

CALIFORNIA HORSE RACING BOARD
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REGULAR MEETING

of the California Horse Racing Board will be held on Thursday, April 28, 2011, commencing at 9:30 a.m., in the Sunset Room at Hollywood Park Race Track, 1050 South Prairie Ave., Inglewood, California. The audio portion only of the California Horse Racing Board regular meeting will be available online through a link at the CHRB website (www.chrb.ca.gov) under "Webcasts."

AGENDA

Action Items:

1. Approval of the minutes of March 14, 2011.
2. Public Comment: Communications, reports, requests for future actions of the Board. Note: Persons addressing the Board under this item will be restricted to three (3) minutes for their presentations.
3. Public hearing and action by the Board regarding the proposed addition of CHRB Rule 1844.1, Suspension of Authorized Medication, to allow the Board to suspend the authorization for any authorized medication after notification at a properly noticed public hearing. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)
4. Public hearing and action by the Board regarding the proposed amendment of CHRB Rule 1876, Financial Responsibility, to add financial responsibility complaints from equine medical hospitals; services by horse farms that are related to horse racing where the debt exceeds \$1,000.00; horse auction sales; and wage disputes between licensees. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)
5. Public hearing and action by the Board regarding the proposed amendment of CHRB Rule 1974, Wagering Interest, to 1) provide that a horse that is removed from the wagering pool in error shall run as a non-wagering interest for purse only, and the following affected regulations: CHRB Rule 1954.1, Parlay Wagering on Win, Place or Show; 1957, Daily Double; 1959, Special Quinella (Exacta); 1976, Unlimited Sweepstakes; 1976.8, Place Pick (n); 1976.9 Pick (n) Pool; 1977, Pick Three; 1978, Select Four; 1979, Trifecta; and 1979.1, Superfecta, 2) and the proposed amendment of CHRB Rule 1606, Coupling of Horses, to repeal the provision that requires two or more horses to be coupled as a single wagering interest when such horses are owned in whole or in part by the same person or persons, and to provide that the racing association inform the public when two or more horses entered in the same race are owned in whole or in part by the same person or persons, or are trained by the same trainer. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)

6. Discussion and action by the Board regarding the report and recommendations from the Medication and Track Safety Committee.
7. Discussion and action by the Board regarding the proposed amendment of CHRB Rule 1658, Vesting of Title to Claimed Horse, to void a claim; 1) if a claimed horse suffers a fatality during the running of the race or before it is returned to be unsaddled; 2) if the claimant requests the claim be voided if the horse is placed on the veterinarian's list as unsound or lame as a result of the running of the race.
8. Discussion and action by the Board regarding the proposed amendment of CHRB Rule 1843.3, Penalties for Medication Violations, to 1) change the penalty for violations due to the overage for the permitted non-steroidal anti-inflammatory drug substance (NSAID), phenylbutazone, as defined in Rule 1844 (c)(1), and for drug substances in an official test sample, which CHRB categorizes as warranting a Category D penalty; and 2) to change the allowable level of flunixin in an official test sample from 50 nanograms to 20 nanograms per milliliter of blood plasma or serum.
9. Discussion and action by the Board regarding the proposed amendment of CHRB Rule 1846.5, Postmortem Examination, to require the preceding six months of veterinary records be submitted within 48 hours after submission of the Necropsy Submission Form.
10. Discuss and action by the Board regarding a report and update by the University of California, Davis and the CHRB regarding the joint proposal for a racetrack safety program for equine welfare and injury prevention by the J. D. Wheat Veterinary Orthopedic Research Laboratory and the California Animal Health and Food Safety Laboratory System in concert with the CHRB Postmortem Program.
11. Discussion and action by the Board regarding the CHRB's participation in the Racing Commissioners International (RCI) five year plan for the elimination of drugs and medication in horse racing.
12. Discussion and action by the Board on the Application to Conduct a Horse Racing Meeting of the San Joaquin County Fair (F), at Stockton, commencing June 15, 2011 through June 19, 2011, inclusive.
13. 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 22, 2011 through July 10, 2011, inclusive.
14. Discussion and action by the Board on the Application for License to Operate a Minisatellite Wagering Facility by the Monterey County Fair at Banker's Casino, Salinas, for a period of up to but not exceeding two years.
15. Discussion and action by the Board regarding a presentation by Hollywood Park Racing Association regarding its introduction of the Hollywood Park "New Comers' Initiative Program."

16. Discussion and action by the Board to ratify the action of the Executive Committee and the Executive Director, consenting to the reduced take-out Pick 5 wager requested by Hollywood Park Racing Association, with the agreement of the Thoroughbred Owners of California, pursuant to Business and Professions Code section 19601.01.
17. Discussion and action by the Board regarding a report from Churchill Downs Technology Initiatives Company, dba Twinspires.com concerning its California operations, including its promotion plans for horseracing in California.
18. Discussion and action by the Board regarding the presentation from MI Developments (MID) on the proposed transfer of MID's horse racing assets to a new entity controlled by Frank Stronach.
19. Discussion and action by the Board on the approval of the contract for racetrack soil testing services.
20. 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).
 - B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to this agenda captioned "Pending Administrative Adjudications," as authorized by Government Code section 11126(e).

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

Keith Brackpool, Chairman
David Israel, Vice Chairman
Jesse H. Choper, Member
Bo Derek, Member
John C. Harris, Member
Jerry Moss, Member
Richard Rosenberg, Member
Kirk E. Breed, Executive Director

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PENDING LITIGATION
APRIL 2011

SUPERIOR COURT LITIGATION

- A. **Jamgotchian, Jerry v. CHRB, Kirk Breed and Ingrid Fermin**
Los Angeles Superior Court Case No. BS123038
- B. **Patrick Gleason v. Anne Glasscock and the California Horse Racing Board**
Superior Court of California, County of Sacramento 34-2010-00076781
- C. **Jeff Mullins v. CHRB, et al**
Superior Court of California, County of San Diego, Case No. 37-2010-00092212
- D. **Gail Ruffu vs. CHRB, Kirk Breed, et al**
Superior Court of California, County of Los Angeles, Northeast District, Case No. GC045960

UNITED STATES DISTRICT COURT

- E. **Douglas O'Neill vs. CHRB, Kirk E. Breed, et al**
Central District of California Western Division, Case No. CV11-1972 GW

UNITED STATES BANKRUPTCY COURT

- F. **Magna Entertainment Corporation, et al.**
District of Delaware, Case No. 09-10720 (MFW)

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PENDING ADMINISTRATIVE ADJUDICATIONS
APRIL 2011

CASE

A. Accusation and Petition to Revoke Probation

Trainer Jeff Mullins
OAH Case No. L2007010483
CHRB Case No. 06DM011

B. Appeal of the Board of Stewards Official Ruling #230, Los Alamitos Quarter Horse Racing Assn., dated December 19, 2009

Trainer Paul Jones
OAH Case No. 2010110086
CHRB Case No. 09LA0222

C. Fitness for Licensure

Lance Hellum
Case No. SAC 11-0004

D. Reconsideration of Penalty

Board of Stewards Official Ruling #51, Pacific Racing Assn, dated April 1, 2011
Trainer Alexander Sywak

PROCEEDINGS of the Regular Meeting of the California Horse Racing Board held at the Santa Anita Park Race Track, Baldwin Terrace Room, 285 West Huntington Drive, Arcadia, California, on March 14, 2011.

Present: Keith Brackpool, Chairman
David Israel, Vice-chairman
Bo Derek, Member
John C. Harris, Member
Jerry Moss, Member
Richard Rosenberg, Member

MINUTES

Chairman Brackpool asked for approval of the minutes of the Regular Meeting of February 17, 2011. Vice-Chairman Israel **motioned** to approve the minutes. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

PUBLIC COMMENT

Jack Liebau of Hollywood Park Racing Association (HPRA) stated California had a shortage of horses. He said he believed every racing association struggled to fill races, so he was taken aback to learn that the Los Angeles Turf Club meeting at Santa Anita Park Race Track (SA), which preceded the HPRA race meeting, would run five days a week. The increase would be detrimental to HPRA, which hoped all racing associations would work together to alleviate the difficulties caused by the depleted horse population. He stated he did not think it was a good idea and he thought it appropriate that he comment. Commissioner Harris said the racing industry and the public needed to look at the state and federal legislation that addressed internet poker and other forms of internet gaming. In California, the only internet gaming currently allowed was wagering on horse racing. Racing interests often stayed on the sidelines and did not inject themselves into the issues that might affect them. Commissioner Harris said the owners,

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trainers, unions and race tracks needed to look at the legislation. The industry might not have a lot of leverage to affect the outcome, but new legislation offered opportunities to address modifications to horse racing law. The industry should work together and not wait until the final hour. Chairman Brackpool commented that the first few weeks of the SA meeting had low accident and fatality rates. However, that currently was not the case. He stated the Board took the issue seriously and over the past few weeks Executive staff chaired meetings with California Thoroughbred Trainers, Thoroughbred Trainers of California and track personnel. The Board was continuing to work with Dr. Peterson of the University of Maine on track related issues, and it was hopeful that some of the changes that were made would result in continued improvement. Chairman Brackpool reiterated that the issue was of great concern to the Board, and he stated it would be addressed at a future Regular Meeting.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE HOLLYWOOD PARK RACING ASSOCIATION, LLC (T) AT HOLLYWOOD PARK RACE TRACK, COMMENCING APRIL 20, 2011 THROUGH JULY 17, 2011, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Hollywood Park Racing Association (HPRA) proposed to conduct a horse racing meeting at the Hollywood Park Race Track from April 21, 2011 through July 17, 2011, or 54 days. HPRA would race four days per week, Thursday through Sunday. The first post would be 1:00 p.m., daily, and 7:05 p.m. Fridays, except as specified in the application. Ms. Wagner stated the staff analysis indicated there were several outstanding items; however, staff received all the items except the 2010 audited financials. HPRA reported that the financials were not complete, but they would be submitted as soon as they were available. Vice-Chairman Israel asked why HPRA was not running Thursday night racing, as it was an experiment that worked in the spring of 2010. HPRA attracted between 11,000 and

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12,000 when Devo played. Mr. Wyatt said HPRA believed the Thursday night racing only worked when it had a very attractive performer or band. He stated HPRA was not opposed to trying another Thursday night, but it was not easy to book well known bands at a reasonable price, which was necessary to hold a successful event. Commissioner Harris stated the weather might have been a factor in the success of the Thursday night experiment. However, it would be helpful to see the results. Experiments were often conducted, but the results were never promulgated. He commented he was initially concerned about simulcasting because HPRA was not running at the same time as Northern California. Out-of-state simulcasting was also a concern with the different time zones. However, the results needed to be quantified. Vice-Chairman Israel stated the Thursday night experiment did not affect advance deposit wagering, which might have been up in the Eastern United States. Golden Gate Fields was adversely affected. Mr. Wyatt stated HPRA could compile some numbers regarding the Thursday night experiment. Commissioner Harris stated HPRA was proposing to race four days a week. He asked what HPRA proposed for wagering on dark days. Mr. Wyatt said HPRA would be open and would conduct simulcasting on Wednesdays. Chairman Brackpool stated (for clarity) that the Board would receive data on the Thursday night experiments. Mr. Wyatt said HPRA would be happy to provide the data. Chairman Brackpool said the promotions with bands at HPRA were successful in increasing attendance, yet it did not appear that the promotions had any effect on handle. He stated when he attended Friday night events at HPRA he noted those in attendance drank beer, and stood around and talked among themselves as the races went off. It did not seem as if the industry was providing any education that would facilitate the attendees' ability to wager. He asked if HPRA had considered an ambassador program using persons of the same age group to explain horse racing and wagering so there could be crossover from

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attendance into handle. Mr. Wyatt stated HPRA tried something similar with seminars on Australian racing, but the seminars were more for those who understood horse racing. Chairman Brackpool said he was talking about explaining horse racing to those who knew nothing. Horse racing was not complicated; it just appeared to be complicated. HPRA did a good job of attracting a new demographic and the Board would like to see that reflected in an increased handle rather than in food and beverage sales. Mr. Wyatt stated HPRA would attempt to implement a plan prior to its race meeting. Chairman Brackpool said perhaps in the near future HPRA could give the Board a presentation regarding such a plan. Vice-Chairman Israel stated HPRA could almost run contests on the video board and let people know it was okay to wager on a color or a name or number. It was not necessary to try to figure out how to handicap a race. Commissioner Harris commented that a large percentage of the new demographic would have a hand held device. Perhaps HPRA could devise an app that would have Friday night racing on it. Chairman Brackpool stated the industry had to change the mindset of the public and there were a lot of mediums that could be utilized to get its message across. The positives were that HPRA was making the investment and was attracting a new crowd. What it needed to do was to have an increase in the handle. The Board was looking forward to HPRA's presentation on how it would achieve such an increase. Commissioner Harris added that as part of the process HPRA could figure out a way to quantify how the new patrons reacted to its efforts. Chairman Brackpool said that in Public Comments Jack Liebau of HPRA asked about the Los Angeles Turf Club (SA) returning to a five-day race week. He stated the Board believed full fields were the industry's best chance for recovery. The original SA application approved by the Board was for a five-day race week. However, there was concern that there would not be full fields. Over the next few weeks the Board would look closely at whether the races were filling. As the Board

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started to look at the 2012 racing calendar full fields would be a priority, and there would be less emphasis on the traditional application that asked for as many dates as possible to run as many races as possible. Chairman Brackpool stated that in 2010 ownership representatives of HPRA appeared before the Board. At that time, the Board asked how long the ownership would commit to stay in horse racing. There was no satisfactory answer. However, in the marketing report that accompanied the current application HPRA stated that if HPRA was given assurances of future dates, further long-term improvements would be undertaken. Mr. Liebau said HPRA was undertaking certain improvements that would be finished for the coming meeting; that was phase one. The improvements included refurbishing the Gold Cup Room. HPRA also bought out its food and beverage concessionaire in an effort to improve the food. In conjunction with the buy-out, the downstairs food court was being refurbished, as well as the entrance to the turf club. To accomplish phase two, the Cunningham Group, which specialized in casino makeovers, was engaged. Mr. Liebau stated the HPRA management team was instructed to run the facility on the basis that racing would continue indefinitely. Chairman Brackpool commented HPRA was certainly making a return on its investment. It might not be adequate, but it was better than trying to build townhomes at the site. HPRA's internal planning could justify the short-term earnings from its operations, which would justify the short-term investments. However, the Board was more interested in the marketing report's statement regarding long-term assurances. The Board was hearing that HPRA might consider investing a serious amount of money into the facility if it were assured of more race dates. The Board would certainly entertain that if the investment was made. Commissioner Rosenberg asked what legal or binding commitment HPRA made on behalf of its owners to stay open through 2012. Mr. Liebau stated the HPRA management team was told to run the track on the basis that racing would occur indefinitely.

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The return on investment could be increased if HPRA were operating on the basis it would soon close, but that was not happening. Commissioner Rosenberg asked if it would be correct to state HPRA ownership had no commitment to operate in 2012. Mr. Liebau said he told the ownership that the chance of HPRA getting 2012 race dates was in doubt. Chairman Brackpool stated it seemed that HPRA was currently not committed to running, but it would entertain a discussion with a mutual set of conditions. Mr. Liebau said that was correct. Commissioner Rosenberg asked if HPRA management entered in discussions, or would HPRA ownership also enter them? Mr. Liebau said the ownership would enter the discussions. Vice-Chairman Israel asked what the ownership response was when he informed it the 2012 dates were in doubt. Mr. Liebau said the ownership was concerned, and it was interested in operating HPRA subject to mutual agreements worked out between the Board and HPRA. Vice-Chairman Israel asked if one of the agreements would be to shut down on six months notice. Mr. Liebau said that had always been a point. Any discussions about 2012 race dates would be all encompassing and would include many factors. Commissioner Rosenberg said he was concerned because the financial statement discussed the trigger events, which were certain approvals. It stated the trigger events were reached, so there were no further conditions going forward. Mr. Liebau stated the entitlements were secured, and there was a development agreement in place that allowed for the development of the property for some 20 years into the future. Commissioner Rosenberg said the depreciable term had been reduced from five years to three years, enabling ownership to increase depreciation. To do that, ownership had to be convinced HPRA was not going to be around for more than three years. That was why the statement that HPRA would operate "indefinitely" was confusing. Commissioner Harris asked if HPRA was indicating it doubted it would want to race in 2012. Mr. Liebau stated HPRA had the impression that the Board had doubts about allocating

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it 2012 race dates. Commissioner Harris commented that might be true if the issue was HPRA wanting a mirror image of a previous year's dates. However, it was clear that some 2012 dates were available for HPRA. Conversely, the Board would want assurance of HPRA's continuity. Mr. Liebau stated there would be discussions about that. One point was the magnitude of the investment to assure that. Another point was a commitment for so many years, and a penalty if the commitment was not honored. Vice-Chairman Israel stated the Board had a goal of finding a way to craft racing calendars that were five to ten years out. That would allow business plans to be made with sensible ranges of expenditures. If that were to happen the Board would need a commitment in writing from HPRA, with penalties. Chairman Brackpool said he had conversations with Mr. Liebau, who was aware that the commitments would have to be mutual, and that the possibility of HPRA closing with a six-month notice was driving the Board's concerns. However, the Board was hearing that HPRA would run in 2011, and when the 2012 conversations started, HPRA understood the Board was moving away from short-term race date allocations. Commissioner Derek said there had been conversation regarding a low takeout wager. She asked if that was still a possibility at HPRA. Mr. Liebau stated that was a controversial issue. HPRA believed a low takeout wager, such as a Pick 5 on the first race would entice fans. HPRA was in talks with Thoroughbred Owners of California regarding the wager. He said HPRA hoped a request to implement such a wager might be brought before the Board at a future Regular Meeting. John Bucalo of the Barona Casino off-track wagering facility spoke about his concerns regarding the HPRA application. Chairman Brackpool **motioned** to approve the application for license to conduct a horse racing meeting of HPRA at Hollywood Park. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

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DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY OF THE CALIFORNIA COMMERCE CLUB INC., FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS.

Jacqueline Wagner, CHRB staff, said the Commerce Club, Inc. (Commerce Club), filed an application to operate a minisatellite wagering facility. The Commerce Club was currently licensed to operate a minisatellite wagering facility through April 24, 2010. The applicant was located in the southern zone, and it received the necessary consent from facilities that were located within a 20-mile radius. Ms. Wagner stated the Commerce Club's seating capacity was 54 in the main area and 64 on the patio. The facility would operate from 11:00 a.m. through 9:00 p.m. Chairman Brackpool commented the application was a renewal of the current license. Ms. Wagner said that was correct. Vice-Chairman Israel motioned to approve the application of the Commerce Club for license to operate a minisatellite wagering facility. Commissioner Rosenberg seconded the motion, which was unanimously carried. Rod Blonien, representing the Commerce Club, stated the facility was currently averaging \$80,000 per day. The business could not adequately be served with the current rooms, so there were plans to expand to an adjacent building.

DISCUSSION AND ACTION BY THE BOARD REGARDING AN UPDATE FROM SAN LUIS REY DOWNS CONCERNING THE SUBSIDY FROM SOUTHERN CALIFORNIA OFF-TRACK WAGERING, INC. (SCOTWINC) STABLING AND VANNING FUND.

Commissioner Rosenberg stated the parties held meetings regarding the San Luis Rey Downs (SLRD) subsidy from the Southern California Off-Track Wagering, Inc. (SCOTWINC) stabling and vanning fund. A final meeting was scheduled for the second week of March 2011. He said because of the prior meetings he believed a settlement would be reached, but the March meeting turned into a lengthy discussion of why SCOTWINC could not pay a subsidy to SLRD - versus

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the SLRD position that it was entitled to a subsidy. Following the March meeting, SCOTWINC sent a letter with an offer to SLRD. However, SLRD rejected the SCOTWINC offer and made a counter proposal. Chairman Brackpool said it was fair to say there was an offer, and a counter offer, and the negotiations were ongoing. He asked a SCOTWINC representative to briefly discuss its offer to SLRD. Brian Boudreau of Thoroughbred Owners of California (TOC), and representing SCOTWINC, said the SCOTWINC offer was not limited to SLRD. It would cover any approved facility that was not being subsidized. That meant Fairplex Park or any facility that had training times and CHRB approval could receive the same subsidy, which was \$600 per start. Mr. Boudreau stated the cost of shipping from SLRD to Santa Anita or Hollywood Park was around \$100. Horses that came from SLRD were currently subsidized at \$320, so SCOTWINC attempted to arrive at a fair price. He commented there was some question regarding the legality of the subsidy, but a subsidy was previously paid and allowed. The SCOTWINC offer also allowed trainers to decide where they wished to go if Hollywood Park were to close. Trainers could go to Fairplex Park or SLRD and receive the same subsidy. The SCOTWINC proposal was designed to cover multiple approved facilities so the process would not have to be repeated. It also required the consent of existing race tracks and debtors because some of the debt owed the parties would have to be postponed. Mr. Boudreau said the difference between the SCOTWINC offer and the SLRD request was between \$200,000 and \$1.8 million a year. SCOTWINC did not have the funds to support the SLRD request. Another factor of the SCOTWINC offer was that it paid the owners to compensate them for the daily charge at SLRD. SCOTWINC did not think it could subsidize training facilities in any other way. Finally, SCOTWINC did not know which horses raced at its tracks, or which horses raced out-of-state or at Los Alamitos. By paying per start SCOTWINC would know it was compensating owners who

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brought horses that helped the purse structure. Leigh Ann Howard of SLRD stated between 2006 and 2009 SLRD horses earned close to \$3 million per year at Santa Anita, Hollywood Park and Fairplex Park. No horses from SLRD were run at Los Alamitos because that was tightly controlled. In 2010 SLRD horses earned \$2.288 million and made 791 starts. Thirty one percent of those starts were in the money. SLRD was not a farm; it was an active, live racing facility that brought horses onto the racetrack and earned money for the vanning and stabling fund. Kevin Carey of SLRD stated the law did not require compensation of owners or trainers on a per-start basis. In addition, SCOTWINC was claiming it had no money after subsidizing other facilities, and it was more feasible to keep Hollywood Park and Santa Anita open for stabling when they were not running meetings. However, SLRD had no idea where the funds were going because it had not seen anything but a CHRB audit of the fund, which was performed in fiscal year 2007/2008. Mr. Carey said that audit showed expenditures not entitled under the law. An example of such expenditures was \$587,000 paid in 2008 to improve the Fairplex facility. So, when SCOTWINC proposed a settlement on the assumption that there was no extra money, SLRD did not know if it was legitimate. Under a proper application of the law, there should be plenty of funding for vanning and stabling. Mr. Carey stated the Board asked SCOTWINC to provide SLRD with financial information, but that had not happened. Until there was transparency, and all parties could see where the funding went, it was not fair to submit a settlement, particularly on a per-start basis. Commissioner Rosenberg said the CHRB did audit the fund and it found a number of expenditures that were not technically within the statute, but to resolve the current issue there had to be a practical solution. The weight of the argument was on SLRD's side because Hollywood Park's future was uncertain, and SLRD may be needed. Also, the SLRD owners were paying into the vanning and stabling fund with monies they earned in

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purses, but that money was going to Hollywood Park and Santa Anita. Vice-Chairman Israel stated the issue could be understood as a business proposition. There was no demand, as there were plenty of stalls for the entire horse population at Hollywood Park and Santa Anita. He asked when SLRD leased its property from MI Developments, and if it talked to SCOTWINC at that time. Laura Rosier of SLRD said the facility was leased in March 2010, and it did not talk to SCOTWINC because the trainers were its customers. Vice-Chairman Israel asked why then was SLRD asking SCOTWINC to pay its bills. Ms. Rosier said SLRD was not asking SCOTWINC to pay its bills, it was asking SCOTWINC to pay out of the fund that SLRD trainers and owners paid into, along with all the other horsemen. SLRD's customer base was in San Diego County, and the facility brought many people into the industry. Vice-Chairman Israel stated SLRD's customers made the choice to live in San Diego County. In addition, stalls were available at Del Mar during its season, and overflow stalls were available at Hollywood Park and Santa Anita. When there were four to six thousand horses ready to run in Southern California there was a real need for SLRD and Fairplex Park. However, that need had abated. SLRD operators made a bad business decision because they did not talk to SCOTWINC and get assurances they would receive a subsidy. Now, SLRD was asking for a bailout because it was having financial problems. Mr. Carey stated that when SLRD was leased it was understood that the auxiliary facilities would continue to be funded because Santa Anita was going to be closed. The industry needed SLRD to remain open. He said Vice-Chairman Israel was correct; with a low horse population, there was no need for offsite stabling. Yet, if there were a bailout, it was the funding in total of other facilities. Hollywood Park had 2,000 stalls with 780 stalls occupied. Of the 780 occupied stalls, potentially 60 percent of the horses were ready to run or were going to run at Santa Anita. However, SCOTWINC was subsidizing the entire Hollywood Park facility

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and there were about 200 empty stalls at Santa Anita. Mr. Carey stated SLRD could not compete with other offsite facilities when all the horses at those facilities were subsidized regardless of the intent to run. Vice-Chairman Israel stated business was competition; one either won or died. Mr. Carey said SLRD could not compete when the other facility was receiving a subsidy it may not be entitled to whatsoever. Vice-Chairman Israel stated the other facilities were racetracks that provided liquidity to the system; SLRD was not a racetrack. Mr. Boudreau said the source of the income had to be considered. Revenue was generated from the racetrack that was in operation. So, if Santa Anita stated it needed Hollywood Park, that racetrack would be funded because it provided training facilities. Another factor was where the trainers wanted stabling. When Santa Anita was closing to change its racing surface, the trainers chose Fairplex Park because of its location. There simply was not enough demand to subsidize SLRD. Chairman Brackpool asked if SCOTWINC thought a per-start subsidy should be uniform across the industry. Mr. Boudreau said ultimately "yes," but one also had to look at what it cost just to keep a racetrack open. There was track maintenance, utilities and staff. If the subsidy to Hollywood Park dropped to \$8,000 it would simply shut down; it would lose \$10,000 a day. California would lose horsemen, as the industry was too fragile. If the horse population dropped between two and four hundred horses the industry could get to the point where it did not make sense to subsidize a larger facility. Chairman Brackpool commented that the other side of the argument was that if a horse was stabled, but did not run the entire meeting, the other owners were subsidizing that horse. The industry needed to take a complete look at charging for stabling, but providing a big subsidy when a horse started in a race. The industry needed to stop doing things because they had always been done, and realize problems presented opportunities. Commissioner Rosenberg asked how many thoroughbred horses were at SLRD, and if SLRD

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were to close, what would happen to the horses that did race? He commented an average of 60 horses per month started at Santa Anita or Hollywood Park. If a good percentage of the owners were owner/trainers, and they did not want to move to Los Angeles, those horses would be lost. Commissioner Rosenberg stated he worried about reducing the horse population by inaction. The SCOTWINC arguments made sense, but there was an issue of equity, and solving the problem might mean incurring more debt or reducing the racetracks' reimbursement. Commissioner Harris said it currently made economic sense to keep Hollywood Park open, but as the horse population shrank, the cost per horse kept rising until using Hollywood Park was no longer reasonable. The Board could not just intervene and direct that SCOTWINC pay SLRD a certain sum. Perhaps a per-start fee might be the way to go in the future. Chairman Brackpool stated SLRD reported it had 791 starters in 2010. At \$600 per start, that would equal close to a half million dollars. Mr. Boudreau said if SLRD had that many starters, SCOTWINC would be happy to pay. Chairman Brackpool commented that was his point; the numbers did not match. Commissioner Rosenberg said under the statute the funds went to Santa Anita, and it technically authorized Hollywood Park as an auxiliary facility. In its application Santa Anita listed SLRD for 500 stalls, so it got the benefit of having horses come from SLRD, but it would not pay that facility. Chairman Brackpool stated the TOC introduced legislation on stabling and vanning. Guy Lamothe of TOC said the TOC introduced a spot bill in anticipation of the issue. It was a placeholder in the event adjustments needed to be made to the stabling and vanning scheme. Chairman Brackpool stated field size was critical to the future of California horse racing. It was troubling that the industry was still operating the stabling and vanning fund as if it had a massive horse population. A rework of the fund was necessary, and perhaps it would include paying so much to the racetrack with a per-start fee on top. He added he did not wish to see the industry

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lose the flexibility of a training facility that in two years it might wish had not closed. It was not clear if the Board had an absolute role in the dispute, but the per-start fee was definitely the way forward, and the parties should return and look to see if there was another number that would work. Commissioner Rosenberg asked what number would make SLRD happy. Ms. Rosier stated SLRD was not just looking to recoup its losses. The SLRD trainers were the only trainers in Southern California that were racing and that were paying their own stall rent. The intent of the law was to pay for stabling for race horses, but for SLRD that was not happening. Commissioner Rosenberg asked how much SLRD charged in stall rent per month. Ms. Rosier stated SLRD charged \$7.00 per day per horse. Commissioner Rosenberg asked how much money SLRD was losing; what did SLRD need to break even? Ms. Rosier stated SLRD was asking for \$15.00 per day, as that was what it needed to run the facility. Vice-Chairman Israel asked how much SLRD lost monthly. Chairman Brackpool stated the numbers were not available, so they needed to be worked up. He said the Board would like to see if there was a way to keep SLRD in operation. The TOC made an offer on a per-start basis, which seemed to be the direction the industry was headed towards, so it should not be dismissed out of hand. The Board strongly encouraged the parties to exchange financial information, because if SLRD did have 800 starters, it was important that something positive happened. Chairman Brackpool stated Commissioner Rosenberg would continue in his role to ensure the parties made some progress. Mr. Carey stated SLRD was currently running a deficit of about \$16,000 to \$18,000 per month, which the SLRD horsemen were funding. Chairman Brackpool stated at \$16,000 per month SLRD should not be losing money if it had 800 starters. Mr. Boudreau commented SLRD was doing less than half the 800 starters per month. Ms. Rosier said the funds went to the owners and would not help SLRD management. Chairman Brackpool stated the funds could

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help if SLRD were structured properly. Mr. Boudreau said the fee had to be carefully set as owners would move from Hollywood Park just to get the starter fee back when they ran. The horses would be split up so much the facility could not be supported. Chairman Brackpool stated the Board understood a lot of details needed to be worked out. The Board encouraged the parties to continue talking, and with some effort the issue could be resolved. Commissioner Rosenberg stated he did not believe the starter fee was a panacea. The answer was a smaller amount per stall to make SLRD whole. If the vanning and stabling fund could not support the amount, then the host track might absorb some of the cost, and perhaps the other track that was not using its full stabling capacity could see a reduction. Robert Forgnone of SCOTWINC spoke about his organization's projected income and its inability to stay in business without additional funds.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE STATUS OF THE LABOR NEGOTIATIONS WITH THE ADVANCE DEPOSIT WAGERING (ADW) PROVIDERS.

Richard Castro of the Pari-Mutuel Employee's Guild, Local 280 (Guild), stated that since the February 2011 Regular Board Meeting, the parties tried to reach an agreement, but they had not made any progress. Brad Blackwell representing Twinspires.com (Twinspires) agreed that there had been numerous conversations between the parties. He stated he was prepared to explain Twinspires position. Greg Scoggins, representing XpressBet, made a Power Point presentation regarding the status of the labor negotiations with the advance deposit wagering (ADW) providers. He stated California ADW law required a series of agreements from ADW providers. One of the agreements was a card-check agreement between the Guild and the ADW provider. The ADW provider must agree to bargain in good faith, and the labor organization must establish that it represented a majority of employees through a card-check process. The ADW provider

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was to remain neutral throughout the card-check process, which applied to all pari-mutuel teller employees in California and outside the state. A key limitation that XpressBet saw in the statute was that the agreement would not be conditioned by either party upon the other party agreeing to matters outside the requirements of the ADW statute. Mr. Scoggins stated the elements of XpressBet's past agreement were that it recognized the Guild as the proper bargaining unit, and it agreed to the card-check agreement. XpressBet agreed that if the Guild wished to it could conduct card-checks in Oregon and Pennsylvania. In addition, XpressBet agreed to include customer service representatives in the agreement in addition to telephone operators. Mr. Scoggins said XpressBet originally proposed to continue with the terms and conditions of prior agreements, however, the Guild wanted to add an additional provision, which was to limit XpressBet's ability to subcontract with third parties without the Guild's approval. The extra provision derived from the DelMarBets.com and OakTreeBets.com Internet sites. There was also a new site: DRFBets.com that was available to California residents. The creation of those sites raised concerns with the Guild, which wanted to have a say in how they were handled. The sites were essentially white labels that utilized XpressBet employees. XpressBet had not contracted with third parties to have those services provided; they were merely an additional brand that XpressBet offered its customers. Mr. Scoggins stated XpressBet believed the inclusion of its customer service employees and the current demand regarding contracting with third parties fell outside the requirements of the statute, and that was the essence of the dispute. With regards to the Del Mar/Oak Tree arbitration, it was a labor grievance matter filed by the Guild against Del Mar Thoroughbred Club (DMTC) and Oak Tree Racing Association (OTRA). It did not include XpressBet, because XpressBet was not a party to the arbitration or the grievance. Regarding the status of the negotiations, in the fall of 2010 XpressBet offered an

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agreement that was based on prior agreements. The Guild asked for additional provisions relative to subcontractors, which XpressBet declined because it believed the provisions were outside the requirements of California's ADW statute. Mr. Scoggins commented XpressBet understood the plight of California pari-mutuel tellers, and it was sympathetic to their needs. However, XpressBet needed to be able to run a business that made money, and it was not in a position to be able to do that and to meet the demands of the union. Chairman Brackpool said on March 2, 2011, XpressBet proposed an agreement that did not include provisions for customer service employees or subcontracting. He asked why the customer service employees were not included in the agreement. Mr. Scoggins stated XpressBet did not wish to prejudice itself in the future, and inclusion of the customer service employees could be negotiated. He added the Guild rejected the proposal, as the parties had competing interpretations of the requirements of the ADW statute. Chairman Brackpool asked if the DMTC and OTRA arbitration would be the defining issue in the XpressBet/Guild dispute. Mr. Scoggins said there could be an indirect impact, as OTRA and DMTC would state they did not want the sites and close them. However, XpressBet's business plan included providing white labels for third parties, and the grievance did not include DRFBets. Mr. Scoggins stated XpressBet was requesting that the Board determine the Guild's demands fell outside the mandates of the California ADW statute, and that the Board award XpressBet a 2011-2012 ADW license, as it deemed appropriate. XpressBet also requested that the license be conditioned on executing the agreement it proposed in March 2011; however, if requested, XpressBet would consent to execute the agreement it proposed in the fall of 2010. Chairman Brackpool asked if XpressBet was willing to include the customer service personnel in the agreement. Mr. Scoggins stated XpressBet would agree to that provision. Chairman Brackpool said then the real issue was veto rights over the white labels. Mr. Scoggins agreed.

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Steven Gressett of the Guild stated the only thing his organization disputed was subcontracting. The Guild did not want veto power over white labels, but it did have questions regarding DelMarBets.com and OakTreeBets.com. If the Guild prevailed in the arbitration, the employer, DMTC and OTRA, would have to pay compensation. The problem with subcontracting was if the union won a card-check, the provider could switch to a different subcontractor. So, the Guild did not necessarily want to veto, but it did see XpressBet poaching off traditional brick and mortar employees, where the brick and mortar employees should have established their own telephone wagering. Chairman Brackpool stated the ADW statute was ten years old and had not been updated; however, technology had changed. The Board had no intention of trying to slow progress because horse racing needed all the help it could get. It seemed that some of the Guild's arguments were based on fairness and unjust decisions that were made over a period of time. The Board previously stated its intention to license the ADW providers for only one year, and during that time it intended to sit down and look at the enabling statute to make relevant changes. Labor would certainly have a seat at that table. The Board did not wish to slow progress and the industry's ability to take advantage of technology, nor did it wish to discourage white labels, but it did wish to make sure that labor was recognized. Craig Fravel of DMTC stated his organization initiated DelMarBets.com to learn about the ADW business. The fundamental part of the XpressBet agreement gave DMTC full ownership of the customer names and wagering information. DMTC felt it was important to have as much information about its customers as possible regardless of how or where they wagered. DMTC hoped its brand would take off and become a big money maker, but in the end it was not a large number. DMTC did not want the white label to interfere with its relationship with the Guild, so it was willing to fold the initiative. If it were something that would improve its relationship with the Guild, DMTC

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would fold DelMarBets.com prior to the July 2011 arbitration. Chairman Brackpool stated the customer service representatives were not an issue, so the remaining issue was the white labels. He asked if the Guild would prefer that the white labels remain open until the arbitration. Mr. Castro said the Guild preferred to have the arbitration. Chairman Brackpool commented, however, that regardless of the Guild's preference, DMTC was not obligated to keep the white label open. He stated the arbitrator would approach the issue with more expertise than the Board, and the results of the arbitration would not be known until late fall 2011. So, it seemed that the best approach would be to grant the ADW licenses conditioned on the execution of the agreement that included customer service representatives. All parties should realize that it may change in January 2012 because of negotiations regarding the ongoing role of labor. Mr. Castro stated the Guild wished to card-check the employees in Oregon, but it was told that the current agreement did not allow that. Mr. Blackwell said Twinspires was merely pointing out that it did not have a current agreement. However, if there was an executed agreement the Guild could do a card-check. Vice-Chairman Israel asked whether Twinspires was doing business based on the previous labor agreement, which had been temporarily rolled over. Mr. Blackwell said the Guild was taking the position that Twinspires should not be granted a license because the contract was not in effect. Chairman Brackpool stated the Board allowed the ADW providers to continue doing business without a contract until the labor issue was heard. Sherwood Chillingworth of OTRA stated his organization began its white label because it believed the owners and trainers would be supportive, but that did not happen. He said OTRA would be willing to abandon its white label if the Guild wished. Chairman Brackpool commented the Board appreciated OTRA's gesture, but the Guild indicated the white labels should continue until arbitration. Richard Castro asked if the DRFBets.com white label had a license to operate as an ADW

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provider. Robert Miller, staff counsel, stated DRFBets.com was a white label through the XpressBet ADW license, so it did not need a separate license to operate in California.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF CHURCHILL DOWNS TECHNOLOGY INITIATIVES COMPANY, DBA TWINSPIRES.COM, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS.

Chairman Brackpool stated he was informed that Twinspires.com (Twinspires) had not executed its simulcast agreements with the California racetracks. Brad Blackwell of Twinspires said the simulcast agreements were negotiated by Monarch Content Management (Monarch), which represented all of the California tracks, as well as racetracks outside of the state. Twinspires indicated it did not have the simulcast agreements; it had the necessary hub agreements to satisfy the licensing requirements. The agreements were separate from the licensing requirements that dictated which signals could be offered. It was Twinspires understanding that there were no additional California issues remaining. However, there were issues outside of California that prevented an overall agreement. Scott Daruty, representing Monarch, stated his organization sold all the simulcast signals for all California racetracks to out-of-state wagering locations. He said in November 2011 Monarch sent Twinspires and Churchill Downs simulcast agreements to permit them to wager on the Monarch content, including all California racetracks. To date, the agreements had not been executed. Mr. Daruty said they were the same agreements signed by TVG and XpressBet. Twinspires took the position that they should pay a lower host and purse fee on a wager from Louisiana than was being paid by all other ADW providers. If Twinspires were to prevail, Monarch would be forced to give TVG and XpressBet the lower pricing in Louisiana, and in other states where they had similar relationships. Chairman Brackpool asked if

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Californians could continue to wager on Churchill content without the agreements being signed. Mr. Daruty stated the contracts only made California content available to Twinspires and other Churchill platforms. There were no proposals or negotiations to purchase the Churchill content. Churchill was currently running only one track. In April 2011, when Churchill Downs, Calder Race Course and Arlington Park opened, there would have to be other negotiations. Chairman Brackpool asked if California was going to find itself in the position where Twinspires could offer Santa Anita's content the entire winter, but when Churchill Downs was running, and the Kentucky Derby was coming up, the signal would be denied because there was no contract. Mr. Blackwell stated he was not privy to those negotiations. However, he said he wanted to point out that the changes were not being requested by Churchill. The Louisiana rates had been in place over the previous years, and were approved by TOC for the coming year. The change was being requested by Monarch on behalf of California racetracks. Mr. Daruty said the increased takeout (purse fee) took effect January 1, 2011, so it was not in the previous year's agreement. Vice-Chairman Israel stated he was not inclined to vote to grant Twinspires an ADW license. The first reason was Twinspires merger with YouBet.com, which closed YouBet.com's Woodland Hills office. The closure made sense, but it eliminated every job Twinspires might have had in California. The second reason was the issue of Senate Bill 1072 and the increase in takeout to help the overnight purse structure. XpressBet.com and TVG agreed to follow the racetracks' example. Twinspires refused to accept that deal and forced a new deal that had to be given to TVG and XpressBet.com so they could compete equally. Twinspires did not have a labor agreement, and it did not seem as close to an agreement as XpressBet.com. Twinspires took a lot of money out of California, and except for the races it supplied that were wagered on in California, it provided nothing. The downside was the large handle on the Kentucky Oaks and

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the Kentucky Derby. The rest of the time, Twinspires was kind of irrelevant. Vice-Chairman Israel said he did not see a reason why California should let Twinspires flaunt its laws, refuse to do business with its unions, and depress the amount of money that went to increase purses. In the face of all that, he stated he would vote "no." Mr. Blackwell stated his interpretation of the labor issue was that the Board instructed it to extend the agreement it had in place over the last three years. That agreement included the customer service representatives. Chairman Brackpool asked if Twinspires employed any customer service representatives. Mr. Blackwell stated Twinspires did not employ any such representatives in California. Mr. Blackwell added Twinspires did not cut every YouBet.com job. Twinspires transferred 11 of those jobs to its base in Mountain View, California. He commented there were about 25 high-paying Twinspires jobs in California. Twinspires expected that number to grow to 30 jobs in 2011. The operation in California was the technology side of Twinspires. It employed programmers, engineers and executives. The president of Twinspires was based in Mountain View – along with other executives. Twinspires provided the widest distribution of the California product, and taking wagers from California customers represented some of the lowest economic return in the nation for ADW providers. Twinspires kept a nickel for every dollar wagered in California, and that was before salaries and marketing expenses. Mr. Blackwell stated he would respectfully disagree with the notion that Twinspires was not invested in California or providing value to California. With regards to the change in purses, Twinspires was negotiating how that would affect the economics of horse racing. It was looking at how the rest of the industry and other ADW were handling that issue. Chairman Brackpool asked why the Monarch agreements were not signed. Before every Regular Board Meeting Twinspires representatives made representations that everything would be made whole, but then there was never a signed

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agreement. Why should the Board not believe that as soon as the current meeting was over, Twinspires would lower the boom? Mr. Blackwell stated part of the reason was that there was the introduction of a new party, Monarch, negotiating on behalf of all California racetracks. Chairman Brackpool said Twinspires was asking the Board to vote on something because Twinspires needed it, but Twinspires could not seem to adhere to a deadline. The other ADW providers signed; it was not rocket science. Chairman Brackpool stated weeks went by without a comment from Twinspires; what took so long? Mr. Blackwell said he was not a part of those discussions. He understood there were delays and that the Board was frustrated. However, it did not impact a Twinspires license. It impacted Twinspires ability to take wagers upon the California product, but it was not contingent on Twinspires having a license in California and taking wagers on tracks that did have simulcast agreements. Chairman Brackpool commented that if Twinspires believed the actions of its parent company did not affect what the Board believed about its corporate citizenship, it was naïve. Commissioner Rosenberg asked who was negotiating the simulcast agreements. They should be present to answer the Board's questions. Mr. Blackwell stated that was part of Churchill Downs simulcasting network. Commissioner Rosenberg commented that the question was not new. If Twinspires could not answer it, there should be someone who could respond to questions about the delay. Mr. Blackwell stated the only delay he was aware of was the Monarch issue with the pricing for Twinspires taking wagers from Louisiana residents on the California product. Chairman Brackpool stated Twinspires had not signed the agreement, and California racing was exposed, and that was what concerned the Board. Twinspires representatives who could answer the Board's questions should be present. It was not acceptable for anyone to tell the Board they did not have information or the authority to discuss an issue concerning a license. He said the Board was being asked by someone who did

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not have the authority to discuss what the issues were to grant an ADW license. Mr. Blackwell stated he represented Twinspires on the licensing issues. The simulcast agreement was not a licensing issue. The licensing issues were the hub agreement, which was submitted, and the outstanding labor agreement. In previous meetings the position of the Board was that a license was being granted upon Twinspires entering into the labor agreement. He stated he thought the issue was resolved to where a Twinspires ADW license could be issued. Chairman Brackpool stated he did not think any Commissioner believed the agreements that should have been signed in January 2011, and that were signed by every other provider, had not been signed or commented on by Churchill. Had the Board known that, there might have been a very different view. Commissioner Harris said the purpose of Senate Bill 1072 was to increase the overnight purses to build the horse population. However, Twinspires was claiming to make it work, it needed to be passed on in the simulcast agreement. Was Twinspires stating it wanted to pay less in its simulcast agreements than XpressBet.com? Mr. Blackwell said he understood all the national ADW providers were paying the same amount. Vice-Chairman Israel stated TVG and XpressBet.com agreed to pay 100 percent of the increase to purses. In the negotiations Twinspires refused to pay 100 percent. Twinspires established the criteria by which the other two providers had to operate because they would have been put at a competitive disadvantage if they continued to return 100 percent of the increase. Twinspires was the recalcitrant party in that negotiation. He said Twinspires leveraged Hollywood Park as it needed the Kentucky Oaks and the Kentucky Derby to have a successful meeting. There was the implication that if California did not go along with what Twinspires dictated, there would be no signal and wagers could not be taken from Hollywood Park on May 6 and 7, 2011. Eual Wyatt of Hollywood Park said he did not know anything about the issue. Mr. Blackwell said the issue before Twinspires was the

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labor agreement. The issue was addressed, and Twinspires was ready to execute the agreement. Chairman Brackpool stated the Board believed the outstanding issue was labor, but it was informed that the parent company was refusing to sign the simulcast agreement. If a license were granted when would those agreements appear? Mr. Daruty said in January 2011 he appeared before the Board and reported there was no agreement, but the parties were talking and it would be done shortly. As the February 2011 Regular Board Meeting approached, Monarch had not received comments on the proposed agreement from Churchill. Just before the February 2011 Regular Board Meeting, Monarch received comments with a statement that Churchill wanted to send an addendum to the simulcast agreement. Monarch received the simulcast agreement comments, and on March 10, 2011, Monarch received the simulcast addendum, which was resolved by Friday, March 11, 2011. Monarch was still waiting for the account wagering agreement comments. Chairman Brackpool asked who the comments were coming from. Mr. Daruty stated Churchill had a simulcast team based in Louisville, Kentucky. It was difficult to get their attention unless a Regular Board Meeting was eminent. Chairman Brackpool asked what direction Monarch thought the Board should take. Mr. Daruty said that he hoped to have the comments to the account wagering agreement shortly, and to have it signed within 72 hours. The remaining substantive issue was that the increase in the Senate Bill 1072 takeout was modified at Twinspires request. Monarch agreed to a lower amount, which was then passed onto XpressBet.com and TVG. Now, there was the issue of Louisiana, where Twinspires wanted the take out to be even lower. That created problems because if a lower takeout were granted for Louisiana, TVG and XpressBet.com could demand the same treatment in some of their special jurisdictions. Commissioner Harris commented it was bothersome that Churchill originally opposed Senate Bill 1072, but was now trying to get a windfall out of the legislation.

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Commissioner Rosenberg asked what would be the ramifications of refusing the license. He stated he thought any approval should be contingent on completion of the agreements within a certain time-frame. Mr. Daruty said he was confident that within the next couple of days the agreements could be completed. Chairman Brackpool said the first priority of the Board was to protect California horse racing and California horsemen. The Board wanted to ensure that California offered the widest possible forum for wagering on California races, so Twinspires should be able to offer those races. At the April 2011 Regular Board Meeting Twinspires should appear to tell the Board about itself, where it was in California, what its intentions regarding California jobs were, and how it would promote the sport in California. He asked staff counsel to read the motion. Mr. Miller said: The application of Churchill Downs Technology Initiatives Company, dba Twinspires.com, would be granted a license until the conclusion of 2011 on condition that Twinspires extend its prior labor agreement with Local 280, and a condition added by the Chairman.” Chairman Brackpool stated the condition was that all agreements with Monarch pertaining to the simulcasting of California racing would be executed by both sides and delivered to the Board not later than Friday, March 18, 2011 at 11:00 a.m. If the conditions were not met, the Twinspires license would be suspended. The agreement between Monarch and Twinspires would cover any races in California and outside the state if wagers were placed in California. Vice-Chairman Israel commented that for clarity that included the Louisiana issue. Commissioner Rosenberg seconded the motion, which was carried with Vice-Chairman Israel voting “no.”

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DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF XPRESSBET, LLC, DBA XPRESSBET.COM, DELMARBETS.COM AND OAKTREEBETS.COM FOR A CALIFORNIA MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS.

Chairman Brackpool stated XpressBet.com would be awarded a license as an ADW provider though December 31, 2011. That was the same term of license granted TVG. The license would be conditioned on XpressBet.com executing the labor agreement it proposed in October 2010, which included the customer service representatives. The agreement must be executed and a copy provided the CHRB not later than close of business, March 15, 2011. Robert Miller, staff counsel, said the motion was: The California Horse Racing Board hereby moves to grant a license to XpressBet, LLC, dba XpressBet.com, premised upon the applicant providing a signed contract based on the October version previously offered to Local 280, and to do so within the next 48 hours.” Chairman Brackpool stated he would make that motion. Vice-Chairman Israel seconded the motion, which was unanimously carried.

MEETING ADJOURNED AT 12:31 P.M.

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A full and complete transcript of the aforesaid proceedings are on file at the office of the California Horse Racing Board, 1010 Hurley Way, Suite 300, Sacramento, California, and therefore made a part hereof.

Chairman

Executive Director

CALIFORNIA HORSE RACING BOARD

APRIL 28, 2011
REGULAR BOARD MEETING

There is no board package material for Item 2

STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD REGARDING
THE PROPOSED ADDITION OF
CHRB RULE 1844.1, SUSPENSION OF AUTHORIZED MEDICATION
TO ALLOW THE BOARD TO SUSPEND THE AUTHORIZATION FOR ANY
AUTHORIZED MEDICATION AFTER NOTIFICATION AT A PROPERLY
NOTICED PUBLIC HEARING

Regular Board Meeting
April 28, 2011

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 CHRB. 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 adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 states the Board may prescribe rules, regulations and conditions consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in this state. Business and Professions Code section 19580 states the Board shall adopt regulations to establish policies, guidelines, and penalties relating to equine medication in order to preserve and enhance the integrity of horse racing in the state. Business and Professions Code section 19581 provides that no substance of any kind shall be administered by any means to a horse after it has been entered to race in a horse race, unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof.

Board regulations prohibit the administration of any drug, substance or medication after entry time with a few specific exceptions. The exceptions were established after due consideration by the Board based on information available at the time the regulations were adopted. Scientific information and practical experience in managing the threshold levels for the exceptions change over time as unintended consequences become apparent. Clenbuterol in quarter horse racing is an example. Clenbuterol is a beta-2 agonist approved by the United States Food and Drug Administration (FDA) in equines as a bronchodilator.

The Board established threshold levels consistent with therapeutic use to treat small airway disease. Clenbuterol, like all beta-2 agonists, has an adrenergic effect on muscle somewhat similar to anabolic steroids. Only the Ventipulmin brand of Clenbuterol is approved by the FDA. Non-FDA approved Clenbuterol at extremely high concentrations is being used in quarter horse racing for the adrenergic effect. The CHRB has confiscated and otherwise obtained samples of this illicit formulation. Clenbuterol violations have occurred at levels unattainable with the FDA approved formulation at FDA approved dosages.

At its February 17, 2011 Regular Meeting, the Board discussed the proposed addition of Rule 1844.1, Suspension of Authorized Medication. The Board heard from the Equine Medical Director that non-FDA approved Clenbuterol was becoming a problem in quarter horse racing, and that the American Quarter Horse Association, the Los Alamitos Racing Association and the Pacific Coast Quarter Horse Racing Association were considering asking racing jurisdictions to prohibit Clenbuterol in quarter horse racing. Currently, this would require that the Board amend Rule 1844, Authorized Medications. The proposed addition of Rule 1844.1 would allow the Board to act quickly to suspend authorization for drug substances such as Clenbuterol, or other permitted drugs, substances or medications under specific circumstances and after a public hearing. After discussion about the proposed regulation the Board directed staff to initiate a 45-day public comment period for the addition of Rule 1844.1.

During the 45-day public comment period staff received two comments in opposition to the proposed addition of Rule 1844.1. A comment from Boehringer Ingelheim Vetmedica (BIV), the manufacturer of the only FDA approved Clenbuterol, Ventipulmin. BIV stated it believed the most appropriate action for the Board to take would be to target the illegal-compounded Clenbuterol at the racetrack, and not suspend the legitimate use of Ventipulmin to manage inflammatory airway disease. A second comment from Don Shields, DVM, also opposed the proposed amendment. Dr. Shields stated the proposed rule would allow the Board to suspend the use of any approved therapeutic medication without the need for justification for its actions. Further, Dr. Shields stated the proposed rule had "...no language to ensure a future review of the action taken to prove the suspension solved the problem at hand." The only issue was Clenbuterol in quarter horse racing, and it should be considered as the single issue that it was, rather than adopt broad powers to solve a specific problem. Among his numerous suggestions, Dr. Shields stated that language should be added to:

- Clearly state why the rule was being employed at the time of its use.
- Clearly state the issue at hand, the problem the medication suspension is intended to solve and the result the Board seeks to achieve with the suspension.
- Provide documentation supporting the Board's action would be made public within 30 days of the implementation of the use of the rule.
- Implement a review process so the Board could determine if its action actually solved the problem.
- Provide that the medication suspension should be for no more than six months.

Dr. Shields concluded his comments by stating he feared that "...with a simple public notification, all therapeutic medications vanish."

RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED ADDITION OF
RULE 1844.1. SUSPENSION OF AUTHORIZED MEDICATION

Regular Board Meeting
April 28, 2011

1844.1 Suspension of Authorized Medication

(a) After a public meeting that has been noticed in accordance with Government Code section 11125(a), the Board may for any cause temporarily suspend the authorized administration to a horse entered to race of any drug, substance or medication that is otherwise permitted under Rule 1844, Authorized Medication.

(b) The temporary suspension of the authorized administration of a drug, substance or medication may be for a race, breed, or race meeting, provided all horses in the same race compete under the same conditions.

(c) The Board shall notify in writing the racing association and the trainer's organization of any temporary suspension of authorization to administer a drug, substance or medication to a horse entered to race. The written notification shall at minimum:

(1) State the authorized medication whose use is temporarily suspended,

(2) The period of time for which the use of the authorized medication is temporarily suspended, and

(3) Whether the temporary suspension is for a specific breed or a race meeting.

(d) A suspension of authorization to administer a drug, substance or medication to a horse entered to race shall not exceed 12 months.

Authority: Sections 19420, 19440, 19562 and 19581.

STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD REGARDING
THE PROPOSED AMENDMENT OF
CHRB RULE 1876, FINANCIAL RESPONSIBILITY,
TO ADD FINANCIAL RESPONSIBILITY COMPLAINTS FROM
EQUINE MEDICAL HOSPITALS;
SERVICES BY HORSE FARMS THAT ARE RELATED TO HORSE RACING
WHERE THE DEBT EXCEEDS \$1,000.00;
HORSE AUCTION SALES; AND
WAGE DISPUTES BETWEEN LICENSEES

Regular Board Meeting
April 28, 2011

BACKGROUND

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, but not be limited to administration and enforcement of all laws, rules, and regulations affecting horse racing and pari-mutuel wagering, as well as adjudication of controversies arising from the enforcement of those laws and regulations dealing with horse racing and pari-mutuel wagering. Business and Professions Code section 19460 states all licenses are subject to all rules, regulations, and conditions from time to time prescribed by the Board. Business and Professions Code section 19461 provides that every license granted under this chapter is subject to suspension or revocation by the Board in any case where the Board has reason to believe that any condition regarding it has not been complied with, or that any rule or regulation of the Board affecting it has been broken or violated.

Board Rule 1876, Financial Responsibility, states that no licensee shall willfully and deliberately fail or refuse to pay any moneys when due for any service, supplies or fees connected with his or her operations as a licensee, nor shall he or she falsely deny any such amount due or the validity of the complaint thereof with the purpose of hindering or delaying or defrauding the person to whom such indebtedness is due. The regulation also provides a guideline for the filing of financial responsibility complaints against licensees.

To assist in the enforcement of Rule 1876 the CHRB has issued a series of Directives. A Directive issued in July 2008 (CHRB Directive 06-08) basically reiterated the text of the regulation – except that it limited the acceptance of financial responsibility complaints to those received from “licensed vendors.” (Rule 1876 allowed any “complainant” to file a financial responsibility complaint.) The directive also expanded on Rule 1876 by stating complaints submitted by licensees regarding wage disputes and equine medical hospitals, would be accepted without civil court judgments. All other financial responsibility complaints would require civil court judgments before they would be accepted.

The CHRB Directives are intended to provide guidance in the application of Rule 1876. However, the result seems to be uneven application. A financial responsibility complaint

that is considered in Northern California might not be considered if it were submitted in Southern California. Further, all persons who wish to submit financial responsibility complaints have access to the text of Rule 1876, but few may be aware of the requirements of the directive. The Board's rules are promulgated on its website, published in a rulebook issued by the Board and are otherwise available in the California Code of Regulations. Directives are generally internal documents distributed to Board staff, stewards and official veterinarians, and are not as widely available to the public.

In June 2010, the issue of financial responsibility complaints from horse farms was brought to the CHRB, and the stewards were directed to hear the financial responsibility complaints of Tommy Town Thoroughbreds LLC (Tommy Town). Following the hearings, Tommy Town requested that the CHRB consider amending Rule 1876 to include horse farm debts. Tommy Town stated trainers and owners were more concerned about paying debts at the racetrack, but as farm bills did not impact an owner's or trainer's ability to race, they were of a lesser concern. Tommy Town suggested that to avoid wasting the stewards' time, a minimum debt of \$1,000 or more could be set.

At its July 2010 Regular Meeting the Board discussed a proposed amendment to Rule 1876. The proposed amendment included the provisions of CHRB Directive 06-08, which required that financial responsibility complaints include a civil court judgment, with the exception of wage disputes between licensees and equine medical hospitals. The proposed amendment also included horse farms as entities whose financial responsibility complaints would be considered if the debts were directly related to the horse racing operations of the licensee and was at least \$1,000 or more.

At the July 2010 Regular Board Meeting staff was directed to put the proposed amendment to Rule 1876 out for a 45-day public comment period.

During the 45-day public comment period a new Directive (CHRB Directive 02-10) was issued, which superseded CHRB Directive 06-08. The new August 2010 Directive requires that all financial responsibility complaints – except wage disputes between licensees – include a civil court judgment and have a minimum balance of \$1,000.

At the November 2010 hearing for adoption the Board was informed that a substantive number of comments were received during the 45-day public comment period. The majority of those who commented objected to the proposed requirement that a civil court judgment must be obtained before the stewards would consider a financial complaint. Many persons who commented stated that obtaining a civil court judgment would be an onerous burden, and that licensees often simply ignored civil court judgments, but licensees did respond to the threat of losing their licenses. Commissioner Derek stated she would support looking into whether civil court judgments were needed if that would move the issue and solve the expressed objections. Commissioner Rosenberg said it appeared it was impractical for creditors to keep returning to small claims court every time they had problems with creditors, and Vice-Chairman Israel suggested that requiring complainants to obtain a civil court judgment would be unfair to the courts. Conversely, Commissioner Choper stated it was true the courts were overloaded, but so were the

stewards. In addition, the courts were the most efficient bodies to make the determinations. Once a judgment was obtained, the stewards could calendar the complaint and resolve them quickly. The item was deferred so that the comments received during the 45-day public comment period (specifically those relating to civil court judgments) could be incorporated into the proposed amendment.

At its December 2010 Regular Meeting the Board discussed a revised text of the proposed amendment to Rule 1876. The revised text no longer required civil court judgments; instead it allowed complainants to submit documentation of the debt owed or a civil court judgment. The revised text also liberalized the type of complaints that would be accepted from horse farms. The complaint no longer had to be directly related to the horse racing operations of the licensee. The Board directed staff to initiate an additional 45-day public comment period.

ANALYSIS

The proposed amendment to Rule 1876 no longer requires that a complainant submit a civil court judgment. Instead, a complainant may choose to submit documentation of services, supplies or fees owed, or a civil court judgment that has been issued within one year of the date of the complaint. This is currently how the text of the regulation reads, and is not a change. The proposed amendment states complaints made by equine medical hospitals; horse farms (where the debt is \$1,000 or more) and horse auction sales authorized by the Board will be heard. This makes it clear that such financial complaints will be heard when the debts are related to the licensee's horse operations. The \$1,000 debt level for horse farms was suggested by the Tommy Town farm to avoid overburdening the stewards. The proposed amendment also includes horse racing related wage disputes between licensees. This was added to ensure that licensees could take such disputes to the stewards, as some licensees may be reluctant to use other avenues to address wage disputes.

RECOMMENDATION

This item is presented for Board discussion and action.

No comments were received during the 45-day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 16. GENERAL CONDUCT
PROPOSED AMENDMENT OF
RULE 1876. FINANCIAL RESPONSIBILITY

Regular Board Meeting
April 28, 2011

1876. Financial Responsibility.

(a) No licensee shall willfully and deliberately fail or refuse to pay any moneys when due for any service, supplies or fees ~~connected with~~ directly related to his or her California horse racing operations as a licensee, nor shall he or she falsely deny any such amount due or the validity of the complaint thereof with the purpose of hindering or delaying or defrauding the person to whom such indebtedness is due.

(b) Any financial responsibility complaint against a licensee shall be in writing, signed by the complainant, and accompanied by documentation of the services, supplies or fees alleged to be due, or by a judgment from a civil court which has been issued within one year of the date of the complaint.

(c) The Board will not consider a financial responsibility complaint made by the complainant against the same accused within twenty-four months of the filing of the instant complaint.

(d) The Board will consider only those financial responsibility complaints which meet the following criteria:

(1) The complaint involves services, supplies or fees that are directly related to the licensee's California racetrack operations; and

(2) The debt or cause for action originated, or the civil court judgment was issued,

in this State within one year of the filing of the complaint.

(e) Financial responsibility complaints submitted by equine medical hospitals, and horse auction sales authorized by the Board in accordance with Rule 1807 of this Division, will be considered provided such complaints comply with subsections (b), (c) and (d) (1) through (d) (2) of this regulation, and are directly related to the California horse racing operations of a person licensed by the Board.

(1) Financial responsibility complaints submitted by horse farms will be considered provided the complaint is for not less than one thousand dollars and is related to the horse operations of a person licensed by the Board.

(f) Financial responsibility complaints that are horse racing related wage disputes originating between persons licensed by the Board will be considered.

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

Reference: Sections 19440, 19460 and 19461,
Business and Professions Code.

STAFF ANALYSIS

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT OF CHRB RULE 1974, WAGERING INTEREST, TO 1) PROVIDE THAT A HORSE THAT IS REMOVED FROM THE WAGERING POOL IN ERROR SHALL RUN AS A NON-WAGERING INTEREST FOR PURSE ONLY, AND THE FOLLOWING AFFECTED REGULATIONS: CHRB RULE 1954.1, PARLAY WAGERING ON WIN, PLACE OR SHOW; 1957, DAILY DOUBLE; 1959, SPECIAL QUINELLA (EXACTA); 1976, UNLIMITED SWEEPSTAKES; 1976.8, PLACE PICK (N); 1976.9 PICK (N) POOL; 1977, PICK THREE; 1978, SELECT FOUR; 1979, TRIFECTA; AND 1979.1, SUPERFECTA, 2) AND THE PROPOSED AMENDMENT OF CHRB RULE 1606, COUPLING OF HORSES TO REPEAL THE PROVISION THAT REQUIRES TWO OR MORE HORSES TO BE COUPLED AS A SINGLE WAGERING INTEREST WHEN SUCH HORSES ARE OWNED IN WHOLE OR IN PART BY THE SAME PERSON OR PERSONS, AND TO PROVIDE THAT THE RACING ASSOCIATION INFORM THE PUBLIC WHEN TWO OR MORE HORSES ENTERED IN THE SAME RACE ARE OWNED IN WHOLE OR IN PART BY THE SAME PERSON OR PERSONS, OR ARE TRAINED BY THE SAME TRAINER.

Regular Board Meeting
April 28, 2011

BACKGROUND

Business and Professions Code section 19420 provides that the Board shall have 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. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out 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. Business and Professions Code section 19562 provides that the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be conducted in this State. Board Rule 1606, Coupling of Horses, states that two or more horses shall be coupled as a single wagering interest and as an entry when such horses are owned in whole or in part by the same person or persons. Horses are exempt from coupling when two or more thoroughbred horses are owned by different partnership whose compositions are not mirror images are entered in the same race and there is at least one partner who has ownership interest in each partnership. Quarter horses are not subject to coupling requirements. Board Rule 1974, Wagering Interest, provides that a declaration or withdrawal of one horse from a wagering interest that consists of more than one horse shall have no effect on any wagers made on such wagering interest.

Patrons whose wagers include a coupled entry often complain when the horse they like in the entry is scratched and they are left with the remaining part of the entry for wagering purposes. If such patrons are in a position to cancel their wagers the problem can be

avoided, but many wagers involve multiple races that cannot be canceled once the sequence has begun, and many patrons make wagers and become otherwise occupied, only to find out later about the scratch. Such complaints are not new. One solution that has been brought forward in the past is to amend the Board's regulations to provide that the withdrawal of one horse from a wagering interest constitutes the withdrawal of the coupled entry, and any horse that remains in the coupled entry shall run as a non-wagering interest for purse only. In November 2005, the (then) Pari-Mutuel Operations Committee discussed scratching an entire entry for pari-mutuel purposes if part of the entry was scratched after the wagering pool was opened. The intended outcome of scratching an entire entry for pari-mutuel purposes was the protection of patrons who might get a horse they did not like, as well as the horse owner. Patrons could wager on other horses in the race and the owner was protected because he could still run for purse money. However, others stated the logic of the proposal was flawed. The technology existed to inform patrons about which part of the entry would still run. Advance Deposit Wagering providers could cancel wagers, and patrons could cancel a wager, or even make a wager on the remaining part of the entry. Opponents stated it did not make sense to refund wagers by unnecessarily eliminating a wagering interest. The larger issue was the total pool. Would the industry give up a portion of the pool to satisfy a small number of vocal patrons? In addition, there was the dilemma of scratching an unpopular horse in an entry, with the popular horse being left to run for purse only; wagering patrons would be just as irate.

At the November 2005 Pari-Mutuel Operations Committee meeting, the elimination of coupled entries was discussed as an alternative to the proposal to amend Rule 1974 to run the remaining horse(s) in an entry for purse only. Proponents argued that eliminating entries would increase field size and solve the problem of patrons being stuck with a horse they do not want when the favored horse in an entry was scratched. At its January 2006 Regular Meeting, the Board heard proposals to: 1) repeal Rule 1974 and Rule 1606, which would eliminate coupled entries in California, or 2) amend Rule 1974 to provide that the withdrawal of one horse from a wagering interest that consists of more than one horse constitutes the withdrawal of the coupled entry for wagering purposes only, and the remaining horse shall run for purse only. After discussion, the Board voted to repeal Rule 1974 and Rule 1606. The rationale was that eliminating entries would increase field size. Proponents also argued that owners did not have the same ability to influence a race as did trainers, who were currently exempted from coupling.

The repeal of Rule 1974 and Rule 1606 was never finalized, as the issue was tabled due to conflicting opinions about the ramifications of eliminating coupling of horses. However, in 2007, Rule 1606 was amended to exempt the quarter horse industry from coupling requirements. In 2008 and in 2009, Rule 1606 was amended to further narrow the coupling requirements for thoroughbred horses owned by partnerships.

At the July 2010 Regular Board meeting a proposal to amend Rule 1974 was discussed. The proposed amendment would allow horses remaining in a coupled entry or field to run for purse only if a horse was withdrawn from the wagering interest. The amendment would also allow horses that were withdrawn in error from the wagering pool to run for

purse only. The Board heard that the proposed amendment was to provide direction to stewards, as the current rule did not provide objective criteria for when a horse may run for purse only. The amendment was not necessarily the result of many complaints or an increase in horses being withdrawn from coupled entries. During the discussion of the proposed amendment some expressed the view that the rule would lead to confusion and could leave fans thinking they had won a wager when the entire entry had in fact been withdrawn. Others stated the proposed amendment would protect the wagering public and horse owners. The wagering public would not be "stuck" with horses remaining in an entry if their favorite were withdrawn and owners would still be able to run for the purse after having invested in preparing their horses to race. The Board determined it would direct staff to initiate a 45-day public comment period for the proposed amendment to Rule 1974.

At its December 2010 Regular Meeting the Board heard comments from Golden Gate Fields in opposition to the proposed amendment to Rule 1974. Golden Gate Fields proposed eliminating Rule 1606 to allow two or more horses that are owned in whole or in part by the same person or persons to run as independent wagering interests. The elimination of coupling would allow the wagering public to wager on the individual horse it believes would perform best. Golden Gate Fields also stated that the proposed amendment would create confusion among horse racing fans, as fans that wagered on a scratched entry may believe they were holding winning tickets, or fans may believe they were holding losing tickets because they did not understand that a non-wagering interest finished ahead of their selections. The Thoroughbred Owners of California (TOC) also provided a comment in general opposition to the proposed amendment. The TOC stated the proposal would merely trade one arguable problem for another greater problem of losing a wagering interest at a time when the industry is trying to stem the decline of handle. The TOC added it supported subsection 1974(c) because it would protect owners' rights where horses are scratched in error. The TOC proposed that Rule 1606 be suspended or amended to allow more entries to run uncoupled. The Board agreed with the comments and directed staff to initiate an amendment to Rule 1606 that would eliminate the practice of coupling horses owned in whole or in part by the same person or persons, while providing for adequate public notice if two or more horses in a race were owned in whole or in part by the same persons or person, or were trained by the same trainer. The Board also directed staff to modify the proposed amendment to Rule 1974 to remove references to couple horses, but to retain the provision that would allow horses removed in error from the wagering pool to be disregarded for pari-mutuel purposes and to run for purse only.

At its January 2011 Regular Meeting the Board discussed revised proposals to amend Rule 1974 and Rule 1606. The proposed amendment to Rule 1606 would end the practice of coupling two or more horses that are owned in whole or in part by the same person or persons. The proposed amendment to Rule 1974 would allow a horse that has been removed from the wagering pool in error to run for purse only, and redefine "wagering interest." The Board directed staff to initiate a 45-day public comment period.

ANALYSIS

The proposed amendment to Board Rule 1974 defines a wagering interest as any one horse in a race. The proposed amendment removes the reference to horses coupled as a single wagering interest, as under the amendment of Rule 1606 horses will no longer be coupled in California. A new subsection 1974(b) provides that if a horse is improperly removed from a wagering pool due to a totalizator error or another unjustified reason, and the owner and trainer are not at fault, the horse shall compete as a non-wagering interest for the purse only. This provision addresses those instances when a horse is not scratched, but is inadvertently removed from the wagering pool by error. A new subsection 1974(c) requires the racing association to inform the public if a horse runs for purse only by making an announcement over the public address system and by informing off-track wagering outlets. This is intended to adequately inform the public regarding the status of the horse and to minimize confusion.

The proposed amendment to Rule 1606, Coupling of Horses, will remove the provision that requires coupling of horses owned in whole or in part by the same person or persons. This means that California no longer will couple horses as a single wagering interest when there is common ownership. A new subsection 1606(a) requires the racing association to take such actions as are necessary to adequately inform the public when two or more horses that are entered in the same race are owned in whole or in part by the same person or persons, or when two or more horses are trained by the same trainer. Such notice will include publishing the names of the owners and trainers in the official program and announcing the circumstances over the public address system. The proposed amendment will also change the title of the regulation to: "Association to Disclose Ownership." This reflects the change from coupling entries to providing the public with information regarding the ownership of horses entered in a race.

The proposed amendment to Rule 1974 and Rule 1606 will impact the following regulations. The regulations are attached for review:

- 1954.1, Parlay Wagering on Win, Place or Show - subsections (g), (h)
- 1957, Daily Double - subsections (h), (i), (j)
- 1959, Special Quinella (Exacta) - subsections (d), (e)
- 1976, Unlimited Sweepstakes – subsections (e), (h)
- 1976.8, Place Pick (n) – subsections (d), (e)
- 1976.9, Pick (n) Pool – subsections (c) and (d)
- 1977, Pick Three – subsections (c), (h)
- 1978, Select Four – subsections (e), (m)
- 1979, Trifecta – subsections (c), (g)
- 1979.1, Superfecta – subsections (c), (g)

During the 45-day public comment period staff received a number of comments regarding the proposed amendments to Rule 1606 and Rule 1974. Three comments were opposed to the proposed amendment of Rule 1606. Those who opposed the amendment stated that eliminating coupling would risk undermining the integrity of horse racing, and

create less trust within the wagering public. Opponents stated trainers and owners could manipulate races by sacrificing one horse to set the pace for the benefit on another horse. Informing the wagering public about common ownership would not solve the problem. To fix the problem of short fields California needed to attract more horses, not eliminate coupling.

Seven comments, including comments from the stewards at Santa Anita Park Race Track, the Thoroughbred Owners of California and Sherwood Chillingworth of Oak Tree Racing Association, favored the proposed amendment to Board Rule 1606. In general, those in favor of the proposed amendment stated coupling has been eroded to the point that any benefits derived from the current structure were outweighed by possible problems. If trainers could run uncoupled, it made no sense to run owners coupled. Eliminating coupling might increase wagering opportunities, and the ease with which the current rule could be circumvented merited support of the proposed amendment.

Three comments were received in favor of the proposed amendment to Rule 1974. In general those who commented stated the proposed amendment was reasonable and fair. The proposed amendment to Rule 1974 protected the interests of owners by allowing them the opportunity to earn purse money when a horse is scratched in error.

RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD
 TITLE 4. CALIFORNIA CODE OF REGULATIONS
 ARTICLE 6. ENTRIES AND DECLARATIONS
 PROPOSED AMENDMENT OF
 RULE 1606. COUPLING OF HORSES ASSOCIATION TO DISCLOSE OWNERSHIP

Regular Board Meeting
 April 28, 2011

1606. Coupling of Horses. Association to Disclose Ownership.

~~(a) Two or more horses shall be coupled as a single wagering interest and as an entry when such horses are owned in whole or in part by the same person or persons.~~

~~(b) Subsection (a) of this regulation does not apply when two or more thoroughbred horses, each owned by different partnerships whose composition are not mirror images, are entered in the same race, and~~

~~(1) There is at least one partner who has an ownership interest in each of the partnerships.~~

~~(c) Quarter horse races are exempt from subsection (a) of this regulation.~~

(a) If two or more horses that are entered in the same race are owned in whole or in part by the same person or persons, or are trained by the same trainer, the racing association shall take such actions as are necessary to adequately inform the public, including publishing the name of the owners and trainer in the official program as required under Rule 1461 of this division, and announcing the circumstances over the public address system.

Authority: Sections 19420, 19440 and 19590,
 Business and Professions Code.

Reference: Section 19401,
 Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1974. WAGERING INTEREST

Regular Board Meeting
April 28, 2011

1974. Wagering Interest.

~~(a) A wagering interest may be is any one horse in a race, or may be two or more horses coupled as a single wagering interest as an "Entry" or the "Field." A declaration or withdrawal of one horse from a wagering interest which consists of more than one horse shall have no effect on any wagers made on such wagering interest.~~

(b) If a horse is removed from the wagering pool due to a totalizator error, or due to any other error, and neither the trainer nor the owner is at fault, the horse shall start in the race as a non-wagering interest for the purse only, and shall be disregarded for pari-mutuel purposes.

(c) If a horse is removed from the wagering pool to start in a race as a non-wagering interest for purse only and is disregarded for pari-mutuel purposes, the circumstances shall be announced over the public address system at the time the action is taken and thereafter to adequately inform the public. The racing association shall also inform off-track wagering outlets at the time such action is taken.

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

Reference: Section 19562,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1954.1. PARLAY WAGERING ON WIN, PLACE OR SHOW

Regular Board Meeting
April 28, 2011

1954.1. Parlay Wagering on Win, Place or Show.

(a) The parlay is not a separate pari-mutuel pool, it is a series of wagers (consisting of legs) combining wagering entries in Win, Place or Show pools. The initial amount wagered constitutes the wager on the first leg, and if successful, the payout from the first leg constitutes the wager on the second leg, etc.

(b) A parlay wager is limited to Win, Place or Show which have a corresponding pool conducted on the race selected. The wager must combine at least two races but not more than six races. The races in a parlay must be in chronological order but do not need to be consecutive races or combine the same type pool.

(c) A parlay wager may only be on one pool and one wagering interest per leg and cannot combine wagers on races on other days.

(d) Payouts included as wagers in subsequent races and the final payout to the parlay wagerer shall be broken to the nearest dime. Parlay breakage shall be reported separately and added to regular breakage at the end of the day for the purpose of taxation and distribution.

(e) Parlay payouts will be included as wagers in subsequent pools by the track operator so the amount of such wagers, including their impact on the wagering odds, will be displayed. Wager totals in such pools shall be displayed in truncated fashion, to the lowest dollar.

(f) Parlay wagers may be cancelled by the ticket holder, in accordance with track policy, only before the start of the first parlay leg in which a parlay selection starts. Parlay wagers not cancelled must be completed or terminated by operation of these rules in order to be entitled to a payout.

(g) If a ~~race, pool or~~ wagering entry interest in a parlay is scratched, which includes an ~~entry~~ being declared a non-starter for wagering purposes, or if a wagering interest is designated to run for purse only in accordance with Rule 1974 of this article, or a race or pool is scratched or cancelled, the parlay shall consist of the remaining legs. The parlay terminates if there are no remaining legs.

~~(h) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of the coupled entry or field starts for parimutuel purposes in accordance with Rule 1974 of this Article.~~

Authority: Section 19590,
Business and Professions Code.

Reference: Sections 19594, 19597 and 19598,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1957. DAILY DOUBLE

Regular Board Meeting
April 28, 2011

1957. Daily Double.

(a) The Daily Double is a separate ~~parimutuel~~ pari-mutuel pool established on two (2) races. The pool consists of amounts wagered on the selection of the winning horse of both races. It is not a parlay and has no connection with or relation to other pools conducted by the association or to rules governing the distribution of other pools.

(b) A valid Daily Double ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Daily Double provisions and rules contained in this Article.

(c) The association shall distribute the net pool to holders of valid tickets that correctly selected the winner of both races. If no ticket selected the winner of both races, the net pool shall be distributed as a place pool among tickets that included the winner of the first race and tickets that included the winner of the second race.

(d) If no ticket included the winner of the first race the net pool shall be distributed equally among tickets that included the winner of the second race; and, if no ticket included the winner of the second race the net pool shall be distributed equally among tickets that included the winner of the first race.

(e) If no ticket included the winner of either race the net pool shall be distributed equally among tickets selecting the second place finishers of both races.

(f) The association shall refund the entire pool if no ticket requires a payout or if the first race is cancelled.

(g) If the second race is cancelled after the first race has been completed, the net pool shall be distributed as a single price pool among tickets selecting the winner of the first race.

(h) Before the first race is run, any money wagered on a horse in either race that is scratched, excused by the ~~stewards~~ Stewards, or prevented from racing or is designated to run for purse only in accordance with Rule 1974 of this article shall be deducted from the pool and refunded.

(i) If, after the first race is completed, any horse is scratched, excused by the ~~Stewards~~ stewards or prevented from racing because of the failure of the stall doors or starting gate to open in the second race, or designated to run in the second race for purse only in accordance with Rule 1974 of this article, ~~after the first race has been completed~~, all tickets including such horse(s) shall be deducted from the pool, and the pool(s), thus formed shall be distributed as a straight pool(s) among tickets combining the winner of the first race with such horse(s).

~~(j) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for parimutuel purposes in accordance with Rule 1974.~~

~~(k)~~(j) If a dead heat occurs in either race the net pool is figured as a place pool. Example: Number eight (8) and five (5) dead heat in the first race, and number three (3) wins the second race, the pool would be divided and apportioned to tickets bearing eight (8) and three (3), and five (5) and three (3).

Authority: Sections 19440 and 19590,
Business and Professions Code.

Reference: Section 19590,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1959. SPECIAL QUINELLA (EXACTA)

Regular Board Meeting
April 28, 2011

1959. Special Quinella (Exacta).

(a) The Special Quinella is not a parlay and has no connection with or relation to the win, place and show pools shown on the totalizator board. All tickets on the Special Quinella will be calculated in a separate pari-mutuel pool.

(b) A Special Quinella race shall be given a distinctive name to be selected by the association conducting such race, such as "Perfecta" or "Exacta," subject to the approval of the Board.

(c) All Special Quinella tickets will be for the win and place combination only. Each person purchasing a Special Quinella ticket shall designate the exact order in which the first two horses will finish in a Special Quinella race. For example, if number 3 is selected to finish first and number 6 is selected to finish second, they must come in number 3, first and number 6 second in order to win.

~~(d) Entries or field horses in a race comprising the Special Quinella shall race as single wagering interests for the purposes of mutuel pool calculations and payouts to the public. If, in the event that any part of the entry or the field is a starter, there shall be no refund to persons wagering on such entry or field. In the event any part of an entry or the field finishes first, the order of finish of all other horses making up such entry or field will be disregarded in determining which horse finished second for the purpose of this rule.~~

(e)(d) Should any horse or horses entered in a Special Quinella race be scratched or excused by the Stewards stewards after wagering has commenced or should any horse or horses be prevented from racing because of the failure of the stall doors of the starting gate to open, or if a horse is designated to run for purse only in accordance with Rule 1974 of this article, all tickets including such horse or horses shall be deducted from the Special Quinella Pool and money refunded to the purchasers of tickets on the horse or horses so designated, excused or prevented from racing.

(f)(e) In the event that no ticket is sold on the winning combination of a Special Quinella Pool, the net pool shall be distributed equally among holders of tickets selecting the winning horse to finish first and holders of tickets selecting the second place horse to finish second.

(g)(f) In the event of a dead-heat between two horses for first place, the net pool shall be calculated and distributed as a place pool to holders of the winning combinations.

~~(h)(g) In the event of a dead-heat between two or more horses for place, all tickets designating the proper first horse to win which are coupled with any of the place horses involved in a dead-heat shall be the winners of the Special Quinella race and payouts calculated according to their respective interest in the net pool.~~

(i)(h) In the event of a dead-heat for second place, if no ticket is sold on one of the two winning combinations, the entire net pool shall be calculated as a win pool and distributed to those holding tickets on the other winning combinations. If no tickets combine the winning horse with either of the place horses in the dead-heat the Special Quinella Pool shall be calculated and distributed to holders of tickets designating the winning horse or either of the place horses according to their respective interest in the net pool.

~~(j)~~(i) In the event of a dead-heat among three or more horses for first place, the net pool shall be calculated and distributed to holders of tickets designating any two of the horses participating in the dead-heat according to their respective interest in the net pool.

~~(k)~~(i) In the event that no ticket is sold that would require distribution to any winner as above defined the Special Quinella shall be deemed "No Contest" and all money in the Special Quinella shall be promptly refunded.

Authority: Sections 19440 and 19590,
Business and Professions Code.

Reference: Section 19590,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1976. UNLIMITED SWEEPSTAKES

Regular Board Meeting
April 28, 2011

1976. Unlimited Sweepstakes.

(a) The Unlimited Sweepstakes ~~parimutuel~~ pari-mutuel pool is not a parlay and has no connection with or relation to any other ~~parimutuel~~ pari-mutuel pool conducted by the association, nor to any win, place and show pool shown on the totalizator, nor to the rules governing the distribution of such other pools.

(b) An Unlimited Sweepstakes ~~parimutuel~~ pari-mutuel ticket shall be evidence of a binding contract between the holder of the ticket and the association and the said ticket shall constitute an acceptance of the Unlimited Sweepstakes provisions and rules contained in article ~~Article~~ 18.

(c) An Unlimited Sweepstakes may be given a distinctive name by the association conducting the meeting, subject to approval of the Board.

(d) The Unlimited Sweepstakes ~~parimutuel~~ pari-mutuel pool consists of amounts contributed for a selection for win only in each of nine races designated by the association with the approval of the Board. Each person purchasing an Unlimited Sweepstakes ticket shall designate the winning horse in each of the nine races comprising the Unlimited Sweepstakes.

~~(e) Those horses constituting an entry of coupled horses or those horses coupled to constitute the field in a race comprising the Unlimited Sweepstakes shall race as a single wagering interest for the purpose of the Unlimited Sweepstakes parimutuel pool calculations and payouts to the public. However if any part of either an entry or the field racing as a single wagering interest is a starter in a race the entry or the field selection shall remain as the~~

~~designated selection to win in that race for the Unlimited Sweepstakes calculation and the selection shall not be deemed a scratch.~~

~~(f)(e)~~ The Unlimited Sweepstakes ~~parimutuel~~ pari-mutuel pool shall be calculated as follows:

(1) One hundred percent (100%) of the net amount in the ~~parimutuel~~ pari-mutuel pool subject to distribution among winning ticket holders shall be distributed among the holders of ~~parimutuel~~ pari-mutuel tickets which correctly designate the official winner in each of the nine races comprising the Unlimited Sweepstakes.

(2) In the event there is no ~~parimutuel~~ pari-mutuel ticket properly issued which correctly designates the official winner in each of the nine races comprising the Unlimited Sweepstakes, twenty-five percent (25%) of the net amount in the ~~parimutuel~~ pari-mutuel pool shall be distributed among the holders of ~~parimutuel~~ pari-mutuel tickets which correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes, and the remaining seventy-five percent (75%) of the net amount in the ~~parimutuel~~ pari-mutuel pool shall not be distributed as provided above but shall be retained by the association as distributable amounts and shall be carried over and included in the Unlimited Sweepstakes ~~parimutuel~~ pari-mutuel pool for the next succeeding racing date as an additional net amount to be distributed as provided in subsection ~~(f)(e)~~(1).

~~(g)(f)~~(1) Except as provided in subsection ~~(k)(j)~~ and subsection ~~(m)(l)~~, should no distribution be made pursuant to subsections ~~(f)(e)~~(1), then the distributable pool and all monies accumulated therein shall be carried over until that amount equals or exceeds five million dollars (\$5,000,000) or such lesser amount as the racing association designates to the Board at the time it files its license application with the Board.

(2) Once the pool and all monies accumulated therein equals or exceeds five million dollars, or such lesser amount designated by the racing association pursuant to subsection

~~(g)~~(f)(1), that amount shall be distributed on the next racing day as provided in subsection ~~(f)~~(e)(1); but if no holder of ~~parimutuel~~ pari-mutuel tickets correctly designates the official winner in each of the nine races comprising the Unlimited Sweepstakes, then seventy-five percent (75%) of the pool shall be distributed among the holders of ~~parimutuel~~ pari-mutuel tickets which correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes. The remaining twenty-five percent (25%) of the pool shall be distributed to those holders of ~~parimutuel~~ pari-mutuel tickets which correctly designate the next greatest number of official winners.

~~(h)~~(g) In the event an Unlimited Sweepstakes ticket ~~designates~~ includes a selection in any one or more of the races comprising the Unlimited Sweepstakes ~~and that selection is scratched,~~ excused or determined by the ~~Stewards~~ stewards to be a nonstarter in the race, or if in a race comprising the Unlimited Sweepstakes any selection is designated to run for purse only in accordance with Rule 1974 of this article, the actual favorite, as evidenced by the amounts wagered in the win pool at the time of the start of the race, will be substituted for the nonstarting or the designated selection for all purposes, including pool calculations and payouts.

~~(i)~~(h) In the event of a dead heat for win between two or more horses in any Unlimited Sweepstakes race, all such horses in the dead heat for win shall be considered as winning horses in the race for the purpose of calculating the pool.

~~(j)~~(i)(1) In the event that all nine races comprising the Unlimited Sweepstakes are cancelled or declared as no contest, all ~~parimutuel~~ pari-mutuel tickets held on the Unlimited Sweepstakes for that day or night shall be refunded and the Unlimited Sweepstakes shall be cancelled in its entirety for that day or night and any retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection ~~(f)~~(e)(2) shall be carried over to the next succeeding racing date of that meeting.

(2) In the event that fewer than nine, but no more than three, races comprising the Unlimited Sweepstakes are completed due to the cancellation of one or more races or the ~~Stewards~~ stewards declaring one or more races as no contest, the pool for that racing day shall be refunded and the Unlimited Sweepstakes shall be cancelled in its entirety as provided in subsection ~~(f)~~(i)(1).

(3) In the event that fewer than nine, but no fewer than four, races comprising the Unlimited Sweepstakes are completed due to the cancellation of one or more races or the ~~Stewards~~ stewards declaring one or more races as no contest, one hundred percent (100%) of the net amount in the ~~parimutuel~~ pari-mutuel pool for that day or night, exclusive of any retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection ~~(f)~~(e)(2), shall be subject to distribution among holders of ~~parimutuel~~ pari-mutuel tickets which correctly designate the most winners in the completed races of the Unlimited Sweepstakes. The retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection ~~(f)~~(e)(2) shall be carried over to the next succeeding racing date of that meeting.

~~(k)~~(i)(1) Should no distribution be made pursuant to subsection ~~(f)~~(e)(1) on the last day of the association's race meeting, then the distributable pool and all monies accumulated therein shall be distributed on that day. Seventy-five percent (75%) of the pool shall be distributed among holders of ~~parimutuel~~ pari-mutuel tickets which correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes. The remaining twenty-five percent (25%) of the pool shall be distributed to those holders of ~~parimutuel~~ pari-mutuel tickets which correctly designate the next greatest number of official winners.

(2) In the event that an association is unable to distribute the retained distributable amount carried over from any prior Unlimited Sweepstakes pool established pursuant to

subsection ~~(f)~~(e)(2) by the end of its race meeting due to cancellation of the final day(s) or night(s) of racing or any other reason, the retained distributable amount shall be carried forward to the next race meeting having an Unlimited Sweepstakes at the same location and of the same breed of horse as the racing association that generated the retained distributable amount. The retained distributable amount shall be included in the Unlimited Sweepstakes pool for the first day or night of racing at the subsequent race meeting.

~~(f)~~(k) No ~~parimutuel~~ pari-mutuel ticket for the Unlimited Sweepstakes pool shall be sold, exchanged or cancelled after the time of the closing of wagering in the first of the nine races comprising the Unlimited Sweepstakes, except for such refunds on Unlimited Sweepstakes tickets as required by this regulation, and no person shall disclose the number of tickets sold in the Unlimited Sweepstakes pool or the number or amount of tickets selecting winners of Unlimited Sweepstakes races until such time as the ~~Stewards~~ stewards have determined the last race comprising the Unlimited Sweepstakes each day to be official.

~~(m)~~(l) The racing association may, at its election, designate to the Board, at the time it files its license application with the Board, one or more racing days (nights) during its racing meeting on which the retained distributable amount carried over from any prior Unlimited Sweepstakes pool established pursuant to subsection ~~(f)~~(e)(2), shall be distributed as provided in subsection ~~(g)~~(f)(2), even though the retained amount is less than the amount specified in or designated by the racing association pursuant to subsection ~~(g)~~(f)(1).

Authority: Sections 19420, 19440 and 19590,
Business and Professions Code.

Reference: Section 19590,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
 TITLE 4. CALIFORNIA CODE OF REGULATIONS
 ARTICLE 18. PARI-MUTUEL WAGERING
 PROPOSED AMENDMENT OF
 RULE 1976.8. PLACE PICK (N)

Regular Board Meeting
 April 28, 2011

1976.8. Place Pick (n).

(a) The Place Pick (n) is a separate pari-mutuel pool established by the association on a designated number of races. The pool consists of amounts wagered on a horse to finish first or second in each of the races. It is not a parlay and has no connection with or relation to other pools conducted by the association, except for the provisions in subsection (e), or to rules governing the distribution of other pools.

(b) A valid Place Pick (n) ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Place Pick (n) provisions and rules contained in this Article.

(c) A Place Pick (n) may be given a distinctive name by the association conducting the meeting, subject to Board approval.

~~(d) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for pari-mutuel purposes in accordance with Rule 1974 of this article.~~

~~(e)~~(d) If a ticket in any Place Pick (n) race designates a selection that is scratched, excused or determined by the Stewards stewards to be a nonstarter in the race, or designates a selection that runs for purse only in accordance with Rule 1974 of this article, the association may substitute ~~designate~~ the actual favorite, which is determined by the amounts wagered in the win pool at the time of the start of the race, or may allow patrons the option of selecting an

alternate ~~betting~~ wagering interest. The actual favorite or the alternate ~~betting~~ wagering interest will be substituted for the ~~nonstarting~~ non-starting selection or the selection designated to run for purse only for all purposes.

~~(f)(e)~~ Except as provided in subsection ~~(f)(1)~~, in In a dead heat for win between two or more horses, only the horses in such dead heat shall be considered winning horses.

~~(1)~~ In a dead heat for win between two or more coupled horses, all such horses together with the horse(s) which finishes next in order shall be considered winning horses.

(2) Except as provided in subsection ~~(f)(e)~~, a dead heat for second between two or more horses, all such horses together with the horse which finished first shall be considered winning horses.

~~(g)(f)~~ The association shall distribute the net pool to holders of valid tickets that correctly selected the most first or second place finishers.

~~(h)(g)~~ All tickets shall be refunded if all races comprising the Place Pick (n) are cancelled or declared as no contest. The entire pool shall be refunded if less than four races are completed and if four or more races are completed the net pool shall be distributed pursuant to subsection ~~(g)(f)~~.

~~(i)(h)~~ After wagering closes on the first race comprising the Place Pick (n) no ticket shall be sold, exchanged or cancelled. No person shall disclose the number of tickets sold in the Place Pick (n) or the number or amount of tickets that selected winners of Place Pick (n) races until the Stewards stewards declare the last race official.

~~(j)(i)~~ If the racing surface changes from turf to dirt or dirt to turf in any race of a Place Pick (n), and such change is not announced to the public before the close of wagering on the

Place Pick (n) pool, all wagers on such race shall be considered winning wagers for the purposes of the Place Pick (n).

Authority: Sections 19440 and 19590,
Business and Professions Codes.

Reference: Sections 19593 and 19594,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. DIVISION 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1976.9. PICK (N) POOL

Regular Board Meeting
April 28, 2011

1976.9. Pick (n) Pool.

(a) The Pick (n) requires selection of the first-place finisher in each of a number of races designated by the association. The association shall designate the percentage of the net pool considered the major share, and the percentage of the net pool considered the minor share, if any. The number of races comprising a Pick (n) must be at least four but no more than ten. Subsequent changes to the Pick (n) shall be requested in writing by the association. The Board or its designated representative shall respond in writing to requests within five working days of their receipt at Board headquarters.

(b) The major share of the net Pick (n) pool, along with the Pick (n) carryover, shall be distributed to ticket holders that selected the first-place finisher in each of the Pick (n) races, based upon the official order of finish, and the minor share of the net Pick (n) pool shall be distributed as a win pool to ticket holders whose selection finished first in the second greatest number of Pick (n) races; if there are no wagers selecting the first place finisher in each of the Pick (n) races, then:

(1) The minor share of the net pool shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick (n) races, and

(2) The major share of the net Pick (n) pool shall be retained by the association and added to the corresponding Pick (n) pool of the next performance. The additional Pick (n) pool resulting from such a carryover shall be termed the "Pick (n) carryover."

(c) In a dead heat for first in any of the Pick (n) races involving:

~~(1) Coupled horses or horses coupled to constitute the field, the Pick (n) pool shall be distributed as if a dead heat had not occurred, or~~

~~(2) Horses representing two or more wagering interests, all horses in the dead heat for win shall be considered winning horses to calculate the pool.~~

(d) If a wagering interest in any of the Pick (n) races is scratched, or is designated to run for purse only in accordance with Rule 1974 of this article, the association may ~~designate~~ substitute the favorite for the scratched or designated wagering interest, determined by total amounts wagered in the win pool at the close of wagering on that race, or allow patrons the option of selecting an alternate wagering interest. The favorite or alternate wagering interest shall be substituted for the scratched wagering interest, or horse designated to run for purse only, for all purposes. If the association elects to ~~designate~~ substitute the favorite and the win pool total is identical for two or more horses, the horse with the lowest program number is used. The totalizator shall produce written reports showing each of the wagering combinations with substituted wagering interests that became winners as a result of the substitution, in addition to the normal winning combination, at the end of each race where substitutions occur.

(e) The Pick (n) pool shall be canceled and all Pick (n) wagers for the individual performance shall be refunded if:

(1) Three or more races included as part of a Pick 4, Pick 5 or Pick 6 are canceled or declared no contest; or

(2) Four or more races included as part of a Pick 7, Pick 8 or Pick 9 are canceled or declared no contest; or

(3) Five or more races included as part of a Pick 10 are canceled or declared no contest.

(f) If at least one race included as part of a Pick (n) is canceled or declared no contest, but fewer than the number specified in subsection (e), the net pool shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick (n) races for that performance. Such distribution shall include the portion ordinarily retained for the Pick (n) carryover but not the carryover from previous performances.

(g) The Pick (n) carryover may be capped at an amount designated by the association, with Board approval. If, at the close of any performance, the carryover equals or exceeds the designated cap, it will be frozen until it is won or distributed under other provisions of this rule. After the carryover is frozen, 100% of the net pool shall be distributed to ticket holders whose selection finished first in the greatest number of Pick (n) races for that performance.

(h) Permission to distribute the Pick (n) carryover on a specific date and performance shall be obtained from the Board. The mandatory payout request must contain the intended date and performance for the distribution.

(i) If the Pick (n) carryover is designated for distribution on a specified date and performance in which no wager selects the first-place finisher in each of the Pick (n) races, the entire pool including the carryover shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick (n) races. The Pick (n) carryover shall be designated for distribution on a specified date and performance only under the following circumstances:

- (1) With written approval from the Board as provided in subsection (h); or
- (2) With written approval from the Board when there is a change in the carryover cap, a change from one type of Pick (n) wagering to another, or when the Pick (n) is

discontinued; or

(3) On the closing performance of the meet or split meet.

(j) If the Pick (n) carryover must be carried over to the corresponding Pick (n) pool of a subsequent meet, it shall be deposited in an interest-bearing account approved by the Board. The Pick (n) carryover plus accrued interest shall then be added to the net Pick (n) pool of the following meet on a date and performance designated by the association, with Board approval.

(k) With Board approval, the association may contribute to the Pick (n) carryover a sum of money up to the amount of any designated cap.

(l) No ticket for the Pick (n) pool shall be sold, exchanged or canceled after the close of wagering in the first race comprising the Pick (n), except for refunds required by this rule.

(m) Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of live tickets remaining is prohibited. The totalizator will be programmed to suppress all information related to Pick (n) wagering activity until the conclusion of the final race except for the following:

(1) Total amount of the net pool at the close of Pick (n) wagering.

(2) Information regarding possible Pick (n) payouts for each of the runners when the last race of the Pick (n) pool is the only race remaining to be run.

(n) If the racing surface changes from turf to dirt or dirt to turf in any race of a Pick (n) pool, and such change was not announced to the public before the close of wagering on the Pick (n) pool, all wagers on such race shall be considered winning wagers for the purposes of the Pick (n) pool.

Authority: Sections 19440 and 19590,
Business and Professions Code.

Reference: Sections 19440, 19590 and 19593,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. DIVISION 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1977. PICK THREE

Regular Board Meeting
April 28, 2011

1977. Pick Three.

(a) The Pick Three is a separate pari-mutuel pool established on three consecutive races. The pool consists of amounts wagered on the winning horse in each of the races. It is not a parlay and has no connection with or relation to other pools conducted by the association, or to rules governing the distribution of other pools.

(b) A valid Pick Three ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Pick Three provisions and rules contained in this article.

~~(e) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for pari-mutuel purposes in accordance with Rule 1974.~~

~~(d)~~(c) The association shall distribute the net pool to holders of valid tickets that correctly selected the winners in all three races.

~~(e)~~(d) In a dead heat for win between two or more horses in any of the Pick Three races, all such horses shall be considered winning horses in that race for calculating the pool. The payout shall reflect the proportionate amount of money wagered on each winning combination.

~~(f)~~(e) If no ticket selected the winner in all three races, the net pool shall be paid for tickets that selected the winner in any two races; and if no ticket selected two winners the net pool shall be paid for tickets that selected the winner of any one race. The association shall refund the entire pool if no ticket selected the winner of any one race.

~~(g)~~(f) If one of the races is cancelled, the net pool shall be distributed as provided in subsection ~~(f)~~(e). If more than one race is cancelled the association shall refund the entire pool.

~~(h)~~(g) If a wagering interest is scratched (which hereinafter includes being declared a non-starter) from any leg of the Pick Three prior to the running of the first leg, or if a wagering interest is designated to run for purse only in accordance with rule 1974 of this article, all wagers containing such scratched or designated wagering interests shall be refunded.

~~(i)~~(h) If a wagering interest is scratched or designated to run for purse only from the second leg after the start of the first leg, a consolation payout shall be computed for those wagers combining the winners of the first and third legs with such scratched or designated horse(s) as follows: The amount represented by wagers on combinations involving horse(s) scratched or designated to run for purse only from the second leg shall be deducted from the gross pool. The resulting pool, net of takeout, shall be distributed as a win pool among tickets combining the winners of the first and third legs with horse(s) designated to run for purse only or scratched from the second leg.

~~(j)~~(i) If a wagering interest is designated to run for purse only or scratched from the third leg after the start of the second leg, a consolation payout shall be computed for those wagers combining the winners of the first and second legs with such designated or

scratched horse(s) as follows: The amount represented by wagers on combinations involving horse(s) designated to run for purse only or scratched from the third leg shall be deducted from the gross pool. The resulting pool, net of takeout, shall be distributed as a win pool among tickets combining the winners of the first and second legs with horse(s) designated to run for purse only or scratched from the third leg.

~~(4)~~(j) If wagering interests are designated to run for purse only or scratched from both the second and third legs after the start of the first leg, a consolation payout shall be computed for those wagers combining the winner of the first leg with horse(s) designated to run for purse only or scratched from both the second and third legs as follows: The amount wagered on the winner of the first leg combined with all other horse(s) designated or scratched from the second and third legs shall be deducted from the gross pool. The resulting pool, net of takeout, shall be distributed as a win pool among tickets combining the winner of the first leg with horse(s) designated to run for purse only or scratched from both the second and third legs.

~~(4)~~(k) After wagering closes on the first race of the Pick Three no ticket shall be sold, exchanged or cancelled. No person shall disclose the number of tickets sold in the Pick Three races or the number or amount of tickets that selected winners of Pick Three races until the stewards declare the last race official. After the second of the three races, the association may display potential distributions dependent upon the outcome of the third race.

Authority: Sections 19440 and 19590,
Business and Professions Code.

Reference: Section 19590,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1978. SELECT FOUR

Regular Board Meeting
April 28, 2011

1978. Select Four.

(a) The Select Four ~~parimutuel~~ pari-mutuel pool is not a parlay and has no connection with or relation to any other ~~parimutuel~~ pari-mutuel pool conducted by the association, nor to any win, place and show pool shown on the totalizator board, nor to the rules governing the distribution of such other pools.

(b) A valid Select Four ticket shall be evidence of a binding contract between the holder of the ticket and the racing association, and the said ticket shall constitute an acceptance of Select Four provisions and rules contained in ~~Article~~ article 18.

(c) A Select Four may be given a distinctive name to be selected by the association conducting such races, such as "PICK 4", subject to the approval of the Board.

(d) The Select Four ~~parimutuel~~ pari-mutuel pool consists of amounts contributed for a selection for win only in each of four races designated by the association with the approval of the Board. Each person purchasing a Select Four ticket shall designate the winning horse in each of the four races comprising the Select Four.

~~(e) Those horses constituting an entry of coupled horses or those horses coupled to constitute the field in a race comprising the Select Four shall race as a single wagering interest for the purpose of the Select Four parimutuel pool calculations and payouts to the public. However, if any part of either an entry or the field racing as a single interest is a starter in a race,~~

~~the entry or the field selection shall remain as the designated selection to win in that race for the Select Four calculation, and the selection shall not be deemed a scratch.~~

~~(f)~~(e) The net amount in the ~~parimutuel~~ pari-mutuel pool subject to distribution among winning ticket holders shall be distributed among the holders of tickets which correctly designate the winners in all four races comprising the Select Four.

~~(g)~~(f) If no ticket is sold combining the four winners of the Select Four, the net amount in the ~~parimutuel~~ pari-mutuel pool shall be distributed among the holders of tickets which include the winners of any three of the four races comprising the Select Four.

~~(h)~~(g) If no ticket is sold combining at least three winners of the Select Four, the net amount in the ~~parimutuel~~ pari-mutuel pool shall be distributed among holders of tickets which include the winner of any two races comprising the Select Four.

~~(i)~~(h) If no ticket is sold combining at least two winners of the Select Four, the net amount in the ~~parimutuel~~ pari-mutuel pool shall be distributed among holders of tickets which include the winner of any one race comprising the Select Four.

~~(j)~~(i) If no ticket is sold that would require distribution of the Select Four pool to a winner under this rule, the association shall make a complete and full refund of the Select Four pool.

~~(k)~~(j) If for any reason one of the races comprising the Select Four is cancelled, the net amount of the ~~parimutuel~~ pari-mutuel pool shall be distributed as provided above in subsections (f), (g), (h), and (i) ~~and (j)~~.

~~(l)~~(k) If for any reason two or more of the races comprising the Select Four is cancelled, a full and complete refund will be made of the Select Four pool.

~~(m)~~(l) In the event a Select Four ticket ~~designates~~ includes a selection in any one or more of the races comprising the Select Four ~~and that selection~~ is scratched, excused or determined by

the Stewards to be a non-starter in the race, or if the Select Four ticket includes a selection that is designated to run for purse only in accordance with Rule 1974 of this article, the actual favorite, as evidenced by the amounts wagered in the win pool at the time of the start of the race, will be substituted for the non-starting or designated selection for all purposes, including pool calculations and payouts.

(~~n~~)(m) In the event of a dead heat for win between two or more horses in any Select Four race, all such horses in the dead heat for win shall be considered as winning horses in the race for the purpose of calculating the pool.

(~~e~~)(n) No ~~parimutuel~~ pari-mutuel ticket for the Select Four pool shall be sold, exchanged or cancelled after the time of the closing of wagering in the first of the four races comprising the Select Four, except for such refunds on Select Four tickets as required by this regulation, and no person shall disclose the number of tickets sold in the Select Four pool or the number or amount of tickets selecting winners of Select Four races until such time as the Stewards have determined the last race comprising the Select Four to be official. Notwithstanding the above, at the conclusion of the third of the four races comprising the Select Four, an association may with the approval of the Board display potential distribution to ticket holders depending upon the outcome of the fourth race of the Select Four.

Authority: Sections 19420, 19440 and 19590,
Business and Professions Code.

Reference: Section 19594 19590,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1979. TRIFECTA

Regular Board Meeting
April 28, 2011

1979. Trifecta.

(a) The Trifecta is a separate pari-mutuel pool established on a single race. The pool consists of amounts wagered on horses to finish first, second and third in that exact order. It is not a parlay and has no connection with or relation to other pools conducted by the association or to rules governing the distribution of other pools.

(b) A valid Trifecta ticket is evidence of a binding contract between the holder of the ticket and the association and constitutes acceptance of Trifecta provisions and rules contained in this article.

(c) No Trifecta pool shall be established for a race with less than four wagering interests scheduled to start when the Trifecta pool opens for wagering in California. ~~A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for pari-mutuel purposes in accordance with Section 1974.~~

(d) After the stewards' official order of finish is posted, the association shall distribute the net pool to holders of valid tickets that correctly selected the first, second and third finishers.

(e) In a dead heat for first or second position, only tickets selecting the correct order of finish for the first three finishers shall be winning tickets; that is, two horses in a dead heat for first shall be first and second, in either position; and two horses in a dead heat for second shall be second and third, in either position. In a triple dead heat for first, the three horses shall be the winning combination regardless of the order of selection. In a triple dead heat for second, tickets

with the correct first selection and two of the three horses shall be winning tickets. In a triple dead heat for third, tickets with the correct first and second selection and one of the three horses shall be winning tickets.

(f) If no ticket correctly selected the first, second and third position, the net pool shall be paid for tickets that selected first and second. If no ticket selected first and second the net pool shall be paid for tickets that selected first. The association shall refund the entire pool if no ticket selected first.

(g) If the stewards scratch a horse or designate a horse to run for purse only in accordance with Rule 1974 of this article before wagering is closed, the association may exchange any ticket that includes the scratched or designated horse. After wagering is closed, tickets selecting a scratched or designated horse, or a horse the stewards declared a nonstarter, shall be eliminated from the pool and the purchase price refunded.

Authority: Sections 19440 and 19590,
Business and Professions Code.

Reference: Section 19590,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1979.1. SUPERFECTA

Regular Board Meeting
April 28, 2011

1979.1. Superfecta.

(a) The Superfecta is a separate pari-mutuel pool established on a single race. The pool consists of amounts wagered on horses to finish first, second, third, and fourth in that exact order. It is not a parlay and has no connection with other pools conducted by the association or to rules governing the distribution of other pools.

(b) A valid Superfecta ticket is evidence of a binding contract between the holder of the ticket and the association and constitutes acceptance of Superfecta provisions and rules contained in this article.

(c) No Superfecta pool shall be established for a race with less than six wagering interests scheduled to start when the Superfecta pool opens for wagering in California. ~~A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of the entry starts for pari-mutuel purposes under Rule 1974 of this division.~~

(d) After the stewards' official order of finish is posted, the association shall distribute the net pool to holders of valid tickets that select the first, second, third, and fourth finishers.

(e) In a dead heat for first, second, or third position, only tickets selecting the correct order of finish for the first four finishers shall be winning tickets; that is, two horses in a dead heat for first shall be first and second, in either position; two horses in a dead heat for second shall be second and third, in either position; and two horses in a dead heat for third shall be third and fourth, in either position. In a dead heat for fourth, tickets with the correct first, second, and

third selection and one of the two horses in the dead heat for fourth shall be winning tickets. In a triple dead heat for first, tickets selecting the three horses in the dead heat, regardless of the order of selection, and the horse finishing fourth shall be winning tickets. In a triple dead heat for second, tickets with the correct first selection and all three horses in the dead heat shall be winning tickets. In a triple dead heat for third, tickets with the correct first and second selection and two of the three horses in the dead heat shall be winning tickets. In a triple dead heat for fourth, tickets with the correct first, second, and third selection and one of the horses in the dead heat shall be winning tickets.

(f) If no ticket selects the first, second, third, and fourth position, the net pool shall be paid for tickets that select first, second, and third. If no ticket selects first, second, and third position, the net pool shall be paid for tickets that select first and second. If no ticket selects first and second, the net pool shall be paid for tickets that select first. The association shall refund the entire pool if no ticket selects first.

(g) If the stewards scratch a horse or designate a horse to run for purse only in accordance with Rule 1974 of this article before wagering is closed, the association may exchange any ticket that includes the scratched or designated horse. After wagering is closed, tickets selecting a scratched or designated horse, or a horse the stewards declared a nonstarter, shall be eliminated from the pool and the purchase price refunded.

Authority: Sections 19440 and 19590,
Business and Professions Code.

Reference: Section 19590,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD

APRIL 28, 2011
REGULAR BOARD MEETING

There is no board package material for Item 6

STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING
THE PROPOSED AMENDMENT OF
CHRB RULE 1658, VESTING OF TITLE TO CLAIMED HORSE,
TO VOID A CLAIM;

1) IF A CLAIMED HORSE SUFFERS A FATALITY DURING THE
RUNNING OF THE RACE OR BEFORE IT IS RETURNED TO BE
UNSADDLED; 2) IF THE CLAIMANT REQUESTS THE CLAIM BE VOIDED
IF THE HORSE IS PLACED ON THE VETERINARIAN'S LIST AS UNSOUND OR
LAME AS A RESULT OF THE RUNNING OF THE RACE

Regular Board Meeting
April 28, 2011

BACKGROUND

Business and Professions Code section 19420 provides that the Board has jurisdiction and supervision over meetings in California 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. 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 include adjudication of controversies arising from the enforcement of those laws and regulations dealing with horse racing and pari-mutuel wagering. Business and Professions Code section 19562 provides that the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in California.

Rule 1658, Vesting of Title to Claimed Horse, states that title to a horse which is claimed shall be vested in the successful claimant from the time the field has been dispatched from the starting gate and the horse becomes a starter. The successful claimant becomes the owner of the horse whether it is alive or dead, sound or unsound, or injured during the race or after it. However, the claim shall be void if the race is called off, canceled, or declared no contest.

A claiming race is a horse race in which each horse entered is made available for purchase, or claiming, at a fixed price which a buyer must agree to pay before the race is run. Claiming allows lesser quality horses to compete equally, as horses are entered for a price at which the owner or trainer feels is reasonable to loose it.

A claiming race is a venue through which a new owner may buy his first horse. It is also a venue where others claim (at bargain prices) horses they believe can compete at higher levels. However, claiming races can also be used by owners and trainers to rid themselves of horses whose performance is not what they expect, so the terms "*Caveat Emptor*" or "*Buyer Beware*" apply. The claimant does not get to examine the horse prior to putting in a claim, and the horse actually belongs to a successful claimant from the

time the field is dispatched. If anything happens to the horse, the claimant still must take ownership, regardless of its condition. Rule 1658 states the claimant becomes the owner of the horse if it is alive or dead, sound or unsound, or injured during the race or after it.

At its October 15, 2009 Regular Meeting the Board discussed a proposal to amend Rule 1658 to conform to a proposed Association of Racing Commissioners International (ARCI) Model Rule that was to have been contemplated at the December 2009 Tucson, Arizona, ARCI meeting. The Model Rule would require the stewards to void a claim in cases where a claimed horse fails to return to the designated unsaddling area due to distress or injury. The proposed ARCI rule would, however, allow the claimant to inform the stewards – prior to the start of the race – that he would accept the claimed horse, regardless. (The ARCI has not adopted its Model Rule.)

During the October 2009 discussion regarding Rule 1658 the Board was informed that the State of New York was considering a similar change to its claiming rule; however, Dr. Rick Arthur, CHRB Equine Medical Director, has since reported that the New York proposal received considerable opposition and was not adopted. Dr. Arthur also reported that several years ago a committee consisting of industry representatives met to examine a similar change in the Board's claiming rules. The committee determined the change was "unworkable."

At the October 15, 2009 Regular Board Meeting staff was directed to initiate a 45-day public comment period regarding an amendment to Rule 1658 that would require the stewards to void a claim in cases where a claimed horse fails to return to the designated unsaddling area due to distress or injury, unless the claimant informed the stewards – prior to the start of the next race – that he would still accept the claimed horse.

After the October 15, 2009 Regular Board Meeting staff received three letters in opposition to the proposed amendment. The California Thoroughbred Trainers (CTT) stated that it found the proposed amendment to Rule 1658 "problematic." A second letter from Mr. Jon Lindo, a thoroughbred horse owner, syndicated handicapper and radio personality, expressed strong opposition to the proposed amendment. The third letter was from Santa Anita Park Race Track (SA), which stated the proposed rule "...would allow the possibility of serious manipulation by the participants." The SA letter applauded the Board for its intent, and agreed that trainers should be discouraged from running unsound horses, but SA was not sure the proposed amendment would achieve the intended effect.

At its November 17, 2009, Regular Meeting the Board reviewed the proposal to amend Rule 1685. The CTT representative expressed opposition to the proposal, and stated there was a strong negative reaction from the trainers to changing the rule. Although one of the motivations for the rule change might be the safety of the horse, in the CTT's view, trainers cared about their horses, and they did not "...go around with horses they know are about to break down and put them in a [claiming] race." The CTT believed the proposal would not cause owners and trainers to turn out lower level horses because it did not make economic sense. Additional opposition came from the Thoroughbred Owners of California (TOC). The TOC representative reminded the

Board that horses in a claiming race were inspected four times by veterinarians before they reached the starting gate. That afforded prospective claimants more protection than a person buying in an auction transaction, or a private sale. A representative from the Del Mar Thoroughbred Club (DMTC) stated the DMTC director of racing had serious concerns with the proposed rule change. DMTC suggested the Board look at the national injury database to see if there were patterns in the injuries among various classes of horses. The data might show if there really were a problem in claiming races over other types of races. The Board determined it would table the proposed amendment of Rule 1658 until such time as additional data were available.

The proposed amendment to Rule 1658 was raised at the August 19, 2010 Regular Board meeting. Commissioners Derek and Harris stated the regulation was an issue they would like to see on a future agenda.

In September 2010 Equibase provided information on horses that were claimed but marked as "did not finish" (DNF) races and horses that were claimed but injured, or claimed but fatalities. The DNF portion covers two years: 2008 through 2009, and reflects national DNF, as well as California DNF horses. The "Claimed, injured" and "Claimed, fatality" chart covers two different time periods. The national numbers run from November 2008 through September 1, 2010. The California summary runs from January 2007 through September 1, 2010, and does not include Los Alamitos Race Course.

At its April 8, 2011 meeting the Medication and Track Safety Committee revisited the issue of voiding claims under specified conditions. The committee discussed a proposed regulation that would have allowed claims to be void at the request of the claimant under a range of circumstances, including if the claimed horse was placed on the starter's, steward's or veterinarian's list, or if the claimed horse tested positive for prohibited drug substances. The committee determined that some of the scenarios would result in appeals and delay, and that a simpler version of the regulation was appropriate. The proposed amendment to Rule 1658 was modified to include voiding claims in cases of a fatality during the running of the race or before the horse returned to the unsaddling area, or where the claimed horse is placed on the veterinarian's list as unsound or lame as a result of the running of the race. The committee recommended that the proposed amendment be forwarded to the full Board for approval to initiate a 45-day public comment period.

ANALYSIS

The proposed amendment of Rule 1658 would void a successful claim if the claimed horse suffers a fatality during the running of the race or before the horse is returned to be unsaddled. The claim would be voided automatically, so the claimant would not have to take any action if the claimed horse suffers a fatality, as specified. The proposed amendment would also allow a claim to be voided if the horse is placed on the veterinarian's list as unsound or lame as a result of the running of the race. If the claimed horse is placed on the veterinarian's list, the claimant may request that the stewards void

the claim within 72 hours of the finish of the race. If the claimant fails to act within the 72-hour period, the claim would stand.

RECOMMENDATION

This item is presented for Board discussion and action.

EQUIBASE SUMMARYHORSES CLAIMED BUT MARKED AS DID NOT FINISH (DNF) – NATIONAL

2008 - 80 horses

2009 - 58 horses

HORSES CLAIMED BUT MARKED AS DNF – CALIFORNIA

2008 – 5

2009 – 10

EQUINE INJURY DATABASE SUMMARY – NATIONAL 11/01/08 THROUGH 09/01/10

Claimed injured 136

Claimed, Fatality 57

EQUINE INJURY DATABASE SUMMARY – CALIFORNIA (EXCEPT LOS ALAMITOS)
01/01/07 THROUGH 09/01/10

Claimed, injured 42

Claimed, fatality 6

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 7. CLAIMING RACES.
PROPOSED AMENDMENT OF
RULE 1658. VESTING OF TITLE TO CLAIMED HORSE.

Regular Board Meeting
April 28, 2011

1658. Vesting of Title to Claimed Horse.

(a) Title to a horse which is claimed shall be vested in the successful claimant from the time the field has been dispatched from the starting gate and the horse becomes a starter; and said successful claimant becomes the owner of the horse, ~~whether it be alive or dead, sound or unsound, or injured during the race or after it.~~ Only a horse which is officially a starter in the race may be claimed. A subsequent disqualification of the horse by order of the stewards or the Board shall have no effect upon the claim.

(b) The stewards shall void the claim if the horse suffers a fatality during the running of a race or before the horse is returned to be unsaddled.

(c) A claim shall be voided at the request of the claimant if the horse is placed on the veterinarian's list as unsound or lame a result of the running of the race. Such a request must be made by the claimant to the stewards within 72 hours of the finish of the race.

(d) The claim shall be void if the race is called off, canceled, or declared no contest in accordance with Rule 1544 of this division.

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

Reference: Section 19562,
Business and Professions Code.

STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING THE PROPOSED
AMENDMENT OF
RULE 1843.3, PENALTIES FOR MEDICATION VIOLATIONS
TO 1) CHANGE THE PENALTY FOR VIOLATIONS DUE TO OVERAGES FOR
THE PERMITTED NON-STEROIDAL ANTI-INFLAMMATORY DRUG
SUBSTANCE (NSAID), PHENYL BUTAZONE, AS DEFINED IN RULE 1844(C) (1),
AND FOR DRUG SUBSTANCES IN AN OFFICIAL TEST SAMPLE, WHICH CHRB
CATEGORIZES AS WARRANTING A CATEGORY D PENALTY; AND 2) TO
CHANGE THE ALLOWABLE LEVEL OF FLUNIXIN IN AN OFFICIAL TEST
SAMPLE FROM 50 NANOGRAMS TO 20 NANOGRAMS PER MILLILITER OF
BLOOD PLASMA OR SERUM.

Regular Board Meeting
April 28, 2011

BACKGROUND

Business and Professions Code section 19440 specifies that the Board shall have all powers, including but not limited to adopting rules and regulations for the protection of the public and the control of horseracing and pari-mutuel wagering. Business and Professions Code section 19461 provides that every license granted under this chapter is subject to suspension or revocation by the Board in any case where the Board has reason to believe that any condition regarding it has not been complied with, or that any law, or any rule or regulation of the Board affecting it has been broken or violated. Business and Professions Code section 19580 states that the Board shall adopt regulations to establish policies, guidelines and penalties relating to equine medication to preserve and enhance the integrity of horse racing in this State. Section 19581 of the Business and Professions Code specifies that no substance of any kind shall be administered by any means to a horse after it has been entered to race in a horse race, unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof. Business and Professions Code section 19582 provides that violations of section 19581, as determined by the Board, are punishable in regulations adopted by the Board, and that the Board may classify violations based upon each class of prohibited drug substances, prior violations within the previous three years and prior violations within the violator's lifetime. The Board may provide for suspensions of not more than 3 years. The Board may also provide for disqualification from purses, except for a third violation during the lifetime of the licensee, for a drug substance determined to be class 1 or class 2, which shall result in the permanent revocation of the person's license. The punishment for second and subsequent violations of Business and Professions Code section 19581 shall be greater than the punishment for a first violation of section 19581 with respect to each class of prohibited drug substance.

At the February 2011 Regular Board Meeting staff was directed to initiate a 45-day public comment period for an amendment to Rule 1844, Authorized Medication, to

lower the allowable level of phenylbutazone from five nanograms per milliliter of blood plasma or serum to two nanograms per milliliter of blood plasma or serum, and to reduce the permitted level of flunixin in an official test sample from 50 nanograms per milliliter of blood plasma or serum to 20 nanograms per milliliter of blood plasma or serum. During the discussion about the proposed amendment to Rule 1844, the Board recognized the necessity of amending Rule 1843.3, Penalties for Medication Violations, to provide penalties consistent with the lower phenylbutazone and flunixin levels.

The proposal to amend Rule 1843.3 was discussed at the April 8, 2011 Medication and Track Safety Committee meeting. The committee recommended that the proposed amendment be forwarded to the full Board for approval to initiate a 45-day public comment period.

ANALYSIS

The proposed amendment to Rule 1843.3 changes the minimum allowable level for flunixin from 50 nanograms per milliliter of blood plasma or serum to 20 nanograms per milliliter of blood plasma or serum. This is consistent with the minimum allowable level in the proposed amendment of Rule 1844. The Category "C" penalties for violations due to flunixin overages have not been changed.

Under the current Rule 1843.3 phenylbutazone violations warrant a Category "C" penalty. However, the proposed amendment to Rule 1843.3 provides for new Category "D" penalties for low level violations involving phenylbutazone. The new Category "D" penalties address overages of 2.1 milliliters to 5.0 milliliters of phenylbutazone in the official test sample, while the existing Category "C" penalties at the higher levels of 5.1 to greater than 10.0 micrograms of phenylbutazone per milliliter of blood plasma or serum have not changed. This will create a "two tier" penalty schedule for phenylbutazone violations with overages up to 5.0 milliliters receiving anywhere from a written warning to a \$250 fine for first offenses, to a minimum \$500 fine and a maximum \$750 fine for third offenses.

In addition to the new Category "D" penalties for low level phenylbutazone violations, the proposed amendment introduces Category "D" penalties for drug substances in an official test sample which the CHRB categorizes as warranting a Category "D" penalty. Subsection 1843.3(e) currently states a Category "D" penalty is a written warning to the licensed trainer or owner. The proposed amendment creates new Category "D" penalties for drugs other than phenylbutazone. The penalties range from a written warning to a maximum fine of \$250 for a first offense, and a minimum fine of \$500 and a maximum fine of \$750 for a third offense. In addition, the proposed amendment provides that Category "D" violations will remain on the licensee's record for a period of two years. If, after two years, the licensee has not had additional Category "D" violations of Rule 1843, the record will be expunged for penalty purposes.

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 1843.3. PENALTIES FOR MEDICATION VIOLATIONS

Regular Board Meeting
April 28, 2011

1843.3. Penalties for Medication Violations.

(a) In reaching a decision on a penalty for a violation of Business and Professions Code section 19581, the Board, the board of stewards, the hearing officer or the administrative law judge shall consider the penalties set forth in subsections (d) and (e) of this Rule and any aggravating and mitigating circumstances. Deviation from these penalties is appropriate where the facts of the particular case warrant such a deviation, for example: there may be mitigating circumstances for which a lesser or no penalty is appropriate, and aggravating factors may increase the penalties beyond the minimum.

(b) Mitigating circumstances and aggravating factors, which must be considered, include but are not limited to:

- (1) The past record of the licensee regarding violations of Business and Professions Code section 19581;
- (2) The potential of the drug(s) to influence a horse's racing performance;
- (3) The legal availability of the drug;
- (4) Whether there is reason to believe the responsible party knew of the administration of the drug or intentionally administered the drug;
- (5) The steps taken by the trainer to safeguard the horse;
- (6) The steps taken by an owner to safeguard against subsequent medication violations including, but not limited to, the transfer of the horse(s) to an unaffiliated trainer;

(A) For the purpose of this regulation “unaffiliated trainer” means a trainer or an assistant trainer who is not related by blood, marriage or domestic partnership, or who is not or was never employed by the trainer from whose care such horse(s) were transferred.

(7) The probability of environmental contamination or inadvertent exposure due to human drug use or other factors;

(8) The purse of the race;

(9) Whether the drug found to be present in the official test sample was one for which the horse was receiving treatment as determined through the process described in Rule 1842 of this division;

(10) Whether there was any suspicious wagering pattern on the race;

(11) Whether the licensed trainer was acting under the advice of a licensed veterinarian.

(c) For the purpose of this regulation, the Board shall consider the classification of a drug substance as referred to in Rule 1843.2 of this division and the California Horse Racing Board (CHRB) Penalty Categories Listing By Classification, (1/08), which is hereby incorporated by reference, if a determination is made that an official test sample from a horse contained:

(1) Any drug substance, medication, metabolites or analogues thereof foreign to the horse, whose use is not expressly authorized in this division, or

(2) Any drug substance, medication or chemical authorized by this article in excess of the authorized level or other restrictions as set forth in the article.

(d) Penalties for violation of each classification level are as follows:

CATEGORY "A" PENALTIES

Penalties for violations due to the presence of a drug substance in an official test sample, which CHRB drug classification is categorized as warranting a Category A penalty are as follows:

LICENSED TRAINER:		
1st offense	2nd LIFETIME offense	3rd LIFETIME offense
<ul style="list-style-type: none"> ◦ Minimum one - year suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a three-year suspension. <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ Minimum fine of \$10,000 or 10% of gross purse (greater of the two) absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$25,000 or 25% of purse (greater of the two). <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ May be referred to the Board for any further action deemed necessary by the Board. 	<ul style="list-style-type: none"> ◦ Minimum two-year suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a three-year suspension. <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ Minimum fine of \$20,000 or 25% of gross purse (greater of the two) absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$50,000 or 50% of purse (greater of the two). <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ May be referred to the Board for any further action deemed necessary by the Board. 	<ul style="list-style-type: none"> ◦ Minimum three -year suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of permanent license revocation. <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ Minimum fine of \$25,000 or 50% of gross purse (greater of the two) absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of \$100,000 or 100% of purse (greater of the two). <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ May be referred to the Board for any further action deemed necessary by the Board.
LICENSED OWNER:		
1st offense	2nd LIFETIME offense in owner's stable	3rd LIFETIME offense in owner's stable
<ul style="list-style-type: none"> ◦ Disqualification of horse and loss of purse. <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ Horse may be placed on the veterinarian's list for up to 90 days and must pass a Board - approved examination pursuant to Rule 1846 before becoming eligible to be entered. <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1. 	<ul style="list-style-type: none"> ◦ Disqualification of horse and loss of purse. <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ Horse shall be placed on the veterinarian's list for up to 120 days and must pass a Board - approved examination pursuant to Rule 1846 before becoming eligible to be entered. <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1. 	<ul style="list-style-type: none"> ◦ Disqualification of horse, loss of purse and absent mitigating circumstances, minimum fine of \$10,000. The presence of aggravating factors could be used to impose a maximum fine of \$50,000. <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ Horse shall be placed on the veterinarian's list for up to 180 days and must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered. <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1. <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> ◦ Referral to the Board with a recommendation of a suspension of owners license for a minimum of 90 days.

CATEGORY "B" PENALTIES

Penalties for violations due to the presence of a drug substance in an official test sample, which CHRB drug classification is categorized as warranting a Category B penalty are as follows:

LICENSED TRAINER:		
1st offense	2nd offense (365-day period)	3rd offense (365-day period)
<ul style="list-style-type: none"> ◦ Minimum 30 -day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 60-day suspension. AND/OR ◦ Minimum fine of \$500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$10,000. 	<ul style="list-style-type: none"> ◦ Minimum 60-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 180-day suspension. AND/OR ◦ Minimum fine of \$1,000 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$20,000. 	<ul style="list-style-type: none"> ◦ Minimum 90-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a one-year suspension. AND/OR ◦ Minimum fine of \$2,500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$50,000 or 10% of purse (greater of the two). AND ◦ May be referred to the Board for any further action deemed necessary by the Board.
LICENSED OWNER:		
1st offense	2nd offense in stable (365-day period)	3rd offense in stable (365-day period)
<ul style="list-style-type: none"> ◦ Disqualification of horse and loss of purse. AND ◦ Horse must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered. AND ◦ Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1. 	<ul style="list-style-type: none"> ◦ Disqualification of horse and loss of purse. AND ◦ Horse must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered. AND ◦ Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1. 	<ul style="list-style-type: none"> ◦ Disqualification of horse, loss of purse and absent mitigating circumstances minimum fine of \$5,000. The presence of aggravating factors could be used to impose a maximum fine of \$20,000. AND ◦ Horse shall be placed on the veterinarian's list for up to 45 days and must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered. AND ◦ Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1.

CATEGORY "B" PENALTIES FOR RULE 1843.6 TOTAL CARBON DIOXIDE (TCO₂) TESTING

Penalties for violations due to exceeding permitted levels of TCO₂ as defined in Rule 1843.6 are as set forth below. All concentrations are for measurements in serum or plasma.

LICENSED TRAINER:		
1st offense TCO₂ (> 37.0mmol/l- <39mmol/l)	2nd offense TCO₂ (> 37.0mmol/l- <39mmol/l)	3rd offense TCO₂ (> 37.0mmol/l- <39mmol/l)
<ul style="list-style-type: none"> Up to a 30-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 60-day suspension. <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> Minimum fine of \$1,500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$5,000. 	<ul style="list-style-type: none"> Minimum 60-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 120-day suspension. <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> Minimum fine of \$2,500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$10,000. 	<ul style="list-style-type: none"> Minimum 90-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 180-day suspension. <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> Minimum fine of \$5,000 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$15,000.
LICENSED OWNER:		
1st offense TCO₂ (> 37.0mmol/l- <39mmol/l)	2nd offense TCO₂ (> 37.0mmol/l- <39mmol/l)	3rd offense TCO₂ (> 37.0mmol/l- <39mmol/l)
<ul style="list-style-type: none"> Disqualification of horse and loss of purse. 	<ul style="list-style-type: none"> Disqualification of horse and loss of purse. 	<ul style="list-style-type: none"> Disqualification of horse, loss of purse and in the absence of mitigating circumstances, \$2,500 fine.
LICENSED TRAINER:		
1st offense TCO₂ (≥ 39.0mmol/l)	2nd offense TCO₂ (≥ 39.0mmol/l)	3rd offense TCO₂ (≥ 39.0mmol/l)
<ul style="list-style-type: none"> Minimum 30-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 60-day suspension. <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> Minimum fine of \$2,500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$10,000. 	<ul style="list-style-type: none"> Minimum 60-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 180-day suspension. <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> Minimum fine of \$5,000 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$15,000. 	<ul style="list-style-type: none"> Minimum 90-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 365-day suspension. <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> Minimum fine of \$10,000 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$25,000.
LICENSED OWNER:		
1st offense TCO₂ (≥ 39.0mmol/l)	2nd offense TCO₂ (≥ 39.0mmol/l)	3rd offense TCO₂ (≥ 39.0mmol/l)
<ul style="list-style-type: none"> Disqualification of horse and loss of purse. 	<ul style="list-style-type: none"> Disqualification of horse and loss of purse. 	<ul style="list-style-type: none"> Disqualification of horse, loss of purse and a fine ranging from a minimum of \$5,000, up to a maximum of \$20,000.

CATEGORY "C" PENALTIES

Penalties for violations due to the presence of a drug substance in an official test sample, which CHRB drug classification is categorized as warranting a Category C penalty and for the presence of more than one non-steroidal anti-inflammatory (NSAID) in a plasma/serum sample, as defined in Rule 1844 of this division, and furosemide as defined in Rule 1845 of this division in an official test sample are as set forth below. All concentrations are for measurements in serum or plasma.

LICENSED TRAINER:		
1st offense	2nd offense (365-day period)	3rd offense (365-day period)
<ul style="list-style-type: none"> ◦ Minimum fine of \$500 to a maximum fine of \$1,000 absent mitigating circumstances. 	<ul style="list-style-type: none"> ◦ Minimum fine of \$1,000 to a maximum fine of \$2,500, and up to a 15 - day suspension absent mitigating circumstances. 	<ul style="list-style-type: none"> ◦ Minimum fine of \$2,500 and up to a 30 - day suspension absent mitigating circumstances

CATEGORY “C” PENALTIES FOR RULE 1844, AUTHORIZED MEDICATION (C) (1), (2), (3)

Penalties for violations due to overages for permitted non-steroidal anti-inflammatory drug substances (NSAIDs) as defined in Rule 1844 (c) (1), (2) and (3) of this division. All concentrations are for measurements in serum or plasma.

The official veterinarian shall consult with the treating veterinarian in all violations of 1844 (c). With permission of the official veterinarian the trainer may elect to pay the minimum fine in lieu of a stewards’ hearing. If the trainer has not had an 1844 (c) violation within the previous three years, the official veterinarian or the board of stewards may issue a warning in lieu of a fine for violations of 1844 (c)(1), phenylbutazone, provided the reported level is below ~~7.5~~ 5.1 mcg/ml.

LICENSED TRAINER:	Phenylbutazone (5.1-<10.0mcg/ml) Flunixin (20 50-100 ng/ml) Ketoprofen (11-49 ng/ml)	Phenylbutazone (5.1-<10.0mcg/ml) Flunixin (20 50-100 ng/ml) Ketoprofen (11-49 ng/ml)
1st offense	2nd offense (365-day period)	3rd offense (365-day period)
◦ Minimum fine of \$500 to a maximum fine of \$1,000.	◦ Minimum fine of \$1,000 to a maximum fine of \$2,500.	◦ Minimum fine of \$2,500 to a maximum fine of \$5,000.
LICENSED OWNER:	Phenylbutazone (5.1-<10.0mcg/ml) Flunixin (20 50-100 ng/ml) Ketoprofen (11-49 ng/ml)	Phenylbutazone (5.1-<10.0mcg/ml) Flunixin (20 50-100 ng/ml) Ketoprofen (11-49 ng/ml)
1st offense	2nd offense (365-day period)	3rd offense (365-day period)
No penalty administered.	No penalty administered.	No penalty administered.
LICENSED TRAINER:	Phenylbutazone (≥ 10.0 mcg/ml) Flunixin (≥ 100 ng/ml) Ketoprofen (≥ 50 ng/ml)	Phenylbutazone (≥ 10.0 mcg/ml) Flunixin (≥ 100 ng/ml) Ketoprofen (≥ 50 ng/ml)
1st offense	2nd offense (365-day period)	3rd offense (365-day period)
◦ Minimum fine of \$1,000 to a maximum fine of \$2,500.	◦ Minimum fine of \$2,500 to a maximum fine of \$5,000.	◦ Minimum fine of \$5,000 to a maximum fine of \$10,000.
LICENSED OWNER:	Phenylbutazone (≥ 10.0 mcg/ml) Flunixin (≥ 100 ng/ml) Ketoprofen (≥ 50 ng/ml)	Phenylbutazone (≥ 10.0 mcg/ml) Flunixin (≥ 100 ng/ml) Ketoprofen (≥ 50 ng/ml)
1st offense	2nd offense (365-day period)	3rd offense (365-day period)
◦ Horse must pass Board-approved examination pursuant to Rule 1846 before being eligible to run.	◦ Disqualification of horse and loss of purse. If same horse, placed on veterinarian’s list for up to 45-days, must pass Board-approved examination pursuant to Rule 1846 before being eligible to run.	◦ Disqualification of horse and loss of purse. Minimum \$5,000 fine. If same horse, placed on veterinarian’s list for 60 days, must pass Board-approved examination pursuant to Rule 1846 before being eligible to run

(e) Violations due to the presence of a drug substance in an official test sample, which CHRB drug classification is categorized as warranting a Category “D” penalty, may result in a written warning to the licensed trainer and owner. ~~A Category “D” penalty is a written warning to the licensed trainer or owner.~~ A Category “D” penalty may result in a written warning or fine that will remain on the licensee’s record for a

period of two years. After the two year period, if the licensee has had no further violations of CHRB Rule 1843, the Category "D" penalty will be expunged from the licensee's record for penalty purposes.

CATEGORY "D" PENALTIES

<u>1st offense (365 day period)</u>	<u>2nd offense (365 day period)</u>	<u>3rd offense (365 day period)</u>
<u>Minimum of an official written warning to a maximum fine of \$250.</u>	<u>Minimum of a \$250 fine to a maximum fine of \$500.</u>	<u>Minimum of a \$500 fine to a maximum fine of \$750.</u>

CATEGORY "D" PENALTIES FOR RULE 1844(C)(1) VIOLATIONS

<u>Phenylbutazone 2.1ug/ml to 5.0 ug/ml</u>		
<u>1st offense (365 day period)</u>	<u>2nd offense (365 day period)</u>	<u>3rd offense (365 day period)</u>
<u>Minimum of an official written warning to a maximum fine of \$250.</u>	<u>Minimum of a \$250 fine to a maximum fine of \$500.</u>	<u>Minimum of a \$500 fine to a maximum fine of \$750.</u>

(f) Any drug or its metabolite or analogue thereof found to be present in an official test sample that is not classified in Rule 1843.2 of this division shall be classified as a Class 1 substance and a Category "A" penalty until classified by the Board.

(g) The administration of a drug substance to a race horse must be documented by the treating veterinarian through the process described in Rule 1842 of this division.

(h) Any licensee found to be responsible for the administration of any drug substance resulting in a positive test may be subject to the same penalties set forth for the licensed trainer and his presence may be required at any and all hearings relative to the case.

(1) Any veterinarian found to be involved in the administration of any drug substance resulting in a positive test in Penalty Category "A" shall be referred to the California Veterinary Medical Board (CVMB) for consideration of further disciplinary action.

(2) Any veterinarian found to be involved in the administration of any drug substance resulting in a positive test in Penalty Category "B" or "C" may be referred to the CVMB for consideration of further disciplinary action upon the recommendation of the Equine Medical Director, the board of stewards or hearing officers.

(i) A licensee who is suspended, or whose license is revoked, because of a medication violation is not able to benefit financially during the period of suspension or revocation. This includes, but is not limited to, ensuring that horses are not transferred to licensed family members.

(j) For the purpose of this regulation “licensed family members” means any person who holds an occupational license issued by the CHRB and who is related to the suspended licensee, or the licensee whose license is revoked, by blood, or by marriage or domestic partnership, or who is related by blood to the spouse or domestic partner of such licensee.

(l) For the purpose of this regulation, licensed trainers suspended 60 days or more, or whose license is revoked, shall be banned from all inclosures under the jurisdiction of the CHRB. In addition, during the period of suspension, or revocation, such trainer shall forfeit all assigned stall space and shall remove from the inclosures all signage, advertisements, training-related equipment, tack, office equipment, and any other property.

Authority: Sections 19440, 19461 and 19580,
Business and Professions Code.

Reference: Sections 19461, 19580, 19581 and 19582,
Business and Professions Code.

Section 11425.50,
Government Code.

STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING THE
FEASIBILITY OF AMENDING CHRB
RULE 1846.5 POSTMORTEM EXAMINATION
TO REQUIRE THE PRECEDING SIX MONTHS OF VETERINARY MEDICAL RECORDS
BE SUBMITTED WITHIN 48 HOURS AFTER SUBMISSION OF
THE NECROPSY SUBMISSION FORM

Regular Board Meeting
April 28, 2011

BACKGROUND

Business and Professions Code section 19440 states that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of horse racing law. Business and Professions Code section 19444 provides that in performing its responsibilities the Board may conduct research to determine more fully the cause and prevention of horse racing accidents, the effects of drug substances on race horses, and the means for detection of foreign drug substances. Board Rule 1846.5, Postmortem Examination, requires that every horse which suffers a fatal injury on the racetrack, or which dies or is euthanized within an area under the jurisdiction of the Board, shall undergo a postmortem examination. The regulation is silent on whether a copy of the horse's veterinary records may be required by the Board. Such records may provide valuable information and insight in conjunction with the postmortem examination.

At the April 8, 2011 Medication and Track Safety Committee discussed the proposed amendment of Rule 1846.5, Postmortem Examination. The Committee recommended that the proposed amendment be forwarded to the full Board for approval to initiate a 45-day public comment period.

ANALYSIS

The proposed amendment to Rule 1846.5 adds a new subsection 1846.5(e)(1), which requires the owner's or trainer's veterinarian to provide the veterinary medical history for the preceding six months of any horse that dies or is euthanized on the grounds of a facility under the jurisdiction of the Board. The documents, which must be delivered to the official veterinarian within 48 hours of submitting the CHRB-72, Necropsy Submission Form, will allow for the correlation of postmortem data with medical records to look for causal relationships. Under the proposed amendment the documents would be considered confidential and their contents would not be disclosed except as specified under subsection 1846.5(e)(2).

RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1846.5. POSTMORTEM EXAMINATION

Regular Board Meeting
April 28, 2011

1846.5. Postmortem Examination.

(a) Every horse which suffers a fatal injury on the racetrack in training or in competition, or which dies or is euthanized within an area under the jurisdiction of the Board, shall undergo a postmortem examination at a diagnostic laboratory which is under contract with the Board to determine the injury or sickness which resulted in euthanasia or natural death.

(b) Test samples may be obtained from the carcass upon which the postmortem examination is to be conducted and sent to the diagnostic laboratory for testing for foreign substances or their metabolites, and natural substances at abnormal levels. When practical, test samples shall be procured prior to euthanasia.

(c) The costs associated with transportation to the diagnostic laboratory of any horse which has died under the provisions of subparagraph (a) shall be the responsibility of the racing association conducting the meeting where the death occurred or the training center or racetrack where death occurred when no meeting is in progress. The services of the official veterinarian and the laboratory testing of postmortem samples for standard necropsy and special equine necropsy examinations shall be made available by the Board without charge to the owner. The cost of any additional necropsy examination(s) requested by the owner or trainer are the responsibility of the requesting individual.

(d) Requests for each postmortem shall be filed with the official veterinarian by

the owner's or trainer's veterinarian within one hour of the death and shall be submitted on a Necropsy Submission Form, CHRB-72, (Rev. 6/04), hereby incorporated by reference, and which is available at all official veterinarian offices. The trainer is co-responsible to supply all information to complete CHRB-72.

(e) If the official veterinarian is not available, the owner's or trainer's veterinarian must phone the diagnostic laboratory within one hour of the death and fax CHRB-72 to the laboratory as notification that the horse is due for necropsy. On the official veterinarian's next scheduled work day, the owner's or trainer's veterinarian shall give the original CHRB-72 to the official veterinarian.

(1) Within 48 hours of the submission of the CHRB-72, the owner's or trainer's veterinarian shall provide the official veterinarian with the preceding six months of veterinary records that pertain to the horse submitted for the postmortem examination.

(2) Any veterinary medical records provided to the Board shall be considered confidential and their contents shall not be disclosed except in a proceeding before the stewards or the Board, in exercise of the Board's jurisdiction or in the analysis of injuries and illnesses causing fatalities as approved by the Executive Director and the Equine Medical Director.

(f) The racing association, racetrack or training center will notify the transporter within one hour of death to have the horse conveyed to the designated laboratory for necropsy.

(g) Upon completion of the postmortem examination the diagnostic laboratory shall file a written report with the Executive Director, the Equine Medical Director and the official veterinarian.

(h) Each owner and trainer accepts responsibility for the postmortem examination provided herein as a requisite for maintaining an occupational license.

Authority: Section 19440,
Business and Professions Code.

Reference: Section 19444(c),
Business and Professions Code.

STATE OF CALIFORNIA
CALIFORNIA HORSE RACING BOARD
NECROPSY SUBMISSION FORM
CHRB-72 (Rev. 06/04)

Accession # _____ 9-5

CAHFSL/Davis
W. Health Sciences Dr.
Davis, CA 95616
Phone (530) 752-8709
FAX (530) 752-5680

CAHFSL/San Bernardino
105 W. Central Ave.
San Bernardino, CA 92408
Phone (909) 383-4287
FAX (909) 884-5980

CAHFSL/Tulare
18830 Road 112
Tulare, CA 93274
Phone (559) 688-7543
FAX (559) 686-4231

Additional necropsy examination(s) that exceed the standard necropsy or equine special necropsy required by and provided through the California Horse Racing Board (CHRB) are the responsibility of the requesting individual (SEE REVERSE SIDE).

When a horse dies or is euthanized and the CHRB Official Veterinarian is not available; the owner's or trainer's attending veterinarian must phone the laboratory within one hour and fax this completed Necropsy Submission Form to the laboratory. A copy of the completed Necropsy Submission Form must be given to the CHRB Official Veterinarian on the Official Veterinarian's next scheduled work day.

Delay of necropsy makes some test results questionable in value. A necropsy will not be performed until the following information has been provided:

Name of CHRB Official Veterinarian			Name of Horse		Name of Owner		
Track Name			Age (years)	Breed	Address		
Address			Sex	Castrated	City	State	Zip Code
City	State	Zip Code	Tattoo <input type="checkbox"/> Yes # _____		Phone		
()			<input type="checkbox"/> No If No, color and markings: _____				
Phone							

Name of Attending Veterinarian			Name of Trainer				
Address			Address				
City	State	Zip Code	City	State	Zip Code		
()			()				
Phone	Phone						
Signature							

Medications _____

Track where injury occurred _____ Location on track where injury occurred (if available) _____

History: Died Euthanized _____

Agent used for Euthanasia _____ Date of Death _____ Time of Death _____ a.m. p.m.

Horse Insured: Yes No Unknown Human Injury: Yes No

Clinical findings and Diagnosis: _____

Additional Requests:

The injury is related to one of the following: Running of the race Training Non-exercise related Other

Signature of CHRB Official Veterinarian _____ Date _____

(OVER)

REQUEST FOR ADDITIONAL NECROPSY EXAMINATION(S)

I accept financial responsibility for all charges from the California Animal Health and Food Safety Laboratories for the additional necropsy examination(s) requested below which exceed the standard necropsy or equine special necropsy required by and provided through the California Horse Racing Board.

Additional necropsy examination(s) requested:

Horse insured: Yes No Unknown

Full insurance examinations required by insurance company: Yes No

Insurance Company

Address

()

Phone

City

State

Zip Code

Print Name

Signature

Date

STAFF ANALYSIS
 DISCUSS AND ACTION BY THE BOARD REGARDING A REPORT AND
 UPDATE BY THE UNIVERSITY OF CALIFORNIA, DAVIS AND THE CHRB
 REGARDING THE JOINT PROPOSAL FOR A RACETRACK SAFETY PROGRAM
 FOR EQUINE WELFARE AND INJURY PREVENTION BY THE J. D. WHEAT
 VETERINARY ORTHOPEDIC RESEARCH LABORATORY AND THE
 CALIFORNIA ANIMAL HEALTH AND FOOD SAFETY LABORATORY SYSTEM
 IN CONCERT WITH THE CHRB POSTMORTEM PROGRAM.

Regular Board Meeting
 April 28, 2011

BACKGROUND

The Racehorse Injury Prevention Program (RIPP) will develop and apply a forensic evaluation protocol to determine the reason for the cause of every catastrophic breakdown that occurs during training or racing.

Business and Professions Code section 19481.3 states that 'The Stewards shall investigate and prepare a report with respect to all on-track accidents involving jockeys that occur during the performance of their duties. The report shall, at a minimum, identify the circumstances of the accident, the likely causes, and the extent of any injuries.'

Business and Professions Code section 19444 also provides the ability to conduct the work necessary to understand why the accident occurred: 'in performing its responsibilities pursuant to this chapter, the board may do the following:(c) Conduct research to determine more fully the cause and prevention of horse racing accidents'

The RIPP builds on the existing CHRB Postmortem Program performed by the California Animal Health and Food Safety Laboratory (CAHFS), School of Veterinary Medicine, University of California, Davis. The CAHFS program results in a necropsy report that identifies the cause of death for every race horse that dies during training or racing. Four out of five racehorse deaths (79%) in California are caused by catastrophic bone, tendon and ligament (i.e., musculoskeletal) injuries). The current Postmortem Program typically identifies the cause of death as what musculoskeletal component(s) failed and lead to the breakdown.

The new RIPP program will use the CAHFS necropsy report as its starting point. Prior research has established that 90% of the fatal musculoskeletal injuries are due to pre-existing conditions. If we multiply 79% fatalities attributable to musculoskeletal injuries by 90% of musculoskeletal injuries due to pre-existing conditions we yield the conclusion that 71% of all racehorse fatalities are attributable to pre-existing injury. If these precursors are identified prior to racing or training, subsequent rehabilitation may prevent a majority of these fatalities.

ANALYSIS

This new program will change the way the CHRB investigates fatal accidents in CA racing.

Currently, the steps listed below are followed:

- (1) In the morning on race day, a veterinarian conducts a pre-race examination on every horse racing that day.
- (2) A horse that breaks down during racing or training and is euthanized is delivered to a CAFHS facility in Riverside or Davis.
- (3) A necropsy is performed that identifies the musculoskeletal system failure.
- (4) Infrequently, for research purposes, additional forensic analysis is conducted at the J.D. Wheat Veterinary Orthopedic Research Laboratory (JDWVORL) of the University of California at Davis.

As a result of the proposed program, an improved process will result in a significantly more thorough understanding of why the musculoskeletal failure occurred:

- (1) New, enhanced examination protocols will be developed to improve the ability to detect pre-existing injuries prior to each race.
- (2) A horse that breaks down during racing or training and is euthanized will be delivered to a CAFHS facility.
- (3) A necropsy will be performed, as before.
- (4) A complete forensic investigation will be conducted at the JDWVORL that establishes the 'reason for the cause' of the fatal breakdown.
- (5) An integrated report will be jointly produced by CAFHS and the JDWVORL. This report will be completed within 20 days of the fatal accident and will be available to the CHRB Safety Steward that conducts the fatal accident investigation.
- (6) The knowledge gained from each investigation will be used to develop training, education and qualification requirements for trainers, assistant trainers and veterinarians.

The goal of the RIPP is to prevent musculoskeletal injuries in racehorses. Achievement of this goal would enhance equine, jockey, exercise rider and horseracing industry welfare. Prevention of racehorse injuries would minimize equine fatalities, prevent jockey and exercise rider injuries associated with falls of injured racehorses, and maximize the racehorse inventory for race meets. This would lead to better racing, more fans and a much stronger racing industry.

RECOMMENDATION

Staff recommends that the Board approve the new Racehorse Injury Prevention Program to be conducted at and managed by the University of California at Davis.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING
THE CHRB'S PARTICIPATION IN THE
RACING COMMISSIONERS INTERNATIONAL (RCI)
FIVE YEAR PLAN FOR THE ELIMINATION OF
DRUGS AND MEDICATION IN HORSE RACING

Regular Board Meeting
April 28, 2011

BACKGROUND

On March 28, 2011 the Racing Commissioners International (RCI) reported that the outgoing and incoming Chairmen of the RCI were challenging the racing industry to embrace a five-year phase out of drugs and medication in horse racing. The RCI Chairmen believed the phase out was reasonable and would bring North American horse racing in line with other parts of the world such as Europe and Hong Kong.

On April 15, 2011 the RCI announced that the Thoroughbred Racing Associations of North America (TRA) indicated it welcomed the leadership of the RCI in an industry effort to eliminate any possible medication influence on the performance of horses on raceday within the next five years. The TRA stated the RCI proposal should merit the active participation of every facet of the industry, so it could manage revisions in equine medication in a realistic and practical manner.

On April 18, 2011, the RCI issued a memorandum regarding a special teleconference call meeting of the RCI board on Tuesday, April 26, 2011. The purpose of the meeting was to discuss a proposed resolution for the phase out of performance enhancing drugs in race horses over the next five years. The memorandum noted support for the proposal was not unanimous, with the Thoroughbred Horseman's Association president and the National Horsemen's Benevolent and Protective Association expressing concern. The RCI is being asked to adopt the following resolution:

RESOLVED that the Association of Racing Commissioners International supports the complete elimination of performance enhancements in racing equines and a harmonization of its member medication policies with those of its international colleague regulatory authorities.

To that end, RCI supports this "Healthy Horse Initiative", specifically:

The therapeutic treatment of all racehorses should only be based upon a specific diagnosis by a licensed veterinarian and administered in the context of a valid and transparent owner-trainer-veterinarian relationship;

The medical treatments and diagnostic procedures performed on horses in a racetrack or training center setting should be documented in a medical record;

The responsibility of the owner-trainer-veterinarian to prevent a horse from competing in a race that requires the presence or intended effect of any medication at the time of the race;

The corresponding exclusion from competition of any horse that requires the presence or intended effect of any medication at the time of the race.

The RCI Board firmly believes that horses in need of treatment of therapeutic medication for injury or ailment recovery should be excluded from competition until recovered. RCI believes only healthy racehorses capable of competing free from the influence of medications should compete.

The RCI Board directs the staff to enter into a dialogue with all industry stakeholder groups on the development of a strategy to accomplish the above mentioned goals as expeditiously as possible but no later than January 1, 2016. The RCI Board believes five years is more than sufficient time to adjust existing practice and would welcome any effort to accelerate the attainment of the above mentioned goals.

The RCI Board Directs the Drug Testing Standards and Practices Committee as well as the Model Rules Committee to consult with relevant industry constituencies as well as colleague regulatory authorities around the world in order to develop proposed rule language designed to achieve the above mentioned goals and harmonize RCI member policies with our international colleagues to the greatest extent possible.

On April 20, 2011, the Racing Medication and Testing Consortium (RMTC) announced it will convene an international summit on race-day medication with the National Thoroughbred Racing Association and the American Association of Equine Practitioners participating. The purpose of the summit, which could occur within 90 days of the RMTC announcement, would be to bring together a broad range of international industry views on race day medication, so that all stakeholders would be included in the dialogue. The NTRA noted such industry groups as The Jockey Club, Thoroughbred Owners and Breeders Association and Breeders' Cup Ltd. had endorsed the RCI proposal, but there was a lot of work to be done to figure out how to manage the issue going forward.

RECOMMENDATION

This item is presented for Board discussion and action.

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NEW ORLEANS - Both the outgoing and incoming Chairmen of RCI challenged the racing industry and member regulators to embrace a strategy to phase out drugs and medication in horse racing.

Outgoing RCI Chair, Dan Hartman of the Colorado Racing Commission, said that "a five-year phase out is reasonable to bring North American racing policies in line with what is going on in other parts of the world like Europe and Hong Kong." Hartman said that a phased approach would give horsemen and owners sufficient time to adjust to the change.

RCI's new Chair, William Koester, the Chairman of the Ohio State Racing Commission, said, "Today over 99% of Thoroughbred racehorses and 70% of Standardbred racehorses have a needle stuck in them 4 hours before a race. That just does not pass the smell test with the public or anyone else except horse trainers who think it necessary to win a race. I'm sure the decision makers at the time meant well when these drugs were permitted, however this decision has forced our jurisdictions to juggle threshold levels as horsemen become more desperate to win races and has given horse racing a black eye."

These comments mark a major departure from regulatory policy that has been based on allowing traces of medication and a move toward enacting a policy of zero tolerance.

RCI President Ed Martin said the membership gathering in New Orleans last week was largely receptive to a major overhaul of medication policies.

Mr. Koester noted that "change is inevitable" and called for the association "to take the moral high ground and implement drug rules that mirror the racing in Australia, Dubai, Europe, Hong Kong, and even Russia."

"If you follow horse racing, you probably heard of the names Well Armed, Curlin, Invasor, Roses in May, Pleasantly Perfect, Captain Steve, Silver Charm. And Cigar. Eight of the last sixteen winners of the Dubai Cup were from North America and ran drug free. It can be done," Koester said.

In recent years RCI has based its medication policies largely on recommendations from the Racing Medication and Testing Consortium (RMTC). A shift toward "zero tolerance" would mark a departure from that practice and a major change for trainers.

Hartman concluded his remarks by telling the RCI members, "we regulators are the only voice in racing for the animals and betting public. It's time we raise the bar in service to both."

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4/15/2011

TRA Statement on Medication Policy Changes

ELKTON, Md. -- The Thoroughbred Racing Associations of North America (TRA) welcomes the proposal by the leadership of the Association of Racing Commissioners International (RCI) of an industry effort to develop a plan to eliminate within the next five years any possible medication influence on the performance of horses on race day.

The TRA recognizes medication policies are set solely by each respective racing commission and would support a concerted effort among the commissions, in consultation with the Racing Medication and Testing Consortium and others, to address the concerns about current policies regarding any pharmacological effects of medications on race day.

"This is a proposal that should merit the active participation of every facet of the industry in resolving an issue of great interest to racing fans and the general public," said Chris McErlean, president of the TRA. "As continued revision of equine medication rules for racing seems probable, it would be best for the industry to manage these changes by having them addressed cooperatively in a realistic and practical way."

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Sports > Horseracing

An overdue proposal

Friday, April 1, 2011

By Nick Kling
The Record

Thoroughbred racing is a sport overwhelmed with alphabet agencies trying to grab a piece of the action. NTRA, HBPA, NYSRWB, and AEEP are just a few of the dozens, possibly hundreds.

Among the least-known to racing fans is the RCI — the association of Racing Commissioners International. However, the RCI could soon become one of the best known if it continues on its recent path.

The RCI sent tremors through Thoroughbred racing on Monday when it issued a press release calling for the sport to “embrace a strategy to phase out (raceday) drugs and medication in horse racing.”

The newly installed chair of the RCI, William Koester, said, “Today over 99 percent of Thoroughbred racehorses ... have a needle stuck in them 4 hours before a race. That just does not pass the smell test with the public or anyone else except horse trainers who think it necessary to win a race. I'm sure the decision makers at the time meant well when these drugs were permitted, however this decision has forced our (racing) jurisdictions to juggle threshold levels as horseman become more desperate to win races and has given horse racing a black eye.”

Outgoing chair Dan Hartman pointed out America is one of the few major venues in the world which allows better racing through chemistry. Hartman said, “A five-year phase out (period) is reasonable to bring North American racing policies in line with what is going on in other parts of the world like Europe and Hong Kong.” He added that a “phased approach would give horsemen and owners sufficient time to adjust to the change.”

Koester, Hartman, and the RCI have tapped into a belief shared by many fans and observers of the sport. That is, the Thoroughbred breed has been degraded by the constant use of drugs, the practice makes it easier for unsavory characters to break the rules, and lots of former players have deserted the game because of the perception of cheating.

According to the RCI web site, it represents “44 jurisdictions and 9 neighboring territories and countries.” Among them is New York, within which the game is regulated by the New York State Racing and Wagering Board (NYSRWB).

A query was made to the NYSRWB on Wednesday about the RCI initiative. I received an email reply from Public Information Officer Joseph Mahoney. It said, “Chairman John Sabini views the RCI objectives as a noble long-term goal. The Board conducts a highly aggressive medication and drug surveillance program that is second to none. The board will be part of the discussion and will work in close consultation with other jurisdictions as these objectives are considered.”

My surmise is the above response, lukewarm as it appears, is going to be among the more enthusiastic. Many state racing commissions are dominated by horsemen and political appointees, neither of which group is interested in noble goals at the expense of short-term expediency.

Horsemen's groups have an established history of digging in their heels against any rollback of permissive medication use. They are firmly opposed to enhanced penalties or increased record-keeping to help police the sport.

A couple of years ago the NYSRWB proposed requiring horsemen to keep detailed records of medication use in their horses. This is a reasonable idea which is done every day by dairy farmers in New York and around the nation — people who have far larger herds of animals than Thoroughbred trainers. Nevertheless, horsemen whined like spoiled children and the proposal was quietly dropped.

Racing regulators have a dual role. Their primary function is protecting the integrity of the game. In addition, they are asked to keep operations working smoothly, the better to avoid interruptions to racing and wagering. Both could be enhanced by the end of raceday medication. Unfortunately, there are fears field size would diminish without the daily fix of the anti-bleeding medication lasix.

If New York is any indicator, the latter idea is hogwash. Raceday lasix was prohibited in this state until Sept. 1, 1995. It was approved with promises of larger fields and the ability of Thoroughbreds to perform more often.

Neither has proven to be true. In fact, the results have been just the opposite. Horses in New York race less often than ever before and field sizes have dropped in the 15-plus years of the legal needle.

The RCI release pointed out that eight U.S.-based horses have won the Dubai World Cup, a venue where raceday medication is not permitted. Violations are monitored closely. All eight of those animals raced on lasix in America. That should be no surprise. Within a year of New York legalizing raceday lasix the percentage of horses treated with the diuretic went from zero to 95.

New York fans are grateful "The (NYS) Board conducts a highly aggressive medication and drug surveillance program" as mentioned above. Respectfully, that misses the point.

Rescinding the permitted use of medication on the day a horse races has nothing to do with monitoring drug usage in racehorses. There were rule-breakers before lasix was legalized and there will be whether it can or cannot be used.

The real issue is whether officials are willing to heed the call issued by Mr. Hartman. He concluded the RCI announcement by saying, "We regulators are the only voice in racing for the animals and betting public. It's time we raise the bar in service to both."

Hear, hear.

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URL: <http://www.troyrecord.com/articles/2011/04/01/sports/horseracing/doc4d955af921e00321805262.prt>

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National HBPA Detailed Response to RCI's Five-Year Plan

Lexington, KY – April 18, 2011 – On March 28th, the Association of Racing Commissioners International (RCI) sent out a press release asking the racing industry and its member regulators to “embrace a strategy to phase out drugs and medication in horse racing” over the next five years.

The release gave no further concrete details about the strategy it asked the industry and its members to embrace and was unclear as to whether the phase-out would apply only to race-day medication, or if it would also include therapeutic medication used for training. The release acknowledged that, “In recent years, RCI has based its medication policies largely on recommendations from the Racing Medication and Testing Consortium (RMTTC). A shift toward ‘zero tolerance’ would mark a departure from that practice and a major change for trainers.”

The National Horsemen's Benevolent and Protective Association (NHBPA) believes the RCI's “zero tolerance” goal is both unwise and unrealistic – especially since environmental substances and increasingly sensitive testing make “zero tolerance” a virtually impossible goal.

Outgoing RCI Chairman Dan Hartman stated in the release that “a five-year phase out is reasonable to bring North American racing policies in line with what is going on in other parts of the world like Europe and Hong Kong.”

However, aside from the race-day use of Furosemide (essentially a diuretic used to reduce the amount of water inside a horse's body in order to allow its lungs to more efficiently expand and contract) and/or other adjunct medications to treat Exercise Induced Pulmonary Hemorrhage (EIPH – see below), there are no medications allowable on race-day in our sport.

While a sober and reasonable debate would be worthwhile, what is needed most in regards to the RCI's proposed five-year phase-out of medications is perspective, not emotion. The stakes are high, and at risk is what makes U.S. racing unique – its diversity. Increasingly, the U.S. is the only place where our sport remains accessible to both the billionaire and the bakery owner.

Make no mistake – what the RCI is proposing would have a profound effect on what defines U.S. horse racing. The “zero tolerance” path new RCI Chairman Koester proposes, for example, would likely inflict substantial damage on racing in his very own state of Ohio. Whether one agrees or disagrees with the RCI proposal, it will mean a significant reduction of the numbers of horses able to participate in our sport – especially at our small to mid-market tracks.

Moreover, in order to avoid openly addressing the true issue – the race-day use of Furosemide – the RCI has chosen to ring the alarm bells by using hot-button language like “needles in horses’ necks” and the threat of Federal intervention in order to, it seems, side-step further discussion. Instead, the RCI launched a public-relations campaign which forces industry groups like the National HBPA to accept a false choice: either go along with the RCI’s position or risk being labeled as those who favor “drugging” horses.

Perhaps many horsemen might agree that current policies addressing EIPH should be changed, but they have not been given the chance to have a reasonable debate to address the many unintended consequences this policy might have.

Thus, the question remains: if the use of Furosemide is banned, will EIPH magically go away?

The RCI is looking for a simple solution to a complicated issue. With this in mind, the National HBPA recommends that the racing industry engage in a reasoned debate about the core issue: the race-day use of Furosemide to treat EIPH, as well as what non race-day alternatives exist to address the proven existence of EIPH in over 80% of racehorses (if race-day use of anti-bleeder medications are not an option).

To that end, the National HBPA offers a few important talking points we feel ought to be part of this discussion:

Zero Tolerance ... The Myth

Since the RCI cited “zero tolerance” in its March 28th communication, the National HBPA is compelled to clarify a few misconceptions about so-called “zero tolerance.” No racing jurisdiction on earth today regulates therapeutic medications on the basis of “zero tolerance.” Regulators in Europe – whom the RCI has cited – use Harmonized Screening Levels (HSL), which means that they limit the sensitivity of their testing and publish withdrawal time guidelines for therapeutic medications.

“Zero tolerance” is, in practice, an ever-changing standard. As analytical instrumentation improves, “zero tolerance” testing will condemn U.S. racing to an unending cycle of ever more sensitive and absurd positive findings for irrelevant traces at the *parts per quadrillion* level (essentially the equivalent of one second in the life of someone who lived 32,000 years) of therapeutic medications found at times increasingly further removed from the moment of administration.

According to Dr. R. L. Smith, Molecular Toxicology, Imperial College School of Medicine of London, England, at the 2000 ICRAV Proceedings (page 12), “The zero tolerance approach adopted by so many racing authorities is, in essence, an illusion in which the magician is the racing chemist. ”

Class 4 or 5 therapeutic medications (mostly NSAID-type medications such as Phenylbutazone) are used to ease the aches and pains of training – akin to a person taking an Advil before or after a competition. It will not make that individual run any faster or jump any higher than his or her natural ability to do so.

Due to increasingly sensitive testing instruments, commonly used and recognized therapeutic medications legitimately given to horses in training by a licensed veterinary professional can now be

detected on race day – even when prolonged withholding times have been observed by horsemen and their veterinarians.

With modern testing being done at such minute levels, “zero tolerance” is not a reasonable target. In fact, allowances should continue to be made to recognize this higher sensitivity, as should have been the case last summer in Minnesota and Colorado when horsemen (many with perfectly clean records) were suddenly embroiled in a roundup of “cheaters.”

Further complicating matters is the reality of environmental substances. Studies have proven that horses that have not been administered any medication have nonetheless shown, when using new testing methods, trace amounts of medications at levels evidencing environmental substances from contact with bedding, shared tack (bits especially), discarded coffee cups, misplaced donuts (caffeine positives), or even environmental substances found on stall walls.

Nowhere in the world is “zero tolerance” the testing goal of laboratories. For example, Europe (Great Britain, France, Germany, Ireland, and Italy) had 16 harmonized screening levels (regulatory thresholds) three years ago and, by many estimates, even more today. Some of these thresholds from different parts of the world are, in fact, at higher levels than are permitted here in the U.S for the same substances.

Australia observes a number of regulatory thresholds already, and Dubai has withdrawal times for numerous medications that, like New York and Kentucky, must be based on a regulatory threshold.

If the RCI intends to also eliminate the ability for horses to train on any drug or medication – therapeutic or not – this would clearly go well beyond the policies of many of the countries it purports a desire to emulate.

Exercise Induced Pulmonary Hemorrhage (EIPH)

In reality, North American racing policies are already in line with many other countries around the world with one exception – the ability to administer race-day medication to prevent Exercise Induced Pulmonary Hemorrhage (EIPH).

EIPH means what it says: with enough exertion in the racehorse, pulmonary hemorrhage is induced. When raced, horses inevitably bleed into their lungs. All that differs is the amount of the bleeding and, ultimately, a small number of horses (approximately one in 1,500) will unfortunately die on the track from acute EIPH. These are the facts.

The 2009 South African Furosemide Efficacy (SAFE) study scientifically established that pre-treatment with Furosemide reduces EIPH, proving U.S. horsemen correct in this long-held belief.

As set forth in the introduction to the SAFE study, *“At least 80% of racehorses can be expected to develop the condition (EIPH) at some time during their career, approximately 60% of sudden deaths during racing have been attributed to pulmonary hemorrhage ... severe EIPH has been shown to adversely affect race performance, and EIPH is believed to adversely affect the overall health of racehorses.”*

It should be noted that the SAFE study was carried out by an international group of scientists and supported, in part, by the Grayson-Jockey Club Research Foundation; the Racing Medication and

Testing Consortium (RMTC); National Horseracing Authority of South Africa; Phumelela Gaming and Leisure, Ltd; TecMed, Ltd; Racing South Africa, Ltd; The Thoroughbred Racing Trust of South Africa; and other private donors.

Anti-furosemide “shock and awe” statements like those used by RCI Chairman Koester when he remarked, “Today over 99% of Thoroughbred racehorses and 70% of Standardbred racehorses have a needle stuck in them four hours before a race ...” can serve no other purpose than to further swell the negative public perception of horse racing while painting all horsemen with the broad brush of “cheater” when this is not the case (See “Analysis of 2009 – 2010 Medication Violations in North America” on page 5).

While some will argue against the use of furosemide in any instance, a regulated and measured policy that addresses EIPH – one based on science – has been proven to safeguard the safety and welfare of horse and rider. Banning it without properly discussing options may put the lives of some horses and jockeys at risk.

The NTRA pointed out this fact in a public response it issued to answer questions about the RCI release, saying, *“With the exception of medications aimed at preventing exercise induced pulmonary hemorrhage (EIPH), all race-day medications have already been banned in North America. Any discussion of further changing medication policies needs to balance public sentiment and the welfare of the horse.”*

Is Everyone Cheating?

An unknowing public relying on the RCI’s press release could easily surmise that horsemen are cheating. Before we completely lose the battle for public opinion, let’s consider the facts:

Each year there are generally over 100,000 horses racing in over 50,000 races that are tested for drugs. The winner and usually a horse selected at random are tested after each race. According to RCI data for 2009 and 2010, there was a per-year average of 569 medication violations detected through these test results (showing the presence of drugs). Thus, from 210,078 tests taken in 2009 and 2010, only 0.54% of all the tests taken resulted in a violation (positive).

Moreover, out of the 100,000 tests taken each year in 2009 and 2010, an average of 26 tests resulted in a Class 1 or Class 2 violation – that is just 0.0026% of all tests taken in a year. That is less than 3/100ths of 1%, hardly a number justifying a conclusion of rampant cheating.

And how many violations for Lasix? The two-year average was 20. That is 0.002% of all tests taken.

In the two-year analysis, by far the greatest number of violations discovered were for Class 4 and 5 substances, which comprised 76% of the 569 annual violations. Of these, 262 – or 46% – were for Bute or Flunixin (the horse’s equivalent of aspirin), which still amounts to only 0.043% of the total tests taken. These are medications that are universally recognized as therapeutic in the racehorse and which must be cut off 24 hours before a race. This record of very low percentages of violations is one that should be envied by other professional sports like football, baseball, and bicycling, which to our knowledge do not attempt to regulate this class of medication.

Additionally, based on RCI records from 2009 and 2010, an average of 6,011 trainers in North America are issued 8,418 licenses (Thoroughbred and Quarter Horse) each year. So, using a base of

6,000 individual trainers licensed each year, it bears notice that – on average – of ALL licensed trainers, only 1.2% received a Class 1,2, or 3 violation (of course, this does not encompass repeat offenders).

The bottom line is that the overwhelming majority – 98.8% of licensed Thoroughbred and Quarter Horse trainers across North America – are honest and abide by established medication rules.

Analysis of 2009 – 2010 Medication Violations in North America

Using information provided by the RCI and obtained from published data of The Jockey Club, we submit the following:

<u>Year</u>	<u># of Races</u>	<u># of Starters</u>	<u># of Violations</u>	<u># of Licensed Trainers</u>
2009	54,121	446,196	565	5,951
2010	50,918	417,192	572	6,071

If two horses are tested from each race and average field size is slightly more than eight horses, then horse racing tests approximately 25% of its participants during each and every of its live events. We would argue this is a standard that is equal to or exceeds the testing in any other sport.

<u>Year</u>	<u># of Violations</u>	<u># of Horses Tested</u>	<u>% Positive</u>	<u>% in Compliance</u>
2009	565	108,242	0.52%	99.48%
2010	572	101,836	0.56%	99.44%

If we consider the Class 1-2-3 violations (4 & 5 cover therapeutic medications) and correlate that to the licensed trainers, with an assumption that no trainer received more than one violation, then:

<u>Year</u>	<u># of 1-2-3 Violations</u>	<u># of Trainers</u>	<u>% Positive</u>	<u>% in Compliance</u>
2009	117	5,951	1.97%	98.03%
2010	119	6,071	1.96%	98.04%

Testing Laboratories

Why have regulators not aimed their “zero tolerance” goal toward the very testing laboratories with which they work? Perhaps it is because regardless of whether U.S. racing bans race-day medications or not, we will still be left with a ramshackle system of too many testing labs, some without the necessary accreditation and many which use dated equipment and differing procedures – factors which have led to false positives and unfortunately, in some cases, “gotcha” regulatory practices.

Key U.S. racing stakeholders such as the NTRA, RMTC, and the major horsemen’s groups, among others, have endorsed an industry initiative which would: a) reduce the number of testing labs across the U.S., focusing on quality versus quantity; b) require that all testing labs have the highest standards possible (for example, a minimum ISO/IEC 17025 accreditation), and; c) require that all U.S. labs apply uniform practices, the best and latest instrumentation, and quality control safeguards.

So why was this not part of the RCI’s five-year plan as well?

Absolute Insurer Rule

In most states, a trainer is held responsible under the “absolute insurer” rule for any medication violation even if he or she had nothing to do with administration of the medication in terms of dosage, timing, or choice of treatment. Why not hold the practicing veterinarian similarly responsible under an absolute insurer rule?

In Conclusion,

The National HBPA strongly urges the RCI and the racing industry at large to pump the brakes on their desire to sign onto a five-year plan which, for all intents and purposes, already has a pre-determined outcome.

Do we need to have a national discussion about race-day use of anti-bleeding medications, zero tolerance, and negative public perception of our sport? Absolutely. However, it is vital that we balance the needs of effective regulation of our sport with sensible training practices that benefit the horse. These issues are not as black or white as some would have us believe.

The National HBPA believes strongly in scientifically sound and properly enforced regulatory policies. Proper regulation should be the goal, and while we may not be perfect, we are certainly much farther along than was the case even a decade ago. Arguably, with the exception of the race-day use of medications to treat EIPH, most U.S. testing procedures and medication standards are equally or more strict than those in other countries around the globe.

Let’s step back from the “shock and awe” tactics and focus on policies that are in the best long-term interest of the racehorses and the owners, trainers, jockeys, grooms, and exercise riders who care for them each day.

THOROUGHBRED TIMES®

RMTC to help convene international congress on race-day medication

Wednesday, April 20, 2011

by Ed DeRosa

The Racing Medication and Testing Consortium in conjunction with the National Thoroughbred Racing Association and American Association of Equine Practitioners will unite to convene an international summit on race-day medication possibly in as soon as 90 days.

The RMTC board of directors met on Tuesday for its first meeting since leaders of the Association of Racing Commissioners International called for an end to race-day medication at its annual meeting in mid March. The NTRA had discussed RCI's proposal at a board of directors meeting on April 18 but offered no comment, so its involvement with the RMTC and AAEP is its first comment on the subject.

"The NTRA welcomes the opportunity to bring together a broad range of international industry views on race day medication," NTRA President Alex Waldrop said. "Our goal is to ensure that all stakeholders are included in the dialogue so that the ultimate conclusions are based on an objective evaluation of facts."

Major industry groups such as The Jockey Club, Thoroughbred Owners and Breeders Association, and Breeders' Cup Ltd. endorsed RCI's five-year plan, but the National Horsemen's Benevolent and Protective Association did not, saying that more research is needed.

"There's a lot of heavy lifting to put something like that together, but it's the responsible thing to do in the wake of the polarizing discussion that stemmed from [RCI's] simple press release," said Alan Foreman, president of the Thoroughbred Horsemen's Association and vice chairman of the consortium. "The only way to responsibly deal with this now is to call a time out, take a deep breath, and get the international community together to figure out how to manage the issue going forward."

"What's best for the horse, and what's best for racing? This is going to be a very difficult discussion."

Complicating that discussion is that the RMTC's executive director, Scot Waterman, D.V.M., has resigned, effective April 29. The RMTC Board of directors voted to convene a search

committee with Thoroughbred Racing Associations Executive Vice President and RMTC Vice Chairman Chris Scherf serving as chairman.

In the interim, Gregg Scoggins, D.V.M., will serve as an RMTC project manager to continue to oversee the Drug Testing Initiative as well as research on therapeutic medication administration and threshold research. Scoggins is a former Magna Entertainment Corp. executive who has years of experience with regulatory processes.

“Make no mistake about it, RMTC will continue to move forward with our efforts to strengthen the integrity of racing,” RMTC Chairman Robert Lewis, D.V.M. “We have good momentum in our projects and do not intend to let anything slow us down.”

STAFF ANALYSIS

April 28, 2011

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE SAN JOAQUIN COUNTY FAIR AT STOCKTON JUNE 16-19, 2011.

San Joaquin Fair filed its application to conduct a horse racing meeting at Stockton:

June 16-19, 2011, or 4 days, one day less than 2010. The fair proposes to race a total of 44 races, 10 less than 2010.

June - 2011						
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
	20	21	22	23	24	25
26	27	28	29	30		

- Racing Thursday, Friday, Saturday and Sunday. 6 races per day Thursday, 9 races Friday and 10 races per day Saturday and Sunday. Stockton is running a four day race week to coincide with Hollywood Park.
- Number of horses available determines the number of daily races programmed by breed.
 - 2010 Race Meeting: Average number of runners per race (TB): 6.73
 - 2010 Race Meeting: Average number of runners per race (Arabian): 7.00
 - 2010 Race Meeting: Average number of runners per race (Quarterhorse): 5.67
 - 2010 Race Meeting: Average number of runners per race (Mules): 6.40
- First post 1:15 p.m.
- Specific changes from the 2010 license application:
 - Admission (general) from \$9 to \$0
 - Programs (off-track) from \$2 to 2.50
- Request Darrell Sparks be appointed horse identifier pursuant to CHRB Rule 1525.
- Wagering program will use CHRB rules and ARCI rules.
 - \$1 place pick and \$0.10 Superfecta when applicable.
 - \$0.50 pick 4 on first 4 races and last 4 races – pick five on last 5 races.
 - \$2 pick 6 on last 6 races.
 - \$0.50 Pentafecta on last race of the day - 100% carryover if no winners.
 - Super High Five on the last race in accordance with ARCI Pick(n) Position(x) pools rules.
 - Early wagering will not be offered.
- The Advance Deposit Wagering (ADW) providers are XpressBet, TVG and TwinSpire.

Pursuant to Business and Profession Code section 19604, specific provisions must be met before an ADW provider can accept wagers.

Summary of B&P code 19604

To accept wagers on races conducted in California from a resident of California.

- The ADW provider must be licensed by the Board.
- A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
- The agreement 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.

To accept wagers on races conducted outside of California from a resident of California.

- The ADW provider must be licensed by the Board.
- 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.

Documents received in compliance with Business and Professions code 19604:

- ODS Technologies, L.P. d/b/a TVG Network has submitted all document required in compliance with Business and Professions code 19604.
- XpressBet LLC. dba XpressBet.com, DelMarBets.com and OakTreeBets.com, has submitted all document required in compliance with Business and Professions code 19604.
- Churchill Downs Technology Initiatives Company, dba Twinpires, has submitted all document required in compliance with Business and Professions code 19604.
- 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 has been requested and will be completed prior to race meet.
- Track safety inspection has been requested and will be completed prior to race meet.

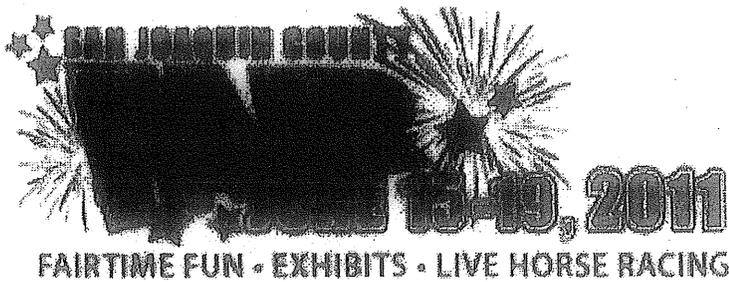
ITEMS STILL NEEDED

1. Horsemen's agreements
2. CTT Agreement
3. Fire clearance

RECOMMENDATION:

Staff recommends the Board not approve the application until the outstanding documents have been received.

If the application is considered for approval, staff recommends a contingent approval upon the submission of outstanding items and recommends the applicant be required to appear again before the Board to address the status of the outstanding documents and to remove the contingency status from the Board's approval.



California Horse Racing Board
C/O Kirk Breed
Executive Director
1010 Hurley Way, Suite 300
Sacramento, CA 95825

April 15, 2011

RE: Amendment to San Joaquin County Fair's 2011 Horse Racing License Application

Dear Kirk,

The San Joaquin County Fair Board and Staff have revisited the current fair racing dates as indicated in our 2011 License Application. With Hollywood Park's plan to run four day weeks and the concern over the horse population and purse overpayments we are requesting our dates be reduced by one day from five days to four and now would be June 16 through June 19. We have discussed this action with CARF, TOC and other industry leaders who strongly recommend and concur in this action.

We appreciate the assistance of CHRB Staff as we adjust our License Application to reflect the appropriate revisions to our number of day, number of races, purse projections, etc...

Thank you for your ongoing professional assistance in this request.

Sincerely,



James Jimenez

Chairman

San Joaquin County Fair Board of Directors

Cc: Chris Korby
Janet Covello

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD
 APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF A CALIFORNIA FAIR
 CHRB-18 (Rev.12/06)

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:

San Joaquin County Fair
 1658 S. Airport Way
 Stockton, CA 95206

Phone: 209-466-5041
 FAX: 209-466-5739

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 16 – 19, 2011

B. Dates racing will NOT be held: None

C. Total number of racing days: Four (4)

3. RACING PROGRAM

A. Total number of races: 44

B. Number of races by breed:

<input type="text" value="35"/>	Thoroughbreds	<input type="text" value="2"/>	Quarter Horses	<input type="text" value="0"/>	Appaloosas
<input type="text" value="4"/>	Arabians	<input type="text" value="-0-"/>	Paints	<input type="text" value="3"/>	Mules

C. Number of races daily:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Thoroughbred	10				6	9	10
Other Breeds	2				2	3	2
Total	12				8	12	12

Application received: 3/24/11 Reviewed: <i>cap</i>	CHRB CERTIFICATION	Hearing date: 4/28/11 Approved date: License number:
---	---------------------------	--

- 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:

Janet Covello	Interim Chief Executive Officer
Bryan Wayte	Pari-Mutuel Coordinator
Frank Mirahmadi	Announcer and Morning Line Maker
David Pimley	Senior Maintenance Worker
Jack Hatch	Stable Superintendent
Tammy McDuffie	Stewards' Aide
Ray Simpson	Assistant Satellite Supervisor

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate: (4 days)	\$ 316,995
Prior meet actual: (5 days)	\$ 358,159

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

Current meet estimate:	\$ 79,248
Prior meet actual:	\$ 71,631

2. Overnight stakes:

Current meet estimate:	\$ 50,000
Prior meet actual:	\$ 0

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

Current meet estimate:	\$ 12,500
Prior meet actual:	\$ 0

3. Non-overnight stakes:

Current meet estimate:	\$ 0
Prior meet actual:	\$ 0

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

Current meet estimate:	\$ 0
Prior meet actual:	\$ 0

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

Current meet estimate:	\$ 29,921
Prior meet actual:	\$ 31,804

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

Current meet estimate:		Prior meet actual:	
CTT	\$ 1,098		\$ 1,167
TOC	\$ 2,197		\$2,335
NTRA	\$ 1,755		\$2,089
PCQHRA	\$ 497		\$ 580
CWAR	-0-		-0-
ARAC	\$ 1,267		\$ 1,346
AMRA	\$ 2,120		\$ 2,254
CHBPAPEN	\$ 3,295		\$ 3,503
CTHF	\$ 3,295		\$ 3,503
<hr/>		<hr/>	
Total	\$ 15,524	Total	\$ 16,777

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:	\$ 412,440
Prior meet actual:	\$ 406,740

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

Current meet estimate:	\$ 103,110
Prior meet actual:	\$ 81,348

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

Current meet estimate:	\$ 311,684
Prior meet actual:	\$ 345,061

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

Current meet estimate:	\$ 77,921
Prior meet actual:	\$ 69,012

F. Purse funds to be generated from interstate handle:

Current meet estimate:	\$ 54,568
Prior meet actual:	\$ 63,379

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

Current meet estimate:	\$ 13,642
Prior meet actual:	\$ 12,675

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

TOC Account # On file; Emerging Breeds Account #On file

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

Disher Accountancy Corp.
 1816 Maryal Drive, Sacramento, CA 95864
 Phone: 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 deficit 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. All 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:
695 Permanent Stalls
- B. Minimum number of stalls believed necessary for the meeting: **1,795**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **2,124**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:
Alameda County Fair: 684 Golden Gate Fields: 1,440
- 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

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:
695 Permanent Stalls, Plus 200 Portable Stalls
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per-day per stall:
Golden Gate \$8.43
Pleasanton \$10.44
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: **-0-**

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).

Example Race	TYPE OF WAGERS	APPLICABLE RULES
Example Race	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9
Race #2	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9
Race #3	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$2PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9
Race #4	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9
Race #5	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9
Race #6	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9
Race #7	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9
Race #8	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6 \$.50 SUPER HIGH 5	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9, ARCI 004-105
Race #9	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1

	\$.50PNP4, \$.50PNP5, \$2PNP6 \$.50 SUPER HIGH 5	CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9, ARCI 004-105
Race #10	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6 \$.50 SUPER HIGH 5	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9, ARCI 004-105
Race #11	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6 \$.50 SUPER HIGH 5	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9, ARCI 004-105
Race #12	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6 \$.50 SUPER HIGH 5	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9, ARCI 004-105

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **June 19, 2011 (Closing Day)**

C. List any options requested with regard to exotic wagering:
\$1 PPN when applicable; and \$0.10 SF when applicable
\$0.50 Pick 4 on first race and last 4 races
\$0.50 Pick 5 on last five races
@\$2 Pick 6 on last 6 races
\$0.50 Pentafecta selecting the first five finishers in the same race. 100% payout on all tickets selecting five winners. No consolation; 100% carryover if no ticket has five winners. Note: Superfecta will be offered in the race. Super High-5 will be carded as the last race of the day.

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
Equipment description on file with the Board

Contract Expires: September 30, 2012

In the event there is a prohibitive favorite where there is sufficient information that the entry will most likely generate a negative place or show pool, the association will request approval from CHRB to allow that entry to run for purse only.

8. ADVANCE DEPOSIT WAGERING (ADW)

A. Identify the ADW provider(s) to be used by the fair for this race meeting:
Xpress Bet, T.V.G., TwinSpire

9. SIMULCAST WAGERING PROGRAM

A. Simulcast organization engaged by the association to conduct simulcast wagering: **Northern California Off-Track Wagering, Inc. (NCOTWINC)**

B. Attach the agreement between the association and simulcast organization permitting the organization to use the association'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 with CHRB.

C. California simulcast facilities the association proposes to offer its live audiovisual signal:

NORTHERN CALIFORNIA

- Alameda County Fair, Pleasanton
- Big Fresno Fair, Fresno
- California State Fair & Exposition, Sacramento
- Club One, Fresno
- Golden Gate Fields, Albany
- *Humboldt County Fair, Ferndale
- Jockey Club at San Mateo, San Mateo
- Kern County Fair, Bakersfield
- Monterey County Fair, Monterey

- 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

*Open during two-week Ferndale Fair Racing

SOUTHERN CALIFORNIA

- Barona Valley Ranch Resort & Casino, Lakeside
- Cabazon Fantasy Springs Casino, Indio
- Derby Club, Seaside Park, Ventura
- Earl's Place at Earl Warren Fairgrounds, Santa Barbara
- Fairplex Park, Pomona

- Los Alamitos Race Course, Los Alamitos
- Santa Anita Park, Arcadia
- Shalimar Sports Center, Indio
- Sports Center, San Bernardino
- Sports Pavillion at The Farmers Fair, Lake Perris
- Sports Pavillion, San Bernardino Cty. Fair, Victorville
- Surfside Race Place at Del Mar, Del Mar
- ***Sycuan Gaming Center, El Cajon
- Viejas Casino & Turf Club, Alpine
- Watch & Wager, Antelope Valley Fgds, Lancaster

D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
See – Attachment "A" – Common Pool Sites, Separate Pool, Flat Fee Sites

E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
See Attachment A

F. List the host track 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":
See Attachment B

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
--------------------	------------	---

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:

OTHER BREED SIMULCAST RACES TO BE IMPORTED

**Attachment A – Section 9D and E
Commingled**

AmWest Entertainment, OR

Riders Up, SD

Time Out Lounge, SD

Triple Crown, SD

Arapahoe Park, CO

Arima Race Club

Arlington International Race Course, IL

Atlantic City Race Course, NJ

Atokad Downs, NE

Balmoral Park, IL

Bangor, ME

BetPad Ltd.

Beulah Park, OH

Birmingham Race Course, AL

Bluffs Run Greyhound

Bordertown (Remington)

Buffalo Raceway, NY

Bwin International Ltd.

Calder Race Course, FL

*Canadian Associations

Canterbury Park, MN

Capital District OTB

Capital Sports Ply, Ltd, Australia

Cashpoint Limited

Casino Association, NJ

Catskills OTB, NY

Charlestown Race Course, VA

Chester Downs & Marina LLC

Chester Downs Account Wagering

Churchill Downs, KY

Coeur d'Alene Casino, ID

Coeur d'Alene Account Wagering

Colonial Downs, VA

Colonial Downs Phone Bet

Columbus Races, NE

Connecticut OTB, CT

Connecticut OTB Account Wagering

Bradley Teletheater

Bristol

Divi Carina Bay Casino

East Haven

Hartford

Ho-Chunk Casino and Racebook

John Martin's Manor Restaurant

Manchester

Milford

Millenium Racing

Mohegan Sun Casino

New Britain

New London

Norwalk

Paragon Casino

Pony Bar Simulcast Center

Putnam

Randall James Racetrack

Royal Beach Casino

Shoreline Star

Sports Haven

Torrington

Tote Investment Racing

Emerald Downs, WA

Euro Off-Track Wagering

Evangeline Downs, LA

Fair Chance

Fair Grounds, LA

Fair Meadows

Finger Lakes, NY

Fonner Park, NE

Freehold Raceway

Gillespie County Fair

Greenetrack

Greyhound @ Post Falls

Gulf Greyhound

Gulfstream Park, FL

GWS German Tote

Harrington Raceway

Hawthorne Park, IL

Hawthorne Account Wagering

Hazel Park

Hipodromo Presidente Remon, Panama

Hoosier Park, IN

Horsemen's Park, NE

Indiana Downs, IN

Evansville OTB

Clarksville OTB

International Racing Group

Jackson Harness Raceway, MI

Keeneland Association, KY

Kentucky Downs, KY

Kentucky OTB

Lebanon Raceway, OH

Les Bois/Idaho

Lewiston Raceway Inc., ME

Lien Games, Inc., ND

Chips Lounge and Casino

Howard Johnson OTB and Turf Club

Rumors OTB

Skydancer Casino OTB

BetAmerica/Win2wager Account Wagering

Lincoln Greyhound Park

Lone Star., TX

Louisiana Downs, LA

LVDC

Atlantis Paradise Casino

Avatar Ventures

Pojoaque Cities of Gold Sports Bar

Foxwoods Resort Casino

Meskwaki Bingo & Casino

The Stables

MagnaBet Account Wagering

Maryland Jockey Club, MD

Maywood Park, IL

Meadowlands, NJ

Meadowlands, The, NJ

Meskwaki Casino

Millers OTB

Mohegun Sun

Monmouth Park, NJ

Montana OTB, MT

Monticello Raceway, NY

Mount Pleasant Meadows, MI

Ocean Downs

Penn National

Penn National Telebet

Philadelphia Park/PARX

Philadelphia Park/PARX Phone Bet

Phumelela Gold

Plainridge Race Course

Plainridge Telephone Wagering

Pocono Downs and OTB

Pocono Downs Account Wagering

Portland Meadows, OR

Prairie Meadows

Premier Turf Club

Presque Isle Downs

Racebets Account Wagering

Raceway Park

Racing World

Racing2Day Account Wagering

Racing & Gaming Services

Rayhnam-Taunton Greyhound Park, MA

Remington Park, OK

Retama Park, OK

River Downs

Rockingham Park

Rosecroft Raceway, MD

Royal River Racing/Bettor Racing

Royal Turf Club

Ruidoso Downs, NM

Running Aces Harness Park

Sam Houston, TX

Valley Greyhound Park

Sandy Downs, ID

Saratoga Raceway, NY

Scarborough Downs, ME

Scioto Downs, OH

Seabrook Greyhound

Skydancer Casino

Sol Mututel Ltd.

Southland, AR

Sports Center

Sports Creek Raceway, MI

Stables, The

State Fair Park, NE

Suffolk Regional OTB, NY

Suffolk Downs, MA

Pat's Pizza

Sunland Park, NM

SunRay Park, NM

Tampa Bay Downs, FL

Thistledown Racing, OH

Tioga Downs

Tri-State Racetrack & Gaming Center, WV

Turf de Venezuela

Turf Paradise, AZ

Turfway Park, KY

TVG

TVG/Yonkers Raceway

Twin River Greyhound Park

Twin Spires/AmTAB

Vernon Downs, NY

Western Regional OTB, NY

Wheeling Downs, WV

Corpus Christi Greyhound
 Cypress Bayou OTB
 Dairyland Greyhound Park, WI
 Delaware Park, DE
 Delta Downs
 Dover Downs
 Downs at Albuquerque, NM
 Ebet Online
 Elite Turf Club 1-9, NV
 Ellis Park, KY
 Emerald Downs, WA
 Equus St. Thomas Racing, Inc.
 Evangeline Downs, LA
 Evansville OTB
 Fair Meadows
 Fair Grounds Race Course, LA
 Finger Lakes Race Track, NY
 Fonner Park, NE
 Foxwoods Casino,
 Freehold Raceway, NJ
 Geneva Lakes
 Gillespie County Downs
 Global Wagering Solutions (MEC) MagnaBet
 Great Lakes Downs, MI
 Greentrack
 Gulf Greyhound, TX
 Gulfstream Park, FL
 Harrington Raceway
 Hawthorne
 Hazel Park, MI

Mountaineer Park, WV
 Mystique Dubuque Greyhound Park
 Nassau Regional OTB, NY
 Nebraska State Fair Park, NE
 Nevada Pari-Mutuel Association, NV
 New York Racing Association ADW
 New York Racing Association, NY
 Newport Jai Alai, FL
 NJ Mobile, NJ - ADW
 Northfield Park, OH
 Cedar Downs OTB
 Northville Downs,
 Oaklawn Park, AR
 Ocean Downs, MD
 Penn National Race Course, PA
 Phumelela Gold
 Philadelphia Park, PA
 Pinnacle Race Course
 Plainfield Greyhound Park, NJ
 Plainridge Racecourse, MA
 Pocono Downs, PA
 Portland Meadows, OR
 Potawatomi Casino
 Prairie Meadows, IA
 Premier Turf Club
 Presque Isle Downs
 Race 2 Day
 Raceway Park, OH
 Racing World
 Racing US
 Racing & Gaming Services, British WI
 Raynham Taunton Greyhound Park
 Remington Park, OK
 Retama Park, TX
 River Downs, OH
 Rockingham Park, NH
 Rocky Mountain Turf Club

Wichita Greyhound Park, KS
 Will Rogers Downs, OK
 Wonderland Greyhound Park, MA
 Woodlands, KS
 Wyoming OTB, WY
 XpressBet, Inc., CA
 Yavapai Downs, AZ
 Yonkers Raceway, NY
 Yonkers Account Wagering
 YouBet Group I
 YouBet Illinois
 Zia Park, NM

Separate Pools:

Caymanas Park, JAM
 Hippodromo Camerero (PR)
 Maronas Race Track
 MIR/Caliente
 Panama

*Canadian Locations-Commingled

Assiniboia Downs	Marquis Downs	Western Fair Raceway
Barrie Raceway	Mohawk Racetrack	Windsor Raceway
Charlotetown	New Brunswick	Woodbine
Clinton Teletheatre	Northlands Park	Woodstock
Dresden	Picov Downs	
Elmira Raceway	Quinte Raceway	
Evergreen Park Grande Prairie	Rideau Carlton	
Exhibition Park	Rocky Mountain Turf Club	
Flamboro Downs	Royal Britiana Hub	
Fredericton Raceway	St. Johns	
Georgian Downs	Sudbury Downs	
Hanover Raceway	Summerside	
Hiawatha	TBC Sandown	
Inverness Raceway	TBC Theatres	
Karwatha Downs	Truro Raceway	

ATTACHMENT B – Section 9 F
IMPORT TRACKS
 San Joaquin County Fair at Stockton
 June 15 – 19, 2011

Out-of-State & International Imports – Full and/ or Partial Card (Subject to Change)

DOMESTIC	
ARLINGTON	6/15-6/19
BELMONT	6/15-6/19
CALDER RACECOURSE	6/15-6/19
CANTERBURY DOWNS	6/15-6/19
CHARLES TOWN	6/15-6/19
CHURCHILL DOWNS	6/15-6/19
COLONIAL DOWNS	6/15-6/19
DELAWARE	6/15-6/19
EMERALD DOWNS	6/15-6/19
EVANGELINE DOWNS	6/15-6/19
INDIANA DOWNS	6/15-6/19
LONE STAR	6/15-6/19
LOUISIANA DOWNS	6/15-6/19
MONMOUTH	6/15-6/19
MOUNTAINEER	6/15-6/19
PENN NATIONAL	6/15-6/19
PHILADELPHIA PARK/PARX	6/15-6/19
PIMLICO	6/15-6/19
PRAIRIE MEADOWS	6/15-6/19
PRESQUE ISLE DOWNS	6/15-6/19
RIVER DOWNS	6/15-6/19
RUIDOSO	6/15-6/19
SUFFOLK DOWNS	6/15-6/19
THISTLEDOWN	6/15-6/19
YAVAPAI DOWNS	6/15-6/19
INTERNATIONAL	
ASSINIBOIA	6/15-6/19
AUSTRALIAN RACING	6/15-6/19
FORT ERIE	6/15-6/19
HASTINGS	6/15-6/19
NORTHLANDS PARK	6/15-6/19
SOUTH AMERICAN RACING	6/15-6/19
UNITED KINGDOM	6/15-6/19
WOODBINE	6/15-6/19

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).

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 vaning 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) | Robert Connelly, DVM |
| Clerk of Scales | Cheryl White |
| Assistant Clerk of Scales | Matthew Nichols |
| Clerk of the Course | Dawn Schmid |
| Clerk of the Course
(Emerging Breeds) | Dolores Collins |
| Film Specialist | Danny Winick |
| Horse Identifier | Darrel Sparks |
| Horseshoe Inspector | Jack Hammonds |
| Paddock Judge | Joe Gibson |
| Patrol Judges | Joe Gibson and Danny Winick |
| Placing Judges | Greg Brent, K. Sjordal |
| Starter | Robert Mooneyhan |
| Timer | Melody Truitt |

B. Management officials in the racing department:

- | | |
|-------------------------------------|----------------|
| Director of Racing | Janet Covello |
| Racing Secretary | Tom Doutrich |
| Assistant Racing Secretary | Linda Anderson |
| Paymaster of Purses | Vicki Layne |
| 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:

Kelly Girl, 723 N. Main Street, Manteca, CA 95336. Phone: 209-823-9356

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 Corp, USA, Bill O'Brien. Contract Expires: December 7, 2012

- 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 Communications, Inc. – Jim Porep Contract Expires: April 30, 2013

Equipment description on file with the Board. 5 cameras, (3 tower, 1 pan, 1 hand-held)

- 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 Communications, Inc. – Jim Porep Contract Expires: April 30, 2013

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.

Janet Covello, Interim CEO – Office: 209-466-5041; Cell: 209-481-7342

Organizational Chart and List of Security Personnel - See Attachment 1A
(Security Chart TBP)

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

Stable area gate persons: 7; Stable area patrol: 2; Grandstand security guards: 8

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. Not applicable.

2. Detention Barns: Not applicable.

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

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

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

3. TCO2 Testing:

A. Number of races to be tested, and number of horses entered in each race to be tested.
All Thoroughbred races with a random number based on CHRB selection program.

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.

San Joaquin County Fair
Racing Security Controls
Organizational Chart
2011

Forrest White
Janet Covello
Interim CEO
Office: 209-466-5041
Cell: 209-981-7342

**Stockton Police
Department**

Manny Escobar Security Guard Cell: 209-482-4142	Ray Simpson Security Guard Cell: 209-482-4142
--	--

Temporary Guards
(Fair Employees)

Contract Security Company

Attachment: 1A

**Backstretch Security Measures
2011**

In 2011, the San Joaquin Fair Racing Association will work with CHRB and California Authority of Racing Fairs (CARF) to achieve a dispersed presence of uniformed track security personnel in the backstretch throughout the day, in addition to the normal complement of CHRB investigative staff. The Racing Association proposes to proceed as follows:

1. Work with CARF and CHRB staff to train designated track security supervisors and personnel prior to the Fair Race Meet. CARF will coordinate this training between the Racing Association and CHRB staff.
2. Coordinate track backstretch security oversight on a daily basis with CHRB investigative staff.
3. Deploy uniformed track security personnel on random security patrols through backstretch area from 7:00 a.m. until the last race.
4. Provide radio communication between track security personnel and CHRB investigative staff.

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.

The Grandstand has a complete Electronic System including cameras, motion and contact security measures.

1. Location and number of video surveillance cameras for the detention barn and stable gate.

Four (4) video cameras installed on TC02 Testing Trailer which cover the entire Detention Barn 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

Phone: 209-944-0620

400 S. Fresno Street, Stockton, CA 95203-3007

B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:

Alameda County Fair: American Medical Response

Phone: 510-895-7600

640 - 143rd Avenue, San Leandro, CA 94577

Golden Gate Fields: Turf Rescue, LLC

Phone: 510-581-8470

19615 Barclay Road, Castro Valley, CA 94546

C. Describe the on-track first aid facility, including equipment and medical staffing:

See Attachment 1B.

D. Name and emergency telephone number of the licensed physician on duty during the race meeting:

Physicians rotate on a daily basis, each uses Fair-provided cell phone: 209-938-9045

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:

San Joaquin General Hospital

Phone: 209-468-6000

500 W. Hospital Road, French Camp, CA 95231

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:

See Attachment 1C & 1D. (English / Spanish)

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):

Health/Safety Manager: Janet Covello, Interim CEO

Health/Safety Asst. Manager: David Pimley, Sr. Maintenance Worker

H. Attach a fire clearance from the fire authority having jurisdiction over the premises.

Fire inspection was conducted on 6 April. Follow up is required. Documentation will be provided.

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

Attachment: 1B

San Joaquin Fair Emergency Care and Medical Facilities

San Joaquin Fair, as well as all Racing Fairs, provides 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 (EMTs), from American Medical Response, are 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

San Joaquin 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.

Attachment: 1C (English)

San Joaquin 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 Ambulance Gate to secure the area to allow swift and secure exit by the ambulance and prevent visitation from bystanders to 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 and/or horse from the track.

Attachment: 1C (English – page 2)

Fair Association 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 Fair Association staff 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: 1D (Spanish)

Procedimiento en caso de Accidente en San Joaquin 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 sea necesario para tratar a la(s) victima(s).

Seguridad

1. Tan pronto como sea possible, 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 a la puerta designada para ambulancia easguarar el area para que la ambulancia salga a la escenda del accidente 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 / Veterinario 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 heridos deberan ser sacados de la pista con la ambulancia para caballos, siempre que sea possible hacerlo de esa manera.
3. El Veterinario del Hipodromo debera decidir si se sacrifica al caballo en la pista.
4. Sea possible 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.

Attachment: 1D (Spanish – page 2)

Personal de la Feria / Fair Association 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 la feria que esten cerca del accidente deberan ayudar a tapan el lugar para que el publico 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 hipodromo. El gerente informara a los otros gerente sobre las lesiones sufridas.
2. Otro representante de la gerencia debera informar al departamento de video 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 acompañar 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 realiza unicamente el funcionario de gerencia de alto nivel que se encuentre disponible en ese momento.

Todos 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.

February 15, 2011

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

Re: San Joaquin Fair/2nd DAA
1658 S. Airport Way
Stockton, CA 95206

Please be advised that the San Joaquin Fair/2nd DAA 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 Allied World Assurance Company
Term: 01/01/2011 to 01/01/2012

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: Statutory Limit in excess of \$500,000
(b) Employers' Liability: \$4,500,000 in excess of \$500,000
Coverage provided by CSAC Excess Insurance Authority
Term: 07/01/2010 to 07/01/2011

CFSA represents to the California Horse Racing Board (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 San Joaquin Fair/2nd DAA as set forth in the California Horse Racing Board (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

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 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:

Negrette Enterprises 124 E. Walnut Street, Stockton, CA 95204	Food, Alcoholic and Non-alcoholic beverage vendor
Bill Vassar, Vassar Photography 5075 Double Point Way, Discovery Bay, CA 94505	Winner's Circle Photos
Speeda Sound 4770 Sonora Avenue, Fresno, CA 93722	Grandstand Sound System
Lorene Dutton 1129 Avenida Sevilla, #7B, Walnut Creek, CA 94595	Jockeys' Laundry
NOTWINC 11875 Dublin Blvd, Dublin, CA 94568	Armored Car Service
Delmar Graphics, Inc. 7806 Honors Court, Pleasanton, CA 94588	Program Printing and Delivery
United Puett Starting Gate Co. – Michael Costello 224 Tater Hill Road, East Haddam, CT 06423	Starting Gate

14. ON- TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Describe any promotional plans: See Attachment 1E.
- B. Number of hosts and hostesses employed for meeting: Eight (8)
- C. Describe facilities set aside for new fans: Fan Education Kiosk with Attendance and Educational Giveaways
- D. Describe any improvements to the physical facility in advance of the meeting that directly benefits:

Attachment: 1E

On-Track Attendance/Fan Development Promotional Plans

Live Horse Racing Promotion for the 2011 San Joaquin County Fair Race Meet Stockton Racing at the San Joaquin County Fairgrounds

The San Joaquin County Fair has made plans for the 2011 Fair and Race Meet unlike any other year. For the first time, the Fair will be offering FREE ADMISSION for all five days of the event.

The Fair has partnered with a Media Sponsor, Citadel Broadcasting, to promote this year=s Free Admission. Citadel Broadcasting has the top five radio stations in the Stockton/San Joaquin/Stanislaus region, and offers a tremendous marketing opportunity to promote both the Fair and the Racing Meet.

The five radio station formats are: country, oldies, adult contemporary hit radio, lite rock, top 40. Each station appeals to a specific audience, but there is crossover for all five stations.

Each radio station will take one of the five days of Fair/horse racing, and promote that day. That day=s station will be broadcasting live on that day on-site, will do promotions geared around that day, will do contests/give-aways for that day.

Specific to horse racing, each day, twelve box seats will be used by the radio stations for their listeners. Each day a prize will be given away at the horse races. Examples of prizes could be: Major League Baseball tickets; concert or event tickets; multiple CD=s from contemporary artists; gift cards; electronic merchandise, etc. All prizes are provided by the radio stations. Participation in the prize give-away will be at the track, or on-line at the radio station website.

Other marketing and promotional efforts specific to the horse racing meet
Include:

- _ On-going promoting on social networking sites, Facebook and Twitter
- _ On-going e-mail blasts to our Afriends@

- Dedicated newspaper advertising promoting horse racing - \$1,500.00 with a promotional match of \$1,500.00, for a total of \$3,000.00
- Over \$30,000.00 in television advertising, half of each ad promoting the horse racing meet.
- Participation in the "Summer Fair Report" on KTSF TV26, produced by Sam Spear Enterprises. This includes 5 shows as well as 9 30-second television spots within the Summer Fair Report, promoting San Joaquin County Fair racing.
- Participating in the "At The Track" one hour radio show on KNBR 680AM, hosted by Sam Spear, Sam Spear Enterprises. This show usually airs the weekend prior to our racing meet opening day on Wednesday.
- Pink Ribbon Day at the Races. Sponsored by the American Cancer Society, promoted and supported by their organization, by the Medical Society of San Joaquin County, and by St. Joseph's Hospital Cancer Center. The San Joaquin County Fair began this promotion in 2009, and each year the participation has increased. There will be pink saddle cloths by both pony horses and thoroughbreds in one designated race; jockeys wearing pink helmet covers and pink stripes on jockeys pants; mutual clerks, valets, starting gate crew wearing pink t-shirts; grandstand draped in pink bunting. Pink Ribbon Day will most likely be Saturday, June 18th.
- "Wear a Hat In The Sun Day". Sponsored by Dorfman-Pacific, one of the largest manufacturers of hat wear, located in Stockton. There will be a give-away of straw hats to promote wearing a hat as protection from the sun. Hats or coupons for hats will be given away to over 1,000 people attending the races on one specific day, most likely Friday, June 17th.
- Parade of the livestock animals. On Friday, June 17th, there will be a parade of many of the livestock animals that will go to the junior livestock auction on Saturday, June 18th. This parade will start outside the racing grandstand, proceed around the apron in front of the Winners Circle, and exit in front of the paddock. This parade will bring friends and family of the youth that participate in the junior livestock program into the racing venue, many for the first time.

- Promotional partnership with card rooms in surrounding San Joaquin County cities: Lodi, Tracy, Manteca, as well as two cards rooms in Stockton. San Joaquin County Fair will provide a box seat for @A Day at the Races@ to each card room to offer as a drawing prize to their customers. Promotional material for San Joaquin County horse racing meet will be displayed at each card room.
- Promotional partnership with satellite wagering facility in Turlock, CA, offering a box seat for AA Day at the Races@ to facility customers. Promotional material for San Joaquin County horse racing meet will be displayed in the Turlock facility.
- Horse mascot to walk in the annual Cinco de Mayo Parade held in Stockton on May 1, 2011. The San Joaquin County Fair participates in this parade with a banner advertising the Fair on an antique fire truck, and the horse mascot will have a sign promoting the San Joaquin County Fair horse races alongside the fire truck. This parade draws over 10,000 spectators and participants.
- Selling sponsorships of individual races to businesses, individual, and organizations as a way to promote horse racing to a new audience. This promotion began in 2010, and twenty-four individual races were sold.

1. Horsemen
2. Fans Additional Televisions in Grandstand Mezzanine (2 cabinets of 6 TVs each)
3. Facilities in the restricted areas

15. SCHEDULE OF CHARGES

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

	<u>(June 16-19)</u>
Admission (general)	Free
Admission (clubhouse)	N/A
Reserved seating (general)	N/A
Reserved seating (clubhouse)	N/A
Parking (general)	\$5.00
Parking (preferred)	\$10.00
Parking (valet)	N/A
Programs (on-track)	\$2.00
(off-track)	\$2.50

- B. Describe any "Season Boxes" or other special accommodation fees:

All Box Seats are Sold Out in advance.

- C. Describe any "package" plans such as combined parking, admission and program: None

16. JOCKEYS' QUARTERS

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

<input checked="" type="checkbox"/> Corners (lockers and cubicles)	How many	25
<input checked="" type="checkbox"/> Showers	<input checked="" type="checkbox"/> Steam room, sauna or steam cabinets	<input checked="" type="checkbox"/> Lounge area
<input checked="" type="checkbox"/> Masseur	<input checked="" type="checkbox"/> Food/beverage service	<input checked="" type="checkbox"/> Certified platform scale

- B. Describe the quarters to be used for female jockeys:

14' x 30' Modular facility with three (3) dressing stalls, three (3) showers, two (2) toilets, lounge area, one (1) steam bath and three (3) sinks.

17. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing has been requested and will be completed prior to the beginning of the race meeting.
- C. Number of rooms used for housing on the backstretch of the racetrack: 82
- D. Number of restrooms available on the backstretch of the racetrack:
Five (5) Restroom facilities containing toilets and showers
- E. Estimated ratio of restrooms to the number of backstretch personnel:
One (1) Restroom Facility per 100 people (each restroom contains four (4) toilets)

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: 5,280 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.
 Outer rail comprised of 3" aluminum posts with 3" aluminum railing on top at a height of 40" (a portion of outside rail is chain link fence). A Sterline inner rail is made up of off-set galvanized posts with extended aluminum railing on top at a height of 42" with an overhang of 24".
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: Track Masters (Steve Wood)
- 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. Not Applicable.

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.
TOC and Emerging Breeds agreements 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.

Janet Covello
Print Name

Interim CEO
Print Title

Janet Covello
Signature

3/22/11
Date

STAFF ANALYSIS

April 28, 2011

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE ALAMEDA COUNTY FAIR AT PLEASANTON JUNE 23, 2010 THROUGH JULY 10, 2011

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

- June 23 through July 10, 2011, or 13 days, 3 days less than 2010. The fair proposes to race a total of 150 races.

June - 2011						
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			
26	27	28	29			

July - 2011						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		5	6			
	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

- Racing Thursday through Sunday the first and third week and Thursday through Monday the second week. 9 races per day Monday, 8 Thursday, and 9 Friday and Saturday. 10 races on Sunday. Alameda is running a four day race week to coincide with Hollywood Park with the exception of the July 4th holiday (Monday).
 - Number of horses available determines the number of daily races programmed by breed.
 - 2010 Race Meeting: Average number of runners per race (TB): 7.60
 - 2010 Race Meeting: Average number of runners per race (Arabian): 6.83
 - 2010 Race Meeting: Average number of runners per race (Quarterhorse): 5.75
 - 2010 Race Meeting: Average number of runners per race (Mules): 6.45
- First post 1:15 p.m.
- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Wagering program will use CHRB rules and ARCI rules.
 - \$1 place pick and \$0.10 Superfecta when applicable.
 - \$0.50 pick 4 on first 4 races and last 4 races – pick five on last 5 races.
 - \$2 pick 6 on last 6 races.
 - \$0.50 Pentafecta on last race of the day.- 100% carryover if no winners.
 - Super High Five on the last race in accordance with ARCI Pick(n) Position(x) pools rules.
 - Early wagering will not be offered.
- The Advance Deposit Wagering (ADW) providers are XpressBet, TVG and TwinSpines.

Pursuant to Business and Profession Code section 19604, specific provisions must be met before an ADW provider can accept wagers.

Summary of B&P code 19604

To accept wagers on races conducted in California from a resident of California.

- The ADW provider must be licensed by the Board.
- A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
- The agreement 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.

To accept wagers on races conducted outside of California from a resident of California.

- The ADW provider must be licensed by the Board.
- 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.

Documents received in compliance with Business and Professions code 19604:

- ODS Technologies, L.P. d/b/a TVG Network has submitted all document required in compliance with Business and Professions code 19604.
- XpressBet LLC. dba XpressBet.com, DelMarBets.com and OakTreeBets.com, has submitted all document required in compliance with Business and Professions code 19604.
- Churchill Downs Technology Initiatives Company, dba Twinspires, has submitted all document required in compliance with Business and Professions code 19604.
- 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 has been requested and will be completed prior to race meet.
- Track safety inspection has been requested and will be completed prior to race meet.

ITEMS STILL NEEDED

1. Horsemen's agreements
2. CTT Agreement
3. Fire clearance

RECOMMENDATION:

Staff recommends the Board not approve the application until the outstanding documents have been received.

If the application is considered for approval, staff recommends a contingent approval upon the submission of outstanding items and recommends the applicant be required to appear again before the Board to address the status of the outstanding documents and to remove the contingency status from the Board's approval.

ALAMEDA COUNTY FAIRGROUNDS

P L E A S A N T O N

California Horse Racing Board
C/O Kirk Breed
Executive Director
1010 Hurley Way, Suite 300
Sacramento, CA 95825

April 13, 2011

RE: Amendment to Alameda County Fair's 2011 Horse Racing License Application

Dear Kirk:

In our letter of March 22, 2011 we noted that if Hollywood Park followed through with its plan to run "four day race weeks" this summer, the Alameda County Fair may be forced to shorten its corresponding race weeks. Having met with TOC and other industry leaders, the Alameda County Fair is respectfully amending its License Application to reflect shortened race weeks, June 23 through July 10. Specifically:

Week #1 to Race 4 Days: Thursday, June 23 through Sunday, June 26
Week #2 to Race 5 Days: Thursday, June 30 through Monday, July 4
Week #3 to Race 4 Days: Thursday, July 7 through Sunday, July 10

We appreciate the assistance of CHRB Staff as we adjust our License Application to reflect the appropriate revisions to our number of days, number of races, purse projections, etc... While we have reached agreement with TOC on purses, we are still working to finalize the written Horsemen's Agreement via CARF.

Thank you for your ongoing professional assistance in this important matter.

Sincerely,



Rick K. Pickering
Chief Executive Officer

cc: Chris Korby
Rod Blonien

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 23, 2011 - July 10, 2011
 B. Dates racing will NOT be held: June 27, 28 & 29 & July 5 & 6, 2011
 C. Total number of racing days: 13

3. RACING PROGRAM

A. Total number of races: 150
 B. Number of races by breed:
 Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules
 C. Number of races daily:

	Thurs 6/23	Fri 6/24	Sat 6/25	Sun 6/26	Mon 7/4	Thurs 6/30&7/7	Fri 7/1 & 8	Sat 7/2 & 9	Sun 7/3 & 10
Thoroughbred	8	9	9	10	9	8	9	9	10
Other Breeds	2	3	3	2	3	2	3	3	2
Total	10	12	12	12	12	10	12	12	12

CHRB CERTIFICATION	
Application received:	Hearing date: 4/28/11
Reviewed: AS	Approved date:
	License number:

D. Total number of stakes races by breed:

<input type="text" value="6"/>	Thoroughbreds	<input type="text" value="0"/>	Quarter Horses	<input type="text" value="0"/>	Appaloosas
<input type="text" value="0"/>	Arabians	<input type="text" value="0"/>	Paints	<input type="text" value="0"/>	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 2011 STAKES SCHEDULE

THOROUGHBRED STAKES

Alameda County Fillies & Mares – 43 rd Running Fillies and Mares Three-year olds and Upward One and 1/16 Miles	\$50,000 Added Overnight Stakes (Plus up to \$15,000 to Cal-Breds)	Sat., Jun 25
Name TBD Three-year olds – Six Furlongs	\$50,000 Added Overnight Stakes (Plus up to \$15,000 to Cal-Breds)	Fri., Jul 1
Juan Gonzalez Memorial Overnight Stakes – 33 rd Running Fillies Two-years old – Five & ½ Furlongs	\$50,000 Added Overnight Stakes (Plus up to \$15,000 to Cal-Breds)	Sat., Jul 2
Alamedan Handicap – 46 th Running Three-year olds and Upward – One and 1/16 Miles	\$50,000 Added Overnight Hdcp (Plus up to \$15,000 to Cal-Breds)	Mon., Jul 4
Everett Nevin Alameda County Stakes-50 th Running Two-year olds – Five & ½ Furlongs	\$50,000 Added Overnight Stakes (Includes 15,000 to Cal-Breds)	Sat., Jul 9
Sam J. Whiting Memorial Handicap – 49 th Running Three-year olds and Upward – Six Furlongs	\$50,000 Added Overnight Hdcp (Plus up to \$15,000 to Cal-Breds)	Sun., Jul 10

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:

H.

Race Number	Weekdays	Weekends & July 4
Race # 1	1:15p.m.	1:15 p.m.
Race # 2	1:45 p.m.	1:45 p.m.
Race # 3	2:15 p.m.	2:15 p.m.
Race # 4	2:45 p.m.	2:45 p.m.
Race # 5	3:15 p.m.	3:15 p.m.
Race # 6	3:45 p.m.	3:45 p.m.
Race # 7	4:15 p.m.	4:15 p.m.
Race # 8	4:45p.m.	4:45 p.m.
Race # 9	5:15 p.m.	5:15 p.m.
Race # 10	5:45 p.m.	5:45 p.m.
Race # 11		6:15 p.m.
Race # 12		6:45 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	Dean Schenone	Naomi Wallace
Sherman Balch	Patsy Gilbert	Bill McCammon	Arthur Scott	Eric Wente
Jack Balch	Frank Imhof	James McGrail	Richard Sealana	Ario Ysit
Paul Banke	Patricia Ising	Patrick O'Brien	Bob Silva	
Jason Chin	Jack Kavanagh	Anthony Pegram	Harvey Smith	
		Charlie Plummer	Anthony Varni	

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

Lil Arnerich	Frank Imhof	Ario Ysit		
Paul Banke	Jack Kavanagh			
Jason Chin	Anthony Pegram			
Gordon Galvan	Naomi Wallace			

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.
Pat O'Brien	President, Board of Directors
Tom Doutrich	Racing Secretary
Jack Kavanagh/Frank Imhof	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 :(13 days)	\$1,744,628
Prior meet actual (15 days)	\$1,714,897

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

Current meet estimate:	\$ 134,202
Prior meet actual:	\$ 114,326

2. Overnight stakes:

Current meet estimate:	\$ 300,000
Prior meet actual:	\$ 100,000

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

Current meet estimate:	\$ 23,077
Prior meet actual:	\$ 6,667

3. Non-overnight stakes:
 Current meet estimate: \$ -0-
 Prior meet actual: \$ 150,000

Average Daily Purse (5A3 ÷ number of days):
 Current meet estimate: \$ -0-
 Prior meet actual: \$ 10,000

B. Funds to be generated for all California-bred incentive awards:
 Current meet estimate: \$ 141,307
 Prior meet actual: \$ 135,914

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

	Current Meet Estimate	Prior Meet Actual
CTT	\$ 5,263	\$ 5,062
TOC	\$ 10,525	\$ 10,123
NTRA	\$ -0-	\$ 3,105
PCQHRA	\$ 1,541	\$ 1,482
CWAR	\$ 0	\$ 0
ARAC	\$ 3,099	\$ 2,981
AMRA	\$ 4,789	\$ 4,607
CHBPAPEN	\$ 15,788	\$ 15,185
CTHF	\$ 15,788	\$ 15,185
TOTAL	\$ 56,793	\$ 57,730

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: \$ 2,242,728
 Prior meet actual: \$ 2,158,538

Average Daily Purse (5D ÷ number of days):
 Current meet estimate: \$ 172,518
 Prior meet actual: \$ 143,902

E. Purse funds to be generated from on-track handle and intrastate off-track handle:
 Current meet estimate: \$1,263,762
 Prior meet actual: \$1,246,181

Average Daily Purse (5E ÷ number of days):
 Current meet estimate: \$ 97,212
 Prior meet actual: \$ 83,078

F. Purse funds to be generated from interstate handle:
 Current meet estimate: \$ 246,825
 Prior meet actual: \$ 233,545

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

Current meet estimate: \$ 18,987

Prior meet actual: \$ 15,570

G. Bank and account number for the Paymaster of Purses' purse account:
 West America Bank (C.A.R.F.) TOC Account No: On file. Emerging Breds 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 deficit 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. All 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:
 1,440
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:

Golden Gate Fields	1,440 stalls
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- 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 (On File)

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:
 \$8.43
- 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 004-105, 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).

Example Race	<u>TYPE OF WAGERS</u>	<u>APPLICABLE RULES</u>
	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9
Race #2	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9
Race #3	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$2PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9
Race #4	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9
Race #5	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9
Race #6	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9
Race #7	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9
Race #8	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6 \$.50 SUPER HIGH 5	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9, ARCI 004-105
Race #9	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6 \$.50 SUPER HIGH 5	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9, ARCI 004-105

Race #10	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6 \$.50 SUPER HIGH 5	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9, ARCI 004-105
Race #11	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6 \$.50 SUPER HIGH 5	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9, ARCI 004-105
Race #12	\$1E, \$1PK3, \$1TRI, \$2Q \$2DD, \$.10SF, \$1PPN% \$.50PNP4, \$.50PNP5, \$2PNP6 \$.50 SUPER HIGH 5	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.8, CHRB #1976.9, CHRB 1976.9, CHRB 1976.9, ARCI 004-105

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **July 10, 2011 (Closing Day)**

C. List any options requested with regard to exotic wagering:
\$1 PPN when applicable; and \$0.10 SF when applicable
\$0.50 Pick 4 on first race and last 4 races
\$0.50 Pick 5 on last five races
@\$2 Pick 6 on last 6 races
\$0.50 Pentafecta selecting the first five finishers in the same race. 100% payout on all tickets selecting five winners. No consolation; 100% carryover if no ticket has five winners. Note: Superfecta will be offered in the race. Super High-5 will be carded as the last race of the day.

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 (Tom Kelso) 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

9. SIMULCAST WAGERING PROGRAM

A. Simulcast organization engaged by the association to conduct simulcast wagering: **Northern California Off-Track Wagering, Inc. (NCOTWINC)**

B. Attach the agreement between the association and simulcast organization permitting the organization to use the association'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 with CHRB.**

C. California simulcast facilities the association proposes to offer its live audiovisual signal:

NORTHERN CALIFORNIA

- Alameda County Fair, Pleasanton
- Big Fresno Fair, Fresno
- California State Fair & Exposition, Sacramento
- Club One, Fresno
- Golden Gate Fields, Albany
- *Humboldt County Fair, Ferndale
- Jockey Club at San Mateo, San Mateo
- Kern County Fair, Bakersfield
- Monterey County Fair, Monterey
- 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
- *Open during Humboldt/Ferndale Fair Racing

SOUTHERN CALIFORNIA

- Barona Valley Ranch Resort & Casino, Lakeside
- Cabazon Fantasy Springs Casino, Indio
- Commerce Casino Racebook, Commerce
- Derby Club, Seaside Park, Ventura
- Fairplex Park, Pomona
- Los Alamitos Race Course, Los Alamitos
- OC Tavern & Sports Bar, San Clemente
- Santa Anita Park, Arcadia
- Shalimar Sports Center, Indio
- Sports Center, San Bernardino
- Sports Pavillion at The Farmers Fair, Lake Perris
- Sports Pavillion, San Bernardino Cty. Fair, Victorville
- Surfside Race Place at Del Mar, Del Mar
- Sycuan Gaming Center, El Cajon
- Viejas Casino & Turf Club, Alpine
- Watch & Wager, Antelope Valley Fgds, Lancaster

D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
See E – Attachment “A” - Common Pool Sites, Separate Pool, Flat Fee Sites

E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
See Attachment A

F. List the host track 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”:
See Attachment B

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
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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:

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
--------------------	----------------	------------	--------------------------------

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).

Corpus Christi Greyhound
 Cypress Bayou OTB
 Dairyland Greyhound Park, WI
 Delaware Park, DE
 Delta Downs
 Dover Downs
 Downs at Albuquerque, NM
 Ebet Online
 Elite Turf Club 1-9, NV
 Ellis Park, KY
 Emerald Downs, WA
 Equus St. Thomas Racing, Inc.
 Evangeline Downs, LA
 Evansville OTB
 Fair Meadows
 Fair Grounds Race Course, LA
 Finger Lakes Race Track, NY
 Fonner Park, NE
 Foxwoods Casino,
 Freehold Raceway, NJ
 Geneva Lakes
 Gillespie County Downs
 Global Wagering Solutions (MEC) MagnaBet
 Great Lakes Downs, MI
 Greentrack
 Gulf Greyhound, TX
 Gulfstream Park, FL
 Harrington Raceway
 Hawthorne
 Hazel Park, MI

Mountaineer Park, WV
 Mystique Dubuque Greyhound Park
 Nassau Regional OTB, NY
 Nebraska State Fair Park, NE
 Nevada Pari-Mutuel Association, NV
 New York Racing Association ADW
 New York Racing Association, NY
 Newport Jai Alai, FL
 NJ Mobile, NJ - ADW
 Northfield Park, OH
 Cedar Downs OTB
 Northville Downs,
 Oaklawn Park, AR
 Ocean Downs, MD
 Penn National Race Course, PA
 Phumelela Gold
 Philadelphia Park, PA
 Pinnacle Race Course
 Plainfield Greyhound Park, NJ
 Plainridge Racecourse, MA
 Pocono Downs, PA
 Portland Meadows, OR
 Potawatomi Casino
 Prairie Meadows, IA
 Premier Turf Club
 Presque Isle Downs
 Race 2 Day
 Raceway Park, OH
 Racing World
 Racing US
 Racing & Gaming Services, British WI
 Raynham Taunton Greyhound Park
 Remington Park, OK
 Retama Park, TX
 River Downs, OH
 Rockingham Park, NH
 Rocky Mountain Turf Club

Wichita Greyhound Park, KS
 Will Rogers Downs, OK
 Wonderland Greyhound Park, MA
 Woodlands, KS
 Wyoming OTB, WY
 XpressBet, Inc., CA
 Yavapai Downs, AZ
 Yonkers Raceway, NY
 Yonkers Account Wagering
 YouBet Group I
 YouBet Illinois
 Zia Park, NM

Separate Pools:
 Caymanas Park, JAM
 Hippodromo Camerero (PR)
 Maronas Race Track
 MIR/Caliente
 Panama

*Canadian Locations-Commingled

Assiniboia Downs	Marquis Downs	Western Fair Raceway
Barrie Raceway	Mohawk Racetrack	Windsor Raceway
Charlottetown	New Brunswick	Woodbine
Clinton Teletheatre	Northlands Park	Woodstock
Dresden	Picov Downs	
Elmira Raceway	Quinte Raceway	
Evergreen Park Grande Prairie	Rideau Carlton	
Exhibition Park	Rocky Mountain Turf Club	
Flamboro Downs	Royal Britiana Hub	
Fredericton Raceway	St. Johns	
Georgian Downs	Sudbury Downs	
Hanover Raceway	Summerside	
Hiawatha	TBC Sandown	
Inverness Raceway	TBC Theatres	
Karwatha Downs	Truro Raceway	

ATTACHMENT B – Section 9 F
IMPORT TRACKS
 Alameda County Fair at Pleasanton
 June 22-July 10, 2011

Out-of-State & International Imports – Full and/ or Partial Card (Subject to Change)

<u>DOMESTIC</u>	
ARLINGTON	6/22-7/10
BELMONT	6/22-7/10
CALDER RACECOURSE	6/22-7/10
CANTERBURY DOWNS	6/22-7/10
CHARLES TOWN	6/22-7/10
CHURCHILL DOWNS	6/22-7/10
COLONIAL DOWNS	6/22-7/10
DELAWARE	6/22-7/10
EMERALD DOWNS	6/22-7/10
EVANGELINE DOWNS	6/22-7/10
INDIANA DOWNS	6/22-7/10
LONE STAR	6/22-7/10
LOUISIANA DOWNS	6/22-7/10
MONMOUTH	6/22-7/10
MOUNTAINEER	6/22-7/10
PENN NATIONAL	6/22-7/10
PHILADELPHIA PARK/PARX	6/22-7/10
PIMLICO	6/22-7/10
PRAIRIE MEADOWS	6/22-7/10
PRESQUE ISLE DOWNS	6/22-7/10
RIVER DOWNS	6/22-7/10
RUIDOSO	6/22-7/10
SUFFOLK DOWNS	6/22-7/10
THISTLEDOWN	6/22-7/10
YAVAPAI DOWNS	6/22-7/10
<u>INTERNATIONAL</u>	
ASSINIBOIA	6/22-7/10
AUSTRALIAN RACING	6/22-7/10
FORT ERIE	6/22-7/10
HASTINGS	6/22-7/10
NORTHLANDS PARK	6/22-7/10
SOUTH AMERICAN RACING	6/22-7/10
UNITED KINGDOM	6/22-7/10
WOODBINE	6/22-7/10

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 Connolly (Track) & (Fitness)
Clerk of Scales	Cheryl White
Assistant Clerk of Scales	Danny Winick
Clerk of the Course	Dolores Collins (E-Breeds) & Tina Walker (Thoroughbreds)
Film Specialist	Danny Winick
Horse Identifier	Patrick Kealy
Horseshoe Inspector	Jack Hammonds
Paddock Judge	Joe Gibson
Patrol Judges	Joe Gibson & Kenneth Sjordal
Placing Judges	Greg Brent & Ella Robinson
Starter	Todd Stevens
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 12/7/12)

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) Contract Expires: April 30, 2013
Equipment description on file with the Board: 5 Cameras – (3 Tower, 1 Pan, 1-Hand-Held)**

- 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 Contract Expires April 30, 2013

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 where the number is determined by a random algorithm generator.

- 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.

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	925-567-6032
Ed Johnson, Manager of Maintenance Operations	925-567-6043
Judy Carrico, Fair Operations Manager	925-567-6039
Randy Magee CFO Risk Manager	925-567-6034

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.

- C. Describe the electronic security system.
C.A.R.F. Surveillance equipment and program that travels between racing Fairs.

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:
Westmed Ambulance Service, 2424 Whipple Road, Hayward, CA 94544, 510-614-1420
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
**Golden Gate Fields
 Turf Rescue LLC
 19615 Barclay Road
 Castro Valley, CA 94546
 510-5818470**
- 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.
April 20, 2011 (scheduled fire inspection)
- 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

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 Westmed Ambulance Service 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 12F 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 deberá reportarse al lugar del accidente y desde ahí recibir las instrucciones del Paramédico responsable del lugar del accidente. El miembro de seguridad será responsable de mantener a los transeúntes fuera del lugar del accidente..
2. Un miembro del departamento de seguridad del hipodromo se acercará al cuart del jockey para asegurar el área donde la ambulancia estará y prevenir que transeúntes y personas ajenas se acerquen.
3. Un miembro de seguridad del hipodromo será responsable de escoltar a los vehículos de emergencia..
4. Los miembros de seguridad serán responsable de controlar a la multitud.

Personal de Carreras/Veterinario del hipodromo

1. Una vez en el lugar del accidente, el Outrider/escolta deberá sujetar al caballo herido para evitar que lastime a la gente, a otros caballos o a la propiedad.
2. Los caballos muy mal heridos deberán ser sacados de la pista con la ambulancia para caballos, siempre que sea posible hacerlo de esa manera.
3. El veterinario del hipodromo deberá decidir si se sacrifica al caballo en la pista.
4. Sea posible hacerlo, se debe colocar la pantalla/screen para tapar la vista al público, antes de iniciar el procedimiento de sacrificio del animal.
5. Los Outriders son responsables de remover cualquier desecho en la pista después 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.

February 15, 2011

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

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

Please be advised that the Alameda County Fair 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 Allied World Assurance Company
Term: 01/01/2011 to 01/01/2012

II. WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

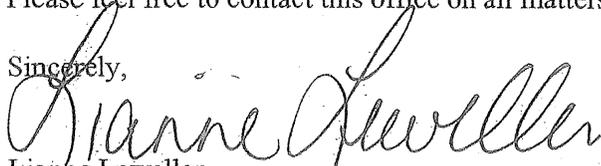
- A. Primary Coverage \$500,000 self-insured retention California Fair Services Authority
Coverage continuous until cancelled
- B. Excess Coverage (a) Workers' Compensation: Statutory Limit in excess of \$500,000
(b) Employers' Liability: \$4,500,000 in excess of \$500,000
Coverage provided by CSAC Excess Insurance Authority
Term: 07/01/2010 to 07/01/2011

CFSA represents to the California Horse Racing Board (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 as set forth in the California Horse Racing Board (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

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 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
Racing Form	Daily Racing	Wicks Sports	100 Broadway, 7 th floor, New York City, N.Y. 10005
Program	Delmar Graphics	Del Scott	7806 Honors Court, Pleasanton, CA 94588
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 Items A, B, C, & D)
- B. Number of hosts and hostesses employed for meeting:
15
- C. Describe facilities set aside for new fans:
(See Attached)
- D. Describe any improvements to the physical facility in advance of the meeting that directly benefits:
(See Attached)
 - 1. Horsemen
 - 2. Fans
 - 3. Facilities in the restricted areas

Item 14 A, B, C, & D

Improvements to the physical facility:

Horsemen, Track, Fans and Restricted Areas

Installed emergency warning lights on the Quarter Poles, installed large lights on the roof edge of the Grandstands in support of early morning training, and widened the Bridle Path to further enhance safety for horses and riders.

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 Track Side Terrace was created to provide upscale VIP outdoor dining and viewing of the races. The Track Side Terrace also allows enhanced marketing to our corporate partners.

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 and Showers in the barn area have been remodeled to provide upgraded facilities for employees and tenants.

Roadway #12 has been upgraded and widened to better accommodate large horse trailers. Catch basins and a storm drain line have been installed to mitigate the 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 and 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."

60 New Haysheds have been custom built into each Barn Row for the ease of storing hay and feed in closer proximity to the horses.

Upgraded the Main and Auxiliary Water Wells with variable speed submersible pumps. This provides more constant and consistent water supply to our training and racing operations, since we are on our own water system.

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

Upgrades to "cash management areas."

Widened Bridal Path

Enhanced "On-Off Gap"

Expanded Temporary Housing Accommodations in the Barn Area

Rebuilt Breaking Corals

Built new Clocker's Tower

Installed new Safety Warning Lights around Track & Bridal Path

**Alameda
County Fair**



**99 WAYS to
COME OUT
& PLAY**

"The Oldest One-mile Racetrack in America"

On-Track Attendance & Fan Development Plan 2011 Alameda County Fair Live Horse Race Meet

The 2011 Alameda County Fair will operate 17 days this summer from June 22 – July 10 closed on Tuesdays, with an estimated attendance in excess of 400,000 patrons. The Live Horse Race Meet will be conducted during 15 days of the Fair, June 22 – July 10 (dark days TBA). More than \$1.9 million in cash and cash equivalents (in-kind advertising) will be spent to promote the 2011 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 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. 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 racetrack. 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 15 days of Racing, in exchange for advertising on the Oakland Coliseum's highly visible electronic reader board (alongside Highway 880). 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 such as the Daily Racing Forum.

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 150 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. Additionally, the Fair Association hires well-known sports writer, Dennis Miller, to write articles, place Daily Picks in local papers and on the Fair's website as well as local news websites and generally promote horse racing to the media.

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, "tipsters," 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 tools will be available at the Track to promote "How to Wager" for those new to horse racing and not able to attend the seminars.

Promotions:

Many types of promotions have been developed and/or to be repeated for the 2011 Live Horse Race Meet. Some are designed to attract new patrons, while others cater to existing customers. A sampling includes:

- "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 \$447 per day: \$199 Win, \$149 Place & \$99 Show. The winners are drawn every day after the 8th Race.
- Opening Day Hat Contest - Participants enter colorful and creative hats in order to win cash prizes on Wednesday, June 22nd.
- Opening Day Horse Racing Themed T-shirt Giveaway -to the first 1000 people who enter the Win, Place and Show contest on Wednesday, June 22nd.
- Horse Racing Secretariat Ball Caps Giveaway– to the first 1000 people who enter the Win, Place and Show contest on Friday, July 8th.
- Wear Your Past Horse Racing T-shirt to the Races and Receive a \$2 Betting Voucher – to the first 500 people who enter the Win, Place and Show contest on Friday, July 1st.
- \$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 8th.
- Horse Racing 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.

- **Meet Mutton Buster at the Track** – Patrons can watch an interactive dancing performance by the Fair’s very own Mutton Buster, mascot of World Warriors – Championship Muston Bustin’! Buster will meet and greet horse racing fans after each performance.
- **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.

Featured Alameda County Wineries:

The 2011 Fair Race Meet will include promotion of the local Alameda County wineries within the Grandstands and at the Race Track. A new Wine Bar featuring local premium wines will be added inside the Grandstands. Additionally, wineries will be promoted as a Feature Race, in the Daily Program and on the Jumbotron and at the Trackside Terrace.

Satellite Wagering Facility:

The Fair Association operates one of the most successful Fair Satellite Wagering Facilities 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.

5. 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	\$ 8.00 (Free on Thursdays)
Fair Admission/V.I.P. Discount	\$ 5.00
Admission (clubhouse)	N/A
Reserved Seating (general)	\$ 3.50 (on weekends only)
Reserved Seating (clubhouse)	N/A
Reserved Box Seats	\$ 5.00
Parking (general)	\$ 8.00
Parking/Western Pacific VIP Lot	\$20.00
Parking (preferred)	\$15.00
Parking (valet)	N/A
Programs/on track	\$ 2.00
Programs/off track	\$ 2.50

B. Describe any "Season Boxes" or other special accommodation fees:
 Daily box seat sales - \$5.00 (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:
Play Every Day Pass - \$30
 1-Admission good for every day of the Fair (available on line only)

Fun Pack - \$30
 1-General Parking
 4-Admissions
 2- 2 for 1 drink coupons (available pre-sale only)

16. JOCKEYS' QUARTERS

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

<input checked="" type="checkbox"/> Corners (lockers and cubicles)	How many	<input type="text" value="40"/>
<input checked="" type="checkbox"/> Showers	<input checked="" type="checkbox"/> Steam room, sauna or steam cabinets	<input checked="" type="checkbox"/> Lounge area
<input checked="" type="checkbox"/> Masseur	<input checked="" type="checkbox"/> Food/beverage service	<input checked="" 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 has been requested and will be completed prior to beginning of race meet.

- B. Number of rooms used for housing on the backstretch of the racetrack:
95 Rooms
- C. Number of restrooms available on the backstretch of the racetrack:
9 Restrooms
- D. Estimated ratio of restrooms to the number of backstretch personnel:
10 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: 5,280 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)
- 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

E. (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.

Print Name

Signature

Print Title

Date

STAFF ANALYSIS

April 28, 2011

Issue: APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY BY THE 7TH DAA/MONTEREY COUNTY FAIR AT THE BANKERS CASINO, SALINAS, CALIFORNIA.

7th DAA/Monterey County Fair filed an application for a license to operate a minisatellite wagering facility at Bankers Casino in Salinas, California, for a period of up to two years. The applicant proposes to begin minisatellite operations May 25, 2011.

- Monterey County Fair currently operates a CHRB approved Simulcast Wagering Facility (SWF) in Monterey, California. The Monterey, SWF is located approximately 13 miles from the proposed minisatellite wagering facility site location at Bankers Casino in Salinas, California. The proposed wagering site will be located in the northern zone.

Business and Professions Code section 19605.25 (a) (1) provides no minisatellite may be 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.

- Racetrack(s), satellite wagering facility or tribal casino that have a satellite wagering facility located with 20-mile radius of the applicant are:
 - *Monterey County Fair – 13.645 miles
 - *The mileage was obtained using Free Map Tools.com and provides the shortest possible distance between two places “distance as the crow flies”.

Monterey County Fair has not identified any other racetrack(s), satellite wagering facility or tribal casino that has a satellite wagering facility located within 20 radius miles of the proposed applicant site location.

- Monterey County Fair has contracts/agreement with the following racing associations:

- California Authority of Racing Fairs
- Cal State Fair and Exposition
- Cal Expo Harness
- Del Mar Thoroughbred Club
- Los Alamitos Quarter Horse Racing Association
- Los Angeles County Fair
- Los Angeles Turf Club
- Pacific Racing Association

- The simulcast organization engaged by the contracted association(s) to conduct simulcast wagering is Northern California Off Track Wagering, Inc. (NCOTWINC).

- Applicant proposes to operate minisatellite wagering site Wednesday through Sunday and selected Mondays and holidays. Opening 10:00 a.m. - 12:00 a.m.
- Estimated number of pari-mutuel terminals machines available: Ten. Seating Capacity is 140; the number of tables in the minisatellite wagering area is 20, plus 15 booths at the bar. 12 flat screen video displays, 4 projection screens, 12 HD satellite receivers and 22 cable TV/Direct TV sports channels are planned.
- Staffing: Mutuel Supervisor, 1 Manager, 1 Mutuel Clerk, 2 Security Personnel, 1 Satellite Wagering Supervisor, 1 Hostess/Administration/Program Sales Clerk.

Specific information still needed to complete this application include:

1. Business Structure (application section) for Bankers Casino.
2. Bankers Casino Financials - Income statement missing for the period 2010.
3. Bankers Full Disclosure - incomplete.
4. Fire clearance.
5. Part II – “Contracted Association Information” signatures required for those identified as contracted association/fairs: Hollywood Park (signature required)

RECOMMENDATION:

Staff recommends the Board not approve the application until it has been completed and the outstanding documents have been received.

If the application is considered for approval, staff recommends a contingent approval upon the submission of outstanding items and recommends the applicant be required to appear again before the Board to address the status of the outstanding documents and to remove the contingency status from the Board's approval.



April 8, 2011

California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Board of Directors:

The 7th DAA Monterey County Fair is proposing to open a minisatellite wagering facility at Bankers Casino in Salinas, California. The address of the proposed mini SWF is 111 Monterey Street, Salinas, CA 93901. There are no other satellite wagering facilities, racetracks or tribal casinos within the 20 mile radius of the 7th DAA Monterey County Fair or the Bankers Casino location.

The 7th DAA and Bankers Casino have entered into an agreement and hope to receive the approval of the CA Horse Racing Board in order to open for business on May 25, 2011. We believe this would be an exceptional time for new patrons to view the facility and experience the heart pounding excitement of horse racing.

Please find enclosed the required application fee and application materials. Should you have any questions, please contact me at 831-372-8106.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Violini".

Kelly Violini
CEO/Manager

Cc: 7th DAA Board of Directors
Sal Jimenez & Hector Campos, Bankers Casino
Christopher Korby, CARF

Enclosures

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-88 (New 11/08)

Application is hereby made to the California Horse Racing Board (CHRB/Board) for a license to operate a minisatellite wagering facility in connection with a horseracing meeting and/or parimutuel wagering in accordance with the Business and Professions Code, Chapter 4, Division 8 (Horse Racing Law) and the California Code of Regulations, Title 4, Division 4 (Rules and Regulations of the California Horse Racing Board).

Part I: To be completed by applicant seeking to operate a minisatellite wagering facility pursuant to Business and Professions Code section 19605.25.

Part II: To be completed by association(s) that has/have reached an agreement with the applicant to conduct minisatellite wagering.

Part III: To be completed by simulcast organization that has reached an agreement to provide services necessary for the conduct of minisatellite wagering pursuant to Business and Professions Code sections 19605.25 & 19605.3.

PART I
 MINISATELLITE WAGERING APPLICANT INFORMATION

APPLICANT INFORMATION

Name of applicant: 7 th DAA Monterey County Fair			
The applicant is:		<input type="checkbox"/> Card Room/Gambling Establishment <input type="checkbox"/> Restaurant/Bar <input type="checkbox"/> Other Business Entity	
<input type="checkbox"/> Racing Association <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Federally Recognized Indian Tribe			
Facility street address: 2004 Fairgrounds Road		Bankers Casino: 111 Monterey Street, Salinas	
Mailing address (if different from above): Same as above		CA 93901	
E-mail address: kelly@montereycountyfair.com			
City: Monterey	State: CA	Zip Code: 93940	
Phone: 831-372-5863	Fax: 831-372-8248	Website: www.montereycountyfair.com	
County: Monterey County	Zone Location: North South <input type="checkbox"/> Central <input type="checkbox"/> (To be filled out by CHRB Staff)		

CONTACT PERSON
 (Authorized Representative)

Name and title of the contact person: Kelly Violini, CEO, Monterey County Fair		
Business street address: 2004 Fairgrounds Road		
Mailing address (if different from above): Same as above		
City: Monterey County: Monterey	State: CA	Zip Code: 93940
Phone: 831-372-8106	E-mail: kelly@montereycountyfair.com	Fax: 831-372-8248

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-88 (New 11/08)

Dates during which the applicant proposes to operate as a minisatellite wagering facility:

Applicant proposes to operate a mini-satellite wagering facility beginning May 25, 2011.

NOTICE TO APPLICANT: If approved for license, the term of license shall not exceed two years pursuant to Business and Professions Code section 19605.25 (h).

Have you previously operated a licensed gaming operation in California or another state? Yes No

Do you currently operate a licensed gaming operation in California or another state? Yes No

If yes to either question above, provide the following:

Valid licensure period: Begin Date: August 19, 2008 End Date: N/A

Facility name and address: Monterey Bay Race Place, 2004 Fairgrounds Road

City: Monterey State: CA Zip Code: 93940

County: Monterey

Zone Location:

North South Central

(To be completed by CHRB staff)

Have you had a gaming operation license that has been revoked or suspended. Yes No

If yes, provide the following if different from above:

Facility name and address:

City: State: Zip Code:

Racing Jurisdiction:

BUSINESS STRUCTURE

<input type="checkbox"/> Corporation <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private <input type="checkbox"/> Sub-S <input type="checkbox"/> Sub-C <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Company	<input checked="" type="checkbox"/> Partnership & Joint Venture <input type="checkbox"/> Sole Proprietorship Please see enclosed lease agreement between Bankers Casino and the Monterey County Fair	<input type="checkbox"/> Other If you have listed your company as other please identify your company structure:
--	--	--

Registered Business Name: 7th DAA Monterey County Fair Bankers Casino

Fictitious Business Name:

Address: 2004 Fairgrounds Road 111 Monterey Street, Salinas, CA 93901

E-mail Address: kelly@montereycountyfair.com

City: Monterey State: CA Zip Code: 93940

Phone: Monterey Bay Race Place
 831-372-0315
 Bankers Casino 831-422-6666

Fax: Monterey Bay Race Place 831-372-8248

State where registered or
 Articles of Organization are filed: N/A

Registry or File number:

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-88 (New 11/08)

Name of all officers, directors, and managers. For officers, directors, and managers that have no ownership, enter "0%" in the ownership column. For members of a Limited Liability Company, list membership interest in ownership column. For partners, following the individual's name indicate whether general or limited partners. (true names)

Entity/Individual Name and Title	Entity's Business Address/ Individual's Address of Record	Ownership% (if any)	Compensation Agreement
Frank Devine, 7 th DAA Board President	2004 Fairgrounds Road Monterey, CA 93940	0%	N/A
Kirk Williams, 7 th DAA Past President	2004 Fairgrounds Road Monterey, CA 93940	0%	N/A
David Peterson, 7 th DAA Director	2004 Fairgrounds Road Monterey, CA 93940	0%	N/A
Courtney Boyles, 7 th DAA Director	2004 Fairgrounds Road Monterey, CA 93940	0%	N/A
Andrea Borchard, 7 th DAA Director	2004 Fairgrounds Road Monterey, CA 93940	0%	N/A
Mali Cuda, 7 th DAA Director	2004 Fairgrounds Road Monterey, CA 93940	0%	N/A
Alan Tarp, 7 th DAA Director	2004 Fairgrounds Road Monterey, CA 93940	0%	N/A
Jeanne Byrne, 7 th DAA Director	2004 Fairgrounds Road Monterey, CA 93940	0%	N/A
Vivien Lindley, 7 th DAA Director	2004 Fairgrounds Road Monterey, CA 93940	0%	N/A

Are shares listed for public trade?

Yes No

If yes on what stock exchange?

If more than 50 percent of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity.

All entities that own 5 percent or more must fulfill the instructions for Full Disclosure Statement.

Attach the most recent annual financial statement for the applicant, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission.

MANAGEMENT AND STAFF
(Minisatellite Wagering Facility)

Name and title of the managing officer(s) and/or general manager(s) of the business.

Name	Title
Kelly Violini, 7 th DAA, Monterey County Fair	CEO
Dustin Stafford, Monterey Bay Race Place	SWF Assistant Supervisor

ASSOCIATION CONTRACT/AGREEMENT

Name(s) of racing association(s) with whom you intend to have a contract or agreement:

Northern CA Off Track Wagering, Inc. – We already have a contract in place that we will write an addendum to or a separate contract for this Mini-Satellite Wagering Facility

State of California
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CHRB-88 (New 11/08)

Addresses of racing association(s): 7950 Dublin Blvd., Dublin, CA 94568

Racing association(s) phone numbers: (925) 307-7040

Proposed contract dates: From: Opening To: 3 Years (inclusive).

Note: Please look at "Exhibit A" for a copy of existing contract.

Attach a certified check payable to the Treasurer of the State of California in the amount of \$500 for the nonrefundable minisatellite application fee.

CHRB CERTIFICATION

Application filed on:	30-day Notice Letter:
Fee received by:	Approved on:
Reviewed by:	License number issued:

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 applicant contractor to attest to this application on its behalf.

Name <i>Kelly Nolani</i>	Signature of Applicant Representative <i>Kelly Nolani</i>
Title <i>CEO</i>	Date: <i>4/20/11</i>

INSTRUCTION SHEET FOR FULL DISCLOSURE STATEMENT

Amended

Background Information and Ownership

By authority of Chapter 4, Division 8, sections 19420 and 19440 of the California Business and Professions Code; and to allow an evaluation of the competence, integrity, and character of potential licensees, all applicants for license as contractors, sub-contractors and all concessionaires applying for Board approval, including any person, corporation, trust, association, partnership

State of California
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 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-88 (New 1/08)

PART II

CONTRACTED ASSOCIATION INFORMATION
 One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

California Authority of Racing Fairs, 1776 Tribute Rd. Suite 205, Sacramento CA 95815

Telephone: 916-927-7223

Fax number: 916-263-3341

Racetrack name: Northern California Racing Fairs

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name
 CHRISTOPHER KORBY

Title
 EXECUTIVE DIRECTOR

Signature of association representative

Christopher Korby

Date:

Feb 22, 2011

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California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
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PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Cal Expo Harness, 1600 Exposition Blvd., Sacramento, CA 95815

Telephone:
(916) 263-3000

Fax number: (916) 263-3230

Racetrack name:
Cal Expo Harness

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Signature of association representative

~~Norbert J. Bartosik~~

DAVID EWETT



Title

Date:

~~General Manager/CEO~~

DIRECTOR OF RACING

3/3/11

State of California
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Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

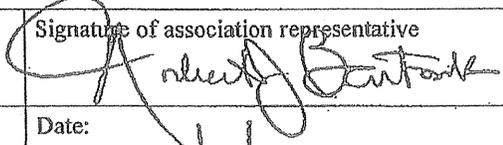
California State Fair & Exposition, 1600 Exposition Blvd., Sacramento, CA 95815

Telephone:
(916) 263-3000

Fax number: (916) 263-3230

Racetrack name:
Cal Expo

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Norbert J. Bartosik	
Title	Date:
General Manager/CEO	3/9/11

State of California
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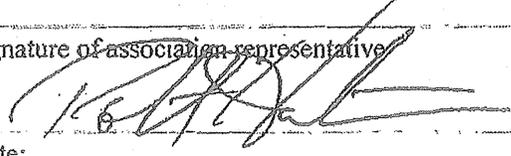
PART II

CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:
Pacific Racing Association 1100 Eastshore Hwy, Berkeley, CA 94710
Telephone: 510-559-7300 Fax number: 510-559-7464

Racetrack name:
Golden Gate Fields

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name <u>Robert Hartman</u>	Signature of association representative 
Title <u>General Manager</u>	Date: <u>2/9/11</u>

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PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association.

Name and mailing address of association:

Pacific Racing Association 1100 Eastshore Hwy, Berkeley, CA 94710

Telephone:

510-559-7300

Fax number:

510-559-7464

Racetrack name:

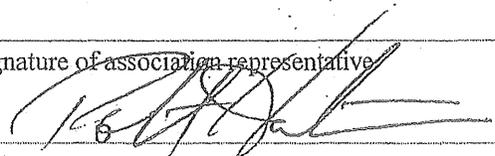
Golden Gate Fields

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Robert Hartman

Signature of association representative



Title

General Manager

Date:

2/9/11

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PART II

CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Northern California Off-Track Wagering, Inc., 1100 Eastshore Highway, Berkeley, CA 94710

Telephone:
(510) 559-7300

Fax number: (510) 559-7464

Racetrack name:
NCOTWINC

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

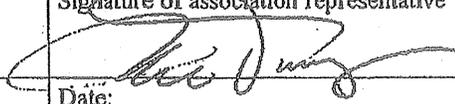
Name

Peter W. Tunney

Title

Vice President

Signature of association representative



Date:

3/17/11

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PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Alamitos Quarter Horse Racing Association

Telephone:

(714) 820-2671

Fax number:

(323) 460-7026

Racetrack name:

Los Alamitos Race Course

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Richard M. English

Signature of association representative



Title

Chairman of the Board

Date:

3/28/11

Monterey County Fair operations at Bankers Casino
Card room in Salinas, CA

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
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PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:		Los Angeles Turf Club, Incorporated 285 West Huntington Drive Arcadia, California 91007	
Telephone:	626-574-6428	Fax number:	626-821-1514
Racetrack name: Santa Anita Park			
Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:			
Name		Signature of association representative	
George Haines			
Title		Date:	
President		March 28, 2011	

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PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association: Del Mar Thoroughbred Club
PO Box 700
Del Mar, CA 92014

Telephone: 858-755-1141

Fax number: 858-794-1007

Racetrack name: Del Mar

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name
Craig R Fravel

Signature of association representative

Craig R Fravel

Title
President and General Manager

Date: 4/4/11

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PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

LOS ANGELES COUNTY FAIR ASSOCIATION

Telephone:

909-865-4203

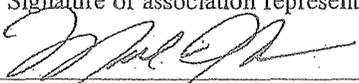
Fax number:

909-865-2481

Racetrack name:

FAIRPLEX PARK

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name: MICHAEL D. SEDER	Signature of association representative 
Title: CEO	Date: 4/24/11

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PART III
SIMULCAST ORGANIZATION INFORMATION

To be completed by approved simulcast organization that has executed an agreement approved by the CHRB with the association conducting a racing meeting with the minisatellite wagering facility pursuant to Business and Professions Code sections 19605.25 and 19605.3.

I. OPERATION OF THE MINISATELLITE WAGERING FACILITY

Simulcast organization engaged by the association to conduct simulcast wagering:

Northern California Off Track Wagering Inc.

Attach the agreement between the association and simulcast organization permitting the minisatellite wagering facility to use the association's live audiovisual signal for wagering purposes and providing access to it's totalizator for the purpose of combining on-track and off-track pari-mutuel pools. Attached

Submit a copy of each horsemen's written approvals.

Hours for operation of the facility: 10:00 a.m. – 12:00 a.m., Wednesday through Sunday and Holiday Mondays.

Hours for operation of the minisatellite wagering site: See above.

Time periods during the calendar year the facility will not be utilized as a minisatellite wagering facility (explain why):

N/A

If approved, wagering will be offered on live race meetings being held or conducted by the following California racing association(s): Pacific Racing Association, California Authority of Racing Fairs, Los Angeles Turf Club, Hollywood Park racing Association, Del Mar Thoroughbred Club, Cal Expo Harness Association, Los Alamitos Quarter Horse Racing Association.

See above		
-----------	--	--

List the host track from which the minisatellite wagering facility proposes to import out-of-state and/or out-of-country 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": Pacific Racing Association and California Authority of Racing fairs – Full cards for the term of the agreement.

Estimated number of pari-mutuel terminals machines available:

Ten (Ten) - estimation

Attach a proposed staffing plan for the facility and/or minisatellite wagering site, to include the number of security personnel and the number of pari-mutuel clerks pursuant to Business and Professions Code section 19605.25 (5)(b). NCOTWINC Staffing: Mutuel Supervisor; 1 Manager, 1 Mutuel Clerk. 2 Security Personnel, 1 Satellite Wagering Supervisor, 1 Hostess/Admission/Program Sales Clerk.

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II. SUPERVISION, SECURITY AND FIRE PREVENTION

Changes to management personnel and minisatellite manager(s)
 must be immediately reported to the Board.

Name of the individual(s) responsible for the day-to-day operation of the minisatellite facility:

Name and Title	CHRB License No. and Expiration Date
Kelly Violini (Baldwin)	273906 Exp 6/2013

Attach a certificate of insurance for workers' compensation coverage including carrier and the policy number securing the applicant's liability for payment of workers' compensation is (if self-insured, provide details):
 Attached as "Exhibit D"

Attach a fire clearance from the fire authority having jurisdiction. City license to serve as fire clearance. Final fire clearance to be issued upon completion of necessary required for minisatellite.

Attach a security plan to include: the name, title and phone number of the person having responsibility for security controls, the number of security officers and/or guards and the police or sheriff's department having jurisdiction for criminal law enforcement over the premises of the facility. See "Exhibit F&G"

Is there a backup emergency plan for power failure? Yes No X

If yes, describe.

III. MINISATELLITE WAGERING SITE

Attach a detailed scale plan of the facility indicating all points of access to facility, emergency exits, placement of offices, and food and beverage service location and detailing the location of the proposed minisatellite wagering site. Identify how the designated minisatellite wagering area will be restricted to patrons 21 years and over. Attach photos of the minisatellite wagering site. See "Exhibit H"

NOTICE TO APPLICANT. Pursuant to Business and Professions Code section 19605.25(a) (4) wagers placed at a minisatellite site must be in an area that is restricted to those who are 21 years of age or older.

IV. FACILITY DESCRIPTION

Describe the food and beverage services to be offered (full meals served; cafeteria-style full meals; short-order counter service; pre-ordered prepared sandwiches and fast foods available; full bar services; or other description as appropriate): Bankers Casino offers a full bar and kitchen service available 24 hours. Food Service is available both in the Card Room as well as the banquet hall as the proposed site of the mini satellite facility. Wait staff is available 24 hours a day.

The seating capacity in the minisatellite wagering facility is: Maximum Capacity is 250, Seating Capacity is 140

The number of tables in the minisatellite wagering area is: 20 Tables, plus 15 booths and the bar.

Overall square footage in the minisatellite wagering area is: Almost 5,000 SF

Attach a photograph of the minisatellite wagering area. Photos provided in "Exhibit I" are of the facility and bar/dining space before remodeling.



April 7, 2011

To: California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Re: Monterey County Fair/7th DAA
2004 Fairground Road
Monterey, CA 93940

Please be advised that the Monterey County Fair/7th DAA 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 Allied World Assurance Company
Term: 01/01/2011 to 01/01/2012

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: Statutory Limit in excess of \$500,000
(b) Employers' Liability: \$4,500,000 in excess of \$500,000
Coverage provided by CSAC Excess Insurance Authority
Term: 07/01/2010 to 07/01/2011

CFSA represents to the California Horse Racing Board 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 Monterey County Fair/7th DAA as set forth in the California Horse Racing Board'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
Lianne Lewellen
Risk Analyst

EXHIBIT D

Quote Letter (Quote Number : 511414)



ace usa

ACE Complete sm

ACCOUNT PROPOSAL

WORKERS' COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE

July 26, 2010

Proposed Insured :SAL JIMENEZ AND
HECTOR CAMPOS
355 EAST MARKET
SALINAS
CALIFORNIA
93901

ACE Producer :UNITED VALLEY
INSURANCE

FEIN : 553250705

Quote Number : 511414

Our proposal of insurance, underwritten by ACE Property and Casualty Insurance Company is as follows :

- Item 1. Policy period from 09/22/2010 to 09/22/2011 at 12:01 AM at the Insured's mailing address.
- Item 2. A. Workers' Compensation Insurance : Part One of the Proposal applies to the Workers' Compensation Law of the states listed here : CA
REFER TO THE FOLLOWING PAGES.
- B. Employers Liability Insurance : Part Two of the Proposal applies to work in Each state listed in Item 2.A.
The limits of our liability under Part Two are :
Bodily Injury by Accident \$ 1,000,000 each accident.
Bodily Injury by Disease \$ 1,000,000 policy limit.
Bodily Injury by Disease \$ 1,000,000 each employee.
- C. Other States Insurance : Part Two of the proposal applies to the states, if any listed here :
All states except ND,OH,WA,WY
- Item 3. Estimated Premium : \$ 56,348
Estimated Premium includes Foreign Terrorism Coverage Cost of : \$ 546
Estimated Domestic Terrorism Coverage Cost : See State Schedule
- Item 4. Notes :
- o The insurance company requires that the Insured maintains valid and current certificates of workers' compensation insurance on all work performed by persons other than its employees.
 - o A completed ACORD application, signed by the insured, must be received in the insurance agent or broker's office within 5 days of the policy effective date and retained therein.
 - o State required forms that require the Insured's signature must be completed and returned to the insurance agent or broker's office within 30 days of policy effective date.

Exhibit F

Bankers Casino Security Policies and Procedures

Sal Jimenez, Owner/Partner Bankers Casino 831-422-6666 has responsibility for security controls.

Bankers Casino has 1 Guard 24 hours per day. Surveillance is both indoor/outdoor 24 hours a day.

Floor Managers are on duty at the site 24 hours per day. If an incident occurs, security guard reports to floor manager.

Panic Buttons are present in the facility and are linked directly to the City of Salinas Police Department.

The City of Salinas has jurisdiction over criminal law enforcement. Chief Louis Fetherolf can be reached at 831-758-7090.

Exhibit G

Bankers Casino Policies and Procedures

Emergency Preparedness Plan

Fire:

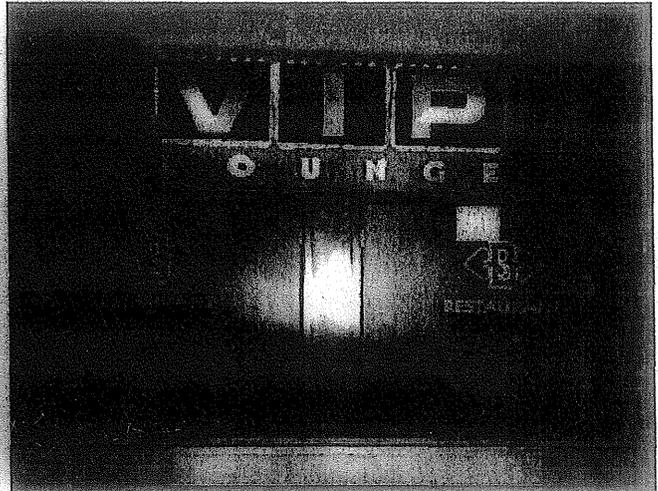
If the fire alarm sounds the following steps must be taken:

1. Determine if the alarm is real or false. Check the kitchen and the snack bar first while you are scanning the building for smoke. The Security Guard on duty, the Card Room Supervisor(s) and Manager on site must participate in assessing the situation as follows:
 - The Facility Manager will check the Card Room, Kitchen and Money Room.
 - The Supervisor on duty will check the Banquet Hall and Restrooms.
 - The Security Guard will check the Patio and Offices.
2. If the alarm is false immediately call 911 to cancel the dispatch.
3. If there is a fire:
 - Supervisor on duty will call 911 to be sure the alarm went to dispatch
 - The firebox P. A. system will automatically make announcements to "Please leave the building", or something to that effect.
 - Proceed with the evacuation plan.

Bankers Casino and Card Room



Outside Entrance to Facility



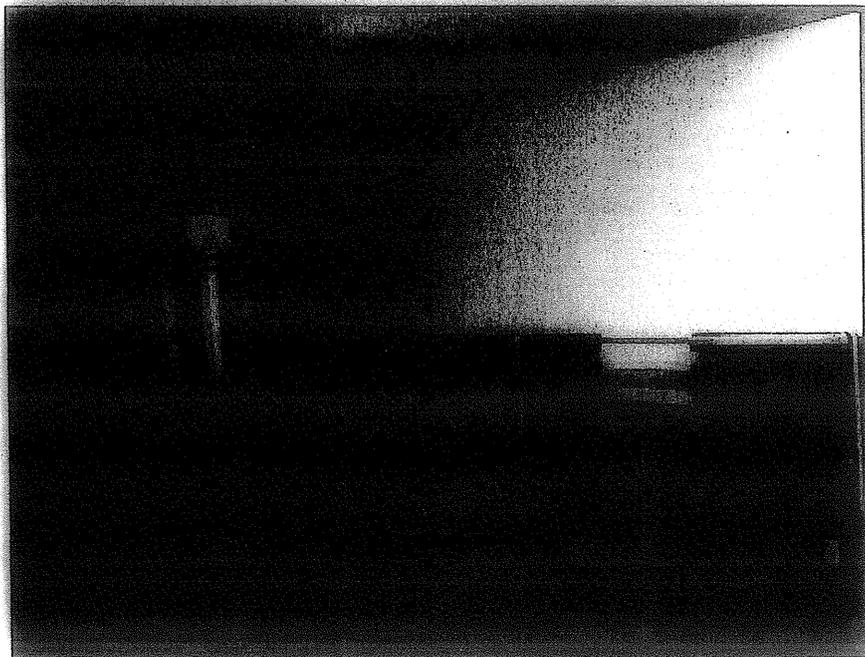
Entrance to what would be the mini-SWF



View of Food and Beverage area inside the proposed mini-SWF

EXHIBIT I

Bankers Casino and Card Room



View of area inside of the proposed mini-SWF

EXHIBIT I

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Describe occupancy restrictions, if any, imposed by the fire authority having jurisdiction: Maximum Occupancy is based on area.

The total number of parking spaces available in the parking areas can accommodate (number of standard sized automobiles): 76 cars. 450 car parking garage is located across the street and street parking is also available.

Describe any other activities to be scheduled on or near the facility premises that may have a negative impact on available parking: None known.

V. EQUIPMENT PROVIDED BY THE MINISATILLITE WAGERING FACILITY

Describe the television equipment (satellite receivers, decoders, controls, monitors, etc.) to be utilized at the facility: Estimated - 12 Flat Screen video displays, 4 projection screens, 12 HD Satellite receivers and 22 cable TV/DirectTV sports channels.

Describe the public address equipment (controls, microphones, speakers, etc.) to be utilized at the facility: Ca Authority of Racing Fairs will install a full public address system into the proposed mini satellite facility. There is currently a surround sound disc jockey system in place and this will also be utilized.

VI. ADVERTISING AND PATRON DEVELOPMENT

Describe any advertising or promotional plans:

Media contracts are in place with two local newspapers, three local radio stations as well as FOX TV station. Media plan is hereby attached as 'Exhibit J'

Describe any improvements to the facility that will directly benefit minisatellite wagering:

NOTICE TO APPLICANT: Pursuant to Board Rule 2066 all advertisement shall contain a statement that persons under 21 are not allowed to participate in minisatellite wagering. All advertisement shall contain contact information for a recognized problem-gambling support organization.

VII. ADMISSIONS, CHARGES AND SERVICE FEES

Complete if applicable and note N/A if not

Admissions charges, if any, are:	\$4.00 general admission
Parking charges, if any, are:	None
Program charges, if any, are:	Per Track
Seating charges, if any, are:	None

VIII. RENEWAL

Complete this section only if renewing your license.

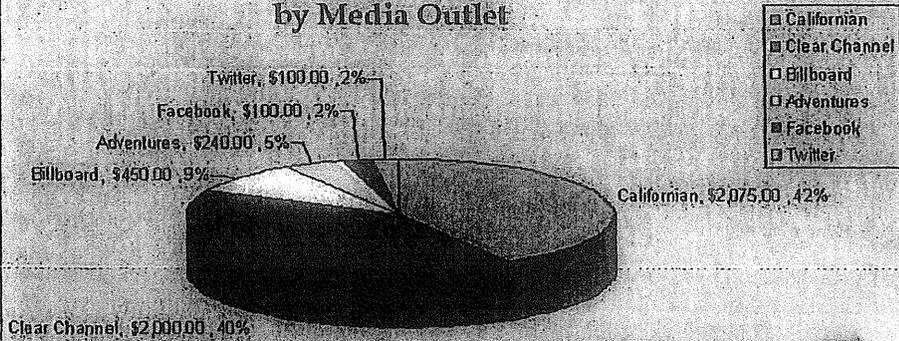
Is this a renewal application: Yes No

Have there been any changes since the submission of your last application for authorization to operate a minisatellite wagering facility? Yes No

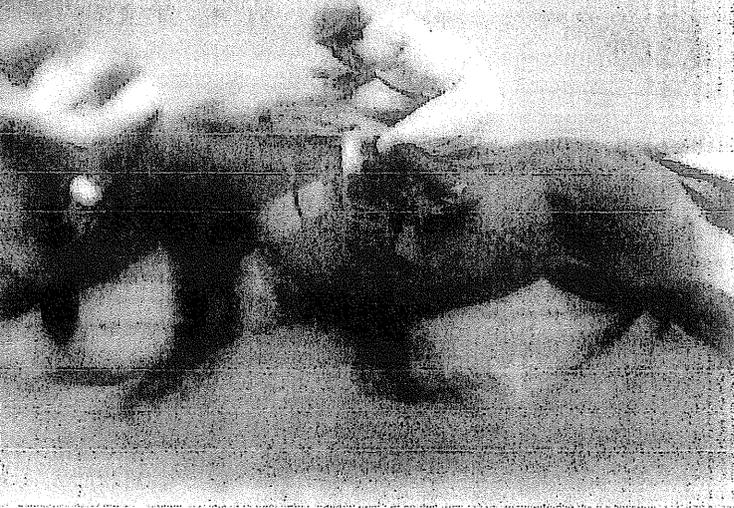
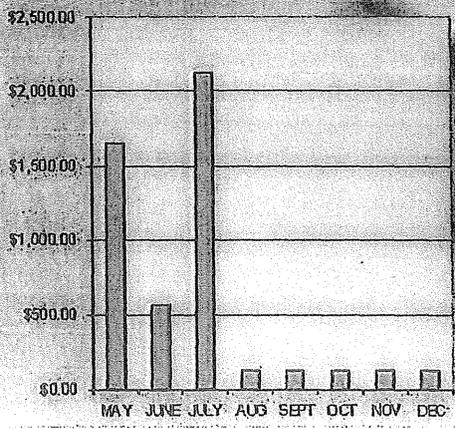
Have any changes occurred affecting ownership or controlling interest in your business structure or establishment since your last application? Yes No

If you have answered, "Yes", to any of the questions above please attach a detailed statement describing the change.

Total Spending by Media Outlet



Total Spending by Month



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AGREEMENTS

Attach copies of all applicable county, city or agency agreements that may affect the minisatellite wagering facility.

NOTICES TO APPLICANT

Notice is given to the applicant that its application, if approved by the Board, authorizes the applicant to offer pari-mutuel wagering at its minisatellite wagering facility for a period of two years per Business and Professions Code section 19605.25(h).

Notice is given that retention of and control over all moneys generated from pari-mutuel wagering held or conducted at the facility is the responsibility of the simulcast organization(s) which contract(s) to provide the pari-mutuel equipment and pari-mutuel employees; and that such organization(s) is (are) responsible for its proper distribution in accordance with the law and the rules and regulations of the Board.

Notice is given that CHRB Rules 1870 and 1871 require that the Board be given 15 days notice in writing of any intention to terminate operations, engagements, or services by any licensee, or approved contractor.

DECLARATIONS

All labor agreements, concession contracts, service contracts, horsemen's agreements, lease agreements, agreements with the simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility, lease or rental agreement with the facility landlord and all applicable county, city or agency agreements that may affect the minisatellite wagering facility have been finalized except as follows (if there are no exceptions, so state):

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 license except as follows (if there are no exceptions, so state):

Absent natural disasters or causes beyond the control of the applicant, its service contractors, concessionaires or employees engaged at the facility, no reasons are believed to exist that may result in a stoppage to the conduct of pari-mutuel wagering at the facility or the withholding of any vital service to the applicant except as follows (if there are no exceptions, so state):

By authority of Article 9.2, Chapter 4, of the Business and Professions Code; and the Federal Indian Gaming Act; to allow an evaluation of the competence, integrity, and character of potential simulcast facility operators, any person, corporation, trust association, partnership, joint venture, or management firm who submits an application for such license or who is named in such application and who is not a State or County entity, or has not previously completed such disclosure when filing for a horseracing application pursuant to Article 4, section 19480 of the Business and Professions Code shall be required to complete and submit a full disclosure statement.

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 applicant to attest to this application on its behalf.

Print name of minisatellite facility applicant representative:

Sal Jimenez

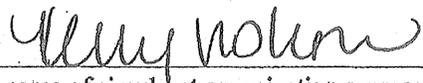
Signature of minisatellite facility representative:

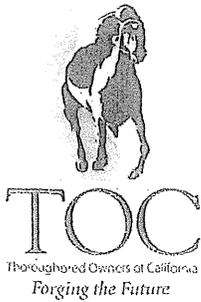


Date: 4/11/11

Date: 4/11/11

State of California
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Signature of minisatellite facility representative:	Date: 4/11/11
Print name of association representative: Kelly Violini	Date: 4/11/11
Signature of association representative: 	Date: 4/21/11 amended
Print name of simulcast organization representative:	Date:
Signature of simulcast organization representative:	Date:

**OFFICERS**

JACK B. OWENS
CHAIRMAN
BRIAN BOUDREAU
VICE CHAIR, SOUTHERN CALIF.
KEITH PRONSKE
VICE CHAIR, NORTHERN CALIF.
PETE PARRELLA
TREASURER
PABLO SUAREZ
SECRETARY
MIKE PEGRAM
AT LARGE

DIRECTORS

MADLINE AUERBACH
MARTIN BACH
BOB BAFFERT
MARK DEDOMENICO
RON ELLIS
CAL FISCHER
BILLY KOCH
ED MOGER
DONALD VALPREDO

EXECUTIVE STAFF

GUY LAMOthe
CHIEF OPERATING OFFICER
KELLEE BREEN
CHIEF FINANCIAL OFFICER
MARY FORNEY
DIRECTOR OF OPERATIONS
LUCINDA MANDELLA
DIRECTOR OF OWNER SERVICES
ALISON LADUKE
PROJECT COORDINATOR
RICHARD SCHEIDT
NO. CA. DIRECTOR OF
OPERATIONS

CHAIRS EMERITUS

ED FRIENDLY (1996-97)
ROBERT B. LEWIS (1997-2001)
GARY BURKE (2001)
JACK B. OWENS (2001-03)
RON CHARLES (2003-04)
JACK B. OWENS (2004-05)
ALAN LANDSBURG (2005-07)
MARSHA NAIFY (2007-10)
ARNOLD ZETCHER (2010-11)

CORPORATE OFFICE

285 W. HUNTINGTON DRIVE
ARCADIA, CA 91007
(626) 574-6620 Phone
(800) 994-9909 Toll Free
(626) 821-1515 Fax
www.toconline.com

March 25, 2011

VIA ELECTRONIC MAIL

California Horse Racing Board
Attn: Ms. Jacqueline Wagner
1010 Hurley Street, Suite 300
Sacramento, CA 95825

Re: Monterey County Fair Mini-satellite Application

Dear Commissioners:

The Thoroughbred Owners of California is pleased provide its approval of the license application for the Monterey County Fair to operate a mini-satellite wagering facility at Bankers Casino located in Salinas, CA, for a term of no longer than two years. Thank you for your consideration.

Sincerely,

Guy Lamothe
Chief Operating Officer

Cc: Mr. Brian Boudreau
Mr. Chris Korby
Mr. Jack B. Owens

CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

P.C.Q.H.R.A. 4961 Katella Avenue, Los Alamitos, CA 90720

(714) 236-1761

Telephone:
(714) 236-1755

Fax number: ~~(714) 544-0744-236-1755~~

Racetrack name:
Los Alamitos

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Dominic "Bud" Alessio	
Title	Date:
President	4/21/11

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD
REGARDING A PRESENTATION BY
HOLLYWOOD PARK RACING ASSOCIATION
REGARDING ITS INTRODUCTION OF THE
HOLLYWOOD PARK "NEW COMERS" INITIATIVE PROGRAM"

Regular Board Meeting
April 28, 2011

BACKGROUND

At its March 14, 2011 Regular Meeting the Board heard the application for license to conduct a horse racing meeting of the Hollywood Park Racing Association (HPRA) at Hollywood Park Race Track. During the discussion regarding the HPRA application for license, the Commissioners expressed an interest in learning about HPRA's plans for cultivating those who attended the Friday night events at the racetrack. Chairman Brackpool stated that HPRA needed to educate the public about horse racing and wagering so there could be a cross over from attendance into handle. The Commissioners suggested HPRA develop an ambassador program utilizing persons of the same age group as those who attended the Friday night event. The Ambassadors might wear apparel that would make them easily identifiable, and they could explain how to wager, and perhaps take groups to different parts of the racetrack. HPRA could also let its Friday night public know it did not have to understand handicapping, and that it was okay to wager on colors, numbers or the names of horses. Chairman Brackpool invited the HPRA to return to the April 2011 Regular Meeting to make a presentation regarding its plans to cultivate its Friday night attendees.

HPRA has provided the following outline of its "New Comers' Initiative Program":

In an effort to continue to draw a younger demographic to our Friday night racing and concerts we have planned the following programs and initiatives:

1. Customer Service Representatives have been trained to assist newcomers with the betting process.
2. There will be two special tellered windows that are designated as "Beginner's Windows," where newcomers will receive direction as to how to place a bet.
3. All employees will wear buttons with the caption "Ask me how to Bet," and are expected to assist newcomers with betting.
4. Beginner's Guides will be handed out at the gates and placed throughout the facility.
5. After the last race, before the concert begins we will host "Hollywood Park Jeopardy". This will feature a contest between three contestants who will win a variety of prizes and be entered in a drawing to win a Turf Club Party for ten on the closing Friday night. Three contestants will be chosen for this special prize and will also play the final round of HP Jeopardy on July 15th.

6. A Beginner's video is being produced that will be available on our website and YouTube.

RECOMMENDATION

This item is presented for Board discussion and action.

Staff recommends the Board hear from the Hollywood Park representative.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD TO RATIFY THE ACTION OF THE
EXECUTIVE COMMITTEE AND THE EXECUTIVE DIRECTOR, CONSENTING TO THE
REDUCED PICK 5 WAGER REQUESTED BY HOLLYWOOD PARK RACING
ASSOCIATION, WITH THE AGREEMENT OF THE THOROUGHBRED OWNERS OF
CALIFORNIA, PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION
19601.01

Regular Board Meeting
April 28, 2011

BACKGROUND

Business and Professions Code section 19601.01 provides, in pertinent part, that a thoroughbred association, upon filing a written notice with, and approval of, the Board specifying the percentage to be deducted, may deduct from the total amount handled in the pari-mutuel pool for any type of wager an amount of not less than 10 percent nor more than 25 percent. The notice shall include the written agreement of the thoroughbred association and the horsemen's organization for the meeting of the thoroughbred association accepting the wager. The amount deducted shall be distributed as prescribed in Horse Racing Law. Any such distribution, except amounts for support of the Board and the equine drug testing program, may be modified upon filing with, and approval by, the Board of a written notice that is authorized and signed by the organization representing each organization affected by the modification or redirection.

Business and Professions Code section 19601.01(b) requires a report be filed with the notice when requesting a modification, pursuant to section 19601.01(a). The report is to detail the prior two years of all receipts and expenditures of the funds and accounts proposed to be affected by the notice.

On April 7, 2011, F. Jack Liebau, President of Hollywood Park Racing Association, submitted a written notice to the Executive Director of the California Horse Racing Board, requesting to reduce the amount handled in the pari-mutuel pool on a Pick 5 wager to 14 percent. The Pick 5 Wager is to have a minimum wager of fifty cents, and will commence with the first race each day of the Hollywood Park Spring/Summer Meet.

The written notice included a signed, written agreement with the Thoroughbred Owners of California, authorizing the reduced percentage on the amount wager in the pari-mutuel pool for the Pick 5 Wager.

Hollywood Park Racing Association did not submit a report, pursuant to Business and Professions Code section 19601.01(b), as the Association stated it had not offered the Pick 5 Wager in the prior two years. Thus, there were no past receipts or expenditures of funds or accounts affected by the requested modification.

The first day of racing of the Hollywood Park Spring/Summer Meet is Thursday, April 21, 2011. Hollywood Park Racing Association wanted to begin offering the Pick 5 Wager with the reduced percentage handle on that date. The request for reduction was submitted to the Executive Committee and approved, subject to ratification by the Board at the April 28, 2011 Meeting.

RECOMMENDATION

This item is presented for Board discussion and action.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING
A REPORT FROM
CHURCHILL DOWNS TECHNOLOGY INITIATIVE COMPANY,
DBA TWINSPIRES.COM
CONCERNING ITS CALIFORNIA OPERATIONS,
INCLUDING ITS PROMOTION PLANS FOR HORSERACING IN
CALIFORNIA

Regular Board Meeting
April 28, 2011

BACKGROUND

At its March 14, 2011 Regular Meeting the Board heard the application for approval to conduct advance deposit wagering (ADW) of Churchill Downs Technology Initiative Company, dba Twinspires.com (Twinspires). During the discussion the Twinspires representative stated his organization had an office in Mountain View, California, with 25 high-paying jobs, including the president, vice president of marketing and vice president of finance. Prior to making a motion to grant approval for Twinspires to conduct ADW Chairman Brackpool stated the agenda for the April 28, 2011 Regular Board Meeting would include a report from Twinspires. The report would explain Twinspires operations in California, what Twinspires intended to do about jobs in California and Twinspires plans for promoting horseracing in this state.

RECOMMENDATION

This item is presented for Board discussion and action.

Staff recommends the Board hear from the Twinspires representative.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD
REGARDING THE PRESENTATION FROM
MI DEVELOPMENTS (MID) ON THE PROPOSED TRANSFER OF
MID'S HORSE RACING ASSETS TO A NEW ENTITY
CONTROLLED BY
FRANK STRONACH

Regular Board Meeting
April 28, 2011

BACKGROUND

Santa Anita Park Race Track (SA), Golden Gate Fields (GGF) and XpressBet all operate in California pursuant to licenses granted by the California Horse Racing Board. Currently, these three entities are indirect subsidiaries of a company named MI Developments US Holdings Inc. MI Developments US Holdings Inc. is a wholly-owned subsidiary of the public company MI Developments Inc. (MID). Frank Stronach is the chairman and controlling shareholder of MID.

Pursuant to a pending transaction, the stock of MI Developments US Holdings Inc. (the indirect parent of SA, GGF and XpressBet) would be transferred from MID to a new entity controlled by Frank Stronach and/or the Stronach Family. Both prior to and after the consummation of the pending transaction, SA, GGF and XpressBet will be indirect subsidiaries of an entity controlled by Frank Stronach and/or the Stronach Family.

ANALYSIS

The transfer of stock from MID to a new entity controlled by Frank Stronach and/or the Stronach family revokes the waiver of Business and Professions Code sections 19483 and 19484 previously granted by the Board. The new owners of the licensees will need to apply for a waiver of the Business and Professions Code provisions.

RECOMMENDATION

This item is presented for Board discussion and action.

Staff recommends the Board hear from the MID representative.



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MID shareholders agree to transfer racetracks to Stronach

By Matt Hegarty

Frank Stronach has moved one step closer to taking control of the troubled racing assets his publicly traded companies have acquired and failed to turn around over the past 13 years.

Groups representing the majority shareholders of the company that owns the assets, MI Developments, have agreed to vote in favor of a proposal that would require Stronach to give up control of the company in exchange for the racing and gambling properties, according to an announcement from MI Developments released late on Monday night. Stronach currently controls 57 percent of the voting stock of MI Developments through an unusual dual-class share structure that would be abandoned as a result of the deal.

If approved by shareholders at a meeting in March and then by an Ontario Supreme Court Justice, the deal would seem to satisfy both Stronach and the company's largest shareholder groups, even if the financials of the deal tilt heavily in favor of Stronach, whose supervoting shares represent only 1 percent of the total equity in the company. Stronach has sought to exert more control over the assets, while shareholders of MI Developments have long wanted to get the company out of the racing business.

Under the plan, Stronach would take possession of Santa Anita Park and Golden Gate Fields in California; Gulfstream Park, Gulfstream's casino, and the Palm Meadows training center in Florida; MID's majority stake in Laurel Park and Pimlico in Maryland; Portland Meadows in Oregon; and the account-wagering operation XpressBet, the bet-processing company AmTote, and MID's half-stake in HorseRacing TV. In exchange, Stronach would forfeit the supervoting shares and advance \$20 million to MID.

According to a calculation performed by a company hired by MID to assess the deal, the assets that Stronach will receive are worth \$585 million to \$730 million, while the nominal value of Stronach's shares in the company are worth approximately \$10 million, at the share's price on Tuesday, making the total monetary cost to Stronach around \$30 million.

But despite that disparity, many shareholders of MI Developments have been eager to see the assets wiped off the company's balance sheet, in large part because the assets have never consistently generated profits, and because there don't appear to be any obvious strategies to turn them around. MI Developments took possession of the assets last April, after the company's subsidiary, Magna Entertainment – which Stronach also controlled – was dissolved in bankruptcy court.

MI Developments derives the brunt of its revenues from lease payments made by manufacturing properties owned by Magna International, an auto-parts company Stronach founded. The company has consistently generated tens of millions of dollars in annual profits from the predictable revenue streams provided by the leases.

But the takeover of the racing and gambling assets has dragged those earnings down considerably in only nine months. For example, in the third quarter of last year, the racing assets lost \$23.8 million, on revenue of just \$48.4 million, dragging net profit for the quarter down to \$8.1 million. Magna Entertainment lost hundreds of

millions of dollars with the same assets prior to filing for bankruptcy in 2009.

As a result, the move could pose considerable financial risk to Stronach's personal fortune, which is estimated in the hundreds of millions of dollars. If the deal goes through, Stronach, who is 78, will be on the line for any losses, and will have very few options to shore up the properties without reaching into his own pocket, given the credit histories associated with the assets and a clause in the deal that prohibits MI Developments from offering any support to racing businesses.

Industry News

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Source URL (retrieved on 04/18/2011): <http://www.drf.com/news/mid-shareholders-agree-transfer-racetracks-stronach>

THOROUGHBRED TIMES®

Shareholders approve plan for Stronach to control tracks

Posted: Wednesday, March 30, 2011 11:00 AM

by Frank Angst

MI Developments Inc. shareholders overwhelmingly approved a plan for horseman Frank Stronach to take control of its racetracks.

The plan calls for Stronach to take over racing operations while stepping down as chairman of MI Developments, an industrial and commercial real estate company he founded. Stronach's new racing company includes Gulfstream Park, Golden Gate Fields, half of the Maryland Jockey Club, the Palm Meadows training center, Portland Meadows, Santa Anita Park, AmTote International, and account wagering outlet XpressBet.com.

In February, those racing assets were valued at between \$585-million and \$730-million, but according to MI Developments' year-end financials, racing operations cost the company \$76.7-million in 2010. Stronach also will pay \$20-million in cash for the racing operations.

In the spring of 2010, MI Developments took over the racing assets following the bankruptcy of its subsidiary, Magna Entertainment Corp., another company Stronach founded.

MI Developments announced Tuesday that shareholders approved the previously announced plan to eliminate MID's dual class share structure, which allowed Stronach to maintain control, with approval from 98.08% of the Class A subordinate voting shares and 99.91% of the Class B shares. The vote was conducted at the annual general and special meeting of shareholders Tuesday in Aurora, Canada.

The plan is subject to approval by Ontario Superior Court of Justice. Former Breeders' Cup President Greg Avioli will head Stronach's racing regime.

Frank Angst is a Thoroughbred Times senior staff writer

MID Shareholders OK Deal With Stronach

by *Blood-Horse Staff*

Date Posted: 3/29/2011 2:52:21 PM

Last Updated: 3/30/2011 9:06:44 AM

Shareholders of MI Developments voted March 29 to end the company's "dual class share" structure and turn its racing-related holdings over to chairman Frank Stronach.

The deal was approved by 98.8% of the combined Class A and Class B voting shares; 99.91% by Class B shares only; 86.33% of votes cast by minority holders of Class A shares; and 99.65% of minority holders of Class B shares, MID reported in a release.

The arrangement is subject to approval by the Ontario, Canada, Superior Court of Justice a hearing scheduled for March 31, and "certain other conditions" by June 30.

MID owns Santa Anita Park; Golden Gate Fields; Gulfstream Park, including an interest in The Village at Gulfstream Park, a joint venture with Forest City Enterprises Inc.; an interest in joint ventures in the Maryland Jockey Club with Penn National Gaming Inc.; Portland Meadows; AmTote; and XpressBet.com.

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STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL OF THE
CONTRACT FOR RACETRACK SOIL TESTING SERVICES

Regular Board Meeting
April 28, 2011

BACKGROUND

The Racing Surfaces Testing Laboratory (RSTL) in Orono, Maine, was established and intended to conduct surface material tests specific to the needs of the horse racing industry. Its goals are to establish consistent test methods, develop new surface monitoring protocols and to create a tracking data base of results to support the evaluation of historical and current trends, including the maintenance, performance and safety of racing surfaces.

The RSTL has created test protocols and acquired test fixtures that are unique to the requirements of horse racing surfaces. This laboratory is sponsored by the California Association of Racing Fairs, Churchill Downs Incorporated, the Jockey Club, the National Thoroughbred Racing Association, the New York Racing Authority and the Oak Tree Foundation. To date, RSTL has collected surface chemistry and performance data for over 30 race tracks. CHRHB's use of the RSTL for laboratory testing will ensure that data is developed with state-of-the-art tests and is consistent with data gathered from other major racetracks.

ANALYSIS

The California Horse Racing Board (CHRHB) has embarked on a five year plan to develop and implement strategy to determine the cause and prevention of injuries and fatalities to race horses and jockeys. The strategy includes setting safety standards for the maintenance and performance of racing surfaces.

The CHRHB has already accomplished several tasks in support of these new and updated safety standards. A necropsy data base records racehorse fatalities; there are automated weather stations operating at each major racetrack; surface moisture data is regularly collected; mechanical hoof testers are being used to characterize racehorse limb loads; daily maintenance data is chronicled at each track; and track surface slopes are being established by Global Positioning Satellite surveys.

The next task is to create a racing surface material property data base through use of the RSTL. This system will store data to characterize the composition and performance of materials that comprise California's racetracks. This includes both synthetic and dirt racing surfaces. The data will be correlated with injury and fatality statistics and result in the setting of objective surface standards. After this work has been completed by the CHRHB and the surface standards have been established, the racing association will be ultimately responsible for regularly taking surface samples and using the RSTL to verify compliance.

RECOMMENDATION

Staff recommends that the Board approve this contract with the Racing Surfaces Testing Laboratory, for \$250,000.00 for the period May 1, 2011 - through June 30, 2013.