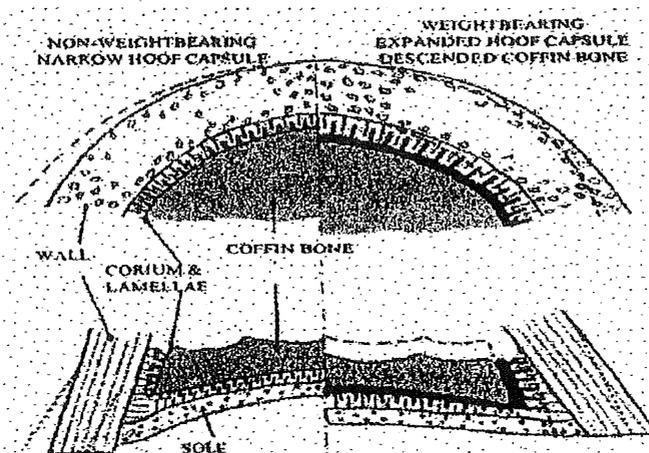


Fig. 55: Cross-sections Through Hoof Showing Corium During Weightbearing and Non-weightbearing Phase

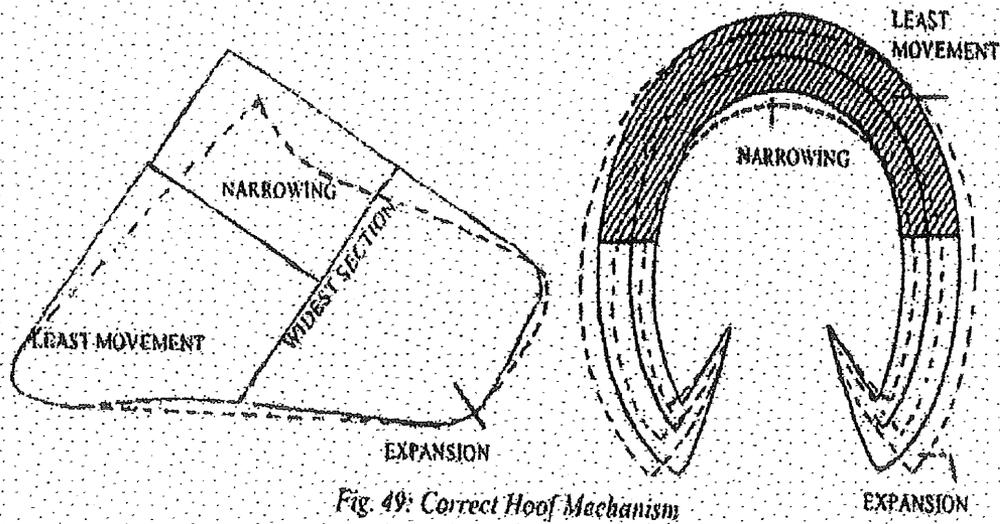


Fig. 49: Correct Hoof Mechanism

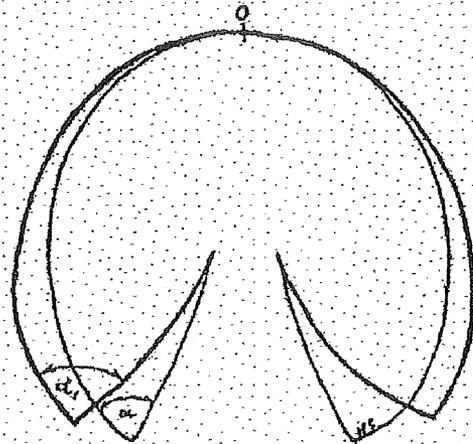


Fig. 50: Change in Angle of Bars During Expansion of Hoof on Weightbearing

Harmful Effects of Shoes

1. Impairs Hoof Mechanism

Since no movement of the hoof capsule can take place, 70 - 80% of the natural shock absorption is lost. This means the feet can no longer act as pumps to the heart. Preventing this important function has severe consequences. The heart is overstressed, the cell metabolism (horn production) is reduced, slowing the protein removal out of the blood stream; tissue necrosis in the hoof takes place resulting in ossification, arthritis of the joint and ligament damage. When the hoof is always shod, it is fixated in its narrowest state. The lateral walls cannot expand making it impossible for the sole to draw flat which means the coffin bone has nowhere to go and impacts the hard sole horn where bruising occurs. When a hoof is shod in this narrow form, the corium exists in a state of perpetual, pathogenic pressure. A shod horse receives three times the impact forces on pavement than a barefoot horse trotting on the same ground. Imagine the impact on a racehorse at fast repetitive speeds.

2. Impairs nerve function

Shoeing reduces the circulation resulting in oxygen and glycogen deficiency, ion potential around nerve endings cannot be rebuilt properly. The hoof is in effect numbed and the horse is walking with its feet asleep. See thermograph picture

3. Alters Hoof Temperature

Production of hoof horn depends on metabolic temperature. The reduced circulation drops the temperature in the foot and therefore further impairs the metabolic processes which stunts the corium and cause tissue necrosis resulting in decreased horn quantity and poorer quality.

Nails lower the temperature inside the hoof because they conduct the cold. Decreased hoof mechanism results in decreased circulation which means less warm blood reaches the hoof. Mis diagnosis often occurs since a normal shod hoof is cold while on the other hand a healthy unshod hoof is warm.

4. Vibrations

Raynaud's Syndrome, as in humans, occurs in the hoof through pathological alterations due to the vibrations of the nails. The nails vibrate at about 800 HZ, a frequency damaging to living tissue. (Luca Bein 1994) This is especially serious in the laminar corium which provides the suspension for the coffin bone inside the hoof capsule.

5. Traction

A naturally trimmed bare hoof has excellent traction on any surface. The hoof is flexible and acts like a suction cup on any terrain. Nerves let the horse feel the terrain it walks or runs on.

The bars work like skid brakes. Shoes not only impair these natural mechanism but prevent the horse from truly feeling the ground under it. It will take a bad step much more easily than if it were barefoot. The shoes add too much traction when it is not needed. For example, when the horse suddenly turns or pivots the shoes prevents normal movement and stresses the ligaments, joints and bones of the leg. This continued pounding and wrenching only ends in ossification such as ring bone.

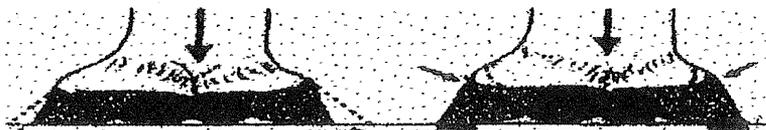


Fig. 59: Hoof Pivots Around the Toe

6. Corium Damage

The hoof grows much slower in a shod horse. Since the walls affixed to a shoe are not able to grow downward and outward, they are forced more and more against the coffin bone. The corium is increasingly pinched and bruised causing many lameness that conventional medicine does not see the connection between the shoes (cause) and the effect (lameness). There is a lack of the correct information in the textbooks and ignorance of scientific publication of these matters.

Unshod natural hoof mechanism



Shod hoof - virtually no hoof mechanism

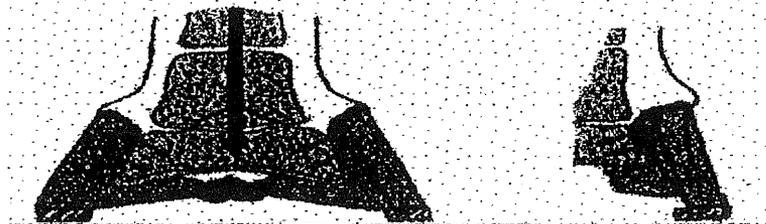


Fig. 58: Pinching of Living Tissues in Shod Hooves

7. Metabolic Disorders

The horse is a biological entity, any change in one area will affect other areas. Horn growth constitutes protein excretion from the body. Since this cleansing is reduced because the reduced hoof mechanism, other organs like the liver and kidneys are effected.

8. Contraction

Continuous shoeing in most cases results in a severely contracted hoof especially with a young horse who's coffin bone have not even had a chance to develop normally.

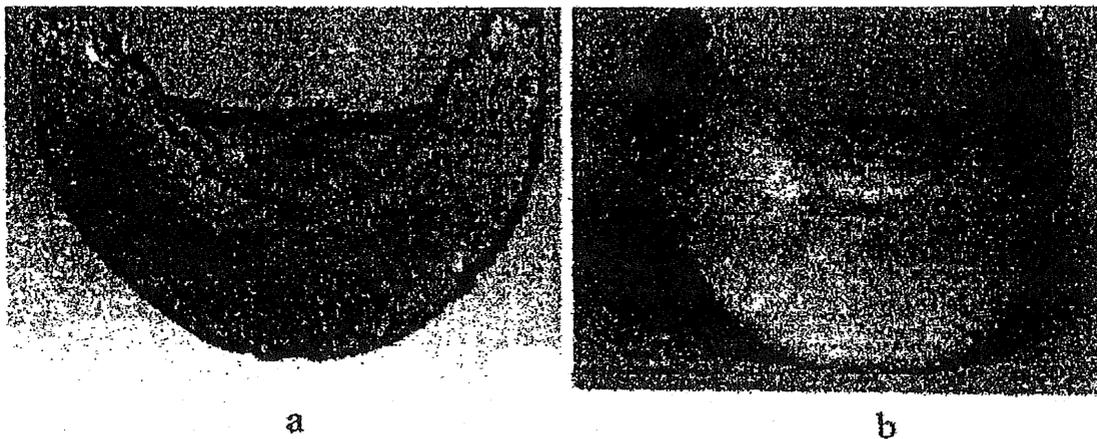
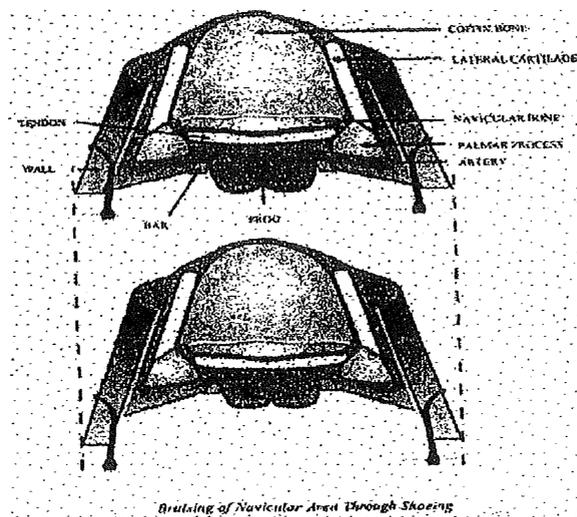


Fig. 60: Coffin Bone from a) a Healthy Hoof b) a Contracted Hoof

9. Impairs Hoof Mechanism and Circulatory Pump

The shoe is always nailed on in the narrowest position permanently. This is just like placing a metal band around one's rib cage after exhaling and then asking them to exert itself to peak performance.



10. Protects Hoof Wall from Wear and water absorption

The wall grows longer than it ever would in nature causing unnatural forces and tension with the hoof capsule. The horse can't truly feel the ground under it and can trip or stumble far more easily. A shoe always covers the white line on the sole which is one of the primary areas this vascular system draws vital water for it to remain supple.

11. Bruising of the Navicular Area (Heel Pain) and Contraction

The shoe prevents proper development of a young horse's foot since the coffin bone cannot develop into its proper shape. The effect of a horse shoe is like that of keeping a growing child in the same size shoes.

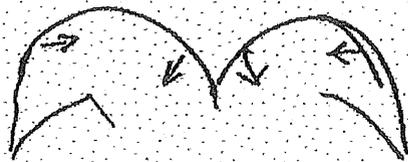


Fig. 25: Bulb shape of a contracted hoof

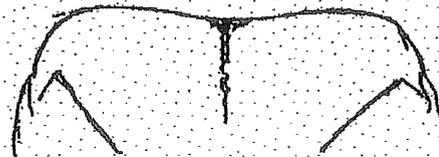


Fig. 26: Bulb shape of a healthy hoof

Figures 27 and 28 portray a contracted hoof (interior and sole view) resembling the one represented as anatomically correct in a current textbook for veterinary medicine (Budras).

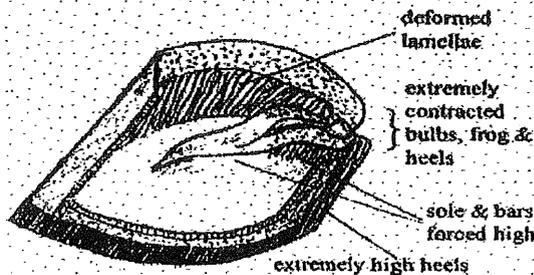


Fig. 27: Interior view of an extremely contracted hoof, shown as anatomically correct in a veterinary textbook



Fig. 28: Sole view of an extremely contracted hoof, shown as anatomically correct in a veterinary textbook

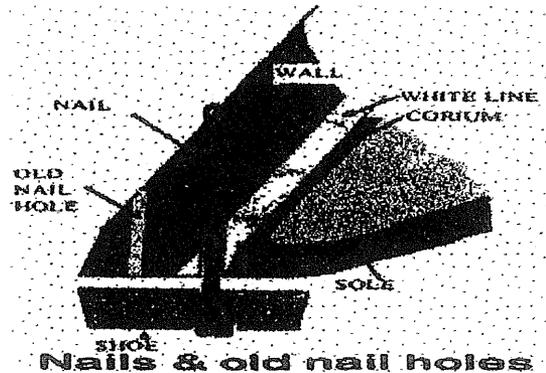
12. Thrush

Blood supply to the frog and sweat glands that run along the frog, may be disrupted severely enough to cause thrush.

13. Meridians, Reflex Zones, Electrical and Magnetic Fields
How the shoe effects these areas is still underway.

14. Nails Destroy the Hoof Wall

Nails driven time after time, destroy the wall not only through vibration but especially since they open the foot to microbes bacteria and fungi.



15. Exercise-Induced Pulmonary Haemorrhage

The connection between high impact on the front end (caused by shoeing) to bleeding EIPH, premature fatigue and impaired performance. See Professor Robert Schroter , Department of Biological and Biomedical Systems at the Imperial College of Science, Techology and Medicine in London. A New Look at "Bleeding" in Horses.

16. Reduced Safety

The increase risk of greater injury to the horse itself, other horses and the jockeys. A look at the statistics needs to be addressed.

Benefits of the Barefoot Horse to the Racing Industry

1. Extra Safety for both horse and jockey - increased neural response resulting in surefootedness

2. Increased traction without negative effects of shoes

3. Increased Speed - Barefoot horses do run faster

4. Fewer breakdowns and better recovery times because of increased circulation

5. Less congestion of lungs - prevention of EIPH

6. Increase performance

7. Economic viability :

A) We could be the leader in the field of barefoot racing by introducing the first research group proposed on an international level. This would be a huge credit to the racing industry in general.

B) This would improve the image of racing. This barefoot movement is upon us in other areas of performance horses, ie. Dressage and Endurance. It is only a matter of time before this will eventually reach the racing community. Why not take the proactive approach and enhance our image. The whole world will be watching.

C) Will actually give more work to blacksmiths since horses kept in the right natural environment will require more specialized trimming

D) Would make a great television documentary.

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Rehabilitation and the High-Performance Barefoot Horse
Dr. Vet. Med. Hiltrud Strasser
Ed. & Trans. Sabine Kells**

Horse Owners Guide to Natural Hoof Care Jaime Jackson

The Natural Horse Lessons from the Wild Jaime Jackson

**Letters of Dr. W. Robert Cook FRCVS.,PhD.,
Professor of Surgery Emeritus
Tufts University School of Veterinary Medicine**

1. An open letter to veterinarians August 2001
2. Professional Dismissiveness of Equine Barefootedness 2003
3. Get A Grip 2003

Internet Sites on Barefoot Horse - to many to list.

**Overview Prepared by Anne Riddell 2004
705-533-2900**

Maria Klein, DVM, Breeder and Trainer of Racehorses, Germany

Shoeing in Race Horses

1. Preface

I am a breeder and trainer for race horses. To reach our training track, we have to go over a paved road with chip sealing. My race horses were usually successful barefoot before 1995. (Some were partially shod).

In 1995, the racing society changed the rules and every horse starting a race had to be shod on all four hooves. It was not possible for me to do anything against this new rule. The excuse the director of the racing society had for this new ruling was "the safety of the jockey and the horses." It was then no longer possible to start with barefoot or partially shod horses.

Racing plates are very narrow with a continuous rim and a crease which soon fills with sand, which is supposed to give better traction. However, there must be no toe grips or caulks or protruding nail heads because of the danger of injury to the other horses.

The official reason for requiring hoof protection: the opinion that only shod horses are surefooted enough to not endanger the jockeys. Paragraph 480 of the German racing rules now requires that race horses have to be shod with "approved" shoes. Which shoes are approved remains a secret since 1995.

2. Race horse is a profession

To be a race horse means to be fit at a certain date. The smallest error or slightest lack of top form often decides between winning and losing. The trainers are required to report the loss of a shoe to the racing directors. The shoe must be found in order to avoid injuries in the following races.

Individually some race horses need shoes in order to be optimally suited for their job in the same way that some humans need work gloves for example with excessive wear, torquing of the hind limbs, with injury of the hoof capsule, etc. Lameness can make a race horse unfit for its job. A healthy, capable hoof does not need a shoe, especially not for reasons of traction with racing or training for racing. With certain terrain, grips or caulks might prevent slipping, but these are as already mentioned forbidden in the German sport of racing.

3. Damaging side effects

As is well known shoeing can have negative side effects. This is especially true with shoeing for racing: overreaching, striking, forging, and interfering; lameness; ligament and tendon sprains; periostitis; and premature deterioration; result in the horse being incapable of performing its job.

The track farriers make the shoes especially short to prevent accidental pulling of the shoes with a hind hoof. The result is dramatic stresses on the flexor tendons. The high frequency of shoeing destroys the hoof capsule.

Lost shoes are very common in racing for the following reasons: cold shoeing and high speed (centrifugal forces).

A computer animation of the University of Vienna shows impressively that the greatest stresses in the hoof capsule of a shod horse occur in the area of the last nails. On softer shoes, such as aluminum/titanium ones, it can be seen in some horses that the grooves worn into the shoe go far forward beyond the last two nails holes. It is no wonder that a horse shod in this manner in the long run suffers pain and is no longer capable of good performance on the track.

(In 2003 in Hamburg, the horse "Sachsenking" won after a long time of being unsuccessful and being an unlikely candidate for winning due to his utterly damaged hooves. When the ground of the race track became very soft, he won the race.)

The damages occur slowly and can be recognized by the increasingly stiff gaits. The shod hoof horn becomes brittle. This is also a reason why long-term shod race horses often require a great deal of time until they can be sound barefoot.

I know race horses which, after a new shoeing, had to be cooled for several days before they could tolerate the new shoes.

A world-renowned German race horse trainer offered the following comment: A race horse without shoes is like a Formula 1 race car without tires.

4. Is the horse shod with racing plates really protected from slipping?

The bare hoof is more surefooted than the shod hoof because:

1. It is proven that the hoof, because of its special structure, can conform to the unevenness of the ground. This capacity of deforming to the ground makes the hoof more surefooted than a stiff shoe.
2. The coefficient of friction of hoof horn is surely greater than that of steel.
3. The weightbearing wall of the unshod horse is meant to dig into the ground. The healthy weightbearing wall is sharper than the narrowest shoe can be, but not as sharp as a toe grip (which is not permitted).
4. Sensation in a bare hoof is working fully, so that a horse, if necessary, can move with more caution.
5. Before the thoughtless mandatory shoeing rules, barefoot horses were often more successful than their shod colleagues on extremes of terrain (extremely hard, slippery, muddy).

5. The following facts are ingored in the informal circles of the DVR (German Racing Association)

- A) In racing, accidents (falls) are dependant on 1. the condition of the track; 2. the technique and skill of the jockey; 3. the health of the horse.
- B) The number of accidents has not decreased as a result of the so-called "preventative measure" of mandatory shoeing.
- C) A lifestyle where the horse can move more freely makes them more capable of adapting to the terrain conditions. They are better able to react to sudden incidents. This creates true safety for the jockey. With the boarding conditions common at the track, the horses have lost coordination skills; because of this, the danger of an accident arising from even a small slip is disproportionately greater.

6. Animal welfare (of which the DVR often boasts) is lost

With bitterness, I see that the shoeing mania blossoms into ever stranger forms:

Since 2001, the yearlings for the auctions in Baden-Baden have to be shod all around (internal rule). Recently, a farrier told me that, for the first time, he shod a horse that was lying down. The most unfair mandatory cruelty to animals in the races is the shoeing of the two-year-olds, whose hooves are still developing: the natural growth and wear are restricted. The animals are damaged. A truly sensible reason is missing.

The skeletal maturing of the Thoroughbred: the growth in length of the bones is complete at 8 months (according to a report of the DVR). But the growth in width is not complete until the age of 4 years. Especially with irregular hoof form (steep or flat) the damage from premature shoeing of these horse children is often irreversible, and the hooves become crippled and deformed; movement thus increasingly represents torture.

7. Is shoeing a cause for nosebleeds?

A special phenomenon which I have observed in my horses which are now shod for the actual race is the nosebleed (EIPH – exercise induced pulmonary hemorrhage).

According to the newest scientific research from England, the following theory was proposed: the impact of the hoof on landing continues up the front legs into the chest cavity. Increasing vibrations on vertebrae and ribs result (tuning fork effect). In the upper areas of the lungs, these vibration waves cause damage and finally tearing of capillaries.

Even nosebleeds, in my opinion, develop insiduously. Shock absorption in the hoof occurs via hoof corium and hoof mechanism. The latter is restricted in the shod hoof. The impact on hard ground is, in a shod hoof, seven times greater than in an unshod hoof. This is one possibly plausible explanation for my race horses' nosebleeds, which did not occur until they were shod for the first time.

8. In summary

Horses with healthy hooves often run faster and are healthier and have a longer performance life than if they were shod. The healthy bare hoof offers more safety for horse and rider because the adaptability of the hoof is fully preserved. Whether a race horse needs shoes should once more be judged on an individual basis.

9. Prognosis

The sport of racing in Germany is known to be doing poorly. The big breeding farms are becoming larger and larger. They breed huge numbers of racing prospects for which there is often no market. One might think that the rule of mandatory shoeing is, despite people knowing better, maintained in order to ensure a faster wearing out and using up of race horses.

GET A GRIP

The foot of the horse is a triumph of engineering. Starting with a four-toed mammal the size of a fox terrier, its design has been shaped by 60 million years of evolution. The one-toed modern horse (*equus caballus*) evolved about a million years ago. Let's put aside the first 59 million years of development and reduce the last million to a 24-hour time scale. Within this period, modern man (*homo sapiens*) did not evolve until about 11.10 pm. He first domesticated the horse around 11.53 pm and did not start nailing iron clamps on its toes until some time after 11.58 pm. Attempts to improve the horse by selective breeding commenced about 17 seconds before midnight.

This perspective assures us that the horse's foot today cannot be markedly different from the unshod foot of horses in the Greek and Roman armies. The modern foot is also the same design that served well, over many a stony path, for the unshod Mongol cavalry. If permitted by man, the foot of the present-day horse is still capable of similar feats, as demonstrated by barefoot horses that compete successfully in 100-mile endurance rides.

Barefoot endurance horses are showing by example that racehorses could do likewise. Thoroughbreds in training never work over anything but carefully manicured ground. They carry far less weight than an endurance horse and they do this for much shorter distances. If they were barefoot they could do it with greater safety to themselves and their jockeys, and also stay sounder for longer. If safety and soundness are not reason enough for owners and trainers to consider this change for the better, add in the probability of greater speed.

With all due respect to Dr. David Nunamaker's interesting idea for a new shoe, as described by Denise Steffanus in her article "Grip and Slide" (Thoroughbred Times, August 9, 2003), no shoe can fail to upset the finely-tuned mechanism of the natural foot. Nature has already evolved the perfect design for grip and slide in all conditions; from ice, snow, and slush, to rock, sand, and mud. Furthermore, nature's design provides for unsurpassable shock absorption, an indispensable supplementary blood pump, and maximum awareness of foot placement.

Millions of years of evolution cannot be improved upon by man's last-minute tinkering, no matter what the design of the shoe. On the contrary, the foot cannot carry out its vital functions when clamped. The foot should be permitted to expand when weight-bearing and contract when weight-bearing. Unless this happens, blood supply to the foot is impoverished, horn production becomes deficient, and circulation of blood to the rest of the body during a race is impaired. A shoe clamps the foot in the contracted state. A further indictment of shoeing is that the foot is numbed, impact forces are hugely increased and, because most flat racehorses are immature, growth of the coffin bone is prevented. A shod horse walking on pavement suffers three times the impact forces of a barefoot horse trotting on the same ground. The effect of this hammering on juvenile bones and joints is predictable. Because of their relative immobility, two-year-olds in training that are housed in backside stalls also suffer a loss of bone density compared to their yearling

status. In view of these and other man-made problems, it is not surprising that our elite equine athletes are so frequently disabled by bruised feet, sesamoid fractures, bucked shins, strained tendons, and chipped knees.

A horse does not, as is widely supposed, need shoes to protect its feet. The shoe does not protect the foot ... quite the opposite. The foot is harmed by the shoe and the rest of the leg is also subjected to dangerous stress. Horseshoes are indeed harmful to the health of the whole horse. When the foot is prevented from functioning correctly, the pastern, fetlock, canon, and knee are also placed at risk. This leads to bone, joint and soft tissue injuries and, in addition, a whole cascade of problems affecting not only the musculoskeletal system but also many other systems. For example, as circulation is impeded, the heart will be put under unnecessary strain during racing, congestion of the lungs is likely (another factor in the cause of 'bleeding'), and breathing will be impaired. Horseshoes handicap horses; performance is adversely affected and the risk of accidents increased.

Evidence for the above statements can be found in the first two references listed below. Both books are quite short and eminently readable. Those who wish to probe deeper can study the magisterial third reference, which contains the fruit of 20 years of research by Dr. Hiltrud Strasser of Germany. All the books can be ordered online at www.strasserhoofcare.com. The last two references were written in the hope that more veterinarians and farriers would follow Strasser's pioneering lead and support her landmark contribution to the welfare of both horse and rider.

By adopting the management conditions required for Strasser's barefoot method, horses could be made happier, healthier, less dependent on medication, and more productive. Such improvements in equine welfare at the backside stables and on the racetrack could do much for the image of racing. This would not be just a publicity stunt. Owners and trainers would be helping themselves by helping their horses.

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Tufts University
School of Veterinary Medicine*

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Staff photo by Leo S. Matkin

the first turn in the Andora Flat Race, the second event at Fair Hill, was a crowded one, as three horses vie for the lead.

Wright's method right one

Barefoot entries win two at Fair Hill

By ERIC RUTH
Staff reporter

FAIR HILL, Md. — Dr. William H. Wright probably wouldn't be very popular with blacksmiths, but race-horse owners think he's just fine.

Dr. Wright, a University of Delaware professor who trains horses for the Labadie Mill Farm at Chesapeake City, Md., sends his steeds to the track without horseshoes. It's an unconventional method, but in Monday's final 1983 day of the Fair Hill Races, it was a successful one.

Dr. Wright's barefoot proteges took both divisions of the Lewisville Flat Race before 14,862 at Fair Hill. Conclude, a 3-year-old brown gelding owned by Harry A. Love, won the \$1,000 first division in the first race of the day. Double My Trouble, a Labadie Mill Farm native, topped off the sweep with a victory in the \$1,000 fourth race.

Wright, who teaches animal science and biological chemistry at Delaware, practiced veterinary

medicine for 30 years at Belmont Park. During those years Wright learned that for a horse to win, it must be happy. And, said Wright, a happy horse is a barefoot horse.

His first happy patient, Conclude, geared up from the back of the six-horse field to win the 1 5/16-mile flat race. Apprentice jockey Ben Guessford guided the gelding to the first victory of its career in two minutes, 17 seconds. Conclude returned \$6.60, \$3.60 and \$4.00.

"Conclude had been through two or three trainers before I got him," Wright said, "and they hadn't had any luck with him. I had him for two or three months before today's race. We just concentrated on giving him a lot of exercise and keeping him happy."

Wright's other happy horse, Double My Trouble, took the same route in winning the second division of the Lewisville. Jockey Holly Mitten, a U.S. Olympic Equestrian team alternate, rode the 3-year-old black gelding past its five challengers in the stretch, winning the race at the wire.

Double My Trouble and Le Sautteur, ridden by Bernie Houghton, overtook Ahwaz in the last 30 yards. Ahwaz, who had led throughout the 1 5/16-mile contest, faded as Double My trouble charged past Le Sautteur for a 2:17 4/5 finish. Double My Trouble paid \$5.00, \$3.20 and \$2.20.

"The race went just the way we [she and Wright] planned," Mitten said. "We were last until the stretch, then he answered pretty well."

As a rider of one of the day's only two unshod mounts, Mitten supported Dr. Wright's technique.

"They don't slip as much and you don't have shoeing problems," Mitten said. "Shoes distort the legs too much. I've been in races where everybody has slipped but me."

In other action Monday, veteran jockey Bill Martin won a pair of races, including the top-purse \$7,000 fifth race, The High Hopes. Martin also showed in the fourth race, aboard Ahwaz, and placed in the sixth-and-last race.

His win came in The High Hopes, as he and Class Orator took a 4:15 1/5 victory in the 2 3/16-mile steeplechase.

Class Orator gave the start to Publisher, with Colvin Ryan up. Coming past the stands for the first time, however, Class Orator overtook his three competitors.

He widened his lead to three lengths by the second fence, took a five-length lead by the fifth fence, and was up by six at the final backstretch. The field tired around the final turn and Class Orator smoked in with a 17-length victory.

"He seemed to like hot weather," Martin said of the 4-year-old gelding, trained by D. Michael Smithwick and owned by Mrs. Ogden Phipps. "I was kind of hoping to come from off of it, but nobody was willing to make the speed. It's the first time he's jumped since last spring."

Martin also won the \$1,000 second race, the 1 5/16-mile Andora Flat Race, this time riding Phipps and Smithwick's Fabulous Time in 2:15.

Shoeless 'T.V.' triumphs at Delaware Park

By IZZY KATZMAN

T.V. Highlights demonstrated once again yesterday that she likes running without horseshoes.

Labadie Mill Farm's 6-year-old won the \$46,000 Parlo Turf Handicap for fillies and mares on the final day of Delaware Park's 50-day meeting.

Labadie Mill Farm — the home course of Dr. and Mrs. William H. Wright of Middletown, gained the lead on the final turn of the 1 1/16 miles test and scored by a length over Eric Frank's Native Wine, with Hill-N-Dale Farm's Glamazon another 1/4 lengths back in third place.

T.V. Highlights, ridden by John Ruane, was clocked in 1:43 and paid \$19.80, \$8.40, \$5.80. The second and third-place finishers also returned good prices, Native Wine paying \$20.60, \$15.60, and Glamazon \$11.40.

Euphrosyne, the 8-5 favorite, and Diplomatic Role, the 2-to-1 second choice, ran disappointing races, both finishing far back in the nine-horse field.

This was T.V. Highlights' fourth victory in nine starts this year, including three in stakes. The 6-year-old daughter of T.V. Commercial-Fanrigo, by Amerigo, who won for the first time this year at a distance greater than one mile, also has two seconds. With the \$29,900 earned yesterday, she raised her 1980 bankroll to \$92,232.

Much interest developed in the race for the jockey championship after Ronnie Franklin won the first two races of the day and five of his first six. Mario Pino appeared a shoo-in for the title entering the racing day, leading by five, and with nine rides against Franklin's eight on the final program. Franklin's hot streak narrowed Pino's margin to one, 51 to 50, with two riding assignments left. He went unplaced in both and Pino wound up with the jockeys' championship for the second straight year.

The former St. Mark's High wrestler gained his winning margin by taking the third race with Blue Fire And Drum (\$5.40).

Pino and Franklin also were

involved in the most controversial race of the day.

First there was an inquiry and then objections were lodged by two riders, Kenny Black with third-place finisher Double Whammy against Franklin and second-place finisher Silent Basis, and Franklin against Pino and first-place finisher What A Michael.

The stewards moved Franklin's horse up as the winner and set Pino's mount back to second place for drifting out in the stretch. Black claimed Franklin's horse came into contact with his horse in the stretch, but the stewards ruled instead that Black's horse was more responsible for the incident and Black's objection was disallowed. With the reversal of the first two horses, Pino, instead of gaining a 52-49 lead and clinching the championship, had his lead cut to one and the final outcome remained in doubt up to the final race.

Bud Delp wound up with four winners for the day, all ridden by Franklin, and won the trainers' championship for the 10th time with

49 wins. Dick Dutrow was second with 28 wins.

Austin Brown, vice president and general manager, announced that the handle had risen 8.73 percent over last year and that the attendance had climbed 6.36 percent. The average handle was \$763,779 and the average attendance 6,285.

The first three finishers in the Parlo were trailed in order by I'll Be Around, Lady Roberta (with Franklin as the rider), Sharp Zone, Euphrosyne, Diplomatic Role and Keeler (a 25-to-1 shot ridden by Pino).

Sharp Zone is owned by the Bohemia Stable of Mrs. Richard C. du Pont, who is Mrs. Wright's mother.

"I was concerned how well she (T.V. Highlights) would do because the course was rough," said Ruane after the race. "But she held up well. I had a lot of horse under me as I turned for home. I was worried, though, about those behind me."

Queried about riding a horse without shoes, Ruane replied: "He (Wright) must know what he's doing. I've been riding two horses for him without horseshoes — the other is

Cayot's Corner — and they're both dynamite."

Wright, who is on the University of Delaware faculty in the Department of Animal Science and has a veterinary consultant practice, was questioned about having some of his horses run barefoot. "How can you improve on God?" he said. Then he amplified.

"Without good feet, everything else suffers. Our horses get proper feeding programs, in part to promote healthy feet. Also proper exercise and proper rest."

Asked what instructions were given to Ruane, Wright said he told the jockey, "You know what to do."

Ruane has ridden T.V. Highlights in all his races this year. Ruane after the race recalled that "I was the leading apprentice rider here in 1957, the year Steve Brooks won the title."

Keeler Glamazon, T.V. Highlights and Native Wine ran in that order for three-quarters of a mile, before T.V. Highlights seized command. The Wrights' mare went into the stretch leading by two lengths.

Belmont roundup

Entries	
First Post 1:00 (EDT)	
1st—17,000, cl, 3YO up, 11-16mi.	
ArbeesChrm	113
CousinsThree	117
Laflm	111
Tufette	113
Aslithon	108

Results	
Weather Clear, TRACE Fast	
1st—12,000, cl, 3YO up, 14mi.	
Flying Straight (Atanasio)	5.00 3.00 2.40
Return For Glory (Lovato)	3.20 2.40
Bye Bye Bugs (Foley)	3.40

Handicaps and results from Liberty Bell

1st — 2,000 — Trot	
8 His Heritage (F. Burrows)	2-4-3 3-1
7 Able Windswept (No driver)	6-1-7 4-1
3 Fabian Paloma (A. Martin)	3-4-6 5-1
2 Joans Viking (M. Maker)	5-2-6 6-1
5 Veloz Incahuasi (L. Rainbone)	4-9-5 6-1
1 Binpen Blue (P. Jones)	8-3-1 8-1

5th — 2,000 — Pace	
4 Belmont Shadow (S. DeCample)	5-4-6 3-1
2 Grey Horse (No driver)	4-6-3 4-1
5 Payday J (J. Smith)	5-3-4 5-1
6 Don't Merge (M. Lancaster)	8-3-8 6-1
3 Dolly Turb (E. Davis)	4-4-6 6-1
1 Sire Henry (C. Vitale)	7-3-2 8-1

4th — Pace, 6,500, 2:01	
Riptorn (E. Davis)	6.20 2.80 2.60
Dennis Manover (Dancer)	3.29 2.80
Jersey Abbe (DeCample)	3.40
EXACTA (1-2) PAID 19.40	
5th — Pace, 5,000, 2:01 1/5	
Second Guesser (Glamazon)	

STAFF ANALYSIS
PRESENTATION AND DISCUSSION CONCERNING
ASSEMBLY BILL 241
AND THE FEASIBILITY AND POTENTIAL PROFITABILITY OF
OPERATING A MINISATELLITE WAGERING FACILITY

ITEM 9
PAGE 9-1

Regular Board Meeting
April 24, 2008

BACKGROUND

Assembly Bill (AB) 241 (Price), Chapter 594, Statutes of 2007, provides that the Board may authorize up to 15 minisatellite wagering sites in each of the three zones (total 45) under certain conditions:

- No such minisatellite wagering site may be located within 20 miles of existing racetracks, satellite facilities or tribal casinos, without the permission of the existing facility.
- An agreement between the parties must be executed and approved by the Board.
- The Board must approve the minisatellite wagering facility site.
- Wagers may be accepted only in areas not accessible to persons less than 21 years of age.
- The Board must approve the accommodation, and technology used in wagering and in transmitting odds.
- Pari-mutuel clerks must be available to service the tote machines and cash wagering vouchers on a regularly scheduled basis.

Section 19605.7 of the Business and Professions Code directs that "2 percent (of the amount handled by each satellite wagering facility) shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise..."

Staff is continuing to develop initial regulations to implement AB 241 by working with the industry and looking at other racing jurisdictions with off-track betting.

PRESENTATION

George Krikorian, a thoroughbred owner and breeder, who owns Krikorian Premiere Theaters, has used the marketing materials from his theater operation to analyze the potential for minisatellites, as provided for in AB 241 and Business and Professions Code section 19605.7. His presentation will include the probable locations of any new facilities, taking into account the 20-mile requirement, and the amount of business and operating revenues they are likely to generate, considering their probable locations and the area demographics.

Attached are 2006 and 2007 attendance and handle figures for all satellite wagering facilities in California; a chart of the percentage changes in attendance and handle figures from 2006 and 2007; a copy of AB 241 and copies of Business and Professions Code Sections 19605.7 and 19605.71.

RECOMMENDATION

This item is presented for Board discussion and action.

Handle and Attendance Report

Date Range: 01/01/2006 - 12/31/2006
 Race Type: All Races
 Hosts: All Hosts
 Locations: All Locations
 Tracks: All Tracks
 Report By: Location
 Location Types: California On/Off: Off Track

Location	Num Days	Total Handle	Avg. Handle	Attendance	Avg. Attendance
Anderson	246	2,928,881.70	11,906.02	8,921	36
Bakersfield	270	11,737,200.60	43,471.11	46,683	173
Barona	270	21,110,848.10	78,188.33	87,345	324
Bay Meadows	261	85,971,123.70	329,391.28	257,564	987
Cabazon	270	16,644,721.20	61,647.12	74,816	277
Del Mar	36	1,120,858.00	31,134.94	6,719	187
Eureka	255	1,887,466.10	7,401.83	4,594	18
Ferndale	10	203,475.70	20,347.57	0	0
Fresno	270	12,412,342.30	45,971.64	46,708	173
One	270	5,954,831.10	22,054.93	9,793	36
Golden Gate	258	61,697,740.30	239,138.53	191,937	744
Hollywood Park	263	173,081,494.10	658,104.54	706,758	2,687
Lake Perris	270	25,252,996.60	93,529.62	102,050	378
Lancaster	270	22,299,693.20	82,591.46	101,265	375
Los Alamitos	270	203,954,496.00	755,387.02	592,706	2,195
Monterey	262	13,367,553.40	51,021.20	54,887	209
Pleasanton	269	52,694,119.00	195,888.92	165,118	614
Pomona	265	67,976,748.30	256,516.03	212,838	803
Sacramento	270	40,870,198.30	151,371.10	135,891	503
San Bernardino	270	46,838,413.30	173,475.60	203,132	752
San Jose	267	51,149,646.30	191,571.71	167,161	626
Santa Anita	202	158,901,648.20	786,641.82	448,935	2,222
Santa Barbara	270	9,130,812.40	33,817.82	28,744	106
Santa Maria	270	8,122,857.00	30,084.66	26,678	99
Santa Rosa	265	20,506,357.10	77,382.48	85,410	322
Shalimar (Indio)	270	9,155,394.10	33,908.87	41,598	154
Stockton	270	29,167,762.80	108,028.75	121,768	451
Place	227	79,207,657.60	348,932.41	253,672	1,117
Tulare	270	5,195,253.50	19,241.68	24,051	89
Turlock	269	10,448,527.60	38,842.11	38,519	143
Vallejo	266	24,045,337.40	90,396.01	103,262	388
Ventura	270	38,796,855.60	143,692.06	116,714	432
Victorville	270	15,564,690.90	57,647.00	75,032	278
Viejas	270	19,826,322.10	73,430.82	88,249	327
Total	8,481	1,347,224,323.60	158,852.06	4,629,518	546

Handle and Attendance Report

Date Range: 01/01/2007 - 12/31/2007
 Race Type: All Races
 Hosts: All Hosts
 Locations: All Locations
 Tracks: All Tracks
 Report By: Location
 Location Types: California On/Off: Off Track

Location	Num Days	Total Handle	Avg. Handle	Attendance	Avg. Attendance
Anderson	246	2,779,450.50	11,298.58	8,314	34
Bakersfield	270	10,213,510.00	37,827.81	45,385	168
Barona	267	22,419,965.60	83,969.91	88,025	330
Bay Meadows	260	81,018,587.10	311,609.95	231,200	889
Cabazon	270	15,643,662.10	57,939.49	70,388	261
Del Mar	36	1,023,257.70	28,423.83	7,288	202
Eureka	258	1,928,327.00	7,474.14	4,296	17
Ferndale	11	191,341.50	17,394.68	0	0
Fresno	269	10,720,463.00	39,853.02	43,379	161
Fresno Club One	270	5,156,684.90	19,098.83	6,646	25
Golden Gate	261	59,315,631.60	227,262.96	185,510	711
Hollywood Park	264	170,278,928.40	644,995.94	687,346	2,604
Lake Perris	270	24,017,783.10	88,954.75	99,390	368
Lancaster	270	21,486,983.90	79,581.42	112,378	416
Los Alamitos	270	195,541,955.80	724,229.47	554,500	2,054
Monterey	262	13,643,139.80	52,073.05	42,624	163
Pleasanton	268	54,387,664.10	202,939.05	167,530	625
Pomona	265	68,383,807.50	258,052.10	206,716	780
Sacramento	270	40,406,792.60	149,654.79	128,267	475
San Bernardino	270	42,981,348.50	159,190.18	188,040	696
San Jose	268	50,528,525.20	188,539.27	149,448	558
Santa Anita	211	150,577,313.60	713,636.56	429,307	2,035
Santa Barbara	270	9,860,013.50	36,518.57	27,819	103
Santa Maria	270	7,645,181.80	28,315.49	27,006	100
Santa Rosa	267	17,422,597.60	65,253.17	76,744	287
Shalimar (Indio)	270	10,098,170.00	37,400.63	38,246	142
Stockton	270	26,979,893.50	99,925.53	114,361	424
Surfside Race Place	227	77,766,376.70	342,583.16	243,835	1,074
Tulare	270	4,536,041.90	16,800.16	22,159	82
Turlock	269	10,139,943.20	37,694.96	36,660	136
Vallejo	270	22,251,738.00	82,413.84	98,722	366
Ventura	270	38,437,440.40	142,360.89	109,634	406
Victorville	270	13,375,630.90	49,539.37	69,660	258
Viejas	267	17,982,276.70	67,349.35	85,278	319
Total	8,496	1,299,140,427.70	152,912.01	4,406,101	519

Handle and Attendance Report

Date Range: 01/01/2006 - 01/01/2007 -
 12/31/2006 and 12/31/2007
 Race Type: All Races
 Hosts: All Hosts
 Locations: All Locations
 Tracks: All Tracks
 Report By: Location

Percentage Change from 2006 to 2007

Location	Num Days	Total Handle	Avg. Handle	Attendance	Avg. Attendance
Anderson	0.00	-5.10	-5.10	-6.80	-5.56
Bakersfield	0.00	-12.98	-12.98	-2.78	-2.89
Barona	-1.11	6.20	7.39	0.78	1.85
Bay Meadows	-0.38	-5.76	-5.40	-10.24	-9.93
Cabazon	0.00	-6.01	-6.01	-5.92	-5.78
Del Mar	0.00	-8.71	-8.71	8.47	8.02
Eureka	1.18	2.16	0.98	-6.49	-5.56
Ferndale	10.00	-5.96	-14.51	0.00	0.00
Fresno	-0.37	-13.63	-13.31	-7.13	-6.94
Fresno Club One	0.00	-13.40	-13.40	-32.14	-30.56
Golden Gate	1.16	-3.86	-4.97	-3.35	-4.44
Hollywood Park	0.38	-1.62	-1.99	-2.75	-3.09
Lake Perris	0.00	-4.89	-4.89	-2.61	-2.65
Lancaster	0.00	-3.64	-3.64	10.97	10.93
Los Alamitos	0.00	-4.12	-4.12	-6.45	-6.42
Monterey	0.00	2.06	2.06	-22.34	-22.01
Pleasanton	-0.37	3.21	3.60	1.46	1.79
Pomona	0.00	0.60	0.60	-2.88	-2.86
Sacramento	0.00	-1.13	-1.13	-5.61	-5.57
San Bernardino	0.00	-8.23	-8.23	-7.43	-7.45
San Jose	0.37	-1.21	-1.58	-10.60	-10.86
Santa Anita	4.46	-5.24	-9.28	-4.37	-8.42
Santa Barbara	0.00	7.99	7.99	-3.22	-2.83
Santa Maria	0.00	-5.88	-5.88	1.23	1.01
Santa Rosa	0.75	-15.04	-15.67	-10.15	-10.87
Shalimar (Indio)	0.00	10.30	10.30	-8.06	-7.79
Stockton	0.00	-7.50	-7.50	-6.08	-5.99
Place	0.00	-1.82	-1.82	-3.88	-3.85
Tulare	0.00	-12.69	-12.69	-7.87	-7.87
Turlock	0.00	-2.95	-2.95	-4.83	-4.90
Vallejo	1.50	-7.46	-8.83	-4.40	-5.67
Ventura	0.00	-0.93	-0.93	-6.07	-6.02
Victorville	0.00	-14.06	-14.06	-7.16	-7.19
Viejas	-1.11	-9.30	-8.28	-3.37	-2.45
Total	0.18	-3.57	-3.74	-4.83	-4.95

Assembly Bill No. 241

CHAPTER 594

An act to amend Sections 19410 and 19605.51 of, and to add Sections 19410.7, 19605.25, and 19605.54 to, the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

[Approved by Governor October 13, 2007. Filed with
Secretary of State October 13, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AB 241, Price. Horse racing: satellite wagering.

Existing law generally regulates horse racing, including satellite wagering on horse races. Existing law authorizes the California Horse Racing Board to authorize certain fairs and racing associations to operate satellite wagering facilities.

This bill would authorize an additional 15 minisatellite wagering sites, as defined, in each zone under certain conditions. The bill would apply a specified provision requiring, as a condition of operating a minisatellite facility, the entity operating the facility must enter into a written contractual agreement with a bona fide labor organization, as defined. The bill would also require the board to adopt emergency regulations to implement the new facilities by April 1, 2008. The bill would authorize satellite wagering to continue to be conducted at certain racetracks that have closed, under certain conditions.

Existing law generally regulates horse racing and defines "inclosure" for purposes of wagering as all areas of the racing association's or fair's grounds and locations, as designated by the racing association or fair licensed to conduct a live racing meeting and approved by the board, excluding the public parking lot.

This bill would delete the parking lot exclusion from that definition.

Existing law authorizes any fair in San Joaquin, San Bernardino, Humboldt, or Fresno Counties, subject to certain conditions, to operate a satellite wagering facility, as specified.

This bill would remove the specified counties listed in that provision, so as to authorize any county to operate a satellite wagering facility under those conditions.

By expanding wagering on horse racing by authorizing additional satellite wagering facilities, this bill would increase the amount of continuously appropriated license fees, thereby making an appropriation.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares the following:

(a) Although there are over 18,000 lottery outlets, more than 90 gambling establishments, and more than 60 tribal casinos, there are only 33 places to make a wager on a horse race in the State of California. Yet horse racing employs over 45,000 people in the state.

(b) With a population of over 35,000,000 people, the horse racing industry needs many more wagering sites to adequately serve the people of the state.

(c) It is the intent of the Legislature, in enacting this measure, to make the sport of horse racing more accessible to the citizens of this state.

SEC. 2. Section 19410 of the Business and Professions Code is amended to read:

19410. "Inclosure" means all areas of the racing association's or fair's grounds and locations, as designated by the racing association or fair licensed to conduct a live racing meeting and approved by the board.

SEC. 3. Section 19410.7 is added to the Business and Professions Code, to read:

19410.7. "Minisatellite wagering site" means a location where satellite wagering may be conducted, with the approval of the board, provided that the wagering occurs in an area that is restricted to those who are 21 years of age or older.

SEC. 4. Section 19605.25 is added to the Business and Professions Code, to read:

19605.25. (a) The California Horse Racing Board may approve an additional 15 minisatellite wagering sites in each zone, if all of the following conditions are met:

(1) No site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. If the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the board.

(2) An agreement in accordance with subdivision (a) of Section 19605.3 has been executed and approved by the board. In addition to the requirements set forth in that provision, the agreement shall specify which components of its racing program, including live, out-of-zone, out-of-state, and out-of-country races, an association or fair will make available to the site. The terms and condition of the agreement, including all fees payable pursuant to paragraph (3) of that provision, a portion of which may be paid to horsemen in the form of purses, shall be subject to the approval of the horsemen's organization responsible for negotiating purse agreements with the association or fair.

(3) The site is approved by the board.

(4) The wagers are accepted in an area that is accessible only to those who are at least 21 years of age.

(5) The board has approved the accommodation, equipment used in conducting wagering at the site, communications system, technology, and

method used by the site to accept wagers and transmit odds, results, and other data related to wagering.

(b) Parimutuel clerks shall be available to service the self-service tote machines at these locations, and to cash wagering vouchers on a regularly scheduled basis.

(c) Until January 1, 2013, if the proposed minisatellite wagering site is in the northern zone in a fair district where the fair has operated a satellite wagering facility for the previous five years, the approval of the fair must be obtained even if the proposed location is more than 20 miles from the existing satellite wagering facility operated by the fair.

(d) For purposes of commissions, deductions, and distribution of handle, wagers placed at minisatellite sites shall be treated as if they were placed at satellite wagering facilities authorized under Section 19605, 19605.1, or 19605.2. Section 19608.4 shall apply to minisatellite wagering facilities.

(e) The written consent of the San Mateo County Fair shall be obtained prior to the approval of any minisatellite wagering site located within a 20-mile radius of its fairground.

(f) Minisatellite wagering facilities created pursuant to this section are not eligible for satellite wagering commission distributions pursuant to Section 19604.

(g) The board shall adopt emergency regulations to implement these new facilities on or before April 1, 2008. The board, in adopting these regulations, shall minimize the expense to both the operator of the minisatellite facility and the host racetrack.

(h) If there are more than 15 applications for minisatellite wagering facilities in any zone, the board shall determine which facilities will generate the largest handle, and give priority to the approval of those facilities. The board shall license a minisatellite facility for two years, and then review the operation and the size of the handle, and determine if it is in the best interest of horse racing to relicense the facility or, in the alternative, license another minisatellite facility that might generate a greater handle.

(i) Except as may be provided in the agreement required pursuant to paragraph (2) of subdivision (a), no association or fair shall be required to make all or part of its racing program available to a minisatellite wagering facility. Notwithstanding subdivision (e) of Section 19608.2, all costs incurred by the organization executing that agreement in excess of the amounts distributable to the organization from wagers placed at the site on that racing program, shall be borne by the minisatellite wagering facility.

SEC. 5. Section 19605.51 of the Business and Professions Code is amended to read:

19605.51. Notwithstanding subdivision (a) of Section 19605, and Section 19605.1, any fair that operated a satellite wagering facility on July 1, 2007, may, with the approval of the Department of Food and Agriculture and the authorization of the board, subject to the conditions specified in Section 19605.3, operate a satellite wagering facility on leased premises within the boundaries of that fair. Any fair that did not operate a satellite wagering facility on July 1, 2007, may, subject to Sections 19605 and 19605.1, operate

one satellite wagering facility either on the property of the fairgrounds, or on leased premises.

SEC. 6. Section 19605.54 is added to the Business and Professions Code, to read:

19605.54. Any racetrack in the central zone that conducted racing in 2007 but that has since closed may continue to conduct satellite wagering. If the racetrack site is no longer available for use as a satellite wagering facility, then the owner of the racetrack may conduct satellite racing at another location within that city, subject to approval by the board. If the owners of the racetrack which last conducted racing at that facility determine that they do not wish to operate a satellite wagering facility, then any other racetrack conducting racing in that zone may instead be authorized to open a satellite wagering facility. If there is no other racing association that wishes to operate a satellite wagering facility in that city, then any other person or entity may seek the approval of the board to operate a satellite wagering facility in that city. The board, prior to granting its approval, shall conduct a hearing on the issue, and afford parties the opportunity to be heard.

O

CALIFORNIA CODES
BUSINESS AND PROFESSIONS CODE
SECTION 19605.7

19605.7. The total percentage deducted from wagers at satellite wagering facilities in the northern zone shall be the same as the deductions for wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted under this section shall be distributed as follows:

(a) For thoroughbred meetings, 1.3 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in Section 19608.2, and 0.54 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c) and (d) of Section 19617.2, and 0.033 percent distributed to the Center for Equine Health and 0.067 percent distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(b) For harness, quarter horse, Appaloosa, Arabian, or mixed breed meetings, 0.4 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, for fair meetings, 1 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the fair association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, and 6 percent of the amount handled by the satellite wagering facility or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in Section 19608.2. In addition, in the case of quarter horses, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7; in the case of Appaloosas, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9; in the case of Arabians, 0.4 percent shall be held by the association to be deposited with the official registering agency pursuant to Section 19617.8, and shall thereafter be distributed in accordance with Section 19617.8; in the case of standardbreds, 0.4 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section

19619; in the case of thoroughbreds, 0.48 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2; and 0.033 percent shall be distributed to the Center for Equine Health and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(c) In addition to the distributions specified in subdivision (a) and (b), for mixed breed meetings, 1 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for promotion of the program at satellite wagering facilities. For harness meetings, 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, and 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horsemen participating in the meeting. For quarter horse meetings 0.5 percent of the total amount handled by satellite wagering facility on races run in California shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, 0.5 percent of the total amount handled by each satellite wagering facility on out-of-state and out-of-country imported races shall be distributed to the official quarter horse registering agency for the purposes of Section 19617.75, and 0.5 percent of the total amount handled by each satellite wagering facility on all races shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horseman participating in the meeting.

(d) Additionally, for thoroughbred, harness, quarter horse, mixed breed, and fair meetings, 0.33 percent of the total amount handled by each satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) Notwithstanding any other provision of law, a racing association is responsible for the payment of the state license fee as required by this section.

CALIFORNIA CODES
BUSINESS AND PROFESSIONS CODE
SECTION 19605.71

19605.71. The total percentage deducted from wagers at satellite wagering facilities in the central and southern zone shall be the same as the percentage deducted from wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted by a satellite wagering facility under this section shall be distributed as follows:

(a) For thoroughbred meetings, 2 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in Section 19608.2, and 0.54 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2, and 0.033 percent shall be distributed to the Center for Equine Health and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(b) For harness, quarter horse, Appaloosa, Arabian, or mixed breed meetings, 0.4 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, for fair meetings, 1 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, and 6 percent of the amount handled by the satellite wagering facility or the amount of actual operating expenses, as determined by the board, whichever is less, distributed to an organization described in Section 19608.2. In addition, in the case of quarter horses, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7; in the case of Appaloosas, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9; in the case of Arabians, 0.4 percent shall be held by the association to be deposited with the official registering agency, pursuant to Section 19617.8, and thereafter shall be distributed in accordance with Section 19617.8; in the case of standardbreds, 0.4 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section

19619; in the case of thoroughbreds, 0.48 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2; and 0.033 percent shall be distributed to the Center for Equine Health and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(c) In addition, for Appaloosa and mixed breed meetings, 1 percent shall be distributed to an organization described in Section 19608.2 for promotion of the program at satellite wagering facilities. Notwithstanding any other provision of law, on wagers made in the Counties of Orange and Los Angeles on thoroughbred races conducted in the County of Orange or Los Angeles, or both, excluding the 50th District Agricultural Association, the amount deducted for promotion of the satellite wagering program at satellite wagering facilities shall be 0.5 percent. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year. If promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. For harness meetings, 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, and 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horsemen participating in the meeting. For quarter horse meetings 0.5 percent of the total amount handled by satellite wagering facility on races run in California shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, 0.5 percent of the total amount handled by each satellite wagering facility on out-of-state and out-of-country imported races shall be distributed to the official quarter horse registering agency for the purposes of Section 19617.75, and 0.5 percent of the total amount handled by each satellite wagering facility on all races shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horseman participating in the meeting.

(d) Additionally, for thoroughbred, harness, quarter horse, mixed breed, and fair meetings, 0.33 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) Notwithstanding any other provision of law, a racing association is responsible for the payment of the state license fee as required by this section.

STAFF ANALYSIS
STRATEGIC PLANNING AND
RACE DATES FOR 2009 AND BEYOND

Regular Board Meeting
April 24, 2008

BACKGROUND

Business and Professions Code section 19440 (a) states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include allocation of racing dates to qualified associations in accordance with law.

Board Rule 1430, Allocation of Racing Weeks and Dates, states the Board shall allocate racing weeks and dates for the conduct of horse racing in this State for such time periods and at such racing facilities as the Board determines will best subserve the purposes of the Horse Racing Law and which will be in the best interests of the people of California in accord with the intent of the Horse Racing Law.

ANALYSIS

Attached are the following items to assist in strategic planning and the development of proposed race dates for calendar year 2009 and beyond.

1. Business and Professions Code Sections 19530-19540
2. 2008 Racing Calendars
3. 2008 Race Dates Bar Chart

RECOMMENDATION

This item is presented for Board discussion and action.

BUSINESS AND PROFESSIONS CODE
ARTICLE 6 RACING DAYS AND WEEKS AND
ARTICLE 6.5 FAIRS AND EXPOSITIONS

19530. The board shall have the authority to allocate racing week to an applicant or applicants pursuant to the provisions of this article and Article 6.5 (commencing with Section 19540) and to specify such racing days, dates, and hours for horse racing meetings as will be in the public interest, and will subserve the purposes of this chapter. The decision of the board as to such racing days, dates, and hours shall be subject to change, limitation or restriction only by the board. No municipality or county shall adopt or enforce any ordinance or regulation which has or may have the effect of directly or indirectly regulating, limiting or restricting the racing days and dates of horse racing meetings.

19530.5. For the purposes of this article there shall be three geographical zones which shall be designated

(a) the "southern zone," which shall consist of the Counties of Imperial, Orange, Riverside, and San Diego;

(b) the "central zone," which shall consist of the Counties of Kern, Los Angeles, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura; and

(c) the "northern zone," which shall consist of the remaining counties in the state.

19531 The board shall make allocations of racing weeks, including simultaneous racing between zones, as it deems appropriate. The maximum number of racing weeks that may be allocated for horse racing other than at fairs, shall be as follows:

(a) – For thoroughbred racing: 44 weeks per year in the northern zone; 42 weeks per year in the central zone; and seven weeks per year in the southern zone.

(b) For harness racing: 25 weeks per year in the northern zone.

(c) For quarter horse racing: 25 weeks per year in the northern zone.

(d) For harness racing and quarter horse racing: a total of 77 weeks per year in the combined central and southern zones.

(e) In its written application for a license, an applicant shall state the time of day, consistent with this chapter, during which it will conduct its racing meeting, and particularly the first race starting time for the various racing days. After receiving a license, a licensee shall not change the first race starting time without securing prior approval of the board.

(f) Notwithstanding this section or any other provision in this chapter, the board shall not allocate dates to a thoroughbred association in the central zone for the purpose of conducting racing during daytime hours if a thoroughbred racing association is conducting racing in the southern zone on the same date during daytime hours.

19531.1. Notwithstanding any other provision of law, the board shall not allocate racing dates to a private thoroughbred racing association in the central or southern zone for the purpose of conducting thoroughbred racing during daytime or nighttime hours if a fair racing association is conducting racing in the central zone on the same dates and if that fair is obligated to make payments on a capital expense loan incurred for the purpose of improving its facilities for horse racing.

19532. (a) Any association licensed to conduct thoroughbred racing in the northern zone may receive no more than 22 weeks of that racing.

(b) Any association licensed to conduct thoroughbred racing in the central zone may receive no more than 17 weeks of that racing, except that any association which conducts a split meeting may receive up to 20 weeks of that racing. No more than one such split meeting may be licensed in any one year.

(c) This section and Section 19531 shall not operate to deprive any association of any weeks of racing granted during 1980.

(d) This section and Section 19531 shall not operate to deprive the California State Fair and Exposition of any weeks of racing granted during the previous calendar year, and the board may continue to allocate those weeks of racing to the California Exposition and State Fair or any lessee thereof.

(e) Nothing in subdivision(d) is a limitation on the board allocating racing weeks to any private racing association as a lessee of the California Exposition and State Fair racetrack facility pursuant to Sections 19531 and 19532.

19533. (a) Any license granted to an association other than a fair shall be only for one type of racing, thoroughbred, harness, or quarter horse racing as the case may be, except that the board may authorize the entering of thoroughbred and Appaloosa horses in quarter horse races at a distance not exceeding five furlongs at quarter horse meetings, mixed breed meetings, and fair meetings. If the board authorizes the entering of thoroughbred or Appaloosa horses in quarter horse races, the following conditions shall be met:

(1) Any race written for participation by quarter horses, Appaloosas, and thoroughbreds shall be written as quarter horse preferred.

(2) The number of races written as quarter horse preferred at a distance exceeding 870 yards shall not exceed more than three races per program without the consent of the quarter horse horsemen's organization contracting with the association.

(3) More than one-half of the races on any program shall be for quarter horses at a distance not to exceed 550 yards, unless the consent of the quarter horse horsemen's organization is received.

(4) Mixed races with Appaloosa and quarter horses may only be written with the consent of the quarter horse horsemen's organization contracting with the association.

(5) Thoroughbreds shall constitute less than half the number of horses in these races although an exception may be granted on a race-to-race basis with the consent of the quarter horse horsemen's organization contracting with the association.

(b) The association that conducts the meeting shall pay to a thoroughbred trainers' organization an amount for a pension plan for backstretch personnel to be administered by that trainers' organization equivalent to 1 percent of the amount available to thoroughbred horses for purses. The remainder of the portion shall be distributed as purses. Any redistributable money paid to the board pursuant to Section 19641, which is paid to a welfare fund established by a horsemen's organization from races with both thoroughbred and quarter horses, shall be divided pro rata between the two welfare funds based on the number of thoroughbreds and quarter horses in the race.

(c) (1) Notwithstanding any other provision of law, any association licensed to conduct quarter horse racing may apply to the board for, and the board shall grant, authority to conduct thoroughbred racing as part of its racing program if all of the following conditions are met:

(A) The thoroughbred races are for a claiming price of not more than five thousand dollars (\$5,000), and at a distance of four and one-half furlongs or less. The races may not be stakes, allowance races, or maiden allowance races.

(B) More than one-half of the races on any program shall be for quarter horses at a distance not to exceed 550 yards, unless the consent of the quarter horse horsemen's organization is received.

(C) The consent of the quarter horse horsemen's organization contracting with the association is obtained with respect to the inclusion of thoroughbred racing.

(2) The quarter horse racing association conducting thoroughbred racing pursuant to this subdivision shall pay to a quarter horse horsemen's organization the amount specified in subdivision (e) of Section 19613, and an amount for a pension plan for backstretch personnel to be administered by a thoroughbred trainers' organization equivalent to 1 percent of the amount available to thoroughbred horses for purses. The remainder of the portion shall be distributed as purses. The quarter horse racing association shall also deduct the appropriate amount to comply with subdivision (a) of Section 19617.2 for distribution to the thoroughbred official registering agency.

19533.5. (a) Notwithstanding Section 19533, the board may authorize the following mixed breed racing:

(1) An association licensed to conduct a quarter horse meeting to include Appaloosa races and Arabian races with the consent of the quarter horse horsemen's organization contracting with the association with respect to the conduct of the racing meeting.

(2) A race between a quarter horse and a thoroughbred horse at a thoroughbred meeting with the consent of the thoroughbred horsemen's organization contracting with the association with respect to the conduct of the racing meeting.

(b) Notwithstanding Section 19533, an association licensed to conduct quarter horse racing or a fair may conduct races that include paint horses racing with quarter horses or Appaloosa horses in the same race. When paint horses race with quarter horses, the consent of the organization that represents quarter horse horsemen and horsewomen shall first be obtained. A quarter horse association may write a race for paint horses only to replace an Appaloosa or Arabian race without increasing the average number of races run per race day with the consent of the organization representing the quarter horse men and women.

(c) A quarter horse race with seven or more entries shall not be replaced by a race that includes paint horses, without the consent of the organization that represents quarter horse horsemen and horsewomen.

(d) Notwithstanding any other provision of law, any quarter horse racing association or fair conducting barrel racing, paint horse racing, show jump racing, or steeplechase racing shall pay to the quarter horsemen's organization the amount specified in Section 19613 for purposes of representing the horsemen and horsewomen conducting these races.

19533.6. Notwithstanding Section 19533, the board may authorize any racing association licensed to conduct a live quarter horse racing meeting to also conduct mule racing at that racing meeting, subject to the following conditions:

(a) Mule races may only be conducted when a fair is not licensed to conduct live races with parimutuel wagering.

(b) The consent of the quarter horse horsemen's organization contracting with the association shall be obtained with respect to the inclusion of mule racing.

(c) The majority of the races conducted on any given racing day shall be quarter horse races.

(d) A quarter horse association may conduct mule races provided that the total number of Arabian and mule races run in a year do not exceed the total number of Arabian races run in the state in 2001.

(e) An Arabian race with seven or more entries shall not be replaced by mule race, without the consent of the organization that represents Arabian horsemen and horsewomen.

19535. (a) Notwithstanding any other provision of law, at the time the board allocates racing weeks, it shall determine the number of useable stalls that each association or fair shall make available and maintain in order to conduct the racing meeting. The minimum number of stalls may be at the site of the racing meeting or at board-approved offsite locations.

(b) With respect to racing meetings conducted in the northern zone, the association or fair conducting the meeting shall provide all stabling required by the board pursuant to subdivision (a) without cost to participating horsemen. Offsite stabling shall be at a board approved facility or facilities selected by the association or fair, with the agreement of the organization representing horsemen participating at the meeting. If there is a disagreement between the association or fair and the organization representing the majority of horsemen participating at the meeting with respect to the selection of offsite stabling facilities, the board, at the request of the association or fair or the organization representing the majority of horsemen participating at the meeting, shall promptly determine the board-approved facility or facilities at which offsite stabling shall be made available. The organization representing horsemen participating at the meeting and the association or fair shall mutually agree on the criteria and selection of horses that may use stalls required pursuant to this section. With respect to northern zone thoroughbred meetings only, the association shall also provide, at the option of the horse owner, vanning of participating racehorses from any board-approved offsite stabling facility in the northern zone. Fairs may provide, subject to the availability of funds pursuant to Sections 19607, 19607.1, 19607.2, and 19607.3, at the option of the horse owner, vanning of participating racehorses from any board-approved offsite stabling facility.

(c) With respect to racing meetings conducted in the central or southern zones, all costs associated with the maintenance of the useable stalls for the racing meeting shall be borne by the association or fair conducting the meeting, and, with respect to useable stalls at an offsite location, the association or fair may be required, by order of the board, to bear the costs of vanning from the offsite location to the racing meeting. However, with respect to any racing association in the central or southern zone that conducted a racing meeting in 1986, if the number of useable stalls made available onsite by a racing association during a racing meeting is less than 95 percent of the number of useable stalls made available onsite by that racing association during its 1986 racing meeting, the racing association shall reimburse the facility providing offsite stabling for the difference in cost between the actual number of useable stalls made available and 95 percent of the useable stalls made available in 1986. The racing association shall, in addition, reimburse the owner for vanning to the onsite location with respect to those horses stabled at an offsite location necessitated by the failure of a racing association to maintain 95 percent of the useable stalls made available by that racing association during its 1986 racing meeting.

ARTICLE 6.5 FAIRS AND EXPOSITIONS

19540. In order to encourage and develop the racing of all horses in California, regardless of breed, whenever a fair conducts a program of horse races on which there is parimutuel wagering, the fair, so far as practicable, shall provide a program of racing that includes thoroughbred racing, quarter horse racing, Arabian racing, and Appaloosa racing, if a sufficient number of horses is available to provide competition in one or more races.

19549. Except as provided in Section 19549.1, the maximum number of racing days that may be allocated to a fair shall be 14 days each year. Those racing days shall be days during the period in which general fair activities are conducted. However, any fair racing association that conducted racing in the central or southern zone prior to January 1, 1980, shall be entitled to be allocated up to three weeks of racing. The board shall take public testimony and make all determinations on the allocation of racing dates during a public hearing. All discussions of allocating racing dates by the board or its subcommittees shall be conducted during a public hearing. Nothing in this section diminishes the authority of the board to establish racing dates.

19549.1. Notwithstanding Sections 19533 and 19549 or any other provision of this chapter, the board may allocate horse racing days for mixed breed meetings and combined fair horse racing meetings pursuant to Section 4058 of the Food and Agricultural Code, except as follows:

(a) Dates may only be allocated for a combined fair horse racing meeting between July 1 and October 31, and the total combined number of dates shall not exceed the total combined dates of the combined fair racing associations in 1995.

(b) Days may not be allocated for a mixed breed meeting or a combined fair horse racing meeting during the month of June at the California Exposition and State Fair if a standardbred meeting is being conducted at that facility during the month of June. The mixed breed meetings shall be conducted by a person other than the fair and shall be subject to Section 19550. The mixed breed meetings shall encourage the racing of emerging breeds of horses.

19549.2. From the weeks available for harness and quarter horse racing pursuant to subdivision (d) of Section 19531, the board may allocate a maximum of 12 weeks of harness racing to the 22nd District Agricultural Association to be conducted on the 22nd District Agricultural Association grounds. The racing shall be conducted by a person other than the 22nd District Agricultural Association.

19549.3. Notwithstanding Section 19549 or any other provision of this chapter, the board may annually allocate a maximum of 28 racing days to any county fair in the northern zone which did not conduct horseracing prior to January 1, 1985.

19549.4. Notwithstanding Section 19414.5, the board may allocate racing weeks consisting of fewer than five days to an association conducting harness or quarter horse racing meetings if the association and the organization representing the horsemen participating in the meeting agree to the allocation.

19549.6. Notwithstanding subdivision (b) of Section 19531 and Sections 19540, 19546, and 19549, the board may allocate additional weeks of harness racing to the California Exposition and State Fair in Sacramento or its lessee, to be raced at the California Exposition and State Fair in Sacramento.

19549.7. Notwithstanding subdivision (c) of Section 19531 and Section 19549, the board may allocate additional weeks of quarter horse racing to a lessee of the California Exposition and State Fair in Sacramento to be raced at the California Exposition and State Fair in Sacramento.

19549.9. Notwithstanding subdivision (d) of Section 19531 and Section 19549, the board may allocate up to 10 additional weeks of harness racing to the Los Angeles County Fair, or its lessee, to be raced at the fairgrounds in Pomona.

19549.12. Notwithstanding Sections 19482 and 19549, any weeks of harness racing or quarter horse racing allocated by the board to be raced at the facilities of a county fair which conducts its racing meeting pursuant to Section 19549.3 may be conducted by the fair. License fees for racing at the facilities of the county fair other than for the racing days allocated pursuant to Section 19549.3 are exempt from Section 19614.5.

19549.13. (a) Fairs that conduct racing meetings in the northern zone may, and horsemen's organizations that represent horsemen who participate at fair racing meetings in the northern zone shall, jointly develop a program to provide for stabling and training facilities. This program shall be based on the anticipated inventory of horses and the number of available stalls and locations.

(b) Participating fairs and horsemen's organizations shall annually ratify an agreement which includes provisions governing the operation of the stabling and training facilities. The agreement shall also specify the conditions under which a participating fair may terminate its participation in the program.

(c) Individual horsemen who elect to participate in the program shall be required to sign standard agreements with the participating fair governing the operation of the program. The agreements shall contain provisions that govern the operation of the program, including, but not be limited to, insurance coverage and payment of a security deposit.

(d) All agreements provided for in this section shall be approved by the board.

(e) Each fair that conducts racing meetings in the northern zone may elect whether to participate in the stabling and training program.

19549.14. (a) Notwithstanding, Section 19489 or any other provision of this chapter, the board may permit the San Mateo County Fair to conduct live racing meetings at another site within or outside San Mateo County if its present site, Bay Meadows, closes.

(b) Live horse racing meetings conducted by the San Mateo County Fair, whether they are conducted within or outside of San Mateo County, shall be subject to the same provisions as are presently applicable to the San Mateo County Fair's conduct of live horse racing meetings at Bay Meadows.

(c) If the racing association licensed in the year 2002 to conduct thoroughbred race meetings in San Mateo County is not licensed to conduct a horse racing meeting in that county in any subsequent year, the San Mateo County Fair may, subject to the approval of the board, conduct its racing dates at a facility operated by a thoroughbred racing association or fair licensed to conduct a meeting in the northern zone.

19549.15. (a) Notwithstanding Section 19489 or any other provision of this chapter, the board may permit the Solano County Fair to conduct live racing meetings at another site within or outside Solano County, if the site of its 2002 racing meeting is no longer available for horse racing in any subsequent year. Further, subject to the approval of the board, the Solano County Fair may conduct its racing dates at a facility operated by a thoroughbred racing association or fair licensed to conduct a racing meeting in the northern zone.

(b) Any racing meeting licensed to the fair pursuant to subdivision (a) may be operated by the fair or the fair may contract for the operation and management of the racing meeting with an individual thoroughbred racing association or fair, or a partnership, joint venture, or other affiliation of one or more thoroughbred racing associations or fairs.

2008 - NORTHERN CALIFORNIA RACE DATES CALENDAR

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			26	27	28	29
30	31					

GGF	127
BM	70
Total	197

Pleasanton	11
Vallejo	10
Santa Rosa	12
San Mateo	12
Cal Expo	12

Stockton	9
Fresno	11
Ferndale	10
Total Fairs	87

5

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

3

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	

23

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

20

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

14

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

16

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

5

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

4

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

10

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

11

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

22

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

15

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- GGF- 12/26/07-2/3/08, 5/14/08-6/22/08, 9/17/08-12/21/08
- BM-2/4/08-5/11/08
- Pleasanton-6/25-7/6/08
- Vallejo-7/9-7/20/08
- Santa Rosa-7/23-8/4/08
- San Mateo-8/6-8/18/08
- Ferndale-8/7-8/17/08
- CalExpo-8/20-9/1/08
- Stockton-9/3-9/14/08
- Fresno-10/1-10/13/08

2008 - SOUTHERN CALIFORNIA RACE DATES CALENDAR

PAGE 10-9

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			26	27	28	29
30	31					

Legend:

LATC 77

HPRA - Spring 60

Del Mar 43

HP Fall 40

Fairplex 16

Oak Tree 26

Days Canceled @ SA= 1/5, 1/6, 1/7, 1/24, 1/25, 1/27, 1/28, 2/3, 2/4, 2/7, 2/8

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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24	25	26	27	28	29	

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

LATC-12/26/07-4/20/08

HP Spring-4/23-7/13/08

Del Mar-7/16-9/3/08

Oak Tree-9/24-10/26/08

HP Fall-10/29-12/21/08

Pomona-9/5-9/22/08

2008 - SACRAMENTO HARNESS ASSOCIATION RACE DATES CALENDAR

SHA= 34 race days

2008 - CALIFORNIA EXPOSITION STATE FAIR HARNESS RACING CALENDAR

CalExpo = 110

CalExpo took over Harness on 3/6/08

December

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			26	27	28	29
30	31					

2

January

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

16

May

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

15

September

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

9

February

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	

16

June

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

12

October

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

14

March

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

13

July

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

12

November

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

12

April

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

12

August

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

2

December

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

9

2008 - LOS ALAMITOS QUARTER HORSE RACE DATES CALENDAR

Total Race Days = 204

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			26	27	28	29
30	31					

3

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

17

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	

16

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

18

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

16

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

19

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

17

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

17

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

19

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

15

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

18

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

17

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

12

CHRB 2008 RACING CALENDAR

PAGE 10-12

DEC JAN FEB MAR APR MAY JUNE JULY AUG SEP OCT NOV DEC JAN

THOROUGHBRED & FAIR MEETINGS

26	Santa Anita (Los Angeles Turf Club) (85 Days)	20	23	Hollywood Park (60)	13	Del Mar (43) 3	Pomona 5 22 (18)	Santa Anita (Oak Tree) 24 (26) 26	Hollywood Park (40) 21
----	--	----	----	------------------------	----	-------------------	------------------------	---	---------------------------

Golden Gate Fields 26 (30) 3	4	Bay Meadows (70)	11	Golden Gate Fields 14 (30) 22	NORTHERN FAIRS (87)	14	17	Golden Gate Fields (87)	21
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Fresno 1 13 (11)

QUARTER HORSE MEETING

28	LOS ALAMITOS (204)	21
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HARNESS MEETINGS

28	CAL EXPO (Sacramento Harness) (34)	1
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6	CAL EXPO (CalExpo) (66)	2
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10	CAL EXPO (Cal Expo) (44)	20
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FAIR MEETINGS - STATEWIDE
 PLEASANTON (11), JUNE 25 - JULY 6
 VALLEJO (10), JULY 9 - JULY 20
 SANTA ROSA (12), JULY 23 - AUG 4
 SAN MATEO (12), AUG 6 - AUG 18
 FERNDALE (10), AUG 7 - AUG 17
 CAL EXPO (12), AUG 20 - SEPT 1
 STOCKTON (9), SEPT 3 - SEPT 14
 POMONA (16) SEPT 5 - SEPT 22
 FRESNO FAIR (11), OCT 1 - OCT 13

STAFF ANALYSIS
UPDATE REGARDING THE STATUS OF THE CLOSURE OF THE
SACRAMENTO HARNESS ASSOCIATION

Regular Board Meeting
April 24, 2008

BACKGROUND

The Sacramento Harness Association (SHA) ended their racing operations on March 1, 2008. Currently SHA is still in the process of collecting moneys owed to pay its creditors.

ANALYSIS

According to Ivan Axelrod, President of the SHA, since the last Board meeting on March 27, 2008, SHA has completed payment to the Horsemen's Paymaster Account, the California Sires Stake Program, and cleared all balances with the California Harness Horsemen's Association. Currently SHA is working towards the prompt release of funds held by NOTWINC, SCOTWINC, and Los Alamitos. Ivan Axelrod indicated that SHA is looking to establish a trust account to ensure that collected funds be used to pay SHA creditors accordingly.

RECOMMENDATION

This item is presented for information and discussion.

STAFF ANALYSIS
STAFF REPORT ON END-OF-MEET RESULTS

Regular Board Meeting
April 24, 2008

BACKGROUND:

This item contains end-of-meet reports for the following concluded race meets: Oak Tree Racing Association, Hollywood Park Racing Association - Fall, Bay Meadows Racing Association, Pacific Racing Association, Los Alamitos Quarter Horse Racing Association, Sacramento Harness Association.

Staff is prepared to answer questions regarding the information presented.

RECOMMENDED:

These items are for information and discussion.

Oak Tree Racing Associaton
September 26, 2007 - November 4, 2007
Race Days: 31

AVERAGE DAILY STATISTICS

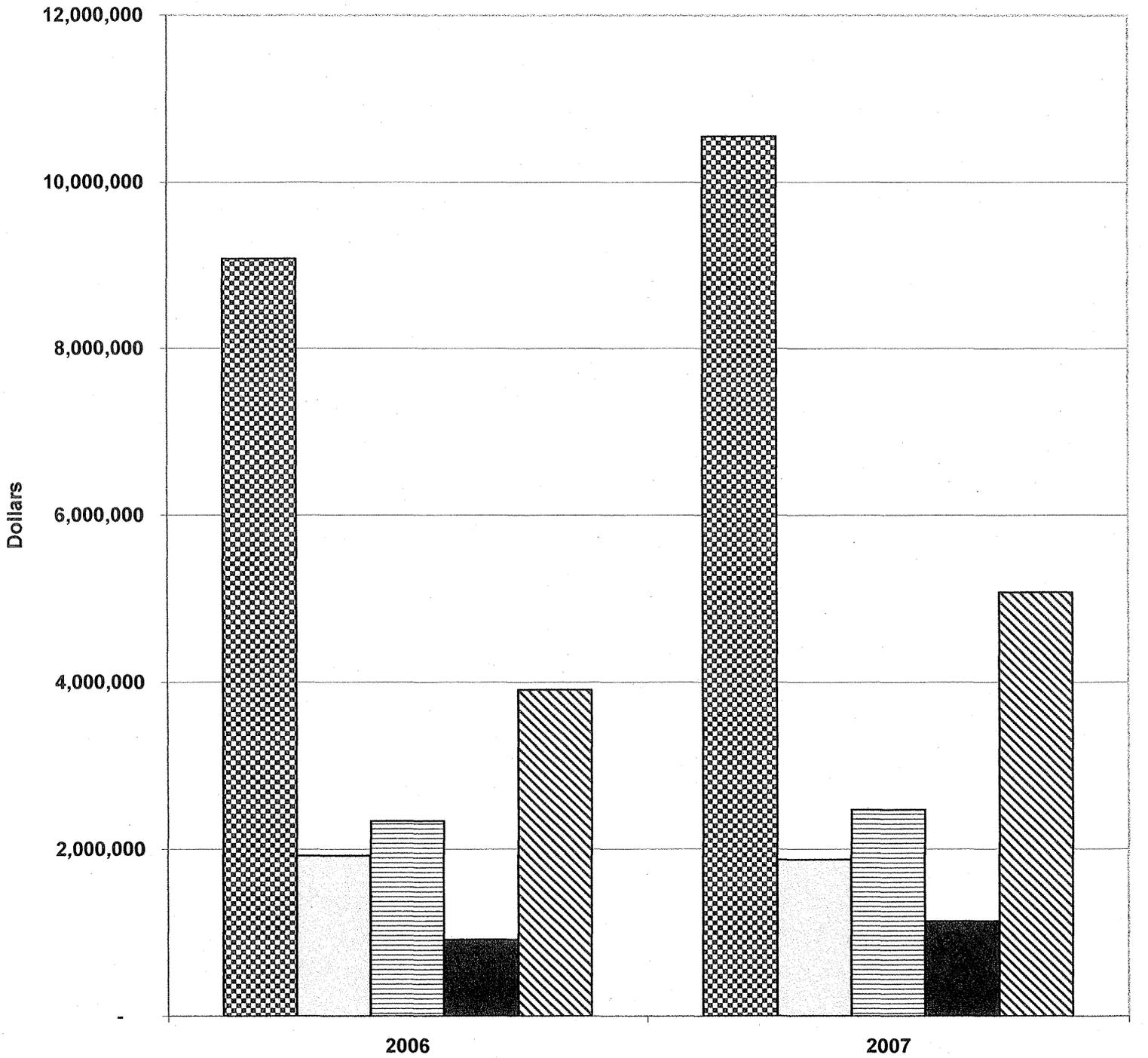
	Percent Change	Total Value
Avg. Daily Handle	16.20%	1,471,323
Avg. Daily On-Track Handle	-2.44%	(46,829)
Avg. Daily ITW Network Handle	5.72%	133,657
Avg. Daily ADW In Network Handle	23.99%	219,643
Avg. Daily Out-Of-State Handle	29.79%	1,164,853
Avg. Daily Attendance	-4.12%	(686)
Avg. Daily On-Track Attendance	-8.98%	(809)
Avg. Daily ITW Attendance	1.60%	123

CALIFORNIA HORSE RACING BOARD END OF MEET REPORT

Oak Tree Racing Association

	2006	2007	Previous Year \$ and % Change	
			2007 \$ CHANGE	2007 % CHANGE
TOTAL RACE DAYS	26	31	5	19.23%
TOTAL HANDLE	236,119,118	327,137,665	91,018,547	38.55%
BY ORIGIN OF WAGER:				
ON-TRACK	49,929,703	58,079,857	8,150,155	16.32%
ITW NETWORK	60,728,029	76,549,864	15,821,835	26.05%
ADW IN NETWORK	23,806,700	35,193,847	11,387,147	47.83%
OUT-OF-STATE	101,654,686	157,314,097	55,659,410	54.75%
BY ORIGIN OF RACE				
LIVE	175,923,112	248,646,813	72,723,701	41.34%
OUT- OF- ZONE	20,194,337	20,670,336	475,999	2.36%
INTERSTATE-IMPORT	34,906,678	51,187,073	16,280,395	46.64%
INTERNATIONAL-IMPORT	5,094,991	6,633,442	1,538,452	30.20%
AVG DAILY HANDLE	9,081,505	10,552,828	1,471,323	16.20%
AVG BY ORIGIN OF WAGER:				
AVG DAILY ON-TRACK	1,920,373	1,873,544	(46,829)	-2.44%
AVG DAILY ITW NETWORK	2,335,693	2,469,350	133,657	5.72%
AVG DAILY ADW IN NETWORK	915,642	1,135,285	219,643	23.99%
AVG DAILY OUT OF STATE	3,909,796	5,074,648	1,164,853	29.79%
AVG BY ORIGIN OF RACE				
AVG LIVE	6,766,274	8,020,865	1,254,591	18.54%
AVG OUT-OF-ZONE	776,705	666,785	(109,920)	-14.15%
AVG INTERSTATE-IMPORT	1,342,565	1,651,196	308,631	22.99%
AVG INTERNATIONAL-IMPORT	195,961	213,982	18,021	9.20%
TOTAL TAKEOUT	46,275,797	64,400,456	18,124,659	39.17%
EFFECTIVE TAKEOUT %	19.60%	19.69%	0	0.45%
STATE LICENSE FEES	2,565,550	3,206,875	641,325	25.00%
STATE %	1.09%	0.98%	(0)	-9.78%
TRACK COMMISSION	9,551,131	12,396,608	2,845,477	29.79%
TRACK %	4.05%	3.79%	(0)	-6.32%
PURSE COMMISSION	9,071,589	12,028,134	2,956,546	32.59%
PURSE %	3.84%	3.68%	(0)	-4.30%
CALIFORNIA NETWORK ATTENDANCE				
CALIFORNIA NETWORK ATTENDANCE	432,814	494,778	61,964	14.32%
ON-TRACK	234,076	254,018	19,942	8.52%
ITW NETWORK	198,738	240,760	42,022	21.14%
AVG DAILY ATTENDANCE	16,647	15,961	(686)	-4.12%
AVG DAILY ON-TRACK	9,003	8,194	(809)	-8.98%
AVG DAILY ITW NETWORK	7,644	7,766	123	1.60%
TOTAL RACE EVENTS	226	274	48	21.24%
STARTERS	1,844	2,439	595	32.27%
AVG STARTERS PER EVENT	8.16	8.90	1	9.10%
AVG HANDLE PER START	95,403	101,946	6,543	6.86%

Oak Tree Racing Assciation



■ AVG DAILY HANDLE □ AVG DAILY ON-TRACK ▨ AVG DAILY ITW NETWORK ■ AVG DAILY ADW IN NETWORK ▩ AVG DAILY OUT OF STATE

Hollywood Park Racing Association-Fall
November 7, 2007 - December 22, 2007
Race Days: 32

AVERAGE DAILY STATISTICS

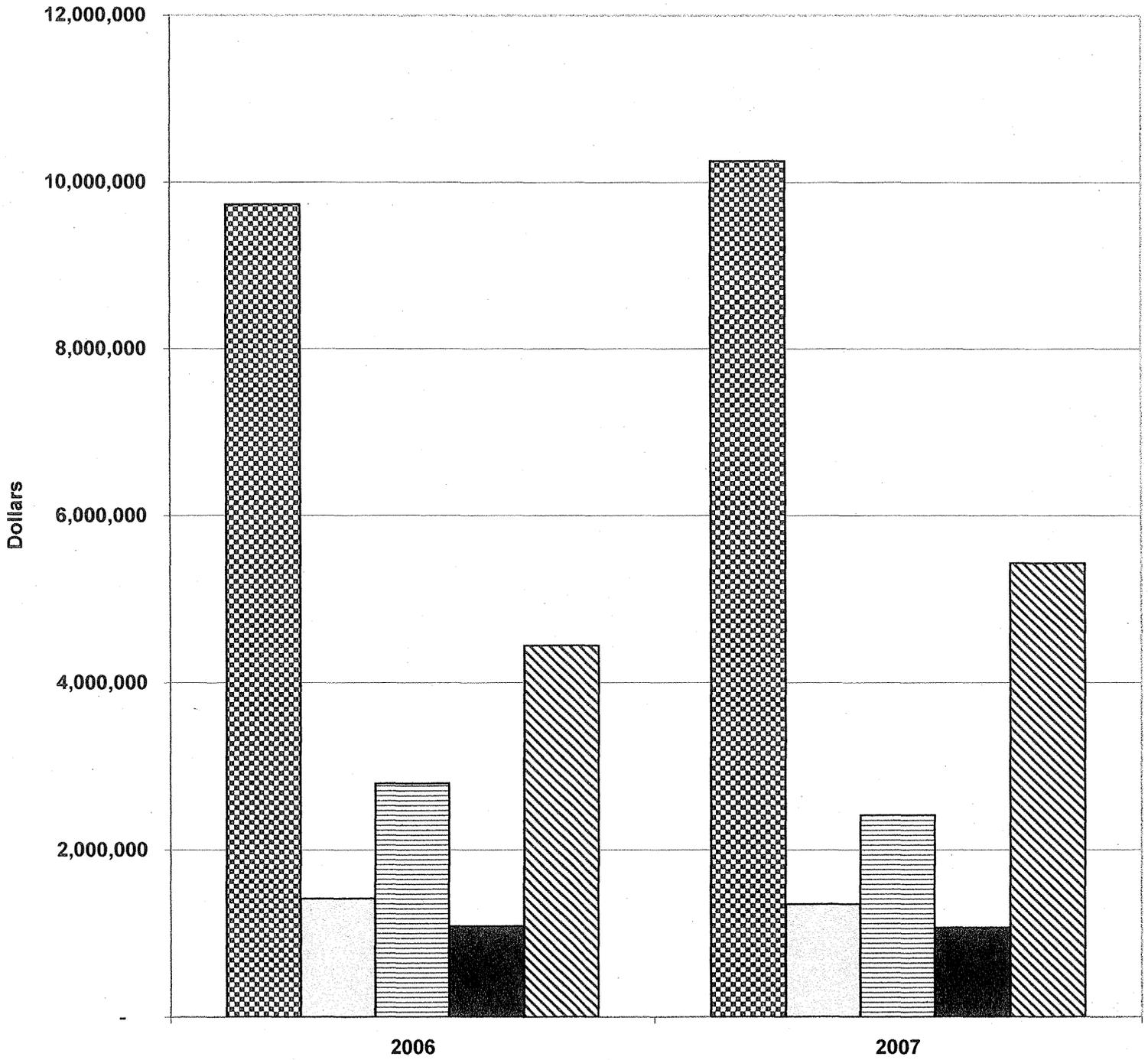
	Percent Change	Total Value
Avg. Daily Handle	5.38%	523,327
Avg. Daily On-Track Handle	-4.84%	(68,660)
Avg. Daily ITW Network Handle	-13.56%	(378,847)
Avg. Daily ADW In Network Handle	-1.44%	(15,583)
Avg. Daily Out-Of-State Handle	22.21%	986,417
Avg. Daily Attendance	-4.88%	(608)
Avg. Daily On-Track Attendance	3.56%	170
Avg. Daily ITW Attendance	-10.08%	(776)

CALIFORNIA HORSE RACING BOARD END OF MEET REPORT

Hollywood Park Fall

	<u>2006</u>	<u>2007</u>	Previous Year \$ and % Change	
			<u>2007 \$ CHANGE</u>	<u>2007 % CHANGE</u>
TOTAL RACE DAYS	36	32	(4)	-11.11%
TOTAL HANDLE	350,506,599	328,307,897	(22,198,702)	-6.33%
BY ORIGIN OF WAGER				
ON-TRACK	51,023,652	43,157,248	(7,866,404)	-15.42%
ITW NETWORK	100,568,379	77,271,023	(23,297,356)	-23.17%
ADW IN NETWORK	39,009,609	34,176,539	(4,833,070)	-12.39%
OUT-OF-STATE	159,904,960	173,703,088	13,798,128	8.63%
BY ORIGIN OF RACE				
LIVE	257,118,845	260,997,931	3,879,086	1.51%
OUT- OF- ZONE	30,295,568	25,335,489	(4,960,079)	-16.37%
INTERSTATE-IMPORT	56,647,321	36,481,692	(20,165,629)	-35.60%
INTERNATIONAL-IMPORT	6,444,865	5,492,785	(952,080)	-14.77%
AVG DAILY HANDLE	9,736,294	10,259,622	523,327	5.38%
AVG BY ORIGIN OF WAGER				
AVG DAILY ON-TRACK	1,417,324	1,348,664	(68,660)	-4.84%
AVG DAILY ITW NETWORK	2,793,566	2,414,719	(378,847)	-13.56%
AVG DAILY ADW IN NETWORK	1,083,600	1,068,017	(15,583)	-1.44%
AVG DAILY OUT OF STATE	4,441,804	5,428,221	986,417	22.21%
AVG BY ORIGIN OF RACE				
AVG LIVE	7,142,190	8,156,185	1,013,995	14.20%
AVG OUT-OF-ZONE	841,544	791,734	(49,810)	-5.92%
AVG INTERSTATE-IMPORT	1,573,537	1,140,053	(433,484)	-27.55%
AVG INTERNATIONAL-IMPORT	179,024	171,650	(7,374)	-4.12%
TOTAL TAKEOUT	68,783,414	64,783,023	(4,000,391)	-5.82%
EFFECTIVE TAKEOUT %	19.62%	19.73%	0	0.55%
STATE LICENSE FEES	3,499,171	2,969,858	(529,312)	-15.13%
STATE %	1.00%	0.90%	(0)	-9.39%
TRACK COMMISSION	13,236,675	12,033,894	(1,202,781)	-9.09%
TRACK %	3.78%	3.67%	(0)	-2.94%
PURSE COMMISSION	12,930,416	11,766,625	(1,163,792)	-9.00%
PURSE %	3.69%	3.58%	(0)	-2.85%
CALIFORNIA NETWORK ATTENDANCE				
CALIFORNIA NETWORK ATTENDANCE	448,786	379,535	(69,251)	-15.43%
ON-TRACK	171,882	158,218	(13,664)	-7.95%
ITW NETWORK	276,904	221,317	(55,587)	-20.07%
AVG DAILY ATTENDANCE	12,466	11,858	(608)	-4.88%
AVG DAILY ON-TRACK	4,775	4,944	170	3.56%
AVG DAILY ITW NETWORK	7,692	6,916	(776)	-10.08%
TOTAL RACE EVENTS	316	283	(33)	-10.44%
STARTERS	2,676	2,473	(203)	-7.59%
AVG STARTERS PER EVENT	8.47	8.74	0	3.19%
AVG HANDLE PER START	96,083	105,539	9,456	9.84%

Hollywood Park Racing Association - Fall



AVG DAILY HANDLE

 AVG DAILY ON-TRACK

 AVG DAILY ITW NETWORK

 AVG DAILY ADW IN NETWORK

 AVG DAILY OUT OF STATE

Bay Meadows Racing Association

February 14, 2007 - November 4, 2007

Race Days: 100

AVERAGE DAILY STATISTICS

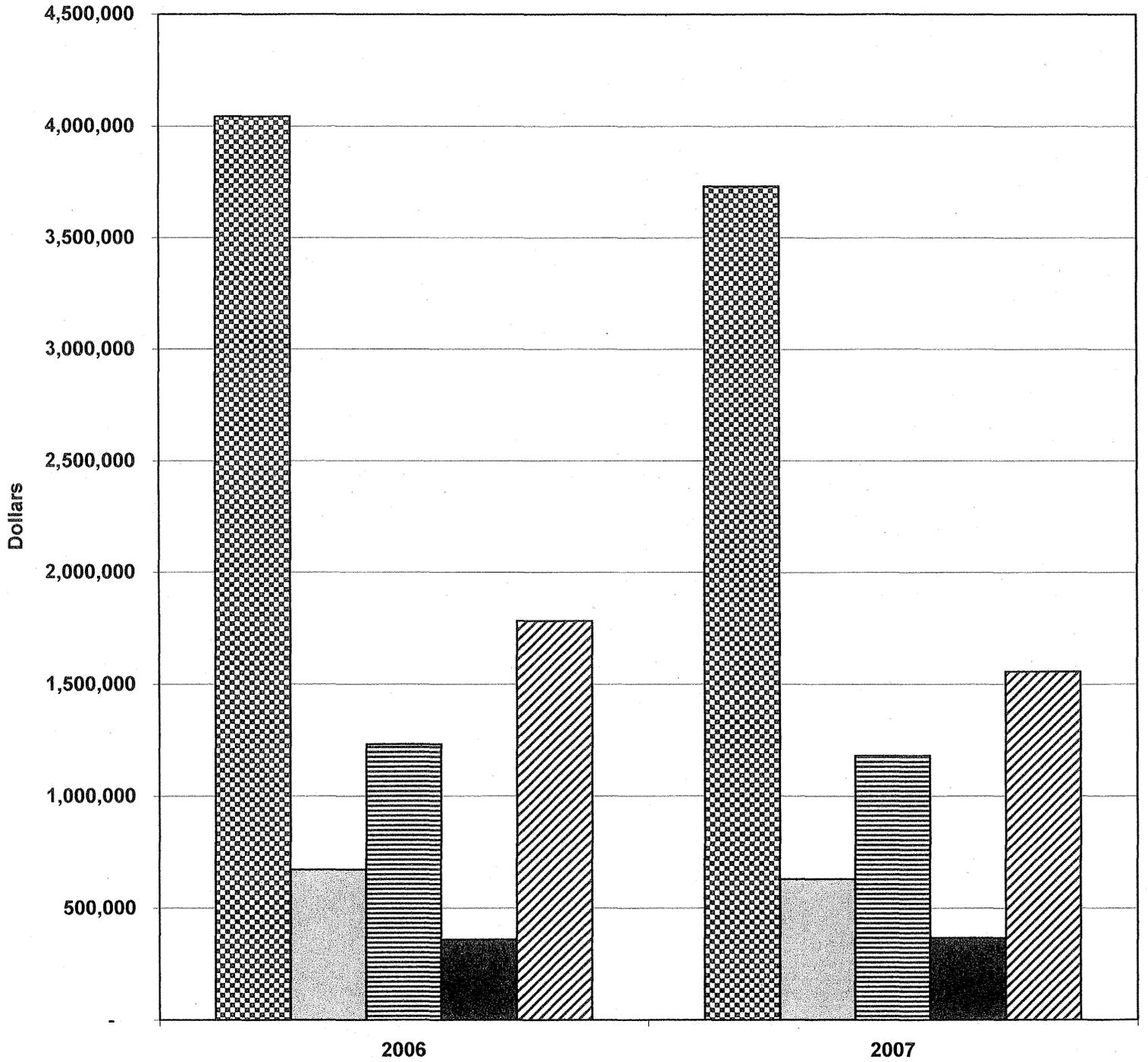
	Percent Change	Total Value
Avg. Daily Handle	-7.74%	(312,960)
Avg. Daily On-Track Handle	-6.40%	(43,013)
Avg. Daily ITW Network Handle	-4.16%	(51,229)
Avg. Daily ADW In Network Handle	2.14%	7,688
Avg. Daily Out-Of-State Handle	-12.70%	(226,406)
Avg. Daily Attendance	-2.21%	(141)
Avg. Daily On-Track Attendance	1.95%	58
Avg. Daily ITW Attendance	-5.89%	(200)

CALIFORNIA HORSE RACING BOARD END OF MEET REPORT

Bay Meadows Racing Association

	<u>2006</u>	<u>2007</u>	<u>2007 \$ CHANGE</u>	<u>2007 % CHANGE</u>
TOTAL RACE DAYS	105	100	(5)	-4.76%
TOTAL HANDLE	424,641,424	373,124,444	(51,516,981)	-12.13%
BY ORIGIN OF WAGER:				
ON-TRACK	70,576,557	62,914,465	(7,662,091)	-10.86%
ITW NETWORK	129,201,183	117,925,833	(11,275,350)	-8.73%
ADW IN NETWORK	37,730,221	36,702,370	(1,027,851)	-2.72%
OUT-OF-STATE	187,133,464	155,581,776	(31,551,688)	-16.86%
BY ORIGIN OF RACE				
LIVE	255,097,403	210,694,553	(44,402,850)	-17.41%
OUT- OF- ZONE	76,523,396	72,523,639	(3,999,757)	-5.23%
INTERSTATE-IMPORT	81,620,145	76,955,131	(4,665,013)	-5.72%
INTERNATIONAL-IMPORT	11,400,480	12,951,120	1,550,640	13.60%
AVG DAILY HANDLE	4,044,204	3,731,244	(312,960)	-7.74%
AVG BY ORIGIN OF WAGER:				
AVG DAILY ON-TRACK	672,158	629,145	(43,013)	-6.40%
AVG DAILY ITW NETWORK	1,230,487	1,179,258	(51,229)	-4.16%
AVG DAILY ADW IN NETWORK	359,335	367,024	7,688	2.14%
AVG DAILY OUT OF STATE	1,782,223	1,555,818	(226,406)	-12.70%
AVG BY ORIGIN OF RACE				
AVG DAILY LIVE	2,429,499	2,106,946	(322,554)	-13.28%
AVG DAILY OUT-OF-ZONE	728,794	725,236	(3,558)	-0.49%
AVG DAILY INTERSTATE-IMPORT	777,335	769,551	(7,783)	-1.00%
AVG DAILY INTERNATIONAL-IMPORT	108,576	129,511	20,935	19.28%
TOTAL TAKEOUT	83,823,067	73,970,278	(9,852,789)	-11.75%
EFFECTIVE TAKEOUT %	19.74%	19.82%	0	0.43%
STATE LICENSE FEES	2,551,455	2,125,451	(426,004)	-16.70%
STATE %	0.60%	0.57%	(0)	-5.19%
TRACK COMMISSION	16,776,921	15,367,507	(1,409,415)	-8.40%
TRACK %	3.95%	4.12%	0	4.25%
PURSE COMMISSION	16,131,098	14,733,141	(1,397,957)	-8.67%
PURSE %	3.80%	3.95%	0	3.94%
CALIFORNIA NETWORK ATTENDANCE				
ON-TRACK	671,175	625,084	(46,091)	-6.87%
ITW NETWORK	314,843	305,693	(9,150)	-2.91%
AVG DAILY ATTENDANCE	356,332	319,391	(36,941)	-10.37%
AVG DAILY ATTENDANCE	6,392	6,251	(141)	-2.21%
AVG DAILY ON-TRACK	2,999	3,057	58	1.95%
AVG DAILY ITW NETWORK	3,394	3,194	(200)	-5.89%
TOTAL RACE EVENTS	890	839	(51)	-5.73%
STARTERS	6,245	5,643	(602)	-9.64%
AVG STARTERS PER EVENT	7.02	6.73	(0)	-4.15%
AVG HANDLE PER START	40,848	37,337	(3,511)	-8.60%

Bay Meadows Racing Association



■ AVG DAILY HANDLE ■ AVG DAILY ON-TRACK ■ AVG DAILY ITW NETWORK ■ AVG DAILY ADW IN NETWORK ■ AVG DAILY OUT OF STATE

Pacific Racing Association

December 26, 2006 - December 22, 2007

Race Days: 98

AVERAGE DAILY STATISTICS

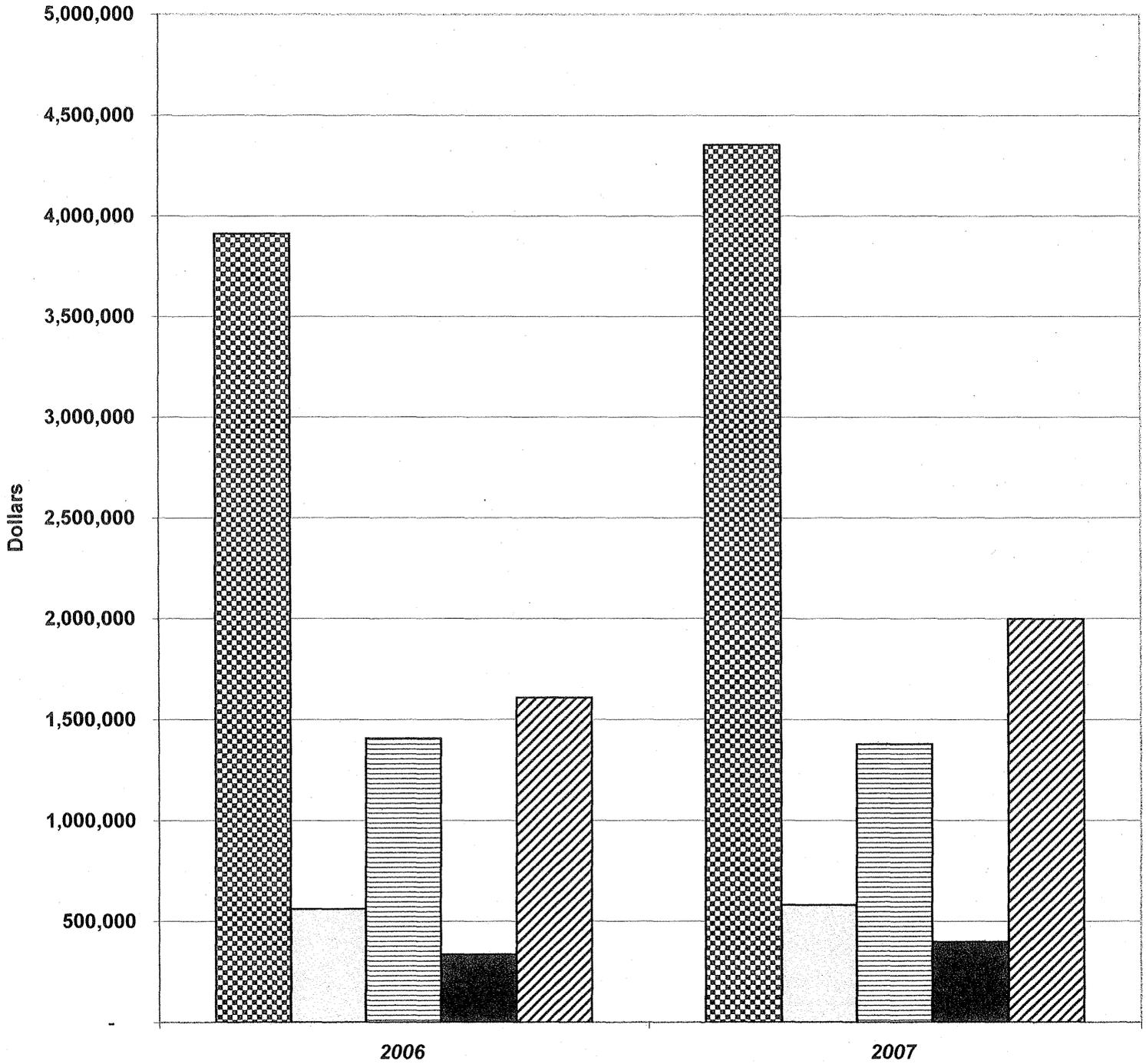
	Percent Change	Total Value
Avg. Daily Handle	11.29%	441,789
Avg. Daily On-Track Handle	3.49%	19,631
Avg. Daily ITW Network Handle	-2.09%	(29,414)
Avg. Daily ADW In Network Handle	18.47%	62,051
Avg. Daily Out-Of-State Handle	24.22%	389,522
Avg. Daily Attendance	3.60%	216
Avg. Daily On-Track Attendance	12.04%	267
Avg. Daily ITW Attendance	-1.34%	(51)

CALIFORNIA HORSE RACING BOARD END OF MEET REPORT

Pacific Racing Association

	<u>2006</u>	<u>2007</u>	Previous Year \$ and % Change	
			<u>2007 \$ CHANGE</u>	<u>2007 % CHANGE</u>
TOTAL RACE DAYS	101	98	(3)	-2.97%
TOTAL HANDLE	395,115,632	426,674,872	31,559,240	7.99%
BY ORIGIN OF WAGER:				
ON-TRACK	56,743,646	56,981,990	238,343	0.42%
ITW NETWORK	142,046,643	134,944,857	(7,101,787)	-5.00%
ADW IN NETWORK	33,922,447	38,995,835	5,073,389	14.96%
OUT-OF-STATE	162,402,896	195,752,190	33,349,295	20.53%
BY ORIGIN OF RACE				
LIVE	222,622,346	258,343,976	35,721,631	16.05%
OUT-OF-ZONE	77,791,160	76,422,596	(1,368,564)	-1.76%
INTERSTATE-IMPORT	84,000,108	79,876,999	(4,123,109)	-4.91%
INTERNATIONAL-IMPORT	10,702,019	12,031,301	1,329,282	12.42%
AVG DAILY HANDLE	3,912,036	4,353,825	441,789	11.29%
AVG BY ORIGIN OF WAGER:				
AVG DAILY ON-TRACK	561,818	581,449	19,631	3.49%
AVG DAILY ITW NETWORK	1,406,402	1,376,988	(29,414)	-2.09%
AVG DAILY ADW IN NETWORK	335,866	397,917	62,051	18.47%
AVG DAILY OUT OF STATE	1,607,949	1,997,471	389,522	24.22%
AVG BY ORIGIN OF RACE				
AVG DAILY LIVE	2,204,182	2,636,163	431,981	19.60%
AVG DAILY OUT-OF-ZONE	770,210	779,822	9,613	1.25%
AVG DAILY INTERSTATE-IMPORT	831,684	815,071	(16,613)	-2.00%
AVG DAILY INTERNATIONAL-IMPORT	105,961	122,768	16,808	15.86%
TOTAL TAKEOUT	78,311,122	84,317,819	6,006,697	7.67%
EFFECTIVE TAKEOUT %	19.82%	19.76%	(0)	-0.29%
STATE LICENSE FEES	2,531,991	2,710,217	178,226	7.04%
STATE %	0.64%	0.64%	(0)	-0.88%
TRACK COMMISSION	16,038,292	16,278,673	240,381	1.50%
TRACK %	4.06%	3.82%	(0)	-6.01%
PURSE COMMISSION	15,593,951	15,781,891	187,940	1.21%
PURSE %	3.95%	3.70%	(0)	-6.28%
CALIFORNIA NETWORK ATTENDANCE				
CALIFORNIA NETWORK ATTENDANCE	606,103	609,290	3,187	0.53%
ON-TRACK	224,054	243,572	19,518	8.71%
ITW NETWORK	382,049	365,718	(16,331)	-4.27%
AVG DAILY ATTENDANCE	6,001	6,217	216	3.60%
AVG DAILY ON-TRACK	2,218	2,485	267	12.04%
AVG DAILY ITW NETWORK	3,783	3,732	(51)	-1.34%
TOTAL RACE EVENTS	855	842	(13)	-1.52%
STARTERS	5,725	6,442	717	12.52%
AVG STARTERS PER EVENT	6.70	7.65	1	14.26%
AVG HANDLE PER START	38,886	40,103	1,217	3.13%

Pacific Racing Association



■ AVG DAILY HANDLE ■ AVG DAILY ON-TRACK ■ AVG DAILY ITW NETWORK ■ AVG DAILY ADW IN NETWORK ■ AVG DAILY OUT OF STATE

Los Alamitos Quarter Horse Racing Association

December 28, 2006 - December 23, 2007

Race Days: 202

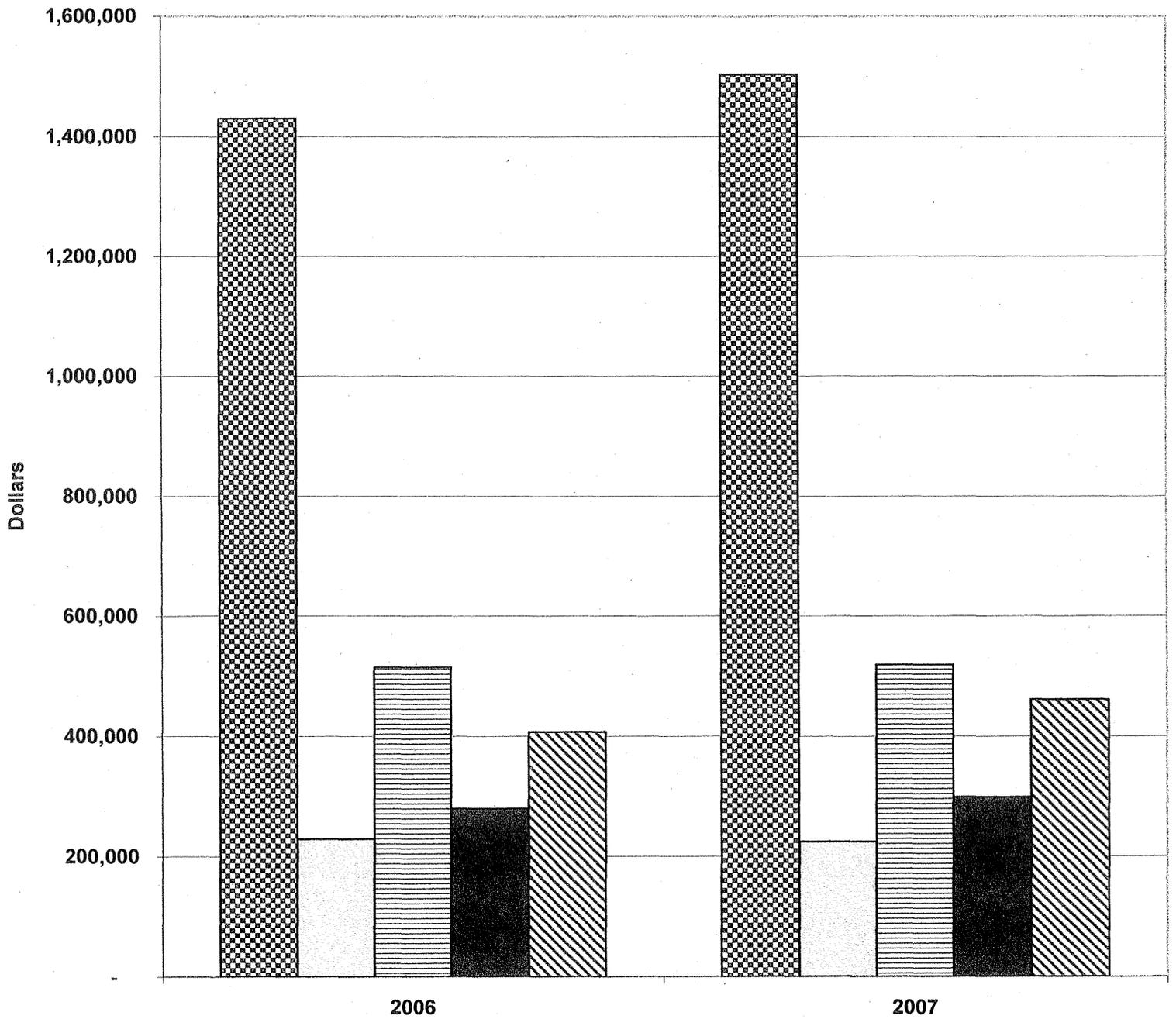
AVERAGE DAILY STATISTICS	Percent Change	Total Value
Avg. Daily Handle	5.11%	73,132
Avg. Daily On-Track Handle	-2.04%	(4,683)
Avg. Daily ITW Network Handle	0.89%	4,570
Avg. Daily ADW In Network Handle	6.83%	19,063
Avg. Daily Out-Of-State Handle	13.31%	54,182
Avg. Daily Attendance	-1.75%	(76)
Avg. Daily On-Track Attendance	0.21%	2
Avg. Daily ITW Attendance	-2.50%	(78)

CALIFORNIA HORSE RACING BOARD END OF MEET REPORT

Los Alamitos Quarters

	2006	2007	Previous Year \$ and % Change	
			2007 \$ CHANGE	2007 % CHANGE
TOTAL RACE DAYS	201	202	1	0.50%
TOTAL HANDLE	287,437,315	303,640,015	16,202,700	5.64%
BY ORIGIN OF WAGER:				
ON-TRACK	46,083,325	45,366,568	(716,757)	-1.56%
ITW NETWORK	103,389,659	104,827,142	1,437,483	1.39%
ADW IN NETWORK	56,135,251	60,265,288	4,130,036	7.36%
OUT-OF-STATE	81,829,080	93,181,017	11,351,938	13.87%
BY ORIGIN OF RACE				
LIVE	221,421,283	239,022,367	17,601,084	7.95%
OUT- OF- ZONE	-	-	0	#DIV/0!
INTERSTATE-IMPORT	63,053,908	61,431,926	(1,621,982)	-2.57%
INTERNATIONAL-IMPORT	2,962,125	3,185,721	223,597	7.55%
AVG DAILY HANDLE	1,430,036	1,503,168	73,132	5.11%
AVG BY ORIGIN OF WAGER:				
AVG DAILY ON-TRACK	229,270	224,587	(4,683)	-2.04%
AVG DAILY ITW NETWORK	514,376	518,946	4,570	0.89%
AVG DAILY ADW IN NETWORK	279,280	298,343	19,063	6.83%
AVG DAILY OUT OF STATE	407,110	461,292	54,182	13.31%
AVG BY ORIGIN OF RACE				
AVG LIVE	1,101,598	1,183,279	81,681	7.41%
AVG OUT-OF-ZONE	-	-	-	#DIV/0!
AVG INTERSTATE-IMPORT	313,701	304,118	(9,583)	-3.05%
AVG INTERNATIONAL-IMPORT	14,737	15,771	1,034	7.02%
TOTAL TAKEOUT	58,744,775	61,744,710	2,999,935	5.11%
EFFECTIVE TAKEOUT %	20.44%	20.33%	(0)	-0.50%
STATE LICENSE FEES	938,799	983,115	44,316	4.72%
STATE %	0.33%	0.32%	(0)	-0.87%
TRACK COMMISSION	13,351,837	13,752,063	400,226	3.00%
TRACK %	4.65%	4.53%	(0)	-2.50%
PURSE COMMISSION	13,006,648	13,404,028	397,379	3.06%
PURSE %	4.53%	4.41%	(0)	-2.44%
CALIFORNIA NETWORK ATTENDANCE				
ON-TRACK	872,107	861,105	(11,002)	-1.26%
ITW NETWORK	240,698	242,393	1,695	0.70%
ITW NETWORK	631,409	618,712	(12,697)	-2.01%
AVG DAILY ATTENDANCE	4,339	4,263	(76)	-1.75%
AVG DAILY ON-TRACK	1,198	1,200	2	0.21%
AVG DAILY ITW NETWORK	3,141	3,063	(78)	-2.50%
TOTAL RACE EVENTS	1,919	1,920	1	0.05%
STARTERS	14,068	14,054	(14)	-0.10%
AVG STARTERS PER EVENT	7.33	7.32	(0)	-0.15%
AVG HANDLE PER START	15,739	17,007	1,268	8.06%

Los Alamitos Quarter Horse Racing Association



■ AVG DAILY HANDLE ■ AVG DAILY ON-TRACK ■ AVG DAILY ITW NETWORK ■ AVG DAILY ADW IN NETWORK ■ AVG DAILY OUT OF STATE

Sacramento Harness Association

December 28, 2006 - December 22, 2007

Race Days: 193

AVERAGE DAILY STATISTICS

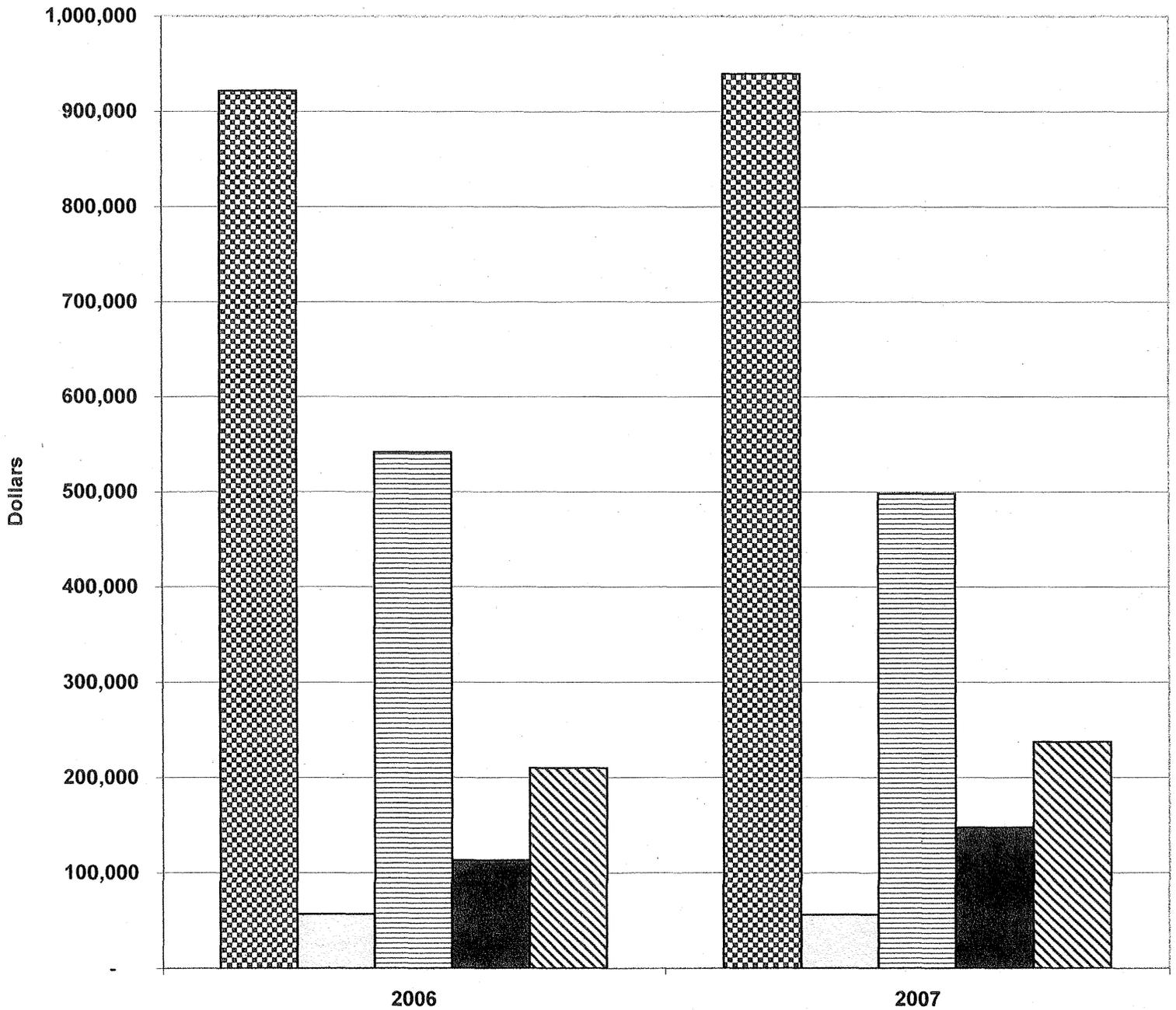
	Percent Change	Total Value
Avg. Daily Handle	1.93%	17,782
Avg. Daily On-Track Handle	-1.39%	(796)
Avg. Daily ITW Network Handle	-8.02%	(43,434)
Avg. Daily ADW In Network Handle	30.50%	34,492
Avg. Daily Out-Of-State Handle	13.12%	27,520
Avg. Daily Attendance	-2.81%	(106)
Avg. Daily On-Track Attendance	7.47%	31
Avg. Daily ITW Attendance	-4.09%	(137)

CALIFORNIA HORSE RACING BOARD END OF MEET REPORT

Sacramento Harness Association

			Previous Year \$ and % Change	
	<u>2006</u>	<u>2007</u>	<u>2007 \$ CHANGE</u>	<u>2007 % CHANGE</u>
TOTAL RACE DAYS	196	193	(3)	-1.53%
TOTAL HANDLE	180,692,184	181,358,462	666,278	0.37%
BY ORIGIN OF WAGER:				
ON-TRACK	11,210,469	10,885,156	(325,313)	-2.90%
ITW NETWORK	106,196,720	96,188,526	(10,008,194)	-9.42%
ADW IN NETWORK	22,165,855	28,483,576	6,317,722	28.50%
OUT-OF-STATE	41,119,140	45,801,203	4,682,063	11.39%
BY ORIGIN OF RACE				
LIVE	130,057,575	128,423,697	(1,633,878)	-1.26%
OUT-OF-ZONE	-	-	0	0.00%
INTERSTATE-IMPORT	48,147,518	50,093,893	1,946,375	4.04%
INTERNATIONAL-IMPORT	2,487,091	2,840,872	353,781	14.22%
AVG DAILY HANDLE	921,899	939,681	17,782	1.93%
AVG BY ORIGIN OF WAGER:				
AVG DAILY ON-TRACK	57,196	56,400	(796)	-1.39%
AVG DAILY ITW NETWORK	541,820	498,386	(43,434)	-8.02%
AVG DAILY ADW IN NETWORK	113,091	147,583	34,492	30.50%
AVG DAILY OUT OF STATE	209,792	237,312	27,520	13.12%
AVG BY ORIGIN OF RACE				
AVG LIVE	663,559	665,408	1,849	0.28%
AVG OUT-OF-ZONE	-	-	-	-
AVG INTERSTATE-IMPORT	245,651	259,554	13,903	5.66%
AVG INTERNATIONAL-IMPORT	12,689	14,720	2,030	16.00%
			0	
TOTAL TAKEOUT	40,613,672	40,521,881	(91,791)	-0.23%
EFFECTIVE TAKEOUT %	22.48%	22.34%	(0)	-0.59%
STATE LICENSE FEES	561,380	530,226	(31,154)	-5.55%
STATE %	0.31%	0.29%	(0)	-5.90%
TRACK COMMISSION	8,875,169	8,568,930	(306,239)	-3.45%
TRACK %	4.91%	4.72%	(0)	-3.81%
PURSE COMMISSION	8,875,533	8,569,353	(306,180)	-3.45%
PURSE %	4.91%	4.73%	(0)	-3.80%
CALIFORNIA NETWORK ATTENDANCE				
CALIFORNIA NETWORK ATTENDANCE	736,287	704,625	(31,662)	-4.30%
ON-TRACK	81,642	86,396	4,754	5.82%
ITW NETWORK	654,645	618,229	(36,416)	-5.56%
AVG DAILY ATTENDANCE	3,757	3,651	(106)	-2.81%
AVG DAILY ON-TRACK	417	448	31	7.47%
AVG DAILY ITW NETWORK	3,340	3,203	(137)	-4.09%
TOTAL RACE EVENTS	2,381	2,345	(36)	-1.51%
STARTERS	18,625	18,077	(548)	-2.94%
AVG STARTERS PER EVENT	7.82	7.71	(0)	-1.45%
AVG HANDLE PER START	6,983	7,104	121	1.74%

Sacramento Harness Association



■ AVG DAILY HANDLE □ AVG DAILY ON-TRACK ▨ AVG DAILY ITW NETWORK ■ AVG DAILY ADW IN NETWORK ▩ AVG DAILY OUT OF STATE