

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

of the California Horse Racing Board will be held on, Thursday, February 26, 2009, commencing at 9:30 a.m., in the Baldwin Terrace Room at the Santa Anita Race Track, 285 West Huntington Drive, Arcadia, 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 the regular meeting of January 15, 2009.**
2. Discussion and action by the Board regarding the **proposed amendment of CHRB Rule 1853, Examination Required**, to allow thoroughbred horses to race unshod.
3. Discussion and action by the Board regarding the **proposed amendment of CHRB Rule 1663, Entry of Claimed Horse**, to provide that a horse is not eligible to race in another state until 60 days from the date it was claimed, instead of 60 days after the close of the race meeting in which it was claimed.
4. Discussion and action by the Board regarding the **current rule on rebates and the feasibility and advisability of amending CHRB Rule 1950.1, Rebates on Wagers**, to prohibit or better define rebates by advance deposit wagering providers.
5. Update and discussion by the Board regarding the **status of the infield golf course at the Alameda County Fairgrounds and the California Thoroughbred Trainers (CTT) request that the Board revoke the exemption to the requirements of subsection (b) of Rule 1475, Golf Course in the Infield of the Racetrack.**
6. Report from the CHRB Equine Medical Director and discussion by the Board regarding **medication and animal welfare issues in California horseracing.**
7. Report from the CHRB Executive Director and discussion by the Board regarding the **status of dedicated funds under the jurisdiction of the Board, and possible alternatives to modify via legislation or CHRB rules.**
8. Election of **Board Chairman and Vice Chairman.**

9. **Public Comment:** Communications, reports, requests for future actions of the Board.
Note: Persons addressing the Board under this item will be restricted to **three (3) minutes** for their presentation.

10. **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 also convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to this agenda captioned "Pending Administrative Adjudications," as authorized by Government Code section 11126(e).

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

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

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

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PENDING LITIGATION
FEBRUARY 2009

CASE

CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION and CAPITOL RACING,
LLC v. CHRB

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

JAMGOTCHIAN, JERRY v. SLENDER, GEORGE, et al.

Second District Court of Appeal No. B205337
Los Angeles County Superior Court No. BC344876

VALENZUELA, PATRICK v. CHRB

Los Angeles County Superior Court No. BS117547

GLEN HILL FARM, LLC. V. CHRB, et al

Los Angeles County Superior Court No. BS113053

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PENDING ADMINISTRATIVE ADJUDICATIONS
FEBRUARY 2009

CASE

APPEAL OF THE BOARD OF STEWARDS OFFICIAL RULING #18, HOLLYWOOD
PARK RACING ASSOCIATION, DATED MAY 10, 2007

Jose Delima, Appellant

SACRAMENTO HARNESS ASSOCIATION
Pending Adjudicatory Proceeding

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 January 15, 2009.

Present: John C. Harris, Vice-Chairman
Jesse H. Choper, Member
David Israel, Member
Jerry Moss, Member
Kirk E. Breed, Executive Director
Robert Miller, Staff Counsel

MINUTES

Vice-Chairman Harris asked for approval of the minutes of the Regular Meeting of December 15, 2008. He stated, however, he had a correction to the November 2008 minutes. On page 2-1 of the November 2008 minutes Vice-Chairman Harris said his statement regarding racing dates should read: "...six days a week for eight weeks." Commissioner Israel **motioned** to approve the minutes of the November 18, 2008, Regular Meeting, as amended. Commissioner Moss **seconded** the motion, which was **unanimously carried**. Commissioner Choper said he had changes to the December 2008 minutes. The changes were on page 1-9 of the minutes and were related to his statements regarding the Sacramento Harness Association. Commissioner Choper read his changes into the record. Commissioner Moss **motioned** to approve the minutes of the Regular Meeting of December 15, 2008, as amended. Commissioner Israel **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE PROPOSED ADDITION OF CHRB RULE 1689.2, SAFETY REINS REQUIRED, TO REQUIRE THE USE OF SAFETY REINS AT CALIFORNIA RACETRACKS.

Barry Broad, representing the Jockeys' Guild (Guild), stated his organization, the California Horsemen's Safety Alliance (CHSA), the Racing Commission of Ontario, and the California Thoroughbred Trainers (CTT), had joined with the ASTM International (ASTM) to develop standards for safety reins. Mr. Broad stated Sonja Pishehvar of CHSA was the collective lead for the project. He stated the Guild requested that the Board approve the addition of Rule 1689.2, Safety Reins Required, but defer the implementation of the regulation until the ASTM set standards for such reins. Commissioner Israel asked how long it would take to develop ASTM standards for safety reins. Ms. Pishehvar said the preliminary testing was almost complete, and in May 2009 a draft of the standards would be presented at the ASTM meeting in Vancouver. The ASTM hoped to have the standards in place in less than one year. CHRB Executive Director Kirk Breed said the Board could not adopt a regulation and defer its implementation unless it added a deferred implementation date and put the revised text out for public comment. The proposed regulation did not have to be adopted until the ASTM adopted a standard. At that time the regulation would be rewritten to incorporate the ASTM standards, and the public comment period would be initiated. Commissioner Moss asked if the Guild and the CTT agreed on a standard safety rein. Mr. Broad stated there was no standard safety rein. There were only various reins designed to break at different strengths or pressures. The reins generally did the same thing, but if the issue was to be resolved, it made sense to have the ASTM set a standard. Commissioner Choper said there was an advantage to having all the parties in agreement, and the point of the ASTM study was to address the issue.

Commissioner Choper motioned to table the proposed addition of Rule 1689.2 until the ASTM developed standards for safety reins. Commissioner Israel seconded the motion. Commissioner Moss said he thought the Guild and the CTT were going to settle the issue without Board involvement. Ed Halpern of CTT stated that was the idea, but the parties felt it did not make sense to adopt rules when there were no standards. Once an agreement was reached on the ASTM standards, the industry would be ready to go forward. Mr. Broad stated the Guild would want a rule in place. Executive Director Breed said the law required the Board to develop standards for safety equipment. Commissioner Moss stated once the standards were developed, the nature of the implementation was up for discussion. Commissioner Israel asked if the standards would mean a jockey would have to use safety reins. Mr. Broad said it would mean that jockeys would have to chose a rein that met the standard, just like the safety vest and safety helmet. Commissioner Israel asked if that was true even if a jockey did not prefer to use safety reins. Mr. Halpern said the jockeys' preferences were subordinated to established safety standards. Commissioner Israel commented that in hockey and baseball athletes who were used to playing without mandated safety equipment were grandfathered in. Mr. Broad stated he did not believe there was a jockey who saw a benefit in not having safety reins. Vice-Chairman Harris stated it was clear that trainers could use safety reins, so they would be well advised to use them until a rule was in place.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT OF CHRB RULE 1690.1, TOE GRABS PROHIBITED, TO PROHIBIT TOE GRABS GREATER THAN TWO MILLIMETERS IN HEIGHT ON THE FRONT SHOES OF THOROUGHBRED HORSES RUNNING IN A RACE.

CHRB Executive Director Kirk Breed said the proposed amendment of Rule 1690.1, Toe Grabs Prohibited, would prohibit toe grabs greater than two millimeters in height on the front shoes of thoroughbred horses running in a race. He stated the proposed regulation was noticed for a 45-day public comment period, and no comments were received. Staff recommended the Board adopt the regulation as presented. Vice-Chairman Harris said the current rule allowed toe grabs of four millimeters, and the proposal for two millimeters was the result of further studies. In addition, the introduction of synthetic surfaces reduced the use of toe grabs, so the issue might not be as controversial as in the past. Ed Halpern of California Thoroughbred Trainers (CTT) said before the Board took action, the CTT would like it to take a thorough look at the issue. The CTT believed the studies were flawed because the use of toe grabs had changed so much over the last few years. Toe grabs could be a factor in breakdowns, but they were not the primary factor. In some cases, toe grabs could be a deterrent to breakdowns. Now that synthetic surfaces had been introduced, racing surfaces were different from venue to venue. If toe grabs were a major factor in breakdowns, why were there such different clusters of injuries from racetrack to racetrack? Mr. Halpern stated the Board's Equine Medical Director would verify that, historically, the vast majority of breakdowns came from only a few trainers. However, those trainers were using the same toe grabs as the trainer who had not had a catastrophic breakdown in 20 years. The industry did not know if four millimeters was better than two millimeters, or if zero millimeters were best. Mr. Halpern stated the industry needed to look at the issue closely to see if toe grabs were the determining factor in

breakdowns. No rules should mandate which toe grabs may be used if the industry could not predict the effect of toe grabs. Commissioner Israel said he read an article out of Kentucky, which stated there was some concern that shoes without toe grabs were stressing different parts of the horse's anatomy and causing breakdowns in different ways. Mr. Halpern related a personal anecdote involving five horses that developed bowed tendons. All the horses were out of the same mare with bowed tendons. He stated the anecdote demonstrated that studies did not take into account all possible factors. Vice-Chairman Harris said everyone would stipulate there was no one factor that caused breakdowns. The proposed amendment had more to do with uniformity within the industry. He stated Mr. Halpern's discussion inferred all trainers were opposed to any kind of ban on toe grabs, yet it seemed the majority of trainers were not using toe grabs. Mr. Halpern said he did not know the percentage of trainers who were not using toe grabs. Vice-Chairman Harris said several years ago it seemed trainers liked toe grabs, but with the advent of synthetic surfaces that had changed. Horses like to slide to prevent torque, and toe grabs negated the sliding. Mr. Halpern conceded that many trainers had gotten away from toe grabs. Commissioner Moss read a "Thoroughbred Times" article that stated Officials in Kentucky were trying to determine if a ban on certain types of shoes, aimed at making racing safer, had the opposite effect. Turfway and Keenland had banned rear toe grabs, but Turfway rescinded the ban after its 21-day meeting that ended December 31, 2008. Commissioner Moss commented it seemed Kentucky was saying it needed to keep the trainers' toolbox open. Vice-Chairman Harris said he understood that the bans on rear toe grabs were house rules to limit the use of front or back toe grabs on the turf. He asked if turf was where toe grabs might be more beneficial, why would the trainer's organization have

agreed to the house rules? Mr. Halpern said turf courses were very sensitive to the use that was put to them. If toe grabs were used on turf, the racing surface would be torn up, creating different dangers. Mr. Halpern added that over a recent three-month period, Golden Gate had a higher rate of breakdowns than other tracks. The rule at Golden Gate at that time was "no toe grabs." He said he was not stating that caused the breakdowns, but the industry just did not know. Vice-Chairman Harris said none of the Golden Gate trainers he talked to thought toe grabs were the cause of the breakdowns. A lot of the trainers were training their horses without shoes because they wanted them to slide more. He added the Board was only trying to modify the rule to conform to the Jockey Club Thoroughbred Safety Committee's recommendation. The two-millimeter change was not a big factor one way or the other. Commissioner Moss commented the two millimeters was essentially the width of a quarter. Mr. Halpern asked if anyone believed that was a factor that could be considered important in a breakdown. Vice-Chairman Harris said the Board's Equine Medical Director could address the science involved. Commissioner Israel stated cleats, or spikes of any kind on any shoe, could cause injury if the foot was planted and turned the wrong way. However, there was a benefit in having spikes, so it was a matter of measuring the benefit versus the detriment. Vice-Chairman Harris said there were numerous studies, which should be looked at. Equine Medical Director, Dr. Rick Arthur, said no one thought regulating toe grabs would eliminate fatalities, just as no one thought synthetic surfaces would. The data derived from the California necropsy program correlated toe grabs greater than four millimeters to fatalities. The Jockey Club Safety Committee recommendation was derived from research that was done in Kentucky, using high-speed video. The video measured soil displacement of a two-

millimeter and a four-millimeter toe grab. The study was a biomechanical study, and was not related to injuries. The two-millimeter standard was being advocated around the country, and it was used in California at the 2008 Breeders' Cup. However, the change was only a twelfth of an inch, which did not make a big difference over a flat shoe. The science did show that the four-millimeter shoe displaced more soil, which would correlate to the horse digging in, and more force put on the foot. That was the basis for concluding the four-millimeter shoe caused more injuries. Commissioner Choper said if it could be demonstrated that injuries could be cut, it would be a good idea. If a reduction in injuries could not be demonstrated, then the issue should be left alone. Mr. Halpern stated that was his point. The California industry cut down the size of toe grabs several years ago, but could anyone state there was a difference in the number of injuries? Many trainers might not use toe grabs, but they would like the option. Commissioner Israel asked if there was a way to determine what shoes a horse was running on when it broke down? Dr. Arthur stated such information was collected on all fatalities. In addition, the thoroughbred horseshoe inspectors did an excellent job of recording all toe grab heights. Commissioner Israel asked if the information was available for morning workouts. If the Board were to defer action on the proposed regulation, would that information be made available? Mr. Halpern said the CTT would provide the information. Commissioner Choper **motioned** to table the proposed amendment to Rule 1690.1. Commissioner Israel **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT OF CHRB RULE 1721, DRIVING RULES, TO REQUIRE THAT HARNESS DRIVERS KEEP A HAND IN EACH HANDHOLD AT ALL TIMES DURING RACING.

DISCUSSION AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT OF CHRB RULE 1733, WHIPS, TO PROHIBIT THE USE OF SNAPPERS ON HARNESS DRIVERS' WHIPS.

DISCUSSION AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT OF CHRB RULE 1734, WHIPPING, TO PROVIDE FOR ACTIONS THAT SHALL BE CONSIDERED INDISCRIMINATE USE OF THE WHIP BY HARNESS DRIVERS.

Jim Perez of the California Harness Horsemen's Association (CHHA) said his organization supported the proposed rule changes, but it did have some suggested modifications to the texts. Under Rule 1721, Driving Rules, the CHHA would suggest that the term "handhold" be dropped. Mr. Perez stated the handholds were used for leverage, for steering or driving. When a horse eased up on the bit past the half-mile pole, the lines also moved up. That would move the handhold beyond the driver's reach. The CHHA suggested the text of Rule 1721 be modified to prohibit the driver from holding both reins in one hand. The text should read: A driver shall keep a line in each hand from the start of the race until the finish of the race." Mr. Perez stated the proposed amendment to Rule 1733, Whips, would prohibit the use of snappers on harness drivers' whips. He said the current rule allowed for whips that were only four feet long with a six-inch snapper. The snapper was used to create noise. If a driver was holding a line in each hand, he could not reach back and hit the horse, so the snapper would hit the back pad or the saddle pad to make noise. With a hand on each line, the action of the whip would not hurt the horse. The snapper helped the driver and the horse, as it made noise and urged the horse on. If the driver were to reach down one-handed and hit the horse below the stifles, or the hock, the proposed amendment to Rule 1734, Whipping, would provide the

stewards with recourse. Rule 1734 would list actions that would be considered the indiscriminate use of the whip by harness drivers. Mr. Perez stated the CHHA believed the text of Rule 1721 should be changed to say "lines" instead of "handholds;" snappers should be allowed under Rule 1733; and the proposed amendment to Rule 1734 should be adopted as written. Vice-Chairman Harris said the regulations could be put out for public comment, with the CHHA's modifications. Commissioner Israel asked what prompted the proposed regulations. CHR Executive Director Kirk Breed said the harness stewards at Cal-Expo forwarded the proposed regulations, which were prompted by proposed United States Trotting Association (USTA) rules, and pressure from animal welfare organizations. Commissioner Israel asked if the USTA had outlawed snappers. Mr. Perez said the USTA would outlaw snappers when it adopted its proposed rule change. Commissioner Israel asked if the CHHA was proposing that the Board not outlaw snappers. Mr. Perez said the CHHA would accept a rule that prohibited snappers. He stated the snapper would basically be useless if the harness drivers had to keep two hands on the lines. The only use for the snapper would be to make noise by hitting the saddle pad. Commissioner Israel asked what the harness stewards, who recommended the rules, would say about that. Mr. Perez stated the harness stewards were following the USTA recommendations. He said the CHHA would conform to the regulations, but his point was that the snapper did not matter if the driver had to keep both hands on the lines. Commissioner Moss **motioned** to direct staff to initiate a 45-day public comment period regarding the proposed amendments to rules 1721, 1733 and 1734, with the changes to the text of Rule 1721 proposed by the CHHA. Commissioner Israel **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE STATUS OF THE INFIELD GOLF COURSE AT THE ALAMEDA COUNTY FAIRGROUNDS AND THE CALIFORNIA THOROUGHBRED TRAINERS (CTT) REQUEST THAT THE BOARD REVOKE THE EXEMPTION TO THE REQUIREMENTS OF SUBSECTION (B) OF RULE 1475, GOLF COURSE IN THE INFIELD OF THE RACETRACK.

CHRB Executive Director Kirk Breed said at its December 2008 Regular Meeting the Board heard a request by the California Thoroughbred Trainers (CTT) that it revoke the exemption to the Alameda County Fairgrounds (ACF) infield golf course. The exemption was granted in 1994 under Rule 1475, Golf Course in the Infield of the Racetrack. The injury of a horsewoman by a stray golf ball during morning training brought about the item. The issue was postponed to allow the CTT and ACF to come to a resolution, or a modification of the golf course to conform to a standard. Vice-Chairman Harris said the issue was: Did the Board wish to change the exemption? There might be merit in having a golf course, but it should not interfere with training. As long as golfing occurred during training, there would be a danger. In 1994, when the exemption was granted, there were fewer horses training at ACF, and the facility was not as important to the Northern racing circuit. Due to changed circumstances, the Board needed to decide if it wanted to revoke the exemption. Ed Halpern of CTT said his organization, ACF and the operators of the golf course met to discuss the issue. The parties determined they ought to be specific about where problems existed with golf balls entering the track. ACF volunteered to monitor exactly where golf balls were coming over, so specific actions could be taken. Mr. Halpern stated he got the impression that the golf course operator did not wish to spend any money, and that any mitigation would be the responsibility of the CTT and ACF. The golf course operator seemed to believe that the golfer who hit a stray ball would be the responsible party. However, the CTT believed the operator was certainly in the

line of liability. Mr. Halpern stated the CTT would like the issue put over so the parties could continue to talk, and perhaps reach an agreement. Commissioner Choper asked if the CTT and ACF would develop a plan regarding the safety of the track and the economic interest of the contracted parties. Mr. Halpern stated time was needed to determine exactly at what points on the racetrack problems existed, and then to figure out how the points could be protected. Vice-Chairman Harris asked if the CTT believed there needed to be an exemption – particularly during morning training. There could be a golf course, but with limited hours of operation. Commissioner Israel said the golf course might require an exemption, as golfers tended to play early in the morning. Vice-Chairman Harris agreed that golfers played early, but he stated there was a safety issue, and the Board was charged with ensuring the horsemen's safety. ACF could choose to close the training center because it could not abide with the closure of the golf course. Mr. Halpern stated if the parties could not reach a solution within 30 days, the CTT would return to ask for Board action. Vice-Chairman Harris said that if the Board thought the golf course, as it existed, was a danger, it either needed to change, or the Board could not license ACF as a training facility. Rod Blonien, on behalf of ACF, stated the parties met and agreed to monitor the frequency with which golf balls entered the track. The monitoring would continue for two weeks, and then the parties would look at the results. There were solutions, such as putting up screening, but first the parties had to figure out where the problems existed. If ACF chose to close the golf course, it was looking at a multi-million dollar settlement. ACF hoped that rather than revoking the exemption, there might be a way to mitigate the effect of the golf course, so both activities could continue to exist. Mr. Blonien stated since the granting of the exemption 14 years ago, there had been only one recorded

incident of a golf ball hitting someone on the racetrack, so such an incident would be rare. Vice-Chairman Harris said the exact circumstances might be isolated, but he had received numerous reports of problems with golf balls entering the racetrack. Mr. Blonien stated ACF never had a report of a jockey or a horse being hit, while the horse was exercising on the track. Vice-Chairman Harris asked if it were true that ACF had someone picking golf balls off the track. Mr. Blonien said every morning the entire area of the track was policed for golf balls. Commissioner Israel stated there were golf balls on the track. It was possible to determine, by the number of rounds that were played during the hours of training, and the number of golf balls retrieved, the average number of golf balls that would wind up on the track. Every so often one of those golf balls would hit a horse or a human. It was clear that if golf balls had to be picked up daily, those on the racetrack were in jeopardy. Mr. Blonien stated many of the golf balls found their way on the track in the afternoon, when there was no training. Commissioner Israel said the fact that golf balls had to be removed indicated a certain percentage of strokes resulted in golf balls on the track. That would be the case morning or afternoon, and that meant the people and horses on the track were in jeopardy. Mr. Blonien stated ACF was asking that the issue be put over so that it could determine which balls were landing on the track, and what the solution might be. Commissioner Moss asked if the Board could actually banish golf from ACF. Executive Director Breed said the Board could withdraw the license for the training center at ACF. Vice-Chairman Harris commented the Board could also change the exemption. Darrell Haire of the Jockeys' Guild (Guild) stated jockeys had expressed their concern to the Guild regarding golf balls on the ACF racetrack. Vice-Chairman Harris said he did not believe the golfers held sole liability if someone was

injured. If a lawsuit were filed, it would be against the broadest spectrum, including the CHRB. He asked if the CHRB was named as an additional insured on any ACF liability policies. Rick Pickering of ACF said he did not have a specific answer, but if the CHRB was named on liability coverage for the live racing product, ACF would provide the same level of coverage for training. Mr. Pickering discussed the history of the exemption granted ACF. He stated one solution to the problem was screening in the right location to prevent golf balls from getting on the track. ACF wanted to make sure any screening was placed in the right location, so four spotters were employed every morning for two hours to watch the golf balls. Mr. Pickering discussed the type of golfer that used the ACF track, and the history of persons being hit by golf balls on the golf course, and the track. He stated there was a buy-out clause in the golf course contract, which was made in anticipation of the closure of Bay Meadows and ACF's increasingly important role in Northern California horse racing. Mr. Pickering explained the process ACF went through in an attempt to buy out the golf course operator, but AFC eventually had to rescind the offer because it did not have enough cash. He stated the operator was willing to be bought out, but it needed to be done under the contracts ACF had in place. If the Board rescinded the exemption, someone would have to decide if ACF would continue to act as a training center. Commissioner Moss **motioned** to defer the item. Vice-Chairman Harris asked if the Board could receive a report regarding funding AFC received from Northern California Stabling and Vanning Fund, and also its costs to operate stabling and vanning. Mr. Pickering stated the Vanning and Stabling Committee formally adopted an agreement through 2009 that would provide \$7,142 a day in subsidy, compared to \$11,000 a day received by Bay Meadows, and a similar amount received by Golden Gate Fields. That

meant ACF was receiving 30 percent to 40 percent less than Bay Meadows or Golden Gate Fields, for various reasons. The fund was set up specifically so ACF would not make a profit; it only covered expenses. During the negotiations with the fund, the CTT raised the issue of golf balls on the racetrack. ACF asked if the fund was willing to pay to not have golf balls on the racetrack, and was told "no." Mr. Pickering reiterated that ACF was not making a profit off the vanning and stabling. The subsidy was the result of a formula the parties agreed to in advance. The golf course lease and the driving range generated a combined \$100,000 a year in rent to ACF, and ACF provided them with free water. Vice-Chairman Harris said he did not understand why the buyout would cost millions of dollars if the course were making \$50,000 a year. Mr. Pickering stated the lessee was only four years into a 30-year lease. As part of the lease agreement, up to a million dollars in capital investment had been made in the facility. It made sense to make sure undepreciated capital was covered in the event of an early buyout. Commissioner Israel asked if the lease was a flat \$50,000 a year for 30 years. Mr. Pickering said the lease was ten percent of the gross. Vice-Chairman Harris stated the item would be deferred.

UPDATE AND DISCUSSION BY THE BOARD CONCERNING OFFSITE STABLING AT SOUTHERN CALIFORNIA THOROUGHBRED RACETRACKS.

Vice-Chairman Harris said satellite wagering facilities dedicated a percentage of the handle to a fund to provide off-site and racetrack stabling. However, satellite wagering revenue was declining and stabling and vanning costs were increasing. CHRB Executive Director Kirk Breed said no agreement had been reached regarding how much to pay Hollywood Park from the vanning and stabling fund. Hollywood Park asked the Board to intervene. The request

was interpreted as meaning Board staff should conduct an audit of how the vanning and stabling funds were spent, and make recommendations to the Board as to the proper amount owed Hollywood Park. Eual Wyatt of Hollywood Park stated a process was currently in place to determine the validity of his organization's request for an increase in funding. He said the same process was used with every track that requested an increase. Mr. Wyatt said Hollywood Park would request that the Board wait to see the results of the Thoroughbred Owners of California (TOC) audit. Vice-Chairman Harris asked if the issue was Hollywood Park's cost, or the allocation of revenue. Mr. Wyatt said at some point there would be a shortage of money in the fund. Hollywood Park requested an increase for off-track stabling, and TOC was looking into the matter. There was currently no issue with TOC, and Hollywood Park accepted the process that was in place. Commissioner Israel asked if there were similar models in other racing states. Mr. Wyatt said he was not familiar with what other states did regarding vanning and stabling. Vice-Chairman Harris said the real problem was the decline in satellite wagering. Commissioner Israel stated that was why he was asking if there was a different model that could be followed. Vice-Chairman Harris said horses that were active at a meeting used to receive stalls, and twenty-five or 30 years ago every track would close when they were not operating a live meeting. The necessity for more stalls created the off-track stabling program. Mr. Wyatt said he believed California had the most sophisticated program in the nation. Commissioner Choper asked Mr. Wyatt to outline the process. Mr. Wyatt stated Hollywood Park looked at its 2007 costs for off-track stabling, and based on the results, requested an increase. TOC would audit any track that asked for an increase, and that was what it was currently doing with Hollywood Park. When the audit was completed, TOC

would state if the request was reasonable, and state what it thought the costs should be. If TOC found Hollywood Park's request reasonable, the question would be: "where does the money come from"? Vice-Chairman Harris said, as he understood the problem, there was not adequate funds generated daily to continue the current program; however, that needed to be verified. Commissioner Choper stated he thought Hollywood Park was complaining about a substantial disparity in the amount paid to it versus Santa Anita. Mr. Wyatt said the issue that existed a couple of months ago might not be the same issue as was before the Board. Hollywood Park did not believe its request was taken seriously, but that was resolved, and TOC was taking action. Vice-Chairman Harris said the item would be deferred.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE ALLOCATION OF JULY 22, 2009 THROUGH JULY 26, 2009 RACE DATES FOR NORTHERN CALIFORNIA.

CHRB Executive Director Kirk Breed said when the 2009 Race Dates Calendar was finalized the week of July 22 through July 26, 2009, part of the old Solano County Fair (SCF) race dates, was left open. There were two options for the week: 1). Run the week at SCF, or 2). Give the week to the Alameda County Fair (ACF) and increase its race meeting to three weeks. The Board determined that interested parties should hold discussions and return with an industry solution. John Vasquez of the Solano County Board of Supervisors said on January 13, 2009, the Solano County Board of Supervisors voted to request that the traditional SCF race week be granted to SCF for the 2009 racing season, so that SCF could maintain its status quo for racing in Solano County. Mr. Vasquez read into the record a letter from the Solano County Board of Supervisors. He also reviewed all of the steps he and the Solano

County Board of Supervisors took to understand the needs of horse racing in Solano County and the State of California. Mr. Vasquez stated the Solano County Board of Supervisors was engaged, and it wanted to ensure that the SCF race meeting would be successful. Vice-Chairman Harris stated he was not sure if Solano County wanted to keep the racing dates because it was proud of the history, or because it saw them as a revenue source. Mr. Vasquez said both were true. He stated Solano County had a long history of horse racing, and the County wished to accommodate the racing fair as long as it could. Commissioner Israel asked why Solano County had a change of heart regarding the racing fair. Mr. Vasquez stated the Board of Supervisors did not realize that Solano County could lose the race dates. On November 25, 2008, the Board of Supervisors heard an oral presentation regarding the issue, but it did not contain any data regarding the impact horse racing had on the County, or of the potential loss. The Solano County Board of Supervisors had authorized the County Administrator to look at all aspects of the fair, and its possibilities before moving forward to resurrect the program. Commissioner Moss asked if the Board of Supervisors realized that the SCF racing program was a money proposition and the money would have to come from the County. Mr. Vasquez said the County realized it would need to contribute, and it was conducting a study to determine what it would take to make racing viable. He stated the County could come to the conclusion that it was not viable, but it did wish to have the discussion, so the Board of Supervisors could give a policy direction and set goals. Commissioner Israel asked who had the authority to operate the SCF? Who had the right to ask for racing dates; to bargain on behalf of Solano County; to deal with Thoroughbred Owners of California (TOC), the trainers and any other horse racing entity? Mr. Vasquez said

the SCF was a nonprofit association that contracted with Solano County to act as its agent. The Solano County Board of Supervisors set policies and goals for the County. Commissioner Israel stated the Board needed to know whom it was dealing with when it allocated dates. There was currently some confusion because the Board of Supervisors was asking for dates that were different from those previously requested. Mr. Vasquez said the Board of Supervisors discussed the issue and wrote the letter to request the dates. The County owned the facility, and the County's agent was the association. The association was in concurrence with the County regarding the dates. Commissioner Israel asked if the County discussed the issue with any horse racing interests. Mr. Vasquez stated the County had not discussed the issue with horse racing interests. Drew Couto of TOC stated his organization was informed about the Solano County request shortly before the Board meeting. He stated at the December 15, 2008, Regular Meeting the Board asked the parties to come to an agreement regarding the week in question. Mr. Couto said the parties met, with the result that TOC supported Vallejo receiving the week in 2009. If the County wished to reevaluate the long-term role of its racing fair, TOC would support that. Commissioner Choper asked if the second week would be at ACF. Mr. Couto stated that in 2009 the second week of racing would be at ACF. Commissioner Choper asked if that would make it revenue neutral for SCF. Mr. Couto said if Commissioner Choper meant revenue neutral with regards to the industry, then no, but SCF would actually be better off. Vice-Chairman Harris asked if SCF was getting revenues from ACF. Mr. Couto stated no information had been forwarded to TOC regarding any payments to SCF, and TOC was not party to any discussions between ACF and SCF. However, that is what others had represented to TOC. Commissioner Choper stated Solano County had

authorized representatives making a deal, and a long-term position was taken. The Board did not know it was going to be in any way opposed to the outcome; however, it was. There was planning based on the schedule worked out for 2009, one week at ACF and another week at SCF, and revenue neutral or plus, depending on the outcome. The horsemen were key players and through TOC worked with the parties. He asked if Solano County would accept the proposed resolution for 2009, with the understanding that it would not go beyond 2009. Mr. Vasquez said Solano County would agree with any Board decision. The Solano County Board of Supervisors renewed interest in the fair meant it would want to make it as successful as possible, especially for the 60th anniversary of racing at SCF. Commissioner Choper stated a motion to grant SCF the week would be with the understanding that the TOC and other interested parties would engage in full discussions and consultations with the Solano County Board of Supervisors' designated representative to determine if there was any real hope that the SCF race meeting could be successful. Commissioner Israel **motioned** to allocate the race date of July 22, 2009 through July 26, 2009 to SCF. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

UPDATE AND DISCUSSION BY THE BOARD CONCERNING THE STATUS OF MISSING ITEMS, INCLUDING LABOR AND HORSEMEN'S AGREEMENTS, RELATED TO THE LICENSING OF ADVANCE DEPOSIT WAGERING (ADW) PROVIDERS; ODS TECHNOLOGIES, L.P. DBA TVG, YOUTBET.COM, INC., XPRESSBET, INC., CHURCHILL DOWNS TECHNOLOGY INITIATIVES COMPANY DBA TWINSPIRES.COM.

CHRB Executive Director Kirk Breed said at its December 15, 2008 Regular Meeting the Board approved the licenses for the advance deposit wagering (ADW) providers Twinspires, TVG, Youbet and XpressBet, conditioned on the receipt of agreements with the racing

associations, the horsemen and labor organizations, as required by the Business and Professions Code section 19604(b)(1). There were a number of agreements that were still outstanding. Jim Correll of Service Employees International Union (SEIU) Local 280 stated his organization had signed agreements with Twinspires, XpressBet and Youbet. The agreement with TVG had to be renewed. Drew Couto of Thoroughbred Owners of California (TOC) said there were two agreements that were necessary for ADW. There was the hub fee agreement and a separate agreement, which was the horsemen's consent regarding rate, et cetera. Mr. Couto stated TOC reached an agreement with all the ADW providers for 2009. He added there seemed to be some lingering questions about the hub fee agreements. Jacqueline Wagner, CHRB staff, said the issue had to do with the same items that were missing from the ADW applications at the time of Board approval. Based on Mr. Couto's report, it appeared agreements were made between the TOC and the interested parties. For the purpose of completing the applications, staff needed to receive written documentation of the completed agreements. Commissioner Choper stated the problem was the agreements had been completed, but the providers had not sent them to staff. Ms. Wagner said that was correct. Most of the listed items had been completed, or were about to be completed, but they had not been forwarded to the CHRB.

UPDATE AND DISCUSSION BY THE BOARD REGARDING CALIFORNIA TRACK SAFETY STANDARDS AND PRACTICES.

CHRB Executive Director Kirk Breed said in the current fiscal year a budget amendment was requested in preparation for the next fiscal year. The money would be used to conduct a study of the existing track surfaces in California. Under Business and Professions Code section

19481 the Board was required to establish safety standards for racing surfaces. The process was started with dirt surfaces in the 1990s, and the Board had a minimal standard for such surfaces. However, no standard had been developed for synthetic or turf surfaces. The proposal included contracting with a firm to provide analysis of data and to train and equip one team in the north and one in the south to collect data on a daily or hourly basis. The teams would be composed of Board investigative staff, the track safety steward and the association maintenance department. The purpose was to determine what the tracks were doing throughout the year, and provide a basis on which a standard of the synthetic track surface could be developed. The Board then could set forth specifications in the future application of surfaces. The other study involved training and racing practices. Dr. Rick Arthur, CHRB Equine Medical Director, said the Equine Injury Database, through InCompass, was implemented as of July 1, 2008. The database allowed the Board to tie the injury information to considerable racing data. Los Alamitos was the last racetrack that still needed to be brought into the system. Dr. Arthur stated he was also involved in developing a reporting program for private veterinarians. He added Kentucky was interested in a similar system. The Dolly Green Research Foundation, funded by the Grayson Jockey Club Research Fund Foundation as a pilot project, developed a program that allowed private veterinarians to enter data. Dr. Arthur stated Dr. Sue Stover's work at UC Davis was indicating that how horses were trained related to injuries. California worked horses twice as often per start as Kentucky, and 50 percent more than in New York. Dr. Arthur spoke briefly about toe grabs, and he stated the attrition rate for race horses in California was between three and a half and four percent a month, which was an enormous cost. Nationwide, the cost was estimated at almost \$100

million a month in horses that needed to be replaced. Dr. Arthur stated the Grayson Jockey Club Research Foundation met in Fort Worth and analyzed several projects in California, including biomechanical testing and modeling on different track surfaces. Vice-Chairman Harris said it was important that the Board coordinate with other entities working on similar projects, so a national standard could be achieved. Commissioner Israel asked if there was a way to work with other jurisdictions to save money. Dr. Arthur said the Grayson Jockey Club Research Foundation was a national organization that was doing a lot of research in California. That offered opportunities to correlate with other jurisdictions. Commissioner Moss asked if there were time frames for the projects. Dr. Arthur stated the private veterinarian injury reporting project would probably start within a couple months. The biomechanical testing data collecting could start soon. Executive Director Breed said the data for the racetrack specifications was being collected, and various firms that analyze the data had been contacted. Commissioner Choper stated it seemed the synthetic surfaces in California were very different from one another. The synthetic surfaces were not as homogenous as four different dirt tracks. It would be a challenge to set standards, and the Board might need an entity that knew something different, what ever that might be. Dr. Arthur stated each synthetic track was very different. In addition, the cushion track installed at Hollywood Park, looked nothing like the cushion track at Santa Anita. Not only had the tracks changed from when they were first installed, but the changes were more dramatic than anticipated, which complicated the issue. Commissioner Choper stated it would be complicated to select who would do the testing, and to determine what testing needed to be done. Dr. Arthur said the analysis had to be disinterested, as too many entities had a lot at stake in the surfaces. Commissioner Choper

said if independence was assumed, competence and knowledge of how to do the job should also be assumed. It would take a very different entity to look at the Del Mar track, than the Hollywood Park track. Vice-Chairman Harris stated the initial hope was that there would be consistency in synthetic tracks to the degree that the maintenance would be less; however, the issue was a lot more complicated. He commented he understood there were fewer injuries on synthetic surfaces, compared to the same period of time prior to their installation. Dr. Arthur said the racing fatalities overall looked okay, but the dramatic improvement that was seen early after the synthetic track installations was deteriorating quickly, as were the tracks. The last six months would not be as impressive as the first six months. Commissioner Israel stated racetrack injuries were not the only items that needed to be measured. There were injuries on the backstretch, and injuries in the morning on dirt. That information needed to be measured and quantified, as the injuries were not being reported, but they kept horses off the track and had a detrimental impact on the quality of horse racing. Dr. Arthur said that was why the private veterinarian database was being initiated. He stated the bottom line was that there was not enough information to answer the questions that needed answers. Commissioner Israel asked if any thought had been given to control group studies. Dr. Arthur said control groups in horse racing were difficult. He stated he looked at all the racing fatality data back to January 2004. The data was very solid and one was able to calculate a rate based on that. Commissioner Israel said perhaps there needed to be a number of horses of various sexes and ages, with different medical problems going in, spread across different trainers' barns, and the horses could be followed very specifically for a year or two. At the same time a similar survey of horses in training at tracks in different states, without synthetic tracks, could be

conducted. It would take cooperation between states, but there could be value in such a survey. Jack Liebau of Hollywood Park stated Dr. Mick Peterson of the University of Main conducted various tests at Hollywood Park over several months, but the results were not out. Mr. Liebau said the Board might wish to talk to Dr. Peterson before it contracted with another party. Dr. Arthur commented Dr. Peterson was one of the co-authors of the Grayson Jockey Club research. He added Dr. Sue Stover also had specific expertise, particularly in instrument and shoe testing. Craig Fravel of Del Mar Thoroughbred Club (DMTC) stated the study was a useful effort, but what was missing was data from before the installation of the synthetic surfaces. The industry knew how the synthetic surfaces performed after they were installed, but there was no database on injuries, and no way of going back historically to resurrect them. UC Davis did conduct a study that showed attrition rates on dirt surfaces, and it would be useful in the current effort. Mr. Fravel said DMTC believed the study would be useful and it would cooperate in any way possible. Dr. Arthur stated the necropsy data clearly demonstrated that over 90 percent of the fatal musculoskeletal injuries had evidence of pre-existing pathology at the source of the catastrophic injury. The injuries were repetitive stress injuries, so what occurred at track "B" may have started six months previously at track "A." The task was complicated, and the answers would not be easy. Earl Richey, a CHRB licensee, spoke about his concerns regarding the health of racehorses and racetrack surfaces.

ANNOUNCEMENT AND DISCUSSION BY THE BOARD OF ITS STEWARDS' ASSIGNMENTS FOR 2009.

Vice-Chairman Harris stated the 2009 steward assignments were posted on the Board's website. He commented the stewards were a diverse group and collectively they had a lot of

expertise and knowledge of horse racing. Vice-Chairman Harris urged all Commissioners to visit the stewards' stand to get a feel for what the stewards did.

DISCUSSION AND ACTION BY THE BOARD REGARDING ITS 2009 BOARD MEETING CALENDAR.

Commissioner Israel stated he believed the October 2009 Regular Meeting should be held in Arcadia, as it was only two weeks in advance of the Breeders' Cup, which was the most important day on the California racing calendar and should be acknowledged by the Board. The Board should meet at Santa Anita and do whatever it could to help promote the event. Commissioner Israel added meeting in Arcadia would not inconvenience the many people who would be working at that time to prepare for the Breeders' Cup. He stated he believed the Board should meet at some time in Fresno, but October 2009 was an inopportune time. Vice-Chairman Harris said the Board attempted to move its meetings around the State and October was when Fresno was operating. The Breeders' Cup was closer to three weeks from the October meeting. Commissioner Israel said the Breeders' Cup was an important event, and it was taking place at Santa Anita in 2009, and the Board should honor and promote the event. It was more important than becoming familiar with Fresno. Vice-Chairman Harris said the Board met at Santa Anita in October 2008, and in that meeting there was no publicity tied to the Breeders' Cup. The fact that the Board held a meeting did not move the needle that much. Commissioner Israel stated the meetings were also a convenience to the public and to the industry. It would be more difficult for the public to get to a meeting if it happened within two or three weeks of the Breeders' Cup. Commissioner Moss said he agreed with both Commissioners, but he believed there was an emphasis on Southern California, because that

was where the bulk of the industry resided. He stated he would go along with Commissioner Israel with regards to the Breeders' Cup. Vice-Chairman Harris said it was good for the Board to hold meetings at different locations, and Fresno was more convenient for staff that worked in Sacramento, as Fresno was easier to go to than Arcadia. Commissioner Israel said the Breeders' Cup was a special case, as it did not occur in California every year. The Board should support the event, and encourage it to come to California as frequently as possible. He stated in any other year he would not object to holding the October Regular Meeting in Fresno. Vice-Chairman Harris said he did not agree, if the Board wanted to talk about the Breeders' Cup it could hold a Special Meeting. Commissioner Choper said he noted the proposed meeting calendar said "Fresno" or "Oak Tree." Executive Director Kirk Breed stated that was so the Board could consider its options. Vice-Chairman Harris said regardless of where the meeting was held, it seemed as if the meeting took place, and everyone left as quickly as possible without seeing the facility or the horsemen. If, for instance, the Board met at Los Alamitos it would be important to look at the backstretch and any plans the facility had to be part of a bigger racing scene going forward.

PUBLIC COMMENT

Barry Broad, representing the Jockeys' Guild (Guild), spoke about the injury and subsequent death of jockey Sam Thompson at Los Alamitos. He stated the track had a statutory exemption to the requirement that a physician must be present when racing occurred, and it did not have an ambulance that could travel on the highway. If a jockey was injured he or she would have to be transferred from one ambulance to another in the parking lot. The Guild believed such

conditions needed to change. Mr. Broad said the Guild was working with Los Alamitos to resolve the matter. Rod Blonien, representing Los Alamitos, said his organization was working with the Guild to fix the situation. Gus Stewart, a horse owner, spoke about his concerns regarding various facets of the horse racing industry.

MEETING ADJOURNED AT 12:52 P.M.

Proceedings of the Regular Meeting of January 15, 2009

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

STAFF ANALYSIS
DISCUSSION BY THE BOARD ON THE
PROPOSED AMENDMENT OF RULE 1853, EXAMINATION REQUIRED

Regular Board Meeting
February 26, 2009

BACKGROUND

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

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

Vice-Chairman Harris requested that a proposal to amend Rule 1853, Examination Required, to allow horses to run unshod, be placed on the agenda for the April 24, 2008, Regular Meeting. The item was heard by the Board at the April 24, 2008 Regular Board Meeting and staff was instructed to begin the 45-day public comment period to amend Rule 1853, Examination Required.

Following the conclusion of the 45-day public comment period, the hearing on the proposal to amend Rule 1853 was held at the July 17, 2008 meeting of the Board. At the hearing the Board, rather than adopting the rule as proposed, decided to suspend Rule 1853, Examination Required, allowing trainers the opportunity to race thoroughbred horses unshod for a six month trial period.

A memorandum dated July 29, 2008 was issued informing the California racing industry of the Board's decision to temporarily suspend CHRB Rule 1853, Examination Required, allowing a thoroughbred horse to race without shoes. As a condition, the memorandum stated that a trainer must declare at time of entry if a horse was to race unshod, or if it had raced unshod in its previous start and would now race with shoes. Any change in a horse's unshod status was to be noted in both the official program and the overnight.

CHRB Executive Director, Kirk Breed, was notified of inconsistencies in the interpretation of the word "unshod" described in the first memorandum. A second memorandum was subsequently issued October 20, 2008 to define the word "unshod" for the purposes of the temporary suspension of Rule 1853. "Unshod" was defined as running without shoes in the front or back or all around.

ANALYSIS

Data was collected using official racing programs provided by California thoroughbred racing associations or fairs operating during the time period of the experiment, as well as the Daily Racing Form website. In total, the programs of twelve race meetings were examined between July 29, 2008 and January 25, 2009. For the purpose of this experiment, data was recorded for thoroughbred horses entered to race in an unshod condition or entered to race with shoes after previously starting without shoes. Information recorded included: date of the race, name of racing association/racetrack, horse name and identifiable features, distance of race, racing surface, conditions of race, purse, unshod status noted in the program, and results of the race. The results of the six month experiment show that trainers embraced the option to race a thoroughbred horse unshod.

The following is a list summarizing the information collected during the six month period:

TOTAL (ENTERED):

- 211 thoroughbred horses were entered to race in an unshod condition or entered to race with shoes after previously starting without shoes.

UNSHOD HORSES ENTERED:

- 172 horses were entered as racing "without shoes" or "unshod"
- 27 horses were entered as racing "without hind shoes" or "races without shoes behind"
- 4 horses were entered as racing "without front shoes"
- 8 horses were entered as racing "with shoes back on" after a previous start unshod.

UNSHOD STARTERS AND RACING SURFACE:

- 190 horses raced on the main track (synthetic surface) in an unshod condition
- 5 horses raced on the main track (synthetic surface) with shoes after a previous start unshod
- 2 horses raced on turf in an unshod condition
- 3 horses raced on turf with shoes after a previous start unshod
- 1 horse raced on turf with shoes because the condition of it racing unshod was not met: the race was not moved to the main track.

FINISHES:

- 77 horses finished in 1st, 2nd, or 3rd place
- 24 horses finished in last place
- 10 horses were scratched

UNSHOD HORSES (ENTERED) BY RACE TRACK:

- 191 horses were entered to race in an unshod condition or with shoes after a previous start unshod at Golden Gate Fields
- 9 horses were entered to race in an unshod condition at Hollywood Park
- 7 horses were entered to race in an unshod condition at the Los Angeles Turf Club meet at Santa Anita
- 3 horses were entered to race in an unshod condition at Del Mar
- 1 horse was entered to race in an unshod condition at the Oak Tree meet at Santa Anita

The proposed amendment to Board Rule 1853, Examination Required, provides that a thoroughbred horse may run in a race unshod provided the horse's condition is declared at time of entry. Trainers are also required to declare at time of entry if a thoroughbred that raced unshod in its previous start will race shod. Additionally, the proposed amendment provides a definition of "unshod" and requires any declaration of a thoroughbred horse's unshod condition be specifically noted in the official program. For the purposes of this regulation "unshod" means running without shoes on the front or back or all around.

A survey of shoeing rules showed that Delaware; Idaho; Illinois; Indiana; Kentucky; Louisiana; Maine; Maryland; Michigan; New Hampshire; New York; Virginia and Wyoming allow horses to run unshod under certain conditions. California currently allows only mules to run unshod; trainers in California are not required to declare at time of entry that a mule will race unshod.

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

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

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

RECOMMENDATION

This item is presented to the Board for discussion and action. Staff recommends that the Board initiate a 45-day public notice to amend CHRB Rule 1853, Examination Required, to allow a thoroughbred horse to race unshod.

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

1853. Examination Required.

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

(b) A thoroughbred horse that is not shod is eligible to start in a race if the trainer declares at the time of entry that the horse will race unshod.

(1) At the time of entry a trainer shall declare if a thoroughbred horse that raced unshod in its previous start will race with shoes.

(2) Any declaration made under subsections (b) or (b)(1) above shall be noted in the official program.

(3) For the purposes of this regulation "unshod" means running without shoes in the front or back or all around.

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

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

THOROUGHBREDS ENTERED "UNSHOD"

RACETRACK	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	TOTAL
Golden Gate Fields			4	9	20	72	86	191
Oak Tree			0	1				1
Hollywood Park				1	6	2		9
LA Turf Club @ SA						0	7	7
Del Mar	0	3						3
Los Alamitos	0	0	0	0	0	0	0	0
Sonoma Fair	0							0
San Mateo Fair		0						0
Cal Expo/State Fair		0	0					0
Humboldt Fair		0						0
Stockton Fair			0					0
Pomona			0					0
Fresno Fair				0				0
TOTAL	0	3	4	11	26	74	93	211

**VARIOUS "UNSHOD" RUNNING STATUS'
AS PRINTED IN THE RACING PROGRAM**

Races/Runs "Unshod" or "Without Shoes"	172
Races/Runs "Without shoes behind" or "Without hind shoes"	27
Races/Runs "Without front shoes"	4
In last start ran without shoes, but now "Runs with shoes"	8

SUMMARY OF "UNSHOD" FINISHES

In the Money (1st, 2nd, or 3rd)	77
Last	24
Scratched	10

DETAILED REPORT OF THOROUGHBRED HORSES ENTERED TO RACE IN AN UNSHOD CONDITION AT CALIFORNIA RACE TRACKS BETWEEN
7/29/2008 AND 1/25/2009

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
8/8/2008	Del Mar	4	Southern Man (4y.o. Gr./ro. g.)	6 1/2 F.	Synthetic	Claiming \$9000-\$10000, 4y.o. and up	\$17,000	Will Run w/o shoes	7th
8/17/2008	Del Mar	9	Coolerator (5y.o. B. g)	7 F.	Synthetic	Maiden Claiming \$25,000-\$22,500, 3y.o. and up	\$19,000	Will Run w/o shoes	4th
8/26/2008	Del Mar	9	Tattler (Dk B/Br. f.)	6 F.	Synthetic	Maiden, fillies and mares 3y.o. up	\$50,000	Will Run w/o shoes	9th
9/21/2008	GGF	3	Justourimagination (2y.o. B. g.)	5 F.	Synthetic	Maiden, 2y.o.	\$29,00	Races w/o shoes	4th
9/24/2008	GGF	6	Dustin the Track (3y.o. B. g)	6 F.	Synthetic	Maiden Claiming \$12,500, 3y.o. and up	\$9,500	Runs w/o shoes behind	1st
9/25/2008	GGF	4	Run It (2y.o. B. c.)	5 1/2 F.	Synthetic	Maiden Claiming \$32,000-\$30,000, maidens 2y.o.	\$17,000	Runs w/o shoes behind	2nd
9/25/2008	GGF	4	Taylor Mountain (2y.o. Dk B/Br. g.)	5 1/2 F.	Synthetic	Maiden Claiming \$32,000-\$30,000, maidens 2y.o.	\$17,000	Races w/o shoes	8th last
10/11/2008	GGF	3	Coolerator (5y.o. B. g)	6 F.	Synthetic	Maiden Claiming \$8,000, 3y.o. and up	\$8,000	Runs w/o hind shoes	1st
10/11/2008	GGF	9	Dustin the Track (3y.o. B. g)	1 Mile	Synthetic	Starter Allowance, 3y.o. and up w/other conditions	\$19,000	Runs w/o hind shoes	7th
10/18/2008	GGF	5	Desperate (2y.o. Ch. f.)	6 F.	Synthetic	Maiden Claiming \$12,500, fillies 2y.o.	\$9,500	Runs w/o hind shoes	1st
10/18/2008	GGF	7	Zig Zag Brendon (3y.o. Dk B/Br. g.)	5 F.	Synthetic	Maiden Claiming \$8,000, maidens 3y.o. and up	\$8,000	Runs w/o hind shoes	12th last
10/19/2008	Oak Tree	5	Echezeaux (5y.o. Dk B/Br. g.)	1 1/16 Mile	Synthetic	Claiming \$10,000-\$9,000, 3y.o. and up	\$14,000	Races w/o shoes	12th last

DETAILED REPORT OF THOROUGHBRED HORSES ENTERED TO RACE IN AN UNSHOD CONDITION AT CALIFORNIA RACE TRACKS BETWEEN
7/29/2008 AND 1/25/2009

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
10/23/2008	GGF	7	Tripp to Glory (3y.o. Dk B/Br. f.)	6 F.	Synthetic	Claiming \$20,000- \$18,000, fillies 3y.o.	\$22,000	Races w/o shoes	4th
10/26/2008	GGF	6	Moonlight Gold (5y.o. b. m.)	6 F.	Synthetic	Maiden Claiming \$8,000, maidens, fillies and mares 3y.o. and up	\$8,000	Races w/o shoes	6th
10/29/2008	GGF	3	Fool Me Once (2y.o. B. f.)	6 F.	Synthetic	Maiden Claiming \$20,000-\$18,000, maidens fillies 2y.o.	\$14,000	Runs w/o hind shoes	6th
10/29/2008	GGF	7	Miss Poppy (2y.o. b. f.)	5 F.	Synthetic	Maiden Claiming \$12,500, maidens, fillies 2y.o.	\$9,500	Runs w/o hind shoes	3rd
10/30/2008	Hollywood Park	8	Si Se Puede (5y.o. Dk B/Br. g.)	6 F.	Synthetic	Claiming \$8,000, 3y.o. and up	\$9,000	Runs w/o front shoes	7th
10/31/2008	GGF	1	Yougotmeconfused (3y.o. B. g.)	6 F.	Synthetic	Maiden Claiming \$20,000-\$18,000, maidens 3y.o. and up	\$14,000	Races w/o shoes	Scratched
11/1/2008	GGF	6	Seismic Thunder (5y.o. Ch. g.)	1 Mile	Synthetic	Claiming \$4,000, 3y.o. and up	\$8,700	Runs w/o hind shoes	1st
11/1/2008	GGF	7	Coolerator (5y.o. B. g.)	5 1/2 F.	Synthetic	Claiming \$4,000, 3y.o. and up which have never won two races	\$8,700	Runs w/o hind shoes	4th
11/1/2008	Hollywood Park	7	Proud Y Bonita (4y.o. B. f.)	7 F.	Synthetic	Claiming \$12,500- \$10,500, fillies and mares 3y.o. and up	\$12,000	Runs w/o hind shoes	9th
11/6/2008	GGF	3	Run It (2y.o. B. c.)	1 Mile	Synthetic	Starter Allowance, 2y.o. w/other conditions	\$19,000	Runs w/o hind shoes	1st

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
11/16/2008	GGF	1	Princess Traci (3y.o. B. f.)	6 F.	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and up	\$9,200	Runs w/o hind shoes	1st
11/16/2008	GGF	9	Moonlight Gold (5y.o. b. m.)	1 1/16 mile	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and upward, never won two races	\$8,700	Races w/o shoes	7th
11/21/2008	GGF	1	Charm Doll (4y.o. Dk B/Br. f.)	6 F.	Synthetic	Claiming \$6,250, fillies and mares 3y.o. and up	\$10,500	Runs w/o hind shoes	2nd
11/22/2008	GGF	1	Bamaha Breeze (3y.o. B. c.)	6 F.	Synthetic	Allowance Claiming \$50,000, 3y.o. and up w/other conditions	\$33,000	Runs w/o hind shoes	1st
11/22/2008	GGF	4	Come Home Sweetie (2y.o. Dk B/Br. f.)	6 F.	Synthetic	Maiden, fillies 2y.o.	\$29,000	Runs w/o hind shoes	1st
11/22/2008	GGF	6	Bonneville Storm (3y.o. Gr/ro. c.)	6 F.	Synthetic	Maiden Claiming \$8,000, maidens 3y.o. and up	\$8,000	Runs w/o hind shoes	10th
11/23/2008	GGF	7	M'Amour (2y.o. B. c.)	6 F.	Synthetic	Maiden Claiming \$20,000-\$18,000, maidens 2y.o.	\$14,000	Races w/o hind shoes	12th last
11/23/2008	GGF	7	Brave William (2y.o. Ch. c.)	6 F.	Synthetic	Maiden Claiming \$20,000-\$18,000, maidens 2y.o.	\$14,000	Races w/o hind shoes	2nd
11/23/2008	GGF	7	The Fly'n'jacamacoo (2y.o. Dk B/Br. g.)	6 F.	Synthetic	Maiden Claiming \$20,000-\$18,000, maidens 2y.o.	\$14,000	Races w/o shoes	11th

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
11/23/2008	Hollywook Park	5	Proud Y Bonita (4y.o. B. f.)	6 F.	Synthetic	Claiming \$12,500-\$10,500, fillies and mares 3y.o. and up which have never won two races	\$11,000	Races w/o hind shoes	8th
11/27/2008	GGF	2	Capital Cat (2y.o. B. c.)	5 1/2 F.	Synthetic	Maiden 2y.o.	\$29,000	Races unshod	4th
11/27/2008	GGF	8	Artfully Done (3y.o. B. g.)	6 F.	Synthetic	Maiden 3y.o. and up	\$29,000	Races unshod	7th
11/28/2008	GGF	1	Lookn for the Lord (4y.o. Dk B/Br. g.)	6 F.	Synthetic	Claiming \$25,000-\$22,500, 3y.o. and up	\$35,000	Races unshod	4th
11/28/2008	Hollywook Park	7	Halo's Highway (2y.o. B. g.)	6 F.	Synthetic	Maiden Claiming \$32,000-\$28,000, maiden 2y.o.	\$14,000	Races w/o hind shoes	3rd
11/28/2008	Hollywook Park	10	Paper Gain (3y.o. B. c.)	5 1/2 F.	Synthetic	Maiden Claiming \$25,000-22,500, maidens 3y.o. and up	\$12,000	Races w/o shoes	3rd
11/29/2008	GGF	3	Desperate (2y.o. Ch. f.)	1 Mile	Synthetic	Starter Allowance, fillies 2y.o. w/other conditions	\$19,000	Races unshod	Scratched
11/29/2008	GGF	4	Tizzalating (3y.o. Gr/ro. f.)	5 F.	Synthetic	Maiden Claiming \$8,000, maiden fillies and mares 3y.o. and up	\$8,000	Races unshod	5th
11/29/2008	GGF	5	Lindsey's Storm (2y.o. B. g.)	6 F.	Synthetic	Maiden Claiming \$12,500, maiden 2y.o.	\$9,500	Races unshod	2nd
11/29/2008	GGF	7	Hi Harry (2y.o. B. g.)	6 F.	Synthetic	Maiden Claiming \$12,500, maiden 2y.o.	\$9,500	Races unshod	10th

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
11/29/2008	Hollywood Park	8	Carrie With A C (5y.o. Dk B/Br. m.)	7 F.	Synthetic	Allowance Claiming \$25,000, cal-bred fillies and mares 3y.o. and up w/other conditions	\$38,000	Races w/o hind shoes	1st
11/30/2008	GGF	7	Run It (2y.o. B. c.)	1 Mile	Synthetic	Starter Allowance, 2y.o. w/other conditions	\$19,000	Races unshod	1st
11/30/2008	Hollywood Park	1	Justdontcallmejeri (2y.o. B. g.)	1 1/16 Mile	Synthetic	Maiden Claiming \$32,000-\$28,000, maiden 2y.o.	\$20,000	Races w/o hind shoes	2nd
12/3/2008	GGF	4	Dustin the Track (3y.o. B. g)	5 1/2 F.	Synthetic	Claiming \$12,500- \$10,500, 3y.o. and up which have never won two races	\$9,700	Races unshod	2nd
12/4/2008	GGF	1	Ocean Cracker (4y.o. B. g.)	6 F.	Synthetic	Maiden Claiming \$20,000-\$18,000, maidens 3y.o. and up	\$14,000	Races unshod	1st
12/4/2008	GGF	4	Buddha's Belle (2y.o. Dk B/Br. f.)	5 1/2 F.	Synthetic	Maiden Claiming \$32,000-\$30,000, maiden fillies 2y.o.	\$17,000	Races unshod	6th
12/6/2008	GGF	2	Zia Zoom Zoom (2y.o. B. f.)	5 F.	Synthetic	Maiden Claiming \$20,000-\$18,000, maiden fillies 2y.o.	\$14,000	Races unshod	5th
12/6/2008	GGF	4	Six O One (3y.o. B. g.)	5 F.	Synthetic	Maiden Claiming \$8,000, maidens 3y.o. and up	\$8,000	Races unshod	12th last

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
12/6/2008	GGF	5	Mom's Ballet (3y.o. B. g.)	1 1/16 Mile	Synthetic	Claiming \$4,000, 3y.o. and up which have never won two races	\$8,700	Races unshod	4th
12/6/2008	GGF	9	Swisspealedocious (3y.o. Ch. g.)	6 F.	Synthetic	Maiden Claiming \$8,000, maidens 3y.o. and up	\$8,000	Races unshod	1st
12/7/2008	GGF	5	Seismic Thunder (5y.o. Ch. g.)	1 1/16 Mile	Synthetic	Starter Allowance, 3y.o. and up w/other conditions	\$8,500	Races unshod	3rd
12/7/2008	GGF	7	Belle of the Bay (4y.o. Dk B/Br. f.)	6 F.	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and up	\$9,200	Races unshod	8th
12/10/2008	GGF	2	Newmoneyspentwell (2y.o. B. f.)	1 Mile	Synthetic	Claiming \$10,000-\$9,000, fillies 2y.o.	\$12,500	Races unshod	7th last
12/10/2008	GGF	2	Cassie's Mark (2y.o. B. f.)	1 Mile	Synthetic	Claiming \$10,000-\$9,000, fillies 2y.o.	\$12,500	Races unshod	1st
12/10/2008	GGF	3	Loveinamist (3y.o. B. f.)	1 Mile	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and up	\$8,700	Races unshod	5th
12/10/2008	GGF	3	Krissy's Flygirl (5y.o. B. m.)	1 Mile	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and up	\$8,700	Races unshod	1st
12/10/2008	GGF	4	Brave William (2y.o. Ch. c.)	5 F.	Synthetic	Maiden Claiming \$20,000-\$18,000, maidens 2y.o.	\$14,000	Races unshod	3rd
12/10/2008	GGF	5	The Fly'n'jacamacoo (2y.o. Dk B/Br. g.)	1 Mile	Turf	Maiden Claiming \$20,000-\$18,000, maidens 2y.o.	\$14,000	Races with shoes	8th
12/10/2008	GGF	6	Moonlight Gold (5y.o. B. m.)	1 Mile	Synthetic	Claiming \$6,250, fillies and mares 3y.o. and up	\$9,200	Races unshod	10th last

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
12/11/2008	GGF	5	Tip Toe Topper (2y.o. B. f.)	6 F.	Synthetic	Claiming \$8,000-\$7,000, fillies 2y.o.	\$11,500	Races unshod	3rd
12/11/2008	GGF	7	Tripp to Glory (3y.o. Dk B/Br. f.)	6 F.	Synthetic	Claiming \$20,000-\$18,000, fillies 3y.o.	\$22,000	Races unshod	5th
12/12/2008	GGF	1	Ima Offended (3y.o. B. f.)	6 F.	Synthetic	Claiming \$12,500-\$10,500, fillies and mares 3y.o. and up which have never won two races	\$9,700	Races unshod	1st
12/12/2008	GGF	3	Stealinthejackpot (2y.o. Ch. g.)	6 F.	Synthetic	Claiming \$10,000-\$9,000, 2y.o.	\$12,000	Races unshod	5th
12/12/2008	GGF	5	Peace of Me (2y.o. B. c.)	6 F.	Synthetic	Claiming \$8,000-\$7,000, 2y.o.	\$11,500	Races unshod	1st
12/12/2008	GGF	6	Artfully Done (3y.o. B. g.)	1 Mile	Turf	Maiden Claiming \$32,000-\$30,000, maidens 3y.o. and up	\$17,000	Races with shoes	3rd
12/12/2008	Hollywood Park	5	Uncle Jeep (2y.o. Ch. g.)	6 1/2 F.	Synthetic	Maiden Claiming \$62,500-\$55,000, maidens 2y.o.	\$23,000	Races w/o hind shoes	5th
12/13/2008	GGF	2	Bonneville Storm (3y.o. Gr/ro. c.)	6 F.	Synthetic	Maiden Claiming \$8,000, maidens 3y.o. and up	\$8,000	Races unshod	6th
12/14/2008	GGF	4	Lindsey's Storm (2y.o. B. g.)	5 1/2 F.	Synthetic	Maiden Claiming \$12,500, maiden 2y.o.	\$9,500	Races unshod	2nd
12/14/2008	GGF	4	Hi Harry (2y.o. B. g.)	5 1/2 F.	Synthetic	Maiden Claiming \$12,500, maiden 2y.o.	\$9,500	Races unshod	4th

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
12/14/2008	GGF	5	Mix (3y.o. Dk B/Br. g.)	6 F.	Synthetic	Claiming \$4,000, 3y.o. and up which have never won three races	\$8,700	Races unshod	3rd
12/14/2008	Hollywook Park	3	Proud Y Bonita (4y.o. B. f.)	1 1/16 Mile	Synthetic	Claiming \$10,000-\$9,000, fillies and mares 3y.o. and up	\$10,000	Races w/o hind shoes	7th last
12/17/2008	GGF	2	Dustin the Track (3y.o. B. g.)	6 F.	Synthetic	Claiming \$12,500-\$10,500, 3y.o. and up which have never won two races	\$9,700	Races unshod	6th last
12/17/2008	GGF	3	Capital Cat (2y.o. B. c.)	6 F.	Synthetic	Maiden, 2y.o.	\$29,000	Races unshod	3rd
12/17/2008	GGF	4	River Rebel (4y.o. Dk B/Br. g.)	1 Mile	Synthetic	Claiming \$4,000, 3y.o. and up	\$9,200	Races unshod	5th
12/17/2008	GGF	6	Vested Alliance (2y.o. B. f.)	5 1/2 F.	Synthetic	Maiden Claiming \$12,500, fillies 2y.o.	\$9,500	Races unshod	5th
12/17/2008	GGF	6	Islandhoppertopper (2y.o. B. f.)	5 1/2 F.	Synthetic	Maiden Claiming \$12,500, fillies 2y.o.	\$9,500	Races unshod	1st
12/18/2008	GGF	1	He's A Flyer (5y.o. B. g.)	5 1/2 F.	Synthetic	Claiming \$4,000, 3y.o. and up	\$9,200	Races unshod	4th
12/18/2008	GGF	5	Desperate (2y.o. Ch. f.)	6 F.	Synthetic	Claiming \$16,000-\$14,000, fillies 2y.o.	\$19,000	Races unshod	2nd
12/18/2008	GGF	8	Rummysecret War (3y.o. Dk B/Br. g.)	1 Mile	Synthetic	Claiming \$6,250, 3y.o.	\$10,500	Races unshod	4th
12/19/2008	GGF	1	Direct Connect (5y.o. b. g.)	1 1/16 Mile	Synthetic	Claiming \$6,250, 3y.o. and up	\$10,500	Races unshod	Result not available

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
12/19/2008	GGF	4	Hiptopia (2y.o. Dk B/Br. c.)	1 Mile	Turf	Maiden, 2y.o.	\$29,000	Races unshod only if the race is switched to the main track	5th - on main track
12/19/2008	GGF	4	Sumo Power (2y.o. Dk B/Br. c.)	1 Mile	Turf	Maiden, 2y.o.	\$29,000	Races unshod only if the race is switched to the main track	4th - on main track
12/19/2008	GGF	5	Pearly Gates (4y.o. B. f.)	6 F.	Synthetic	Maiden Claiming \$12,500, maiden fillies and mares 3y.o. and up	\$9,500	Races unshod	6th
12/19/2008	GGF	5	Lo Risquette (3y.o. Dk B/Br. f.)	6 F.	Synthetic	Maiden Claiming \$12,500, maiden fillies and mares 3y.o. and up	\$9,500	Races unshod	4th
12/19/2008	GGF	6	Lady Disdain (GB) (5y.o. B. m.)	1 Mile	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and up	\$9,200	Races unshod	1st
12/19/2008	GGF	8	Starstream (3y.o. B. f.)	1 Mile	Synthetic	Claiming \$6,250, for fillies 3y.o.	\$10,500	Races unshod	4th
12/20/2008	GGF	2	Mom's Ballet (3y.o. B. g.)	1 Mile	Synthetic	Claiming \$4,000, 3y.o. and up which have never won two races	\$8,700	Races unshod	2nd
12/20/2008	GGF	7	My Summer Slew (3y.o. Dk B/Br. g.)	1 Mile	Synthetic	Allowance Claiming \$25,000, 3y.o. and up with other conditions	\$30,000	Races unshod	9th
12/20/2008	GGF	8	Run It (2y.o. B. c.)	1 Mile	Synthetic	Gold Rush Stakes, 2y.o. by subscription with other conditions	\$75,000	Races unshod	7th last

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
12/21/2008	GGF	4	Tizzalating (3y.o. Gr/ro. f.)	1 Mile	Turf	Maiden Claiming \$20,000-\$18,000, maiden fillies and mares 3y.o. and up	\$14,000	Races with shoes	6th
12/21/2008	GGF	5	M'Amour (2y.o. B. c.)	1 Mile	Synthetic	Maiden Claiming \$12,500, maiden 2y.o.	\$9,500	Races unshod	10th last
12/21/2008	GGF	5	East from West (2.o. Dk B/Br. g.)	1 Mile	Synthetic	Maiden Claiming \$12,500, maiden 2y.o.	\$9,500	Races unshod	1st
12/21/2008	GGF	6	Stormy Cyrina (3y.o. Dk B/Br. f.)	5 1/2 F.	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and up which have never won two races	\$8,700	Races unshod	Scratched
12/21/2008	GGF	7	Edski (3y.o. Dk B/Br. f.)	5 1/2 F.	Synthetic	Maiden Claiming \$8,000, maiden fillies and mares 3y.o. and up	\$8,000	Races unshod	1st
12/21/2008	GGF	8	Bamaha Breeze (3y.o. B. c.)	6 F.	Synthetic	Allowance, 3y.o. and up	\$39,000	Races unshod	2nd
12/26/2008	GGF	3	My Summer Slew (3y.o. Dk B/Br. g.)	1 1/16 Mile	Synthetic	Silveyville Stakes, Cal-bred 3y.o. and up with other conditions	\$75,000	Races unshod	4th
12/26/2008	GGF	3	Bamaha Breeze (3y.o. B. c.)	1 1/16 Mile	Synthetic	Silveyville Stakes, Cal-bred 3y.o. and up with other conditions	\$75,000	Races unshod	3rd
12/26/2008	GGF	4	Seismic Thunder (5y.o. Ch. g.)	1 Mile	Synthetic	Starter Allowance, 3y.o. and up with other conditions	\$8,500	Races unshod	6th

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
12/26/2008	GGF	7	Deputy Bob (2y.o. Ch. c.)	6 F.	Synthetic	Maiden Claiming \$20,000-\$18,000, maiden 2y.o.	\$14,000	Races unshod	6th
12/27/2008	GGF	1	Stormy Cyrina (3y.o. Dk B/Br. f.)	5 1/2 F.	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and up which have never won two races	\$8,700	Races unshod	4th
12/27/2008	GGF	7	Buddha's Belle (2y.o. Dk B/Br. f.)	6 F.	Synthetic	Maiden Claiming \$20,000-\$18,000, maiden fillies 2y.o.	\$14,000	Races unshod	7th
12/27/2008	GGF	7	Paprika Red (2y.o. Ch. f.)	6 F.	Synthetic	Maiden Claiming \$20,000-\$18,000, maiden fillies 2y.o.	\$14,000	Races unshod	1st
12/28/2008	GGF	1	Lookn for the Lord (4y.o. Dk B/Br. g.)	6 F.	Synthetic	Claiming \$16,000-\$14,000, 3y.o. and up	\$19,000	Races with shoes	1st
12/28/2008	GGF	3	Troy Fan (4y.o. Dk B/Br. g.)	1 Mile	Synthetic	Claiming \$5,000, 3y.o. and up	\$9,700	Races unshod	6th
12/28/2008	GGF	3	Silver Vista (6y.o. Dk B/Br. g.)	1 Mile	Synthetic	Claiming \$5,000, 3y.o. and up	\$9,700	Races unshod	3rd
12/28/2008	GGF	6	Loveinamist (3y.o. B. f.)	1 Mile	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and up which have never won three races	\$8,700	Races unshod	Scratched
12/28/2008	GGF	6	Krissy's Flygirl (5y.o. B. m.)	1 Mile	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and up which have never won three races	\$8,700	Races unshod	1st

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
12/28/2008	GGF	8	Stormy Vow (2y.o. B. f.)	1 Mile	Synthetic	Starter Allowance, fillies 2y.o. w/other conditions	\$19,000	Races unshod	5th
12/29/2008	GGF	3	Swisspealedocious (3y.o. Ch. g.)	6 F.	Synthetic	Claiming \$6,250, 3y.o.	\$10,500	Races unshod	7th last
12/29/2008	GGF	4	Fool Me Once (2y.o. B. f.)	1 Mile	Synthetic	Maiden Claiming \$12,500, maiden fillies 2y.o.	\$9,500	Races unshod	3rd
12/29/2008	GGF	5	Pieces of Paradise (5y.o. Ch. m.)	6 F.	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and up	\$9,200	Races unshod	6th
12/29/2008	GGF	6	Moonlight Gold (5y.o. b. m.)	1 Mile	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and up which have never won two races	\$8,700	Races unshod	6th
12/31/2008	GGF	1	Luck is Fleeting (3y.o. Dk B/Br. g.)	1 1/16 Mile	Synthetic	Maiden Claiming \$12,500, maiden 3y.o. and up	\$9,500	Races unshod	2nd
12/31/2008	GGF	2	Kentucky Outing (3y.o. Ch. f.)	6 F.	Synthetic	Claiming \$6,250, fillies 3y.o.	\$10,500	Races unshod	2nd
12/31/2008	GGF	6	Narley Darley (3y.o. Dk B/Br. f.)	6 F.	Synthetic	Claiming \$6,250, fillies and mares 3y.o. and up which have never won two races	\$9,200	Races unshod	5th
12/31/2008	GGF	8	Tripp to Glory (3y.o. Dk B/Br. f.)	6 F.	Synthetic	Claiming \$12,500-\$10,500, fillies and mares 3y.o. and up which have never won three races	\$9,700	Races unshod	1st

DETAILED REPORT OF THOROUGHBRED HORSES ENTERED TO RACE IN AN UNSHOD CONDITION AT CALIFORNIA RACE TRACKS BETWEEN
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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
12/31/2008	GGF	8	Ima Offended (3y.o. B. f.)	6 F.	Synthetic	Claiming \$12,500-\$10,500, fillies and mares 3y.o. and up which have never won three races	\$9,700	Races unshod	6th last
1/1/2009	GGF	1	Tip Toe Topper (3y.o. B. f.)	5 F.	Synthetic	Claiming \$6,250, fillies 3y.o.	\$10,500	Races unshod	4th
1/1/2009	GGF	3	Capital Cat (3y.o. b. C.)	6 F.	Synthetic	Stakes, 3y.o. by subscription	\$75,000	Races unshod	5th last
1/1/2009	GGF	6	Hi Card Jackpot (3y.o. Ch. g.)	5 F.	Synthetic	Maiden Claiming \$8,000, maiden 3y.o.	\$8,000	Races unshod	Scratched
1/1/2009	GGF	6	Pointe Du Hoc (3y.o. B. g.)	5 F.	Synthetic	Maiden Claiming \$8,000, maiden 3y.o.	\$8,000	Races unshod	6th
1/1/2009	GGF	9	Zia Zoom Zoom (3y.o. B. f.)	5 F.	Synthetic	Maiden Claiming \$8,000, maiden fillies 3y.o.	\$8,000	Races unshod	6th
1/1/2009	Santa Anita	10	Stormy Runaway (3y.o. Gr/ro. f.)	6 F.	Synthetic	Maiden Claiming \$40,000, Cal-bred or Cal-sired maiden fillies 3y.o.	\$21,000	Races w/o front shoes	11th
1/2/2009	GGF	1	Direct Connect (6y.o. B. g.)	6 F.	Synthetic	Claiming \$8,000-\$7,000, 4y.o. and up	\$11,500	Races unshod	1st
1/2/2009	GGF	3	Newmoneyspentwell (3y.o. B. f.)	1 Mile	Synthetic	Claiming \$12,500-\$10,500, fillies 3y.o.	\$15,000	Races unshod	4th
1/2/2009	GGF	3	O Firefly (3y.o. Ch. f.)	1 Mile	Synthetic	Claiming \$12,500-\$10,500, fillies 3y.o.	\$15,000	Races unshod	6th last

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
1/2/2009	GGF	8	Charm Doll (5y.o. Dk B/Br. m.)	6 F.	Synthetic	Claiming \$6,250, fillies and mares 4y.o. and up	\$10,500	Races unshod	4th
1/2/2009	Santa Anita	4	Soul City Clew (6y.o. B. g.)	7 F.	Synthetic	Claiming \$62,500-\$55,000, 4y.o. and up	\$43,000	Races w/o hind shoes	3rd
1/3/2009	GGF	1	Cassie's Mark (3y.o. B. f.)	6 F.	Synthetic	Claiming \$8,000-\$7,000, filliew 3y.o.	\$11,500	Races unshod	1st
1/3/2009	GGF	4	Troy Fan (4y.o. Dk B/Br. g.)	1 1/16 mile	Turf	Claiming \$12,500-\$10,500, 4y.o. and up	\$15,000	Races unshod	6th last
1/3/2009	GGF	5	Moonlight Gold (5y.o. b. m.)	6 F.	Synthetic	Claiming \$4,000, fillies and mares 3y.o. and up which have never won two races	\$8,700	Races unshod	9th last
1/3/2009	GGF	9	Mom's Ballet (3y.o. B. g.)	1 1/16 Mile	Synthetic	Claiming \$4,000, 3y.o. and up which have never won two races	\$8,700	Races unshod	4th
1/3/2009	Santa Anita	8	La Tee (5y.o. B. m.)	6 1/2 F.	Hillside Turf Course	The Monrovia Handicap (Grade III), fillies and mares 4y.o. and up	\$100,000	Races w/o front shoes	4th
1/4/2009	GGF	2	Krissy's Flygirl (6y.o. B. m.)	1 1/16 Mile	Turf	Claiming \$12,500-\$10,500, fillies and mares 4y.o. and up	\$15,000	Races unshod only if the race is switched to the main track	3rd - on turf course
1/4/2009	GGF	6	She's Committed (6y.o. Ch. m.)	5 F.	Synthetic	Maiden Claiming \$8,000, maiden fillies and mares 4y.o. and up	\$8,000	Races unshod	11th

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
1/4/2009	GGF	7	Mix (4y.o. Dk B/Br. g.)	6 F.	Synthetic	Claiming \$4,000, 4y.o. and up which have never won three races	\$8,700	Races unshod	9th
1/4/2009	GGF	9	Peace of Me (3y.o. B. c.)	6 F.	Synthetic	Claiming \$8,000-\$7,000, 3y.o.	\$11,500	Races unshod	4th
1/4/2009	GGF	9	Not So Brief (3y.o. B. g.)	6 F.	Synthetic	Claiming \$8,000-\$7,000, 3y.o.	\$11,500	Races unshod	Scratched
1/8/2009	GGF	1	Lady Disdain (GB) (6y.o. b. m.)	1 1/16 Mile	Synthetic	Claiming \$5,000, fillies and mares 4y.o. and up	\$9,700	Races unshod	3rd
1/8/2009	GGF	2	Naughty Cal (6y.o. Dk B/Br. g.)	1 Mile	Synthetic	Starter Allowance, 4y.o. with other conditions	\$19,000	Races unshod	5th
1/8/2009	GGF	8	Comcord (6y.o. Dk B/Br. m.)	6 F.	Synthetic	Claiming \$6,250, fillies and mares 4y.o. and up which have never won three races	\$9,200	Races unshod	4th
1/9/2009	GGF	1	He Did (4y.o. Gr/ro. c.)	6 F.	Synthetic	Maiden Claiming \$32,000-\$30,000, maiden 4y.o. and up	\$17,000	Races unshod	4th
1/9/2009	GGF	1	Point of Origin (4y.o. G. g.)	6 F.	Synthetic	Maiden Claiming \$32,000-\$30,000, maiden 4y.o. and up	\$17,000	Races unshod	3rd
1/9/2009	GGF	3	Desperate (3y.o. Ch. f.)	1 Mile	Synthetic	Allowance Claiming \$32,000, fillies 3y.o. with other conditions	\$30,000	Races unshod	5th
1/9/2009	GGF	4	Chillin Pretty (3y.o. Gr/ro. f.)	1 Mile	Synthetic	Maiden, fillies 3y.o.	\$29,000	Races unshod	6th
1/9/2009	GGF	5	He's A Flyer (6y.o. B. g.)	5 1/2 F.	Synthetic	Claiming \$4,000, 4y.o. and up	\$9,200	Races unshod	Scratched

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
1/9/2009	GGF	6	Mad About Fuzz (4y.o. B. g.)	6 F.	Synthetic	Claiming \$6,250, 4y.o. and up which have never won three races	\$9,200	Races unshod	Scratched
1/9/2009	Santa Anita	6	Lord in Command (4y.o. B. r.)	6 1/2 F.	Synthetic	Beaten Claiming \$12,500, 4y.o. and up which hae never won two races	\$13,000	Races w/o shoes	7th
1/10/2009	GGF	2	Audaciously (7y.o. Ch. m.)	5 1/2 F.	Synthetic	Claiming \$4,000, fillies and mares 4y.o. and up	\$9,200	Races unshod	5th
1/10/2009	GGF	2	Sweet Roseman (4y.o. Dk B/Br. f.)	5 1/2 F.	Synthetic	Claiming \$4,000, fillies and mares 4y.o. and up	\$9,200	Races unshod	6th
1/10/2009	GGF	2	Charm Doll (5y.o. Dk B/Br. m.)	5 1/2 F.	Synthetic	Claiming \$4,000, fillies and mares 4y.o. and up	\$9,200	Races unshod	8th last
1/10/2009	GGF	4	Starstream (4y.o. B. f.)	1 1/16 Mile	Synthetic	Claiming \$4,000, fillies and mares 4y.o. and up	\$9,200	Races unshod	1st
1/10/2009	GGF	6	Thefourofus (5y.o. B. g.)	6 F.	Synthetic	Claiming \$4,000, 4y.o. and up which have never won two races	\$8,700	Races unshod	1st
1/11/2009	GGF	3	Capital Cat (3y.o. b. C.)	5 1/2 F.	Synthetic	Maiden, 3y.o.	\$29,000	Races unshod	5th last
1/11/2009	GGF	5	Pearly Gates (5y.o. B. m.)	6 F.	Synthetic	Maiden Claiming \$8,000, maiden fillies and mares 4y.o. and up	\$8,000	Races unshod	8th
1/11/2009	GGF	6	Fool Me Once (3y.o. B. f.)	1 Mile	Synthetic	Maiden Claiming \$12,500, maiden fillies 3y.o.	\$9,500	Races unshod	Scratched

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
1/15/2009	GGF	1	Iaintnobunnyrabbit (4y.o. Gr/ro. f.)	1 Mile	Synthetic	Maiden Claiming \$20,000-\$18,000, maiden fillies and mares 4y.o. and up	\$14,000	Races unshod	2nd
1/15/2009	GGF	3	Waltzing Swan (3y.o. Dk B/Br. f.)	5 1/2 F.	Synthetic	Maiden, fillies 3y.o.	\$29,000	Races unshod	5th
1/15/2009	GGF	5	Lo Risquette (4y.o. Dk B/Br. f.)	1 1/16 Mile	Synthetic	Maiden Claiming \$8,000, maiden fillies and mares 4y.o. and up	\$8,000	Races unshod	5th
1/15/2009	GGF	7	Taylor Mountain (3y.o. Dk B/Br. g.)	1 Mile	Synthetic	Maiden Claiming \$12,500, maiden 3y.o.	\$9,500	Races unshod	7th
1/15/2009	GGF	8	Ocean Cracker (5y.o. B. g.)	6 F.	Synthetic	Starter Allowance, 4y.o. and up with other conditions	\$19,000	Races unshod	1st
1/16/2009	GGF	1	Fool Me Once (3y.o. B. f.)	1 1/16 Mile	Synthetic	Maiden Claiming \$12,500, maiden fillies 3y.o.	\$9,500	Races unshod	2nd
1/16/2009	GGF	2	Laday Tale (6y.o. B. g.)	6 F.	Synthetic	Claiming \$10,000- \$9,000, 4y.o. and up	\$12,500	Races unshod	3rd
1/16/2009	GGF	2	Direct Connect (5y.o. b. g.)	6 F.	Synthetic	Claiming \$10,000- \$9,000, 4y.o. and up	\$12,500	Races unshod	1st
1/16/2009	GGF	3	Hiptopia (3y.o. Dk B/Br. c.)	1 Mile	Synthetic	Maiden Claiming \$32,000-\$30,000, maiden 3y.o.	\$17,000	Races unshod	3rd
1/16/2009	GGF	5	Edski (4y.o. Dk B/Br. f.)	5 1/2 F.	Synthetic	Claiming \$6,250, fillies and mares 4y.o. and up which have never won two races	\$9,200	Races with shoes back on	4th

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
1/16/2009	GGF	7	Run It (3y.o. B. c.)	1 Mile	Synthetic	Allowance Claiming \$32,000, 3y.o. and up with other conditions	\$30,000	Races unshod	2nd
1/16/2009	GGF	8	East from West (3.o. Dk B/Br. g.)	1 Mile	Synthetic	Claiming \$8,000-\$7,000, 3y.o.	\$11,500	Races unshod	1st
1/16/2009	Santa Anita	4	Paper Gain (4y.o. B. c.)	6 F.	Synthetic	Maiden Claiming \$25,000-22,500, maidens 4y.o. and up	\$15,000	Races w/o shoes	4th
1/16/2009	Santa Anita	4	Gold Stock (4y.o. B. g.)	6 F.	Synthetic	Maiden Claiming \$25,000-22,500, maidens 4y.o. and up	\$15,000	Races w/o hind shoes	Scratched
1/16/2009	Santa Anita	8	Stormy Runaway (3y.o. Gr/ro. f.)	6 F.	Synthetic	Maiden Claiming \$32,000-\$28,000, maiden fillies 3y.o.	\$18,000	Races w/o front shoes	13th last
1/17/2009	GGF	1	Seeingisbelieving (3y.o. Gr/ro. g.)	6 F.	Synthetic	Maiden Claiming \$20,000-\$18,000, maidne 3y.o.	\$14,000	Races unshod	5th
1/17/2009	GGF	2	Zefa (5y.o. Ch. m.)	5 F.	Synthetic	Claiming \$4,000, fillies and mares 4y.o. and up which have never won two races	\$8,700	Races unshod	5th
1/17/2009	GGF	5	Sax (3y.o. B. g.)	6 F.	Synthetic	Maiden Claiming \$8,000, cal-bred madens 3y.o.	\$8,000	Races unshod	1st
1/17/2009	GGF	5	Freedom Hall (3y.o. B. g.)	6 F.	Synthetic	Maiden Claiming \$8,000, cal-bred madens 3y.o.	\$8,000	Races unshod	9th
1/17/2009	GGF	6	Papa Do Right (4y.o. B. g.)	6 F.	Synthetic	Allowance, 4y.o. and up with other conditions	\$30,000	Races unshod	8th

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
1/17/2009	GGF	7	Sixty Two Lincoln (10y.o. Ch. g.)	1 1/16 Mile	Synthetic	Claiming \$4,000, 4y.o. and up which have not won a race since Oct. 1	\$8,700	Races unshod	3rd
1/18/2009	GGF	3	Exactly Right (3y.o. Ch. g.)	5 1/2 F.	Synthetic	Maiden Claiming \$12,500, maiden 3y.o.	\$9,500	Races unshod	7th
1/18/2009	GGF	3	Laser Logic (3y.o. Dk B/Br. g.)	5 1/2 F.	Synthetic	Maiden Claiming \$12,500, maiden 3y.o.	\$9,500	Races unshod	8th
1/18/2009	GGF	3	Lindsey's Storm (3y.o. B. g.)	5 1/2 F.	Synthetic	Maiden Claiming \$12,500, maiden 3y.o.	\$9,500	Races unshod	1st
1/18/2009	GGF	5	Zia Zoom Zoom (3y.o. B. f.)	6 F.	Synthetic	Maiden Claiming \$8,000, maiden fillies 3y.o.	\$8,000	Races unshod	1st
1/18/2009	GGF	5	Shesourkindagal (3y.o. Dk B/Br. f.)	6 F.	Synthetic	Maiden Claiming \$8,000, maiden fillies 3y.o.	\$8,000	Races unshod	9th
1/18/2009	GGF	5	Comic Debut (3y.o. Dk B/Br. f.)	6 F.	Synthetic	Maiden Claiming \$8,000, maiden fillies 3y.o.	\$8,000	Races unshod	2nd
1/18/2009	GGF	9	Easter Candy (4y.o. Bk B/Br. g.)	5 1/2 F.	Synthetic	Maiden Claiming \$8,000, maidens 4y.o. and up	\$8,000	Races unshod	4th
1/19/2009	GGF	1	Royal Robert (6y.o. Gr/ro. g.)	5 1/2 F.	Synthetic	Claiming \$6,250, 4y.o. and up which have never won two races	\$9,200	Races unshod	3rd
1/19/2009	GGF	2	Stormy Cyrina (4y.o. Dk B/Br. f.)	1 1/16 Mile	Synthetic	Claiming \$6,250, fillies and mares 4y.o. and up which have never won two races	\$9,200	Races unshod	6th last

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
1/19/2009	GGF	3	Paprika Red (3y.o. Ch. f.)	1 Mile	Synthetic	Starter Allowance, fillies 3y.o. with other conditions	\$19,000	Races unshod	2nd
1/19/2009	GGF	4	Naughty Cal (6y.o. Dk B/Br. g.)	1 1/16 Mile	Synthetic	Claiming \$12,500-\$10,500, 4.y.o. and up which have never won two races	\$9,700	Races with shoes	6th
1/19/2009	GGF	5	Tachometer (3y.o. B. g.)	6 F.	Synthetic	Maiden Claiming \$4,000, maiden 3y.o.	\$8,000	Races unshod	8th
1/19/2009	GGF	7	Media City (5y.o. Ch. h.)	6 F.	Synthetic	Claiming \$20,000-\$18,000, 4y.o. and up	\$22,000	Races unshod	6th last
1/22/2009	GGF	2	Stormy Vow (3y.o. B. f.)	6 F.	Synthetic	Claiming \$12,500-\$10,500, fillies 3y.o.	\$15,000	Races unshod	6th last
1/22/2009	GGF	2	Cassie's Mark (3y.o. B. f.)	6 F.	Synthetic	Claiming \$12,500-\$10,500, fillies 3y.o.	\$15,000	Races unshod	4th
1/22/2009	GGF	3	Islandhoppertopper (3y.o. B. f.)	6 F.	Synthetic	Claiming \$25,000-\$22,500, fillies 3y.o.	\$25,000	Races with shoes	4th
1/22/2009	GGF	4	Tripp to Glory (4y.o. Dk B/Br. f.)	6 F.	Synthetic	Claiming \$20,000-\$18,000, fillies and mares 4y.o. and up	\$22,000	Races unshod	3rd
1/23/2009	GGF	5	The life of the party (3y.o. Dk B/Br. f.)	5 F.	Synthetic	Maiden Claiming \$8,000, maiden fillies 3y.o.	\$8,000	Races unshod	3rd
1/23/2009	GGF	6	I'm a Flyer Too (3y.o. Dk B/Br. f.)	6 F.	Synthetic	Maiden Claiming \$32,000-\$30,000, maiden fillies 3y.o.	\$17,000	Races unshod	5th

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
1/24/2009	GGF	1	Kentucky Outing (4y.o. Ch. f.)	6 F.	Synthetic	Claiming \$6,250, fillies and mares 4y.o. and up	\$10,500	Races unshod	2nd
1/24/2009	GGF	2	Ima Offended (4y.o. B. f.)	5 1/2 F.	Synthetic	Claiming \$4,000, fillies and mares 4y.o. and up which have never won three races	\$8,700	Races unshod	5th
1/24/2009	GGF	4	Yorkville Kid (4y.o. B. g.)	6 F.	Synthetic	Maiden Claiming \$8,000, maiden 3y.o. and up	\$8,000	Races unshod	3rd
1/24/2009	GGF	5	Dustin the Track (4y.o. B. g.)	5 1/2 F.	Synthetic	Claiming \$4,000, 4y.o. and up which have never won two races	\$8,700	Races unshod	9th
1/24/2009	GGF	5	Swisspealedocious (4y.o. Ch. g.)	5 1/2 F.	Synthetic	Claiming \$4,000, 4y.o. and up which have never won two races	\$8,700	Races unshod	4th
1/24/2009	GGF	7	Luck is Fleeting (4y.o. Dk B/Br. g.)	1 Mile	Synthetic	Maiden Claiming \$8,000, maiden 3y.o. and up	\$8,000	Races with shoes on	3rd
1/24/2009	GGF	8	Olympic Enforcer (6y.o. Ch. g.)	1 Mile	Synthetic	Claiming \$4,000, 4y.o. and up which have never won three races	\$8,700	Races unshod	5th
1/24/2009	GGF	8	Mad About Fuzz (4y.o. B. g.)	1 Mile	Synthetic	Claiming \$4,000, 4y.o. and up which have never won three races	\$8,700	Races unshod	7th
1/24/2009	GGF	10	Samwise (8y.o. B. g.)	1 Mile	Synthetic	Claiming \$4,000, 4y.o. and up which have never won three races	\$8,700	Races unshod	3rd

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Date	Track/ Association	Race #	Horse	Distance	Surface	Conditions	Purse	Unshod Status	Result
1/25/2009	GGF	2	Tip Toe Topper (3y.o. B. f.)	6 F.	Synthetic	Claiming \$6,250, fillies 3y.o.	\$10,500	Races unshod	2nd
1/25/2009	GGF	5	Inahurry (7y.o. Ch. g.)	6 F.	Synthetic	Claiming \$4,000, 4y.o. and up which have never won three races	\$8,700	Races unshod	6th
1/25/2009	GGF	6	She's Committed (6y.o. Ch. m.)	6 F.	Synthetic	Maiden Claiming \$8,000, maiden fillies and mares 4y.o. and up	\$8,000	Races unshod	8th
1/25/2009	GGF	9	Moonlight Gold (6y.o. B. m.)	1 Mile	Synthetic	Claiming \$4,000, fillies and mares 4y.o. and up which have never won two races	\$8,700	Races unshod	6th
1/25/2009	GGF	9	Zefa (5y.o. Ch. m.)	1 Mile	Synthetic	Claiming \$4,000, fillies and mares 4y.o. and up which have never won two races	\$8,700	Races unshod	7th last

Survey of Shoeing Rules

Summary:

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

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

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

Arizona

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

Arkansas – Rule 1211

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

Rule 2022

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

California – Rule 1853

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

(Rule Up For Consideration)

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

1748 Shoeing Mules

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

Del Mar-

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

Rule 1690.1

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

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

Rule 1555

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

Delaware

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

Florida

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

-Tampa Bay Downs

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

-Calder Race Course

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

Idaho

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

Illinois – Rule 1415.260

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

Arlington Park

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

Indiana

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

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

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

Iowa

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

Rule 491-10.5(1)

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

Kansas

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

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

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

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

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

Keeneland

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

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

Turfway

Shoes: No turndowns permitted.

Louisiana

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

Maine

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

Maryland

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

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

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

Michigan

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

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

Minnesota

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

Nebraska

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

New Hampshire

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

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

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

Meadowlands

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

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

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

New Mexico

15.2.5.13 RUNNING OF THE RACE:

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

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

New York

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

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

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

Ohio – Rule 3769-4-49

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

Oklahoma

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

Oregon

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

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

Pennsylvania

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

Texas

Lone Star Park Horsemen's Guide: Shoes

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

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

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

Rule 313.51

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

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

Rule 313.44

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

Virginia

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

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

- (1) A horse starting in a race must be fully shod with racing plates.
- (2) During off-track conditions the trainer is required to report any additional traction devices to the board of stewards or designee.
- (3) For turf racing, horses must be shod with racing plates approved by the association.
- (4) Toe grabs with a height greater than four millimeters, worn on the front shoes of thoroughbred horses while racing or training on any surface or conditions are prohibited.

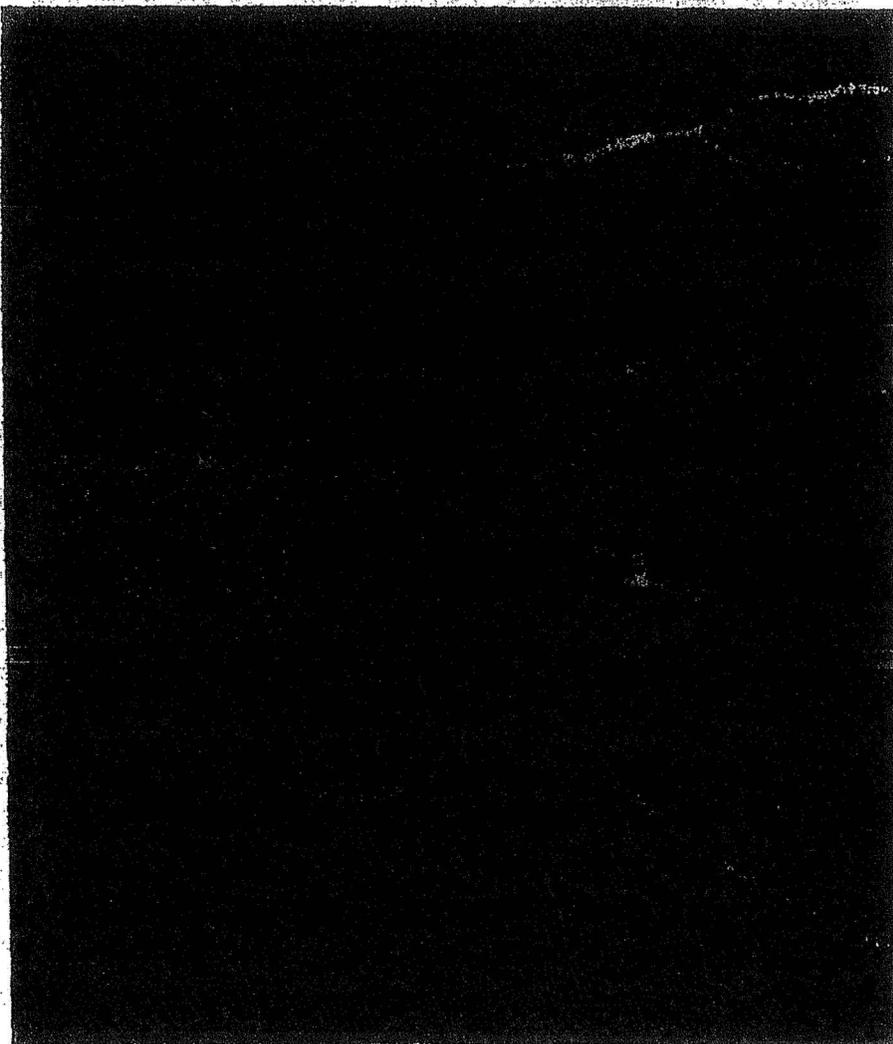
West Virginia

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

Wyoming

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

Shoeing blocks the energy flow
in the feet and metacarpus



The right front hoof is shoed

Barefoot Racing

Introduction

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

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

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

Mechanics of the Horse's Hoof

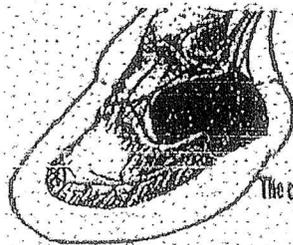
The hoof is a highly complex vascular organ which is very flexible enabling it to act like a shock absorber and suction cup on any terrain when left in its natural healthy state. The moment a shoe is nailed onto the foot, the vital mechanism is prevented. When shod, the hoof is fixed in its narrowest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

What is the function of the foot

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

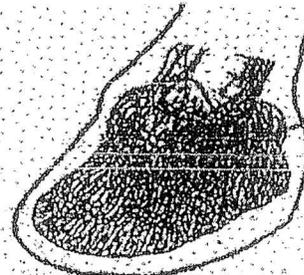
Protection

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



The corium also contains the nerves of the foot

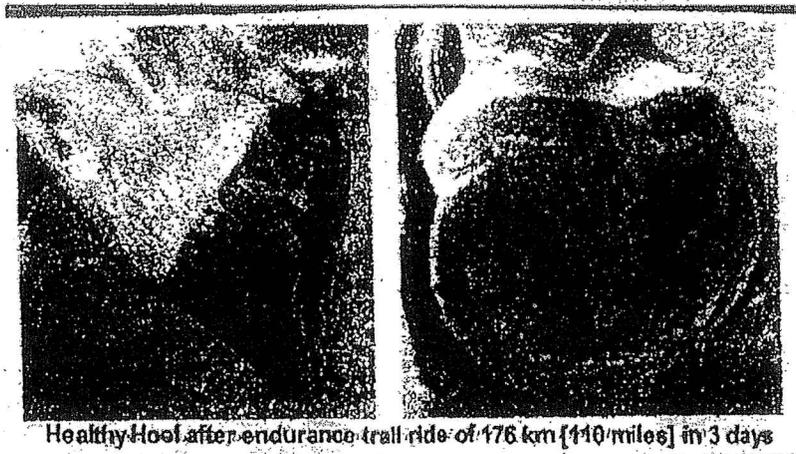
Fig. 35: Nerves in the Foot



Vascular network of the corium

Traction

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



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

Shock Absorption

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

1. Leaf spring effect of bone alignment

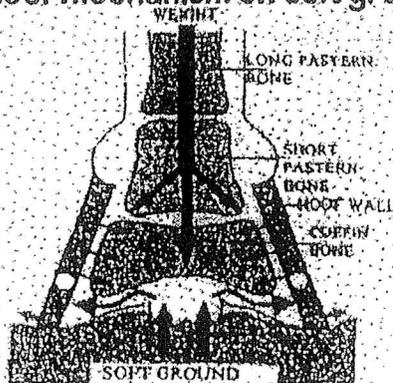
The bones of the foot are not aligned vertically, but in a harmonic curve. This way when the hoof contacts the ground, the impact force does not travel straight up the leg, but is partially absorbed the way a leaf spring will absorb shocks.



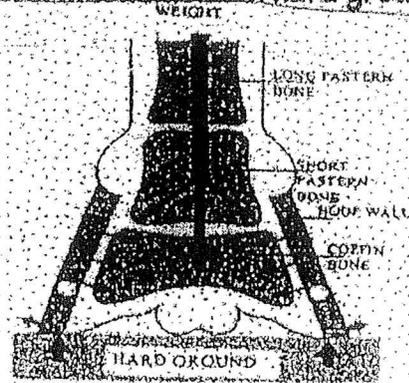
Fig. 33. Photo of Sagittal Cross-section of the Foot

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

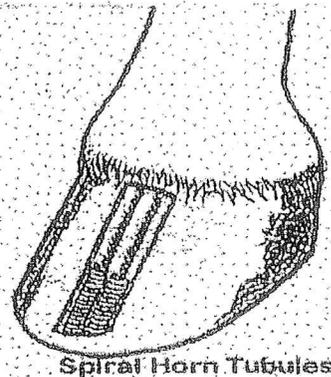
Hoof mechanism on soft ground



Hoof mechanism on hard ground



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



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

Heart - Supporting circulatory Pump

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

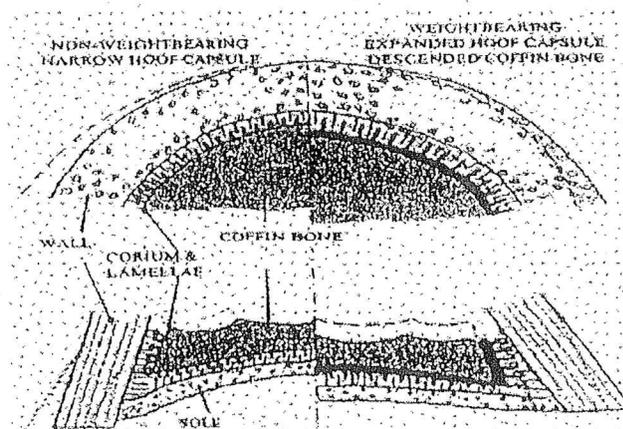


Fig. 55. Cross sections Through Hoof Showing Corium During Weightbearing and Non-weightbearing Phase

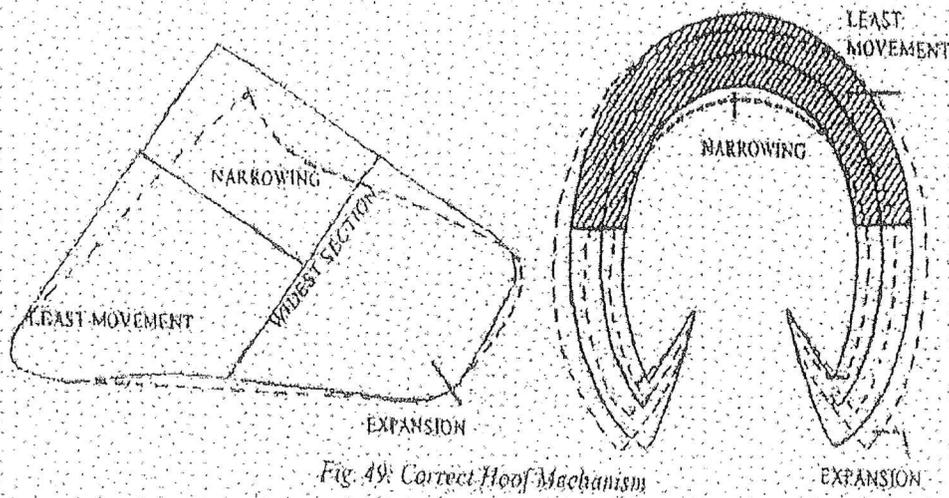


Fig. 49: Correct Hoof Mechanism

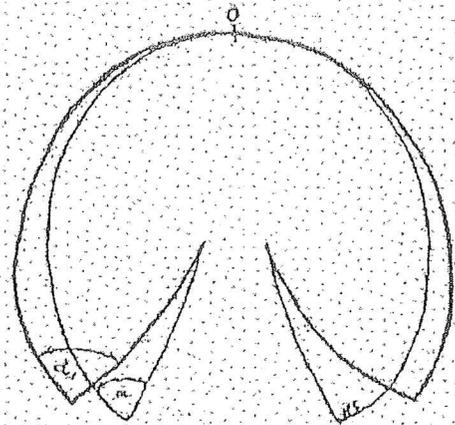


Fig. 50: Change in Angle of Bars During Expansion of Hoof on Weightbearing

5. Traction

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

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

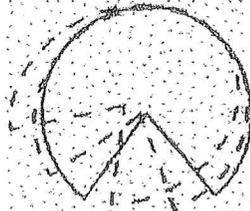


Fig. 59: Hoof Pivots Around the Toe

6. Corium Damage

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

Unshod natural hoof mechanism



Shod hoof - virtually no hoof mechanism

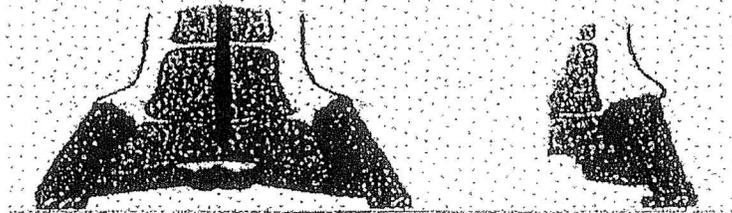


Fig. 58: Pinching of Living Tissues in Shod Hooves

Harmful Effects of Shoes

1. Impairs Hoof Mechanism

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

2. Impairs nerve function

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

3. Alters Hoof Temperature

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

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

4. Vibrations

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

7. Metabolic Disorders

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

8. Contraction

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

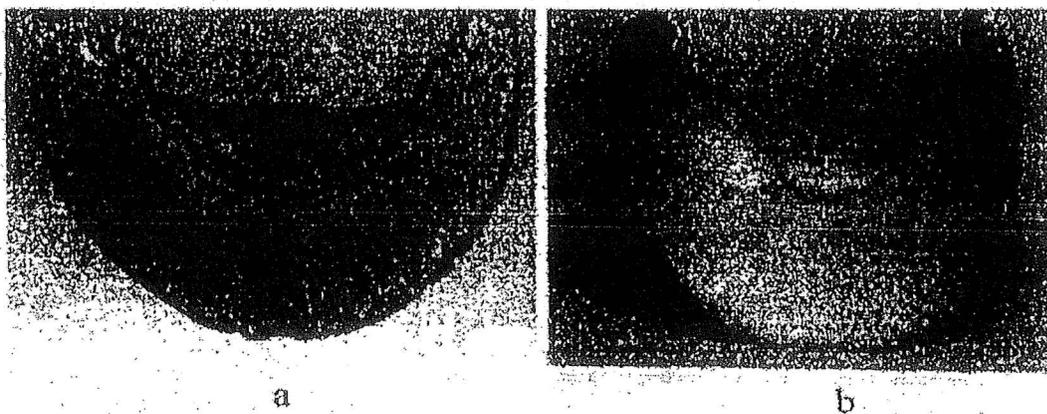
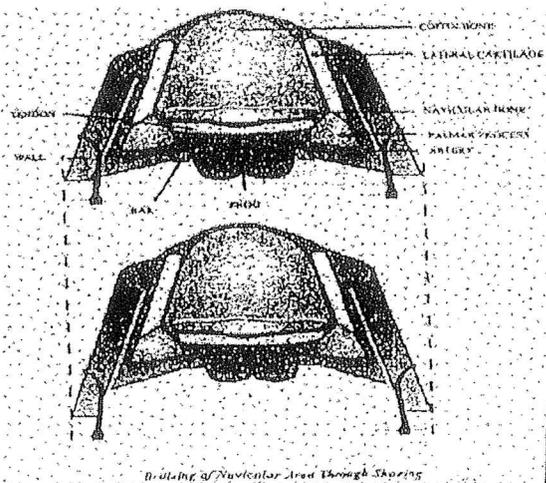


Fig. 60: Coffin Bone from a) a Healthy Hoof b) a Contracted Hoof

9. Impairs Hoof Mechanism and Circulatory Pump

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



10. Protects Hoof Wall from Wear and water absorption

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

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

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



Fig. 25: Bulb shape of a contracted hoof

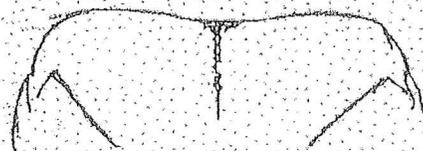


Fig. 26: Bulb shape of a healthy hoof

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

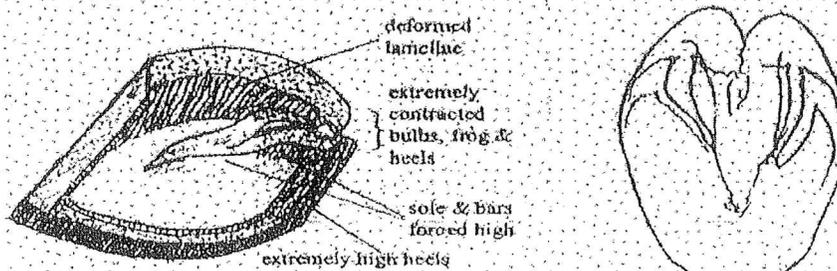


Fig. 27: Interior view of an extremely contracted hoof, shown as anatomically correct in a veterinary textbook

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

12. Thrush

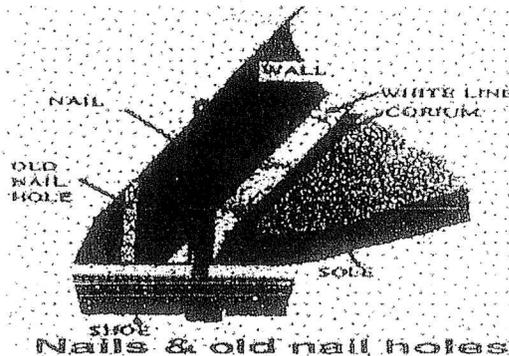
Blood supply to the frog and sweat glands that run along the frog, may be disrupted severely enough to cause thrush.

13. Meridians, Reflex Zones, Electrical and Magnetic Fields

How the shoe effects these areas is still underway.

14. Nails Destroy the Hoof Wall

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



15. Exercise-Induced Pulmonary Haemorrhage

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

16. Reduced Safety

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

Benefits of the Barefoot Horse to the Racing Industry

1. Extra Safety for both horse and jockey - increased neural response resulting in surefootedness
2. Increased traction without negative effects of shoes
3. Increased Speed - Barefoot horses do run faster
4. Fewer breakdowns and better recovery times because of increased circulation
5. Less congestion of lungs - prevention of EIPH
6. Increase performance
7. Economic viability :
 - A) We could be the leader in the field of barefoot racing by introducing the first research group proposed on an international level. This would be a huge credit to the racing industry in general.
 - B) This would improve the image of racing. This barefoot movement is upon us in other areas of performance horses, ie. Dressage and Endurance. It is only a matter of time before this will eventually reach the racing community. Why not take the proactive approach and enhance our image. The whole world will be watching.
 - C) Will actually give more work to blacksmiths since horses kept in the right natural environment will require more specialized trimming
 - D) Would make a great television documentary.

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Ed. & Trans Sabine Kells

**A Lifetime of Soundness: The Keys to Optimal Horse Health lameness
Rehabilitation and the High-Performance Barefoot Horse**
Dr. Vet. Med. Hiltrud Strasser
Ed. & Trans. Sabine Kells

Horse Owners Guide to Natural Hoof Care Jaime Jackson

The Natural Horse Lessons from the Wild Jaime Jackson

**Letters of Dr. W. Robert Cook FRCVS.,PhD.,
Professor of Surgery Emeritus
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1. An open letter to veterinarians August 2001
2. Professional Dismissiveness of Equine Barefootedness 2003
3. Get A Grip 2003

Internet Sites on Barefoot Horse - to many to list.

**Overview Prepared by Anne Riddell 2004
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Shoeing in Race Horses

1. Preface

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

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

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

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

2. Race horse is a profession

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

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

3. Damaging side effects

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. Is shoeing a cause for nosebleeds?

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

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

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

8. In summary

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

9. Prognosis

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

GET A GRIP

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

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

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

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

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

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

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

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

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

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Shoeless 'T.V.' triumphs at Delaware Park

By IZZY KATZMAN

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

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

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

T.V. Highlights, ridden by John Ruane, was clocked in 1:43 and paid \$19.80, \$3.40, \$5.80. The second and third-place finishers also returned good prices, Native Wine paying \$20.60, \$15.60, and Glamazon \$11.40.

Euphrosyne, the 8-5 favorite, and Diplomatic Role, the 2-10-1 second choice, ran disappointing races, both finishing far back in the nine-horse field.

This was T.V. Highlights' fourth victory in nine starts this year, including three in stakes. The 6-year-old daughter of T.V. Commercial-Fanrigo, by Amerigo, who won for the first time this year at a distance greater than one mile, also has two seconds. With the \$29,900 earned yesterday, she raised her 1968 bankroll to \$92,232.

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

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

Pino and Franklin also were

involved in the most controversial race of the day.

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

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

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

49 wins. Dick Dutrow was second with 28 wins.

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

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

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

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

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

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

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

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

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

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

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

Belmont roundup

Entries	
1st - 17,000, d. 3YO up, 21-14ml	First Post 100 (EDT) L
ArbeeChrm	10 Tufelle
CousinsThree	17 Ashlyn
Letm	18 B... ..

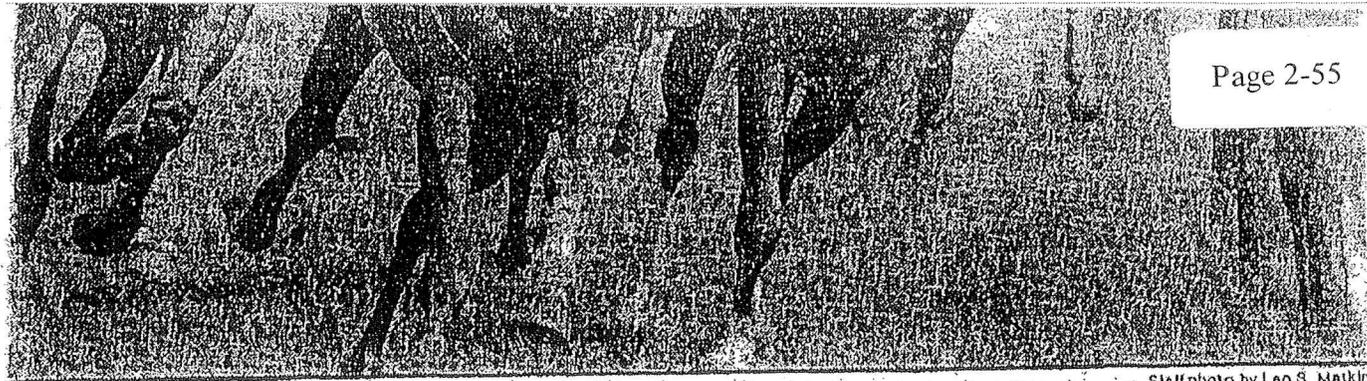
Results	
Weather Clear, TRACK Fast	
1st - 17,000, d. 3YO up, 14ml	100 300 243
Elvino Straph (Atanasio)	320 340
Return For Glory (Lavoie)	320 340
Big Bye Bye (Foley)	340

Handicaps and results from Liberty Bell

1st - 2,000 - Trial	
1 His Herbie (F. Burrows)	2-4-3 3-1
2 Able Winesap (Ho. Driver)	5-17 6-1
3 Fabrik Peloms (A. Markert)	5-4-6 5-1
4 Joans Viking (A. Markert)	5-2-6 6-1
5 Velot Inczhuasi (L. Reibbons)	4-7-5 6-1
6 Bopen Blue (P. Jones)	5-1 8-1

2nd - 2,000 - Pace	
1 Belmont Shadow (S. DeCarnale)	5-4-6 5-1
2 Grey Horse (Ho. Driver)	4-6-7 6-1
3 Payday J (C. Smith)	5-3-4 5-1
4 Doni Merce (M. Lanzetta)	8-2-8 7-1
5 Dolly Turb (E. Davis)	4-4-6 6-1
6 Sir Henry (C. Vlasto)	7-3-7 8-1

3rd - Pace, 5,000, 201	
1 Rictorn (E. Davis)	6:20 2:30 2:45
2 Dennis Hanover (Dancer)	3:29 2:52
3 Jersey Acce (Delcampeo)	3:40
EXACTA (1-11) PAID 11.40	
3rd - Pace, 5,000, 201 1/2	
1 Second Guesser (Giambroni)	



Staff photo by Leo S. Matkin

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

Wright's method right one

Barefoot entries win two at Fair Hill

By ERIC RUTH
Staff reporter

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE UNFETTERED FOOT:

A paradigm change for equine podiatry

Tomas G. Teskey D.V.M.¹

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

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

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

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

Many farriers, and many veterinarians who have previously obtained farriery credentials, remain ardent advocates of shoeing. Though they damn their craft with faint praise when they concede that shoeing is a necessary evil, they revoke this weakness by citing the millennium-long history of shoeing, under management strictures imposed by non-leisure usage, as evidence that horses suffered no ill effects from such a practice.^{26,3}

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

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² Rodgers and Hart, 1944

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The increasing body of evidence about barefoot rehabilitation techniques and the demonstrably convincing performance of barefoot endurance horses is both fascinating and compelling. Other veterinarians that both ride and shoe cite the "impossibilities" of riding barefoot. I can only say that my own and thousands of other horses can and do ride, for hundreds of miles a week, on rocks, without steel shoes. Clearly, domestic equine hooves can be conditioned beyond a level that is customary in feral horses. Five short years ago, I lacked the knowledge of proper hoof form and function and, as a result, I was unable to salvage many horses with devastating hoof problems. It was the shoeing and the subsequent progressively debilitating hoof deformities in these horses that brought them to their end. I realized I could not, in good conscience, continue to use steel appliances to bring "healing" to hooves that were deformed due to the use of such appliances in the first place. Now the horses I see with similar problems improve in a short time. The knowledge of normal hoof form and function is powerful. Using it to *prevent* hoof deformities beats rehabilitating deformed feet any day, and is the key to honest hoof health. Pete Ramey is another enlightened 'former farrier' who no longer uses metal. He writes, "Our goal continues to be for every horse to outperform its former shod self, and the hooves deliver this with shocking consistency that amazes me more every day."
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Other common but unsound arguments claim that shoes are needed because of the added weight of tack and rider, the harder terrain, and the extreme sports that are expected of the modern-day horse. Each of these arguments can be refuted, in order, on physiological, evolutionary and historical grounds. For example, the feet of pregnant mares comfortably adapt, in the wild, to the increased weight of the gravid uterus. Horses evolved in varied terrains, including desert, where hard terrain is the norm. The 'extreme sport' of cavalry warfare was conducted for c. 2500 years without shoes. For the last two hundred years of this period, horses were carrying the 'added weight' of armor and equipment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Conclusion

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

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

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

STAFF ANALYSIS
ARTICLE 7. CLAIMING RACES
PROPOSED AMENDMENT OF
RULE 1663
ENTRY OF CLAIMED HORSE

Regular Board Meeting
February 26, 2009

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in California and over all persons or things having to do with such meetings is vested in the California Horse Racing Board (Board). Business and Professions Code section 19440 states 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 under which all horse races with wagering on their results shall be conducted in California.

Board Rule 1663, Entry of Claimed Horse, provides that a horse claimed out of a claiming race is eligible to race in California immediately after being claimed. The rule also provides that a horse claimed out of a claiming race is not eligible to start in another claiming race for 25 days for less than 25 percent more than the amount for which it was claimed. No claimed horse is eligible to race in any state other than California until 60 days after the close of the meeting where it was claimed, except in a stakes race. For the purposes of the rule the California Fair Circuit is considered one meeting, and standardbred horses are exempt from the rule.

In July 2000, the Security and Licensing Committee heard a proposal to amend Rule 1663 to provide that a horse claimed out of a claiming race is ineligible to race in any other state until 60 days after the close of the meeting in which it was claimed. The intent of the amendment was to keep claimed horses in California. Proponents of the amendment maintained horses claimed in California were being shipped out-of-state, which resulted in fewer horses and short fields. The Thoroughbred Owners of California (TOC) opposed the amendment on the grounds that it would restrict an owner's ability to use his property to his best advantage. The TOC stated an owner should be able to ship a horse out-of state if he wished. Additionally, the TOC suggested the 60-day "jail time" could be a violation of the Interstate-Commerce Clause of the constitution. The Deputy Attorney General, in an informal opinion, added that a CHRB rule prohibiting a horse claimed in a California race from participating in any out-of-state race for an extended period of time would be unconstitutional, as a violation of the Commerce Clause of the United States Constitution. The California Harness Horsemen's Association and Capitol Racing, LLC supported the proposal for a 60-day "jail time."

In February 2001 a proposal to amend Rule 1663 to provide for a 60-day "jail time" for claimed horses was again brought before the Board. The California Thoroughbred Trainers (CTT) and TOC opposed the amendment.

A 60-day "jail time" was discussed in August 2003, but did not advance due to concerns previously raised by the industry. In November 2004, a proposal to introduce a 90-day "jail time" was raised, but did not advance for the same reasons.

In the spring of 2005 California racing secretaries proposed the amendment of Rule 1663 to provide for a 90-day jail time. The industry argued that a dramatic shift in the number of claimed horses leaving California was increasing the shortage of horses and causing short fields. Out-of-state interests were entering California with the sole purpose of claiming large numbers of horses they had no intent of running in this State. The industry claimed the phenomenon was the result of "slots-fueled racetracks" and the "raiding" of California's horses was having a "devastating effect" on the industry. At the same time, the industry requested that the amendment include a provision that would consider the California Fair Circuit a single meeting for the purposes of the regulation. After a survey of other racing jurisdictions revealed the prevalent jail time to be 60 days, and due to concerns regarding Constitutional issues, the industry agreed to a 60-day jail time. The amendment to Rule 1663 was endorsed by CTT, TOC and thoroughbred racing associations; it was adopted at the March 2005 Regular Board Meeting and was effective in August 2005.

In June 2006, the California Authority of Racing Fairs (CARF) proposed the temporary suspension of subparagraph 1663(b) as it applied to the California Fair Circuit. At the close of the Fresno District Fair (FDF) CARF proposed to suspend the 60-day jail time, effective October 16, 2006, the day after the last day of racing at FDF. CARF stated the suspension would allow horses claimed during the 2006 fair circuit to leave California and immediately run in out-of-state races. The CTT supported the request. The Board agreed and granted a temporary waiver of subparagraph 1663(b).

ANALYSIS

The TOC has proposed amending Rule 1663 to change subparagraph 1663(b) to allow a horse claimed in a race to leave California 60 days after the date of the claim, rather than 60 days after the meeting in which it is claimed. The TOC stated it believes the current 60-day period is "unreasonable in the current environment." Race meets, especially in Northern California, can run nearly six months, and opportunities to run grass horses off of a claim in the winter may be nil due to the inability to ship and run out-of-state. Sixty days after the date of the claim keeps the horse in California for a reasonable period of time while not restricting owner opportunities. The proposed amendment to subparagraph 1663(b) would eliminate the need for the California Fair Circuit to be considered one race meeting for the purposes of claiming, so subparagraph 1663(b)(1) would not be necessary for the purposes of the regulation.

The TOC also proposed reducing the number of days a horse claimed in a claiming race may not start in another claiming race. The proposal would change the "claiming jail" time from a 25-day period to 20 days. However, staff was directed to propose text implementing only the change in the 60-day provision.

RECOMMENDATION

This item is presented for Board discussion and action. The Board may wish to hear from TOC representatives.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 7. CLAIMING RACES
PROPOSED AMENDMENT OF
RULE 1663. ENTRY OF CLAIMED HORSE

Regular Board Meeting
February 26, 2009

1663. Entry of Claimed Horse.

(a) A horse claimed out of a claiming race is eligible to race at any racing association in California immediately after being claimed. The horse is not eligible to start in a claiming race for 25 days after the date of the claim for less than 25% percent more than the amount for which it was claimed.

(b) A horse claimed out of a claiming race is not eligible to race in any State other than California until 60 days after the date of the race ~~close of the meeting~~ from where it was claimed except in a stakes race.

~~(1) For the purposes of this rule, the California Fair Circuit shall be considered one meeting.~~

(c) A claimed horse may be removed from the grounds of the association where it was claimed for non-racing purposes.

(d) The provisions of subsection (a) of this rule do not apply to standardbred horses.

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

Reference: Sections 19562,
Business and Professions Code.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING
THE CURRENT RULE ON REBATES AND THE FEASIBILITY OF
AMENDING CHRB RULE 1950.1, REBATES, TO PROHIBIT
REBATES BY ADVANCE DEPOSIT WAGERING PROVIDERS

Regular Board Meeting
February 26, 2009

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in California and over all persons or things having to do with such meetings is vested in the California Horse Racing Board (Board). Business and Professions Code section 19440 states 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 19602 provides that any racing association located in this state may authorize betting systems located outside of this state to accept wagers on a race or races conducted or disseminated by that association and may transmit live audiovisual signals of the race or races and their results to those betting systems, except that any authorization is subject to the consent of the host association and applicable federal laws, including, but not limited to, Chapter 57 (commencing with Section 3001) of Title 15 of the United States Code.

Definition: *A rebate is an amount paid by way of reduction, return, or refund on what has already been paid or contributed.*

Board Rule 1950.1, Rebates on Wagers, states no racing association or simulcast organization shall enter into an agreement with any off-track betting facility unless the agreement contains a provision that prohibits programs where the facility accepts less than the face amount of wagers or agrees to refund or rebate any consideration based on the face amount of any wagers to patrons. Rule 1950.1 was adopted in 1996 due to California industry concerns about rebating in Nevada. To comply with the regulation, racetracks and simulcast organizations modified their agreements with off-track betting facilities to prohibit rebating. The prohibition against rebating was explicitly referenced in section 30 of the agreements between racing associations and the off-track betting facilities. However, at some point, the statement that explicitly prohibited rebating (section 30) was dropped from the agreements, and replaced with language incorporated by reference from the Racing Industry Uniform Simulcast Wagering Agreement, Version 002, which provides the agreement is subject to the requirements of the racing commission of the host and guest States.

The Board last discussed the issue of rebating at its March 2004 Regular Meeting. The issue was raised due to a dispute between Thoroughbred Owners of California (TOC) and XpressBet relating to rebating practices. The TOC stated it was in negotiations with XpressBet and asked that the item be deferred. At the same meeting, the Board held a general discussion of Rule

1950.1 to determine if it wished to amend the regulation. The Board heard from various interested parties and examined if the practice of rebating was fundamentally fair to the nature of the pari-mutuel industry. Governor Schwarzenegger's temporary prohibition on amending regulations was in effect in March 2004, so the Board took no action, but determined it would revisit the issue in the future.

In February 2009 The Blood-Horse published an article that stated some domestic ADW outlets were openly offering cash rebates to customers that wager on California racing signals. The author of the article wrote that some viewed the practice as a violation of a California law. In fact, California does not have a law that expressly prohibits horse racing related rebates; the prohibition is stated in a regulation. The Board adopted Rule 1950.1 under the general authority of the Board as provided by the Business and Professions Code sections 19420 and 19440. Rule 1950.1 was adopted prior to the advent of California's advance deposit wagering (ADW) legislation, and though the regulation does not address ADW, it is the philosophy of the Board to prohibit rebating.

ANALYSIS

The proposed amendment to Rule 1950.1 would explicitly extend the current prohibition on rebates to ADW providers. The amendment provides that no racing association or racing fair shall enter into an agreement with an ADW provider, nor shall a horsemen's organization approve such an agreement, unless the agreement contains a provision that prohibits rebating on the face amount of any wagers to patrons. The proposed amendment also prohibits racing associations, racing fairs, or horsemen's organizations from entering into a hub agreement unless the hub agreement prohibits rebating.

Attached for your reference are excerpts from ADW providers websites explaining their wagering rewards programs offered to patrons.

XpressBet.com offers a "VIP Rewards" program.

TVG.com offers a "TVG Wager Rewards" program.

Youbet.com offers a "Youbet Advantage Player Rewards Program."

Twinspires offers a "Player Rewards" program (The Twinspires Club).

Each of the ADW providers offers some type of "rewards" program that awards merchandise or "credits" that may be redeemed as wagers.

RECOMMENDATION

This item is presented for Board discussion and action. The Board may wish to instruct staff to initiate a 45-day public comment period regarding the proposed amendment to Rule 1950.1.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
PROPOSED AMENDMENT OF
RULE 1950.1. REBATES ON WAGERS

Regular Board Meeting
February 26, 2009

1950.1. Rebates on Wagers.

(a) No racing association, racing fair, or simulcast organization shall enter into an agreement with any off-track betting facility unless the agreement contains a provision that prohibits programs where the off-track betting facility accepts less than the face amount of wagers from patrons, or agrees to refund or rebate any consideration based on the face amount of any wagers to patrons.

(b) No racing association, or racing fair shall enter into an agreement with an advance deposit wagering provider, nor shall a horsemen's organization approve such an agreement, unless the agreement contains a provision that prohibits programs where the advance deposit wagering provider accepts less than the face amount of wagers from patrons, or agrees to refund or rebate any consideration based on the face amount of any wagers to patrons.

(c) No racing association, racing fair, or horsemen's organization shall enter into a hub agreement with an advance deposit wagering provider unless the hub agreement contains a provision that prohibits programs where the advance deposit wagering provider accepts less than the face amount of wagers from patrons, or agrees to refund or rebate any consideration based on the face amount of any wagers to patrons.

Authority: Sections 19420, 19440, and 19602, and 19604,
Business & Professions Code.

Reference: Sections 19420, 19440, and 19602,
19604(b)(1)(A)(B)(C) and 19604(b)(2)(A)(B),
Business & Professions Code.

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DISCUSSION AND ACTION BY THE BOARD REGARDING
THE CURRENT RULE ON REBATES AND THE FEASIBILITY OF
AMENDING CHRB RULE 1950.1, REBATES, TO PROHIBIT
REBATES BY ADVANCE DEPOSIT WAGERING PROVIDERS

Regular Board Meeting
February 26, 2009

1. The Blood Horse article: "Questions Raised on California Rebating" dated 02/04/09.
2. The New York Times article: "Horse Racing; Horse Racing's Biggest Bettors Are Reaping Richest Rewards" dated 04/26/04.
3. Excerpt from the March 25, 2004, Regular Board Meeting transcript.
4. XpressBet "VIP Rewards" program.
5. TVG Wager Rewards program.
6. Youbet "Advantage Player Rewards Program."
7. Twinpires "The Twinpires Club" program
8. 2003 Agreement pages from Los Angeles Turf Club, Golden Gate Fields, Del Mar, Los Angeles County Fair, Fairplex and Capitol Racing, explicitly referencing prohibition on rebates.
9. Simulcast Wagering Agreement (Current Template)
10. Racing Industry Uniform Simulcast Wagering Agreement, Version 002 (Incorporated by reference in the Simulcast Wagering Agreement)

Questions Raised on California Rebating

by Ryan Conley

Date Posted: 2/4/2009 3:01:52 PM

Last Updated: 2/4/2009 4:59:34 PM

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Here's a fact: Some domestic advance deposit wagering outlets are openly offering cash rebates to customers that wager on California racing signals.

Now, here's a question: Is this legal?

And here's the answer: Nobody really knows for sure.

Certain domestic ADWs -- which operate Internet, telephone, and mobile-device platforms -- have been offering cash rewards or wagering credits to its customers, including on current California signal offerings from Golden Gate Fields and Santa Anita Park.

But the practice is viewed by some -- and not by others -- to be in violation of a California law that prohibits "any off-track betting facility" from offering rebates to its customers.

So what's up with all of this? The California Horse Racing Board, in response to queries from *The Blood-Horse* and other "public pressure," is asking the same question. And the state regulatory authority has tentative plans to address the issue at its Feb. 26 board meeting at Santa Anita.

Further, a clarifying amendment to the cited state rule may be submitted to the board by CHRB executive director Kirk Breed, asking that rebates on California signals be prohibited by state-licensed ADWs.

"We may suggest an amendment to the existing regulation to add ADW companies so that there is no doubt who is and who isn't covered in the law," said Breed, who couldn't guarantee the topic would make the February agenda due to deadline constraints.

"The argument is that we already have a prohibition against rebating by OTBs," he continued. "It can be argued that this creates an unfair environment which allows ADWs to cherry-pick the best customers. The ADW companies are going to have to come here and say what they are doing."

What some ADWs "are doing" is clearly evident in some cases, and not so clear in other cases. Some entities, such as two of the largest domestic entities, XpressBet.com and Twinspires.com, are offering their customers wagering "credits," which cannot be withdrawn as cash.

XpressBet, for example, is offering a limited offer of a 2% credit on wagers on current live racing signals affiliated with Magna Entertainment Corp., which also owns the ADW. The incentive, which runs through April 30, was launched with the start of the Santa Anita meet in December, and includes wagers made on Golden Gate Fields, Gulfstream Park, Laurel Park, and The Meadows harness facility in Pennsylvania, which is managed by MEC.

When asked specifically about the California rule regarding rebates, XpressBet president Ron Luniewski acknowledged there is "some ambiguity" regarding the regulation, but did not elaborate.

"We wanted to draw attention to XpressBet, so we thought this limited promotion would be a good way to do that, and stimulate handle on MEC content," Luniewski said. "We are pleased with the results thus far."

Customers of BetAmerica.com, which is affiliated with North Dakota OTB operator Lien Games, enjoy 3% rebates, although it recently dropped the percentage on California signals to 2% upon what it said was pressure from the Thoroughbred Owners of California. BetAmerica customers are able to withdraw the rebates from their accounts, according to the company's Web site.

Then there's Youbet.com, which doesn't publicly advertise cash-rebates on its Web site, but is believed to offer certain large-volume customers a wide variety of rebates on North America content, including in recent months rewards of at least 3% and higher on California signals, depending on the wager placed.

Youbet officials did not respond to repeated requests to discuss the alleged cash-rebate program, but *The Blood-Horse* has viewed documents which suggest the practice has been in existence for at least a few years. It is believed some customers of the program were recruited last year when Youbet's former subsidiary, off-shore rebate shop International Racing Group, was closed down by its parent amid a federal investigation.

Impact of the TOC

A prominent player in the legal rebating discussion is the TOC horsemen's group, which, because of authority given it under the federal Interstate Horseracing Act, has the power to control what entities get California racing signals.

In brief interviews with TOC president Drew Couto discussing the California rebate situation, it was disclosed to *The Blood-Horse* that the group has a few internal standards for dealing with such cash-reward practices. Included in the mix is a TOC requirement that allows entities such as large-volume off-shore shops Elite Turf Club and Racing & Gaming Services to rebate on California signals as long as its customers wager \$1 million annually, a policy that has also been adopted by TrackNet Media Group, the content partnership of MEC and Churchill Downs Inc.

Couto also indicated the TOC now allows entities with which the group has agreements to rebate 2% to its customers – hence, the incentive program of XpressBet (and the percentage reduction announced by BetAmerica).

But the TOC has also denied certain ADWs access to California signals *because* they rebate, though Couto said there were usually other integrity-related questions involved in making those decisions.

The TOC, as recently as 2004, shut down a rebate operation launched by XpressBet. At the time, it was reported the TOC wasn't sure if XpressBet was operating in violation of California law.

What's next, CHRB?

The closing of that XpressBet operation in 2004 led to an intense discussion of rebating at the CHRB's annual meeting held in March of that year. (The entire annual meeting transcript, including discussion of other topics, is available [here](#)). In the meeting, a cast of industry interests spoke about the dynamics involved with rebating, but no conclusion was met, and the subject was dropped, for all intents and purposes.

All of which brings us back to 2009, and the potential inclusion of another hard look at rebating regulations by the

CHRB.

One of the issues with the language of the current rule, Breed said, is that it hasn't been tested – i.e., in court – against ADWs.

"What we need to do is modify the rule to include ADWs," he said. "The key term in the rule is 'off-track betting facility.' Does that mean only brick-and-mortar OTB facilities, or any outlet not on-track, such as an ADW?"

Breed, who joined the CHRB as executive director last year, noted the original rule has been on the books since 1996 – which is pre-dawn of wide-spread Internet use and advance deposit wagering. He said the rule at the time was written to prevent such entities as Las Vegas racebooks from offering rebates to its customers.

Cash-reward rebates in racing are regarded by some in the industry as no different than other "cash-back" programs offered by many retail/service entities, such as in automobile sales, and are lauded by some as ways to retain large churn in pari-mutuel pools.

But others have long decried its use in wagering, saying rebates draws money away from higher revenue-producing pools, such as in on-track settings, and creates an unfair advantage for rebate outlets. The practice has also come under past scrutiny because of alleged illegal money laundering being funneled through a few off-shore rebate locations.

The New York Times

April 26, 2004

HORSE RACING; Horse Racing's Biggest Bettors Are Reaping Richest Rewards

By JOE DRAPE

In horseplaying parlance, Maury Wolff is a whale, one of the thousand or so professional bettors who collectively wager as much as \$1.5 billion a year on thoroughbred races in the United States. He will not attend the Kentucky Derby at Churchill Downs on Saturday. In fact, he and the other whales rarely set foot in a racetrack.

He will watch the Derby from his home in Alexandria, Va., where a pile of Daily Racing Forms, a stack of videotapes of past races and a computer will give him all the insight he needs into the horses competing. When he decides which horse he believes will win the race, Mr. Wolff will call in his selection.

Even before the starting gates open at Churchill Downs, Mr. Wolff will have an advantage over many other horseplayers. He bets through what are called rebate shops, which are off-shore, on Indian reservations or in states with fewer regulations. Rebate shops offer from 4 percent to 10 percent back on every dollar wagered -- win or lose.

When someone bets more than \$100 million a year, as one man did through a North Dakota rebate shop in 2002, the savings add up quickly and often mean the difference between winning and losing money.

The practice is legal. Mr. Wolff likens his rebates to the cash or airline miles that credit-card users often receive.

"Racing is like a lot of businesses in which the best customers get the best deals," said Mr. Wolff, a former racetrack executive and an economist. "Rebates are targeted tax cuts to the consumer who is most responsive to your product. When you turn people into winners from losers, you're going to get astronomical growth."

National figures compiled by the Jockey Club, considered the official statistician of the industry, show that rebate operations may have had an impact. In 1997, before they became prevalent, \$12.5 billion was bet on horse racing held in the United States; in 2003, more than \$15 billion was wagered, a 20 percent increase.

But the proliferation of rebate shops has stirred intense debate and raised thorny questions within the horse racing industry.

*Do rebate shops siphon revenue from the racetracks and from the trainers, jockeys and horse owners who put on the show?

*Do well-financed gamblers have an unfair advantage over the \$2 bettor or even \$500-a-day players?

*Is gambling on a horse race a game, or is it a financial market that a skilled player can manipulate for profit?

Unlike casinos, where bookmakers set odds or determine point spreads, horse racing is based on the parimutuel system, which means bettors are wagering against one another and not against the house. All the betting money, including wagers made at the racetrack and at rebate shops, is commingled, or linked into one pool.

In the Kentucky Derby on Saturday, for example, Churchill Downs will return to bettors at the track about 82 cents of every dollar wagered in the form of winnings. The remaining 18 cents, known as the takeout, will be used to pay for expenses like racing purses, state taxes and track maintenance.

This business model worked fine 25 years ago. But the advent of telephone and computer wagering has drastically changed the flow of money in the industry.

Despite the increase in the amount of money wagered on races held in the United States, the purse money given away at racetracks declined in 2003, for the first time in nine years, by nearly 2 percent, to \$1 billion, according to the National Thoroughbred Racing Association. The decline is referred to as "handle up, purses down," and the N.T.R.A. formed a task force last month to examine the problem.

"We have witnessed over the past few years a significant change in betting patterns where the tracks in the U.S. are receiving less net revenue from interstate simulcasting," said Greg Avioli, deputy commissioner for the N.T.R.A. and the task force's chairman. Simulcasting allows racetracks to sell off-site access to their betting pools. "Money is leaking out of the system and not going back to live racing."

Track owners attribute the loss to the rebate shops. The N.T.R.A. says there are currently eight rebate shops, but the number is rising. While rebate shops often pay a higher fee for a track's simulcast signal, they have far less overhead because they need only a small office, a computer system, telephones and a lean staff of operators and technicians.

"What you've done with rebates is you have put people in business with your own product and allowed them to undercut your price and steal your best customers," said Chris Scherf, executive vice president of the Thoroughbred Racing Associations, which represents 45 tracks. "That's not how they teach you to do things at the Wharton School of business."

Rebate-shop operators, however, say they are attracting new and more money to horse racing and paying a fair share of it to the tracks. Since opening in 1998, Racing & Gaming Services Inc., on St. Kitts, says that its total handle has grown to more than \$692 million in wagers in 2003, and that its more than 120 horseplayers increased the amount of their average wagers to more than \$21,000 a day last year, from \$2,985 in 1998.

In 2003, Racing & Gaming Services says, it paid more than \$30 million to racetracks as fees to carry their signals; in six years, it has paid more than \$105 million to tracks in the form of fees.

Laura A. D'Angelo, a lawyer in Lexington, Ky., who represents Racing & Gaming Services, says it has "contributed more to purses than numerous racetrack entities, so it is a mystery why they are repeatedly criticized for 'contributing nothing to racing.'"

Even the most proficient horseplayers are hard-pressed to make a profit at the track because they cannot beat the takeout, which can range from 14 percent to 25 percent, depending on the track and type of wager. Only the rare handicapper will beat the takeout, while the average bettor will collect 80 cents on his dollar bet.

A horseplayer must still figure out the probabilities to maximize his profit, but rebates have transformed skilled horseplayers into high-volume, low-margin investors. One Las Vegas-based horseplayer, for example, says that since he began betting with rebate shops, he has increased the amount he wagers from \$3 million to \$24 million a year in the hope of making 4 percent on his money, or \$960,000 in profit.

"I'm a professional and work long hours to be among the top 1 percent of handicappers," said the man, a 37-year-old Kentucky native who detailed his finances under the condition that he would not be identified. "I don't like the word rebate -- I call it a track takeout reduction. When I get an average of 10 percent back, I'm 2 points above break-even and am playing for that extra 3 or 4 points of profit at the end of the year that is usually there after the luck evens out."

The \$500-a-day bettor on the racetrack, meanwhile, starts the day down 20 percent, or \$100, because of the takeout, and must be precise in his selections if he hopes to reach the break-even point or make money. Industry officials are concerned that this core audience, which makes up roughly 50 percent of its customer base, will eventually become alienated and move off-site as well.

While some racetracks give promotional offers to loyal customers, heavy regulation from state to state prevents them from returning cash to bettors in amounts that match the rebate shops.

"Our view in general is we believe that offering better pricing for your largest-volume customers is consistent with American business practices," said Karl Schmitt, the president of Churchill Downs Simulcast Network, which oversees simulcasting at Churchill's six racetracks. "But we obviously need to find a way to be more competitive and keep the core and the high-end customer happy."

Some within horse racing are also uncomfortable with the idea that sophisticated bettors are treating horse racing like a financial market and profiting handsomely from it.

"It's a game, not a financial market, and if people at the racetrack think they are chum and have been thrown out in the water for five or six players to take down, then the chum is going to move on to another game and the whales will move on to another financial market," said Mr. Scherf of the Thoroughbred Racing Associations.

But Mr. Wolff, who is a member of the N.T.R.A. task force, disagrees. For decades, he said, horse racing has marketed itself as a thinking man's game, and skilled players could expect to be successful and make a profit. If the racetracks will not deliver on that expectation, the whales will find an enterprise that will.

"It's a competitive industry targeted at bettors who now want competitive pricing," he said. "The high end is always going to seek the best return. It may be purer to win without a rebate, but when you go to the grocery store, they don't ask you if the money you're buying your milk with is from your winnings or your rebate. Horse racing was built on betting, and if bettors cannot win and they decide to go away, you do not have an industry or a game."

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CALIFORNIA HORSE RACING BOARD

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ANNUAL MEETING

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MARCH 25, 2004
9:00 a.m.

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Golden Gate Field Race Track
1100 Eastshore Highway
Albany, California

REPORTED BY: KRISTIE L. HUBKA, CSR NO. 5974

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CALIFORNIA HORSE RACING BOARD

JOHN C. HARRIS, Chairman
ROGER H. LICHT, Vice Chairman
WILLIAM A. BIANCO, Member
SHERYL L. GRANZELLA, Member
MARIE G. MORETTI, Member
JERRY MOSS, Member
JOHN C. SPERRY, Member
ROY C. WOOD, JR., Executive Director

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1 because we've got quite a few other issues to discuss.
2 Anything else on ADW itself? If not, we'll move on to
3 item No. 5 which is the report from Xpress Bet and TOC
4 on the advance deposit wagering issue that they
5 currently have a dispute on. Anyone want to comment on
6 this?

7 MR. COUTO: Chairman Harris, Drew Couto,
8 that's C-o-u-t-o. As I think everyone knows, there has
9 been an issue of dispute between Xpress Bet and
10 Thoroughbred Owners of California relating to some
11 rebating practices that we learned of secondhand that
12 was not part of our understanding of the activities
13 being conducted by Xpress Bet.

14 We've had several meetings with principals
15 from Xpress Bet and MEC to discuss the issues and
16 disclose information regarding handle practices. We
17 have also discussed wagering trends without obviously
18 exposing any confidentiality with bettors or certain
19 terms of the contracts. We are continuing to have those
20 discussions and hopefully moving toward an understanding
21 for the future and some compensation for the past
22 activities. We'd rather not discuss each of those
23 issues in this forum since they are sensitive and since
24 they are subject of ongoing discussions between Xpress
25 Bet and TOC. But that matter was a serious one as far

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1 as we were concerned.

2 Xpress Bet understands the seriousness of the
3 conduct and of the failure to disclose these facts and I
4 think we have a good understanding for going forward. I
5 defer to Mr. -- to Ron if there's any issues on
6 (unintelligible), if there's any issues that I haven't
7 addressed but I think, again, we're having a very candid
8 dialogue and we're trying to move forward.

9 CHAIRMAN HARRIS: We can probably move on but
10 I think the important part is that if there's any
11 contract between the horsemen and the ADW provider that
12 that be, you know, a valid contract because there are so
13 many different affects of any rebates or any kind of
14 action that can come from that.

15 MR. COUTO: We do consider that a material
16 provision of the agreement and that's why we've taken it
17 so seriously.

18 CHAIRMAN HARRIS: Anything else on this issue?
19 We're going to move on to issue No. 6 which is a
20 discussion on the current rule on rebates. Mr. Reagan.

21 MR. REAGAN: Commissioners, the basic
22 background on this issue has to do with the CHRB rule
23 1950.1, rebates on wagers. This rule was created in
24 1996 when California industry folks were concerned about
25 the rebating and other situations used in Nevada.

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1 Nevada was also concerned about that and it
2 did some legislation on their end and we ended up with
3 the Rule 1950.1. The thrust of the rule is that the
4 racetracks and simulcast organizations shall make sure
5 that there's a prohibition in the contracts that they
6 make with their customers regarding rebates. And in the
7 package we gave you numerous examples of certain pages
8 from those contracts highlighting the wording that they
9 used to prohibit the rebates and whatnot.

10 And based on that situation that we have
11 monitored since this rule went into effect, that's how
12 we monitored and that's what we are currently doing.
13 And if you have any questions or comments, I'd like to
14 know.

15 VICE-CHAIRMAN LICHT: So it's our duty to make
16 sure that that provision is in every contract and that
17 we are in compliance with that?

18 MR. REAGAN: Yes, sir, that's how we interpret
19 the rule and that's how we've been applying the rule.
20 While working with the simulcast organizers, that the
21 contracts that they use and the contracts that we review
22 every so often do have that provision and of course is
23 signed by both parties, the California group as well as
24 the out of state organization that participates through
25 the racing by using that contract.

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1 VICE-CHAIRMAN LICHT: And I think that even if
2 we were inclined to change the rule, at this point, our
3 hands are tied by Governor Schwarzenegger's rule against
4 changing rules.

5 MR. REAGAN: Oh, I see what you mean. If we
6 were to address the rule? Yes, there is a moratorium
7 right now on addressing any rules.

8 CHAIRMAN HARRIS: I think there is a process
9 where we can conceivably waive a rule, though. But on
10 these contracts, I think going forward, and not just on
11 this issue but other issues, we need to have these
12 signed by someone that's an officer of the whatever
13 entity is signing it. I don't know if the simulcast
14 coordinator would necessarily be a signatory that would
15 hold up.

16 EXECUTIVE DIRECTOR WOOD: Can you explain what
17 (unintelligible).

18 MR. REAGAN: Each race meet (unintelligible)
19 each race meet, we're talking dozens and dozens,
20 literally hundreds of contracts that they have with all
21 the various different locations as well as some of the
22 subsidiary locations. So we do have quite a process
23 where we coordinate -- I have a person that's pretty
24 much half time in Sacramento spending half of his time
25 all the time working with simulcast coordinators,

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1 receiving their faxes and e-mails and actually filing
2 and double checking all of those lists. We have
3 sometimes several pages of just single space of all the
4 locations that they're working with out of state. So
5 it's quite a process we go through.

6 CHAIRMAN HARRIS: You got the process, I
7 think, but it seems like once that process is done it's
8 sort of a don't ask, don't tell sort of a process which
9 usually doesn't work. But we don't really have any
10 monarchy of who is getting rebates and who is not and we
11 don't have any enforcement type of a way to really look
12 at them once it happens.

13 MR. REAGAN: Myself, the staff here, we work
14 in California, a lot of times we're pretty much in
15 Sacramento. So it would be difficult to determine
16 what's actually happening in Pennsylvania or even
17 offshore.

18 VICE-CHAIRMAN LICHT: I think that looking at
19 the whole rebating issue is something that's important.
20 A lot of things we've learned over the last few months
21 is that rebating is here to stay and that the industry
22 needs these players. For one, just what we heard from
23 these ADW providers today that despite what I thought in
24 the past and what most people thought I think is that
25 wagering is not so much content driven and that through

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1 various mechanisms like Youbet, maybe the quality of
2 their site, and TVG, the quality of their television and
3 access to their television, have driven players away
4 from other tracks and towards other tracks and Youbet
5 with certain promotions have got people playing harness
6 racing who weren't playing it before. And when you
7 think about that, what's controlled by these rebate
8 places, that we need their handle and I'm afraid to lose
9 it personally. And I think that they provide a service
10 to the industry that we need.

11 And if you look at what happened the first --
12 I don't remember, maybe four weeks of the Santa Anita
13 meet when the rate was significantly raised to the
14 rebate facilities, the handle dropped dramatically from
15 those places and the handle was down tremendously at the
16 end of the Santa Anita meet from the offshore places
17 meaning to me that big players were driven to play
18 places other than California. We can't afford to lose
19 these players. We need this handle.

20 CHAIRMAN HARRIS: To offer some bit of a
21 rebuttal to Roger, though, I think there is a big debate
22 in the industry on are rebates good or bad? And I think
23 there's good arguments on both sides. I think I'm a
24 little concerned that rebate is -- rebating is sort of a
25 narcotic that maybe makes you feel good that day but can

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1 lead you to a life of destruction. And my concern is
2 just that it creates another playing field for a player
3 in California that he's really not paying the same price
4 for a product and a player in some rebate locality might
5 be doing it. And maybe it's, you know, a fact of life,
6 that just has to happen to make the game work. But I
7 think there is going to be a lot to pay. And this is
8 probably the most troubling issue that's faced racing
9 that I can remember.

10 VICE-CHAIRMAN LICHT: But Magna proved, I
11 think, that players will move elsewhere. That despite
12 Santa Anita being in most people's view the premiere
13 product available right now that these rebate players
14 were playing elsewhere when the rate was too high.

15 CHAIRMAN HARRIS: I don't know if that was a
16 bulletproof experiment. It might have or might not
17 have. I don't think that's been peer reviewed or
18 anything. Let's see, stick around.

19 SPEAKER: (Unintelligible) of California.
20 Commissioner Licht, I challenge a lot of assumptions and
21 assertions you've just made about the impact of rebating
22 on this sport being beneficial. I think as Chairman
23 Harris just stated, there's a great debate about whether
24 this is fair, fundamentally fair, to the nature of
25 Pari-Mutuel racing industry. I challenge also your

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1 assumptions and conclusions about the impact of the
2 impasse at the beginning of the Santa Anita meet,
3 whether that was a reflection of price or whether that
4 was a concerted action not to deal. It's something that
5 in the normal course would be considered an antitrust
6 violation.

7 I think if you delve into this, this was a
8 quiet conspiracy of players to avoid betting on a signal
9 because of price. Where we've come in this industry, we
10 now have rebaters out there that use the current
11 economic model in a way that withholds large components
12 of handle to the detriment of the producers, to the
13 tracks, to horsemen who pay the majority of what it
14 takes to put this industry on to employ the people that
15 we employ, whether it be union labor, skilled, unskilled
16 labor. This is a very dangerous path we are going down.
17 And to make those assertions and conclusions based on
18 representations from rebaters or from others I think is
19 ill-advised for this industry.

20 The NTRA recently put together a committee
21 consisting of racetracks and horsemen from around the
22 country to take a solid look at this, as we said, to
23 separate fact from fiction, to separate
24 misrepresentation and misinformation and to hopefully
25 look at the actual impact on rebaters in our market.

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1 Yes, rebating benefits some folks but it also allows
2 people who aren't players, who aren't handicappers, who
3 are simply machine players and (unintelligible) to move
4 money from traditional players into and out of the
5 system.

6 They don't know what a bay is, they couldn't
7 tell you what a roan is, they don't care about
8 horse-racing. They're there simply to calculate where
9 they can make money.

10 I would suggest to you that that's not in the
11 best interests. But the problem is we don't have enough
12 information at the moment to know exactly what is fact,
13 what is fiction and what is the proper pricing model.
14 But we will get there. This economic model is going to
15 have to change and I think it's going to change, not
16 just in California, but internationally.

17 So I disagree with you probably more -- with
18 more energy and enthusiasm than I should but I don't
19 believe it's fair to make those conclusions right now.

20 VICE-CHAIRMAN LICHT: First of all, I resent
21 the fact that I've made these representations based upon
22 not delving into the situation and only listening to
23 representations from rebaters. I don't know what you
24 base that on but it's totally unfounded and I personally
25 take offense to it.

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1 SPEAKER: I apologize to you for that.

2 VICE-CHAIRMAN LICHT: Second of all, it's not
3 the rebaters who are making the wagers, it's the
4 wagers who are making the wagers. So it's not like
5 somebody is saying don't bet Santa Anita, it's because
6 somebody is getting a better rate to bet on, I don't
7 know what -- track X, so they're playing there.
8 Rebaters don't say you can't bet Santa Anita.

9 SPEAKER: I would disagree with you on that.

10 CHAIRMAN HARRIS: If they didn't get the -- I
11 think one important point though is now and going
12 forward it is clear that the horsemen do approve
13 effectively of what has gone on or is going on or have
14 the ability to effectively stop it. So I think even
15 though obviously there's a lot of controversy, good or
16 bad or what, but regardless I think at some point we
17 have to get everybody on the same page and/or at least
18 agree where we are.

19 SPEAKER: Las Vegas showed that unilateral
20 action only works to our detriment and that we're not
21 talking about a coordinated boycott or anything that
22 would violate antitrust laws but we're talking about an
23 exchange of information so that every bettor understands
24 the impact -- economic impact of rebates. Because right
25 now we are confident that it's a misunderstood aspect of

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1 the business that is not again in the best interest of
2 our industry.

3 VICE-CHAIRMAN LICHT: When you say "we," are
4 you speaking about the TOC board having made that
5 decision or are you speaking for yourself?

6 SPEAKER: I'm speaking for the TOC and for the
7 group that just met in New York, I think there was a
8 consensus that we're looking at a model that long-term
9 probably doesn't work well for the industry.

10 VICE-CHAIRMAN LICHT: And the TOC board has
11 made that determination for the TOC?

12 SPEAKER: No. Where the TOC board is is
13 they've asked us to undertake the study to assess what
14 the impact of rebating and what the economic model is.
15 And I think if you were to talk to each of the board
16 members, they are concerned that the current economic
17 model is not in the best interest of the industry. Have
18 we come to an official position and issued a press
19 release? I'd say no. But if you talked to the board
20 members, I think there is consensus and I do talk to
21 them on a regular basis and with our chairman there is a
22 consensus that the economic model is flawed.

23 CHAIRMAN HARRIS: But you do have that
24 ability, it's not just issued a press release, you have
25 the ability to basically not allow it if you want.

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1 SPEAKER: Correct. We do. And so do our
2 partners at the racetrack. And what we have tried to do
3 and, you know, I can compliment the rebaters with whom
4 we've met, we've tried to have open discussions about
5 the way -- the mechanics of the business to get a better
6 understanding. But, again, we learned in the Nevada
7 experience that to cut them off unilaterally comes to a
8 great cost to the California racing industry.

9 CHAIRMAN HARRIS: That's going to be the --
10 this is a worthy debate. There's good arguments on both
11 sides. It's -- at some point we'll have to come to a
12 conclusion. Mr. Chillingworth.

13 MR. CHILLINGWORTH: Sherwood Chillingworth.
14 I'm merely reporting here, I'm not expressing an
15 opinion. At the TRA meeting at Fort Meyers about two
16 weeks ago there's two significant items on the agenda.
17 One was the drug enhancing performance and how we
18 control that. The second was rebating. And they spent,
19 I would say, at least a third of that whole meeting
20 discussing that and they brought in two rebaters
21 debating two anti-rebaters.

22 And my sense of what occurred there was the
23 almost unanimous feeling of the TRA track members that
24 we had to stop rebating. And one specific example that
25 was brought out and I thought showed something that's

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1 pragmatic and not guessing at something. A Tampa Bay
2 shut off the rebaters in January, early January, because
3 their handle dropped by 40 percent. It gradually came
4 back to the level in February and by March they were up
5 18 percent.

6 So I think by cutting off the rebaters this
7 demonstrates to me, at least in one factual situation,
8 that you do show a temporary dip in handling but it does
9 come back. And this is the one example that I've known
10 where someone has actually done it.

11 CHAIRMAN HARRIS: One issue that maybe you can
12 comment on, Chili, is one of my concerns, I don't think
13 the average fan really realizes this rebating issue is
14 there. And is there concern amongst the racetracks that
15 as more people know about it that they would be less
16 likely to wager, I mean, on a race here because they're
17 not really in the rebate category? Is that misstated at
18 all?

19 MR. CHILLINGWORTH: Yeah.

20 CHAIRMAN HARRIS: I think the answer to that
21 is that one of the concerns I always have is that if the
22 bettor here at the track, for example, realizes that
23 he's getting -- because he isn't getting the rebate, the
24 TRA has determined that there's an approximate 2 percent
25 increase in takeout for the people that are betting here

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1 because they're absorbing the monies that are going out
2 to the Carribbean and not coming back in again.

3 And I think if this became widespread
4 knowledge, you'd either have to start rebating yourself
5 or make sure you got off the rebaters.

6 VICE-CHAIRMAN LICHT: Or lower the takeout.

7 MR. CHILLINGWORTH: Or lower the takeout. And
8 as you know, that's a difficult thing to do in
9 California when you're amongst the lowest takeout states
10 in the union. I think this is an issue that's going to
11 have to be resolved here in the next four or five months
12 as you have very strong opinions on both sides. You've
13 either got to meet the competition or do something about
14 eliminating it.

15 VICE-CHAIRMAN LICHT: I agree with that.

16 CHAIRMAN HARRIS: Any other comments?

17 MR. VAN DE KAMP: John van de Kamp (phonetic),
18 TOC. I'd just like to go back to where we started this
19 discussion and it related to the rule which requires the
20 contracts to have this language. I think it needs to be
21 just clear to everyone today that this is a little bit
22 of the emperor who has no clothes situation because
23 indeed rebating has gone on, A, the board knows that.

24 You've had meetings I believe what --

25 Mr. Licht, it was at Del Mar a couple of years ago with

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1 a number of the groups that came in. I think the board
2 by fiat, if not rule, has said that rebaters should not
3 take bets from California residents. I think that was a
4 condition that the board imposed at least orally at one
5 of the meetings.

6 In the meantime, I guess the point No. 2 is
7 that there's a tremendous debate about rebating that I
8 think Mr. Couto explained that is now subject to
9 national discussion as it should be. There are three
10 major rebaters that signals have been going to, RGS,
11 ONCA, Holiday Beach. Those are in contracts that are
12 before the board and everyone knows that.

13 In terms of importance, we spent a lot of time
14 this morning on ADW providers and their discussion it
15 seems to me. At the same time, if you look at the
16 numbers, the rebaters are taking, what, 11, 12 percent
17 of the handle compared to the 7 or 8 percent that is now
18 being handled by ADW providers.

19 Obviously they assumed a much more important
20 part of the industry, they move faster than any other
21 part of the industry. You've already dealt with issues
22 at least discussed them with respect to the bets coming
23 in at the last minute, right up to, you know, the start
24 of the race. Most of those bets, those big bets,
25 changing the odds are from rebaters.

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1 So we have, I think, food for lots of
2 discussion in the months ahead. But I think, you know,
3 we just got to make it clear, you should know what's
4 going on, you have the rule on the books, that the board
5 has basically waived, and I think that just needs to be
6 clear. I think the board needs to continue to discuss
7 this issue in the months ahead.

8 VICE-CHAIRMAN LICHT: Mr. van de Kamp, doesn't
9 the rules say that the contract should have a provision
10 in it that there not be rebates?

11 MR. VAN DE KAMP: Yes.

12 VICE-CHAIRMAN LICHT: So the board has not
13 waived that. We've insisted that every contract has
14 that. I believe it's the TOC that has allowed --
15 negotiated these deals with the tracks with these
16 offshore places that has knowingly allowed rebates.

17 MR. VAN DE KAMP: We don't negotiate the deals
18 with the rebaters.

19 VICE-CHAIRMAN LICHT: You approve them?

20 MR. VAN DE KAMP: We do approve them. And the
21 board knows that. All I'm saying is that the purpose of
22 this rule originally was to stop rebating. The board
23 has known for some time now as we have that there's
24 rebating that is going on and the language of the rule
25 really talks about the contract. But what I'm saying to

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1 you is that we've known for some time that the rebating
2 has gone on despite that language. You've seen the
3 language in the contracts, it's in the agenda package.
4 But I just think everyone needs to know what's going on
5 and how important this has been to the industry and the
6 debate that goes on.

7 CHAIRMAN HARRIS: It's a bothersome thing to
8 have a real one. We're sort of like a piano player in a
9 whore house or something, we don't know what's going on.

10 MR. PICKERING: I'm not sure I want to step to
11 the microphone following that. Rick Pickering,
12 Hollywood Park. I would just make one distinction here.
13 There is another legal scenario under the account
14 wagering statutes, I guess. I'm not a lawyer and I'll
15 defer to the lawyers in the room. But this is account
16 wagering that's taking place among these rebaters.
17 Obviously they have to have an account to track what
18 they're betting and then to receive a rebate. And
19 unless they're licensed by this board, correct me if I'm
20 wrong, they cannot solicit account wagering from
21 California residents unless they're licensed to do so.

22 Just a month ago we received word from
23 individuals that are in our VIP room that as a matter of
24 fact they had been solicited to start receiving rebates
25 from an out of state location. Now, in this case we're

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1 not sending our signal to anybody. But had it been
2 during our live meet and we became aware of it, we would
3 have had to stop it. We would have had to prevent our
4 signal from going to that unlicensed account wagering
5 vendor. I think that that's an appropriate distinction.

6 VICE-CHAIRMAN LICHT: I think you're right.
7 And I don't remember if it was during Hollywood or
8 during Santa Anita where we stopped the signal because
9 they were supposedly (unintelligible).

10 MR. PICKERING: That's correct, and it
11 happened one other time during the Hollywood Park season
12 where we became aware of a salesman who was not only
13 coming to Hollywood Park but also to Los Alamitos and
14 soliciting business from the California locations and we
15 did act in that instance, too.

16 And I would trust that all the associations in
17 the room when they became aware of such an instance
18 would as a matter of fact take action and stop it.

19 As everybody knows, it's next to impossible to
20 police, but when you do become aware of it, you have to
21 act upon it.

22 VICE-CHAIRMAN LICHT: And I think Santa Anita
23 did exactly that and they should be commended for that.
24 It's my belief one of the catalysts for terminating this
25 rebate situation was that with the Santa Anita players

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1 were, in fact, a couple of their better players.

2 MR. PICKERING: And some of our better
3 players.

4 VICE-CHAIRMAN LICHT: Yeah.

5 CHAIRMAN HARRIS: Any other comments from the
6 audience on this?

7 MR. BROOKS: Kirk Brooks, Racing & Gaming
8 Services, Inc. I think there's a lot of lack of
9 information out there and that's why I would say I
10 wonder how we come to these conclusions by the TOC if
11 they don't have all the information how we've come to
12 the decision that rebating is bad. If it is, let's
13 share the information.

14 We've written the TOC on many occasions and
15 asked for information pertaining to this with no
16 response. We're welcome to any dialogue, any debate
17 anywhere on this subject but we think the facts need to
18 be the facts. Just like Mr. Chillingworth said, that
19 Tampa Bay shut the rebaters down in January. In fact,
20 in five years none of the organizations just mentioned
21 have taken the signal from Tampa Bay so I don't know
22 where he got that information.

23 VICE-CHAIRMAN LICHT: I was going to ask you
24 Oakland Park did shut off the rebaters. What happened
25 to their handle?

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1 MR. BROOKS: They did not really shut off
2 rebaters. They shut off what is described as cash
3 receivers, anybody that does not lose the takeout. You
4 know, winners are not welcome type situation. Right now
5 they're down 11.65 percent. You know, you can call it
6 wildfires, maybe they had a bus strike, too, I'm not
7 certain. But they're down 11.65 percent. And, I mean,
8 no other cause.

9 You know, I think we need to look at history a
10 little bit. If you go back to the Nevada situation,
11 what did it cost the TOC and the horsemen of California?
12 Okay. In 2003 Oak Tree decided not to do business with
13 two facilities, RSI and RGS, they lowered purses by
14 eight percent. This last year they decided not to do
15 business again with two different locations, rebate
16 locations per se, and their handle was down -- or the
17 purses were down 8 percent.

18 I would just challenge anyone to tell me how
19 that benefits the horsemen or the state of California?
20 You can say it's bad, the rebates are bad or incentives
21 bad or dividends, whatever it is, let's look at history.
22 Let's look at the facts. Let's throw emotion out the
23 window and let's look at the facts. If we aren't taking
24 bets from California, you tell me how incenting a player
25 to play more on your racetracks hurts California or the

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1 California horsemen?

2 VICE-CHAIRMAN LICHT: In fact, I think that's
3 just what Youbet and TOC are doing, they're trying to
4 incentive people to play their tracks which is good
5 business practice.

6 MR. BROOKS: I think I need to get Jeff on
7 line with RGS. Because I'm having a tough time telling
8 the TOC or anyone else that we've created new players
9 and we incent players. Whereas, I don't know if they
10 incent players or not but I'm sure not to the same
11 degree and he's able to get day traders and the TOC can
12 believe that but they can't believe that we would be
13 able to do that when we incent players.

14 VICE-CHAIRMAN LICHT: How do you answer
15 Mr. Coutel's point that it's bad for the game because
16 money comes out of the -- basically out of the on track
17 smaller player's hands and goes to the off track, bigger
18 player? That's one thing that does bother me.

19 MR. BROOKS: That's been happening for years.
20 Mr. Donald who has been betting in New York for years,
21 you know, he's a winner. I don't think because he's got
22 a higher IQ that I should stop him from betting. If he
23 takes more money out of your pocket because he's a
24 better gambler, so be it. We can put a sign up IQs over
25 a hundred not welcome, but I'm not sure that's what we

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1 want to do.

2 It's the same way with technology. Technology
3 keeps moving forward. I think we should embrace
4 technology, make sure it's fair to everyone in the
5 industry and go forward from there. You know, my idea
6 is the racetracks and the horsemen are in this business
7 to get as much money wagered at all of the racetracks as
8 they can. That's what we're trying to do.

9 And, again, you know, I want to stipulate,
10 this isn't the organizations, this isn't RGS, these are
11 the gamblers that decide whether the price of a product
12 is the right price. The seller doesn't dictate what the
13 price of any product is anywhere. The consumer does.

14 If you put something out there for 30,000 and
15 it doesn't sell, you knock it down to 15, it sells, and
16 you've gotten into it, then that's the price of the
17 product.

18 CHAIRMAN HARRIS: The problem is if we did
19 that throughout we couldn't afford to have the product.
20 You can select discount products but you can't discount
21 throughout the whole country, it's not going to work.

22 MR. BROOKS: Then again, I go back to, you
23 know, the history. If you just go back through the
24 history and take a look, I mean, another organization
25 that decided not to do business with anyone that

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1 publicly admitted inenting is Wood Pine. Wood Pine is
2 off 16 percent. I don't know how you can go back to
3 your horsemen and say we did you a great job.

4 CHAIRMAN HARRIS: Actually we should take a
5 break now and come right back to this item. Let's take
6 a break. Let's keep it about ten minutes because we do
7 have several more important items.

8 (Short break.)

9 CHAIRMAN HARRIS: We'll resume the meeting.
10 We'll go back to Brooks.

11 MR. BROOKS: I want to elaborate on one other
12 thing that Jeff had said. And he said sometimes the
13 customers that come to Youbet all of a sudden play more
14 money because it's more convenient, it's more user
15 friendly than maybe getting in your car and driving to
16 the tracks. So basically I guess my question would be,
17 if a gentleman is driving to the track and he's playing
18 once a week and he's playing a hundred dollars and Jeff
19 can get this gentleman to stay at home and play \$500,
20 then there's more revenues being realized by him staying
21 at home and betting 500 to the horsemen and the
22 industry, why wouldn't you want that to happen? Would
23 there be anyone who wouldn't want that to happen? I
24 mean, I think it's all revenue driven and that's kind of
25 one of my biggest points is. Let's look at the revenues

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1 and the facts, not just rebate is rebate or incentive is
2 incentive. Obviously the word exists for a reason.
3 They do it in cars. They do it in other things. I know
4 this is a different application because obviously
5 different people are putting on the show.

6 CHAIRMAN HARRIS: Thank you. Any additional
7 comments?

8 MR. CHILLINGWORTH: Sherwood Chillingworth.
9 Mr. Brooks' question with regard to where I get my
10 information with regard to the Tampa Bay experience, it
11 was reported by Peter Barruby (phonetic) who is general
12 manager of Tampa Bay reported that (unintelligible).
13 There were two representatives from the rebating session
14 there who didn't refute it. I've talked to one of them
15 now and he said, well, he didn't think it was
16 appropriate to question it.

17 My point is if someone gives you some stats
18 and facts and you think they're incorrect I think if
19 you're on the other side of the fence you're obligated
20 to refute what you know.

21 Having had a problem here with odometers once
22 a couple of years ago, I just don't want to let that go
23 unanswered.

24 Secondly, Mr. Brooks pointed out that our
25 purses were down, 8 percent they were down, 5 percent.

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1 We started out with what we thought we were going to
2 have a terrific meet because of the Breeder's Cup, it
3 didn't quite turn out that way. And if you look back
4 historically on Oak Tree's handle after we have a live
5 or host the Breeder's Cup, we're always down, every time
6 we've had any -- '86, '93, and this year, when we have
7 the normal races scheduled following the Breeder's Cup,
8 we're down. And that's a fact of life.

9 The other -- my other comment is with regard
10 to Mr. Brooks' comments. Is that if we're getting more
11 people to bet off track and indeed revenues do go up or
12 commissions and purses go up relative to what that
13 person would bet if they had bet on track, maybe that's
14 a valid point.

15 But my point is if you take people away from
16 the track I think that's the only place you get a new
17 player. You never get a new fan, I don't think, on
18 television. And if you were to -- this is an old
19 example I've given many times. If you were a Cleveland
20 Brown fan and went to the stadium where there are 5,000
21 people in a place that held 70,000 people, you would
22 wonder why the hell you were there. So I think we have
23 to get people back on track.

24 That was supposedly the commission for NTRA
25 and even TVG was trying to get -- generate younger

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1 players to come to the track. I'm not sure that that's
2 happened. But I think the live on track experience is
3 the only way you get another fan that stays for a long
4 time. Thank you.

5 CHAIRMAN HARRIS: I'm not clear, Chili, on Oak
6 Tree record on the last two years, what was your policy
7 on the so-called rebaters? You did not sell to them or
8 you did or what?

9 MR. CHILLINGWORTH: Did not.

10 CHAIRMAN HARRIS: So your track's numbers
11 would reflect absent at least some of the big rebaters.

12 MR. CHILLINGWORTH: Right. I don't think
13 there's a causal -- necessarily a causal relationship
14 between our shutting out the rebaters and our handle
15 going down. Before historically we've had that happen.

16 The other factor is Hollywood Park followed us
17 immediately after our meet and they were down. Santa
18 Anita followed Hollywood and they were down. It's been
19 kind of a trend since Pomona. Pomona was the apex of
20 our betting experience in California and it's going down
21 since then.

22 CHAIRMAN HARRIS: Thank you.

23 MR. COUTO: Drew Couto, Thoroughbred Owners of
24 California. I would like to echo something Chili just
25 said and that is Hollywood Park, Santa Anita have sold

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1 to the rebaters for the last year and you've seen purse
2 cuts there. So the correlation that I think Mr. Brooks
3 implies is not necessarily there.

4 Two points also that Mr. Brooks brought up and
5 that is he said rebates creates new customers for them
6 and they've proven that. Since we started looking at
7 RGS we've had assurances from them that they are a
8 private wagering network limited to 100 to 120 players,
9 that's it, no growth. They're not out to get new
10 players. But yet we're being told they are getting new
11 players because of rebates.

12 Mr. Liccardo tells me that what we call the
13 bigger players on track are disappearing. Where are
14 they going? They're going to the rebaters where we get
15 much less revenue. The rebaters again are very
16 interested in discussing handle, but revenues is what
17 matters. What is it that we actually receive? And with
18 that shift from big player from on track to the rebaters
19 we get roughly a fifth of what we would be getting
20 otherwise. So we look at churn, we don't see the churn
21 there to make up for the loss of revenue and this is
22 part of the net revenue loss that we have in purses and
23 track commissions.

24 And lastly, there's been an assertion that we
25 have refused to provide information to RGS based on the

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1 report that we prepared. And I want to make that clear.
2 They have asked us for that information and each time
3 they've asked that it's been included in a letter
4 threatening an antitrust action against TOC for
5 undertaking this investigation and for discussing this
6 with other members -- other components of the industry.

7 So, yes, we're not going to respond to a
8 threat that's openly accusing us of potential antitrust
9 violations.

10 So if we're going to talk about actual facts,
11 I think it's important that we get all that on the
12 table.

13 VICE-CHAIRMAN LICHT: Just so I'm clear, did
14 you say that you believe that some of the loss of on
15 track attendance is because of people going to the
16 rebate places?

17 MR. COUTO: I said on track handle.

18 VICE-CHAIRMAN LICHT: So you believe that some
19 of our California players are playing with some of these
20 rebate players?

21 MR. COUTO: Absolutely. I think if you were
22 to speak to most of the racetrack managers here today
23 they would confirm that, too. We're all aware of
24 players sitting there doing that. The rebaters, as
25 Mr. van de Kamp pointed out, we looked at it at TOC, we

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1 looked back five years at our sources of out of state
2 handle. At the time ADW was just over one percent of
3 our handle out of state. The rebaters were just under
4 two percent.

5 In that five-year period ADW has grown to be
6 seven percent of our out of state handle, the rebaters
7 are now in excess of 13 percent of our out of state
8 handle. When we say out of state handle, we've had
9 assurances from the rebaters that no Californians are
10 playing. When I talk to my colleagues in Florida, the
11 horsemen there, they've had assurances that no
12 Floridians are playing, New York horsemen tell me that
13 they've been told that no New Yorkers are playing,
14 Kentucky horsemen tell me they've been told me no
15 Kentuckians are playing. So we've missed the boat.
16 Alaska is obviously a two billion dollar (unintelligible)
17 and we ought to open up there because the traditional
18 markets aren't supplying any of the players that make up
19 the customer base.

20 Let's talk about the facts and I think that's
21 what the committee I alluded to is trying to do is to
22 separate fact from fiction and we're a long way from
23 concluding that.

24 CHAIRMAN HARRIS: In this case, though,
25 horsemen here represented by TOC do have the right to

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1 not allow rebating. If they say it's all right, which I
2 guess you have concurred with Oak Tree in their case,
3 but have gone along with rebating in other cases. At
4 what point will TOC draw a firm line in the sand and be
5 on one side or the other of it? When will that decision
6 be coming?

7 MR. COUTO: Well, Mr. Brooks tells me that
8 there are facts that we're not aware of. And TOC views
9 this as an ongoing learning process. And we don't
10 believe that we've got to the end of the process. The
11 next phase of this learning process has been the NTRA
12 committee.

13 I mentioned to Mr. Brooks it's odd that in the
14 committee there's no rebater involved and if you're
15 going to really look at the issue, you need to have both
16 sides of the story. So hopefully we can convince the
17 NTRA or Mr. Brooks to participate in the NTRA committee
18 and let us get their point. From TOC's standpoint, this
19 is ongoing.

20 CHAIRMAN HARRIS: You've got to make a
21 decision at some point. It can't be the Xpress Bet,
22 AT&T acquisition, it just goes and goes and goes.

23 MR. COUTO: I completely concur. Unlike any
24 other entity in the industry, TOC made trips to
25 Lewiston, to Oklahoma, to Maryland, to Idaho, to North

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1 Dakota, to Saint Kitts, to Venezuela, to Curacao to
2 learn firsthand to separate these legends and myths. We
3 undertook that study last year. And again it's part of
4 the process.

5 The only portion of those trips that are
6 racetrack partners, with the exception of MEC maybe, was
7 the Carribean. So we have been gathering that
8 information and we continue to do that and it's not
9 going to go on in perpetuity but we know we're not
10 (unintelligible).

11 CHAIRMAN HARRIS: Would you think that it
12 would be prudent for the board to waive the rule until
13 we can get better closure on what people want to do?

14 MR. COUTO: Whether it's formal or informal,
15 the board has waived the rule for close to two years. I
16 don't know that -- I don't know the importance of a
17 formal waiver. But in effect --

18 CHAIRMAN HARRIS: I don't think we'll concur
19 with that. I mean, maybe the simulcast operator who
20 signed it did but the board didn't waive it.

21 MR. COUTO: It hasn't been applied for over
22 two years.

23 MR. BROOKS: Kirk Brooks, RGS again. Just a
24 couple of comments. I think there's a lot of facts and
25 figures flying around that obviously people aren't

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1 100 percent accurate about or whatever. I think this is
2 something that needs to be discussed in some kind of
3 committee, possibly with the board, the TOC and
4 representatives from different incentive shops. I don't
5 think every incentive shop is exactly the same so I
6 don't think you can lump them all together and say these
7 guys do this and these guys do that. People may very
8 well take bets from California but RGS does not.

9 Also I want to make a comment about
10 Mr. Chillingworth: In no way was any of my intent to
11 badger Mr. Chillingworth because he's a fine gentleman
12 and I respect him very much. However, there are some
13 facts, like I say, we have had the Oak Tree signal for
14 the last three years. So it's a situation where instead
15 of back and forth, throwing this in front and wasting
16 time, we need to get some facts down on paper and go
17 forward and then decisions can be made. But decisions
18 shouldn't be made before the facts are put to paper.

19 VICE-CHAIRMAN LICHT: You had the Oak Tree
20 signal in '02 and '03?

21 MR. BROOKS: '01, '02 and '03. We were not
22 one of the locations that did not have it.

23 CHAIRMAN HARRIS: I think we do need to move
24 along. This is going to be an ongoing debate and I
25 think the key will be to get all the facts on the table

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1 and best resolve what to do about it. Any other
2 comments by the commissioners?

3 MR. TAVANO: I traveled all this way, I might
4 as well step forward for a second. My name is Lou
5 Tavano, I'm the president and officer of Holiday Beach,
6 we operate a rebate shop out of the island of Curacao.
7 And in all of the discussion that I've heard from the
8 TOC, from all of the tracks, from the rebaters for the
9 last year and a half when this debate has been ongoing,
10 the one person, the one group that I keep -- that I
11 think keeps getting lost in the shuffle is the wagerers,
12 all right.

13 The question should not be should rebaters
14 exist? Should they not exist? Should this entity
15 exist? Should this entity not exist? The question
16 needs to be, if the rebaters go away, where does that
17 customer place his wager? And I can guarantee you, it
18 will be four years of operating IRG, I have never had a
19 single customer call up and say, hey, we've had a great
20 run with you guys, but we decided to go back and bet at
21 the track. That's not going to happen.

22 Our competition is offshore, non-pari-mutuel
23 where this (unintelligible). Our competition is bet
24 fair. We're a wager based there, this industry would
25 not see anything. My company has paid rights, fees in

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1 excess of \$60 million, all right, over the past -- in
2 that range, over \$50 million in the past four years. If
3 you put us out of business, you had better come up with
4 a way of capturing that money.

5 VICE-CHAIRMAN LICHT: Isn't your competition
6 more in other forms of wagering or other forms of
7 investment as well?

8 MR. TAVANO: Yeah, I'm sure we can go down
9 that path and that wasn't what I got up here to say but,
10 yeah, other forms of investment, other forms of
11 wagering. The wagering dollar is a lot of competition
12 these days.

13 CHAIRMAN HARRIS: I think the issue now, too,
14 the cannibilzation which maybe we could stipulate is not
15 as big of an issue with someone offshore someplace,
16 they're not going to come to California anyway. But
17 it's sort of (unintelligible) pricing where someone
18 somewhere else is buying a product cheaper than they are
19 in California.

20 MR. TAVANO: That's my point. I just thought
21 since nobody was here from the players panel or NTRA I
22 thought I'd step up and say something.

23 CHAIRMAN HARRIS: If there's nothing else on
24 that, we have some weighty issues to discuss here.
25 Report by The Jockeys' Guild for proposal on jockey

VIP Rewards

Here are some Frequently Asked Questions about the XpressBet VIP Program:

What is the VIP Program?

The XpressBet VIP Program is a bonus program for XpressBet account holders who wager \$8,000 or more per month. As a VIP Member, the most prestigious status of the XpressBet program, players earn points for every dollar wagered through XpressBet product lines; XpressBet Online, Platinum Live Teller, Touch Tone and Voice Recognition.

How to Qualify for the Program

XpressBet account holders automatically qualify for monthly wagering credits by wagering a minimum of \$8,000 per month. Players who wager \$8,000 per month for three consecutive months or wager \$96,000 in a single year qualify for VIP status at the minimum level. Players who wager amounts in excess of the minimum required amounts advance to levels 2 and 3. California residents may enjoy the benefits of VIP membership, but are not eligible to redeem points for wagering credits.

How VIP Points are Calculated

VIPs receive 1 point per \$1 wagered on Win, Place or Show pools and 2 points per \$1 wagered on exotic pools. Every VIP Member can earn bonus points based upon total monthly handle.

How VIP Points are Redeemed

VIP points are automatically converted to wagering vouchers for the corresponding amount and deposited directly into corresponding accounts by the close of business on the first business day following the last day of each month. Each month begins with a ZERO balance. Wagering vouchers cannot be withdrawn.

Additional VIP Benefits

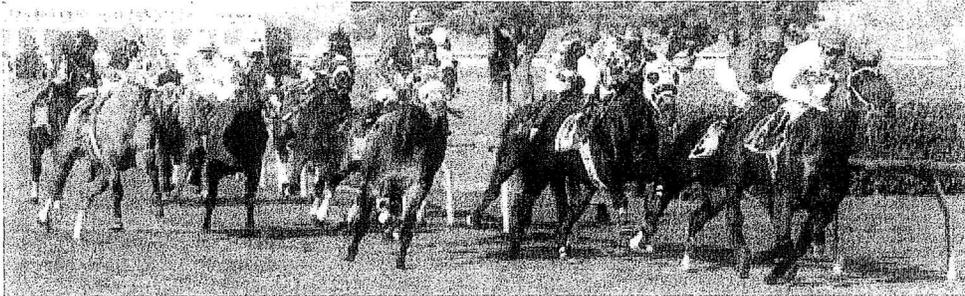
In addition to earning monthly wagering vouchers XpressBet VIPs also enjoy a host of benefits based on wagering levels. These benefits include use of an exclusive VIP Toll-Free telephone number which moves VIP callers directly to the front of the wagering queue and no-charge credit card processing—a 3.98% savings on each transaction. Below is a table illustrating these and other VIP benefits.

Level	1	2	3
Annual Handle	\$96,000	\$180,000	\$300,000
VIP #	Yes	Yes	Yes
CC Deposits (Phone)	25% discount	50% discount	Free

CC Deposits (Web)	Free	Free	Free
Free ACH Deposits	Yes	Yes	Yes
Premium Teller	Yes	Yes	Yes
ACH Withdrawal	Unlimited	Unlimited	Unlimited
Free Fed Ex*	1/month	2/month	3/month

* Minimum \$250 withdrawal for free service

Additional benefits available above level 3, please contact Customer Service for details.



VIP Program Frequently Asked Questions:

Must I claim VIP Rewards Redemption as Income On My Taxes?

MEC Player Rewards rules and regulations state: "Members are responsible for all taxes incurred or payable in connection with Player Rewards points and rewards."

Does XpressBet send my Rewards redemption amount to the IRS?

No.

Is my personal and wagering information kept confidential?

Yes, all information is kept strictly confidential. XpressBet™ does not share, sell, or exchange information with third parties.

NOTE: Accounts that are not in good standing (closed or locked) at the end of the month will not receive points and will lose their VIP status.

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We guarantee your security.

By entering this site I certify that I am a registered TVG account holder and am located in the jurisdiction that I selected in the state drop list.

Why enroll in TVG Wager Rewards?

- Rack up TVG Wager Reward points simply by wagering on American racetracks.*
- Earn one point for every dollar wagered.*
- Use points for wagering credits or SkyMall Catalog Gift Certificates.
- Choose from over 8,000 products - including Sony HDTVs, Bose audio equipment, Panasonic DVD camcorders and more.
- Plus special members-only promotions, contests and offers.

* Rewards Points will not be awarded or accrued with respect to any wagering transaction for races conducted at Aqueduct, Belmont Park, Monticello Raceway, Yonkers Raceway, Saratoga Equine Sports Center and Saratoga Racecourse.

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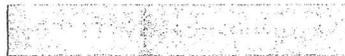
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The TVG Rewards Program (the "Rewards Program") is provided by the TVG ("TVG"). A Rewards Program member ("Member") will have the opportunity to earn Rewards Points by utilizing Member's TVG wagering account to place wagers at selected racetracks via TVG's Internet web site located at the Internet address (the "TVG Website"), via telephone using TVG's Telephone wagering system TVG-WAGER (888-884-9243) (the "Telephone Wagering System") and, when available, via TVG's interactive television wagering system (the "iTV Wagering System"). Rewards Points may be redeemed for wagering credits or gift certificates good for purchase at SkyMall or other TVG Rewards Program Partners. Membership in the Rewards Program is subject to all of the terms and conditions set forth below, which may be amended from time to time. TVG reserves the right at any time, without notice, to add, remove, change or otherwise modify any feature of the Rewards Program and/or these Terms and Conditions. In addition, TVG reserves the right to terminate the Rewards Program at any time, without prior notice. In the event of such termination by TVG, Member's Rewards Points will be forfeited 30 days from the date of notification of termination of the Rewards Program to receive previously awarded Reward Points in accordance with the provisions set forth below.

ELIGIBILITY

Membership in the Rewards Program is available only to persons holding an active and valid TVG wagering account. To be eligible for membership, the holder of a TVG wagering account must have a valid email address. To become a Member of the Rewards Program, the holder of a TVG wagering account is required to access the Internet website located at the Internet address [www.TVG.com/Rewards] (the "TVG Rewards Web Page") and enter their TVG wagering account number and personal identification number ("PIN") and click on the "Enroll" icon located on the screen. Member will be eligible to begin earning Rewards Points upon TVG issuing a confirmation that Member has been enrolled in the Rewards Program. No retroactive Rewards Points will be awarded. Membership in the Rewards Program is subject to the Member's continued status as a holder in good standing of a TVG wagering account and continued compliance in all respects to these Terms and Conditions. These Terms and Conditions of the Terms and Conditions applicable to Member's TVG wagering account. These Terms and Conditions apply to Member of these Terms and Conditions or of the Terms and Conditions applicable to Member's TVG wagering account.

Member's TVG wagering account may result in termination of Member's membership and cancellation of any accumulated and unused Rewards Points.

EARNING REWARDS POINTS

1. Following Member's enrollment in the Rewards Program, One Rewards Point will accrue for each whole dollar wagered by Member through the TVG Web Telephone Wagering System or any method. One Rewards Point will be awarded for each dollar wagered irrespective of the type of wager made by Member (Win, Place, Show, Exacta, Daily Double, etc.). All wagers, including wagers made by telephone or any TVG wagering method will count towards the calculation and awarding of Rewards Points. Rewards Points will not be awarded nor accrued with respect to any wagering transaction unless TVG issues a confirmation that the transaction has been accepted.
2. Rewards Points automatically will be awarded when Member's wagers are accepted by TVG. Member's account will be updated once every 24 hours with any Rewards Points awarded during the preceding 24-hour period. Member may view the balance of Rewards Points they have earned by accessing the TVG Rewards Program Website or calling TVG's Customer Relations Center at 1-888 PLAY TV.
3. From time to time, special offers may provide additional opportunities to earn Rewards Points. Details will be provided when each such offer is made.
4. Rewards Points will not be awarded or accrued with respect to any wagering transaction for races conducted at Aqueduct, Belmont Park, Monticello Farm, Saratoga Equine Sports Center and Saratoga Racecourse.

REDEEMING REWARDS POINTS

1. For every increment of 2,500 Rewards Points earned by a Member, the Member shall be entitled to receive a wagering credit in the amount of \$5 or, for every 5,000 Rewards Points, the Member shall be entitled to receive a credit in the amount of \$10 that may be used toward the purchase of gift certificates from SkyMall. For example, if Member had accrued 10,000 Rewards Points, Member could redeem those Rewards Points for a wagering credit to Member's TVG wagering account in the amount of \$20, which may be used by Member to wager on races carried over in the same manner as if the amount had been deposited in cash by Member into Member's wagering account; or Member could redeem those Rewards Points for a gift certificate in the amount of \$20 from SkyMall. Member also may redeem Rewards Points in any combination of wagering credits and gift certificates for an amount less than the redemption value of the available Rewards Points. Notwithstanding anything to the contrary contained in these Terms and Conditions, requests for redemption of Rewards Points for a wagering credit in an amount of less than \$5 or gift certificate in an amount of less than \$10 will not be honored.
2. Rewards Points have no cash value and may not be combined with any other discount, coupon or promotion.

3. Rewards Points may be redeemed by Member by visiting the TVG Rewards Center or calling TVG's Customer Relations Center at 1-888 PLAY TVG. Upon receipt of Member's redemption request, TVG will deduct the appropriate number of Rewards Points from Member's total Rewards Points earnings and will email to Member notice that the requested wagering credit has been issued to Member's wagering account or will mail or e-mail to Member the requested SkyMall gift certificate. Wagering credits will be issued and available for use one (1) business day after Member's request for redemption; please allow five (5) to seven (7) business days for receipt of gift certificates by mail or one (1) business day for receipt of gift certificates by e-mail.
4. Use of wagering credits shall be subject to all of the terms and conditions of the TVG wagering transactions with TVG. Use of gift certificates shall be subject to all terms and conditions that otherwise may be applicable to gift certificates issued and purchased from SkyMall.
5. Gift certificates are not refundable, exchangeable or replaceable and may not be redeemed for cash, credit or other consideration. Purchases using the gift certificate must be equal to or greater than the amount of the gift certificate, and cash will be issued for any unredeemed portion of a gift certificate. Lost or stolen gift certificates will not be replaced.
6. TVG makes no representations concerning, and shall not be responsible for, the methods, timing or costs of delivery, price, availability, quality, manner of use or performance or any other attribute of any product or service ordered or purchased with a gift certificate. Any product or service available through the TVG Program or with the use of a gift certificate issued in connection with the TVG Program are the sole obligation of the provider of the applicable product or service.
7. Any gift certificate that is not used within twelve months of the date the gift certificate is issued shall expire and be void and shall not be redeemable for products, services or any other consideration.

INACTIVITY

If, at any time, thirteen months have elapsed during which time (i) there are accumulated unused Rewards Points in Member's account (ii) and no Rewards Points have been used by Member, then all of Member's accumulated and unused Rewards Points shall expire without value and may not be redeemed.

GENERAL PROVISIONS

1. If Member's TVG wagering account is terminated or suspended for any reason whatsoever, all accrued Rewards Points immediately will be forfeited and shall have no value.
2. Rewards Points do not constitute property of Member and may not be transferred, bartered, brokered or assigned either by Member, operation of law or otherwise, including but not limited to in connection with any domestic relations dispute.

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3. The earning and redemption of Rewards Points are subject to all applicable regulations and the Rewards Program is void where prohibited by law.
4. Rewards Points and the redemption thereof may be subject to income or gift tax. The determination of tax liability for any federal, state or local taxes as may be applicable, and any disclosure related thereto or payment thereof shall be the responsibility of Member.
5. By participating in the Rewards Program, Member consents to and authorizes TVG to share information about Member as necessary to administer the Rewards Program. In addition, Member consents to and authorizes TVG and its parents, affiliates and marketing partners to inform Member, via email or otherwise, of special offers, products or services and to send marketing materials from third parties with whom TVG has a marketing relationship.
6. All interpretations of these Terms and Conditions as well as questions or disputes regarding eligibility for the Rewards Program or the availability of or amount of any Rewards Points shall be resolved by TVG in its sole discretion.
7. These Terms and Conditions shall be construed in accordance with the laws of the State of California without reference to the conflicts of laws provisions thereof. These Terms and Conditions constitute the entire understanding between TVG and Member with respect to the Rewards Program, and supercede all prior communications, whether written or oral, and all previous versions of terms and conditions of the Rewards Program.
8. AS A CONDITION OF PARTICIPATING IN THE REWARDS PROGRAM, MEMBER AGREES THAT ANY AND ALL CLAIMS, CAUSES OF ACTION OR DISPUTES ARISING OUT OF OR CONNECTED TO THE REWARDS PROGRAM, TO THE EXTENT THE SAME IS NOT WITHIN TVG'S SOLE DISCRETION AS PROVIDED FOR UNDER THESE TERMS AND CONDITIONS, SHALL BE RESOLVED EXCLUSIVELY BY PRIVATE BINDING ARBITRATION TO BE CONDUCTED BEFORE A SINGLE ARBITRATOR PURSUANT TO THE COMMERCIAL RULES THEN IN EFFECT OF THE AMERICAN ARBITRATION ASSOCIATION IN THE CITY OF LOS ANGELES, CALIFORNIA.

DISCLAIMER AND LIMITATIONS

1. Neither TVG, nor its parents, subsidiaries or affiliated companies will be liable for any loss, injury or damage of any kind incurred by Member or anyone in connection with Member's participation in the Rewards Program or any service obtained by Member in connection with Member's participation in the Rewards Program or redemption or use of Rewards Points or gift certificates in connection therewith.
2. THE REWARDS PROGRAM IS OFFERED "AS IS" AND "AS AVAILABLE." TVG MAKES NO WARRANTIES WITH RESPECT TO THE REWARDS PROGRAM AND TVG HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES.

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3. Member hereby waives all rights under Section 1542 of the Civil Code of California which specifies that: "A general release does not extend to claims which the member does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the defendant."

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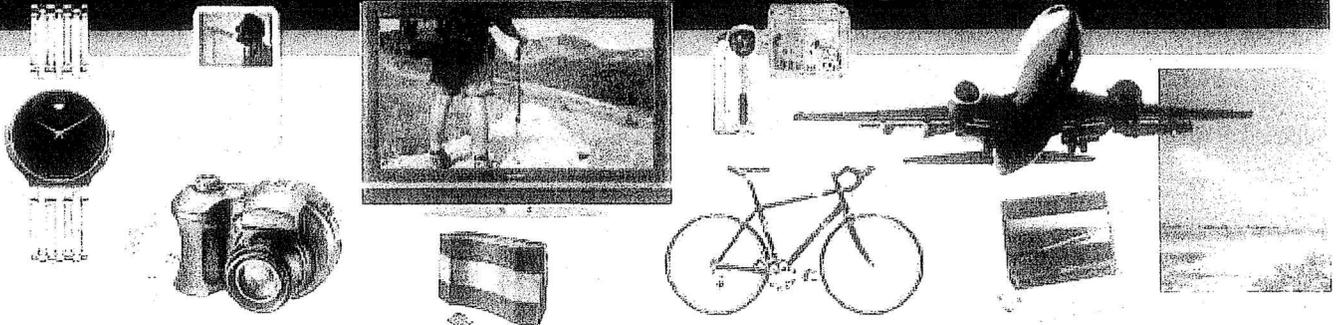
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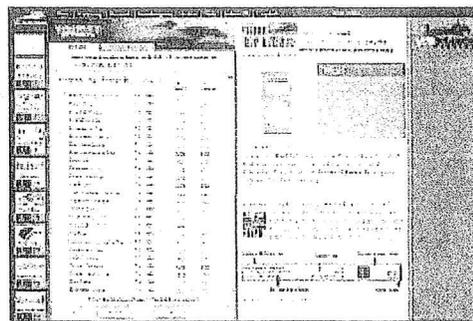
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The Youbet Advantage Player Rewards Program (the "Program") is provided by Youbet.com, Inc. ("Youbet"). Program members ("Members") automatically earn points ("Points") every time they place an Eligible Wager using their Youbet® wagering account. An Eligible Wager is a wager placed by an active Youbet account holder in good standing on an official race at specified tracks. Points may be redeemed for cash rewards, merchandise, elite travel and entertainment rewards, and Youbet subscription and handicapping products (collectively, "Rewards"). Points are redeemable for Rewards through the online catalog portion of the Youbet web site (the "Site").

ELIGIBILITY

Active Youbet account holders in good standing residing in the following jurisdictions are automatically enrolled in the Youbet Advantage Program: Alabama, Arkansas, Arizona, Connecticut, Colorado, Delaware, District of Columbia, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, New Hampshire, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming. Account holders residing in California and states other than those listed above are not eligible for membership in the Program.

Continued membership in the Program is subject to continued compliance in all respects with these Terms and Conditions as well as all of the terms and conditions applicable to the Member's Youbet wagering account. Any violation by the Member of these Terms and Conditions or of the terms and conditions applicable to the Member's Youbet wagering account as determined by Youbet in its sole discretion may result in cancellation of the Member's Points and the ability to earn any Rewards.

EARNING POINTS

- A. Points will accrue each time a Member places an Eligible Wager via the Site. In addition, from time to time special offers may provide additional opportunities to earn Points. Details will be provided when each such offer is presented.
- B. The number of Points awarded for a particular wager will vary depending upon the track, the type of wager, the Member's location of residence and the Member's current membership level at the time the wager is made. Gold, Platinum and Platinum Plus Members may be eligible for enhanced opportunities to accrue Points.
- C. The "Earning Points" page of the Site will describe the Points available for each track offered by Youbet. The "Track Selection" page of the Site will also provide Youbet Advantage Point information for particular wagers at particular tracks.
- D. Points are credited to the Member's account as soon as the race on which the Member has wagered is official and the track payouts are posted. Members may view their Points balances, as well as summaries of their Points histories, on the Account Balance and Wager Point screens on the Site.

REDEEMING POINTS

- A. Members may redeem Points for Rewards via the online catalog portion of the Site. The number of Points required for a particular Reward shall be indicated on the online catalog. Certain Rewards may only be available for Platinum and/or Platinum Plus Members.

B. Upon verification of a Member's redemption request, Youbet will deduct the appropriate number of Points from the Member's total Points earnings. Where Points are redeemed for cash rewards, such rewards shall be deposited into the Member's wagering account. Use of cash rewards shall be subject to all of the terms and conditions applicable to wagering transactions with Youbet.

C. Other Reward items will be filled upon verification of the Member's redemption request.

D. Youbet reserves the right to change, discontinue or replace any Rewards listed in its online catalog without notice. Reward orders are subject to availability and items can arrive separately within a single order. Neither Youbet nor the Reward Provider makes any representations or warranties regarding, and shall not be responsible for, the delivery, price, availability, quality, performance, utility or any other attribute of any Reward ordered or purchased by a Member with Points. All Merchandise Rewards will be subject to the manufacturer's warranty.

E. Merchandise Rewards will generally be delivered by a commercial delivery service or the U.S. Postal Service within 4-6 weeks of redemption. A street address and daytime phone contact number are required to process a reward redemption. Shipments cannot be made to a post office box or outside the 48 continental United States.

F. Certain restrictions may apply to travel certificates, tickets and documents. Travel and Entertainment Rewards will be handled by the Elite Rewards concierge desk. Youbet assumes no responsibility for lost or stolen tickets or documents.

G. All Rewards are final and cannot be returned, exchanged or cancelled. In order to qualify for replacement, a Reward received in damaged condition must be reported to the Reward Provider's customer service department at 1-888-968-2388 within 72 hours of receipt, or a new item cannot be sent in its place, and must be returned in its original packaging, including over box and shipping label, unless otherwise indicated, and must include all accessories received with the Reward.

EXPIRATION AND INACTIVITY

Points will expire with no value after six (6) month on accounts without wagering or subscription activity. Unredeemed Points shall expire without value no later than two (2) years after the date issued and may not be redeemed after that time. Members will, however, be provided with a Reward, determined by Youbet in its sole consideration, for the expired and unused Points.

DISCLAIMER AND LIMITATIONS

A. Neither Youbet nor its affiliated companies will be responsible for any loss, injury or damage of any kind incurred by a Member or anyone else in connection with a Member's participation in the Program or any Reward obtained by a Member in connection with Member's participation in the Program or redemption or use of Points issued in connection therewith.

B. THE PROGRAM IS OFFERED "AS IS" AND "AS AVAILABLE." YOBET MAKES NO WARRANTIES EXPRESS OR IMPLIED WITH RESPECT TO THE PROGRAM AND YOBET HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED, REGARDING THE PROGRAM, AND ANY REWARDS, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. YOBET SHALL NOT BE LIABLE TO ANY MEMBER OR OTHER PERSON FOR ANY DIRECT, COMPENSATORY, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, WHETHER IN AN ACTION IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY, STATUTORY RIGHTS OR ANY OTHER BASIS ARISING OUT OF, OR CONNECTED WITH, THE PROGRAM AND ANY REWARDS, EVEN IF YOBET

HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH DAMAGES WERE FORESEEABLE. IN THE EVENT ANY OF THE FOREGOING LIMITATIONS OF LIABILITY ARE VOID OR NOT EFFECTIVE, MEMBER AGREES THAT THE TOTAL LIABILITY OF YUBET SHALL IN NO CASE EXCEED \$25.

PROGRAM MODIFICATION OR TERMINATION

Youbet reserves the right at any time, without notice, to add, remove and/or change or otherwise modify any feature of the Program, the Rewards and/or these Terms and Conditions. Youbet further reserves the right to terminate the Program at any time, without prior notice, restriction or penalty. In the event of such termination by Youbet, Members shall have a minimum of sixty days from the date of notification of termination of the Program to redeem previously awarded Points in accordance with the provisions set forth in the Terms and Conditions.

MISCELLANEOUS

A. Points may not be assigned, sold or otherwise transferred by the Member, by operation of law or otherwise.

B. The Program, including without limitation the earning and redemption of Points, is subject to all applicable laws and regulations and is void where prohibited by law.

C. The accrual of Points and/or redemption of such Points for Rewards may subject a Member to income or other taxes. The Member is solely responsible for determining the extent of any tax liability for any federal, state or local taxes as may be applicable, and any disclosure related thereto or payment thereof.

D. By participating in the Program, Members consent to and authorize Youbet to share information about the Member in accordance with the terms of the Youbet Privacy Policy Statement (see Privacy Policy section below).

E. All interpretations of these Terms and Conditions, as well as questions or disputes regarding continued eligibility for the Program or the availability of or entitlement to any Points, shall be resolved by Youbet in its sole discretion.

F. These Terms and Conditions shall be construed in accordance with the laws of the State of California without reference to the conflicts of laws provisions thereof. These Terms and Conditions constitute the entire understanding between Youbet and Member with respect to the Program, and supersede any and all prior communications, whether written or oral, and all previous versions of terms and conditions applicable to the Program.

G. AS A CONDITION OF PARTICIPATING IN THE PROGRAM, MEMBER AGREES THAT ANY AND ALL CLAIMS, CAUSES OF ACTION OR DISPUTES ARISING OUT OF OR CONNECTED WITH THE PROGRAM, TO THE EXTENT THE SAME IS NOT WITHIN YUBET'S SOLE DISCRETION AS PROVIDED FOR UNDER THESE TERMS AND CONDITIONS, SHALL BE RESOLVED EXCLUSIVELY BY PRIVATE BINDING ARBITRATION TO BE CONDUCTED BEFORE A SINGLE ARBITRATOR PURSUANT TO THE COMMERCIAL RULES THEN IN EFFECT OF THE AMERICAN ARBITRATION ASSOCIATION IN THE CITY OF LOS ANGELES, CALIFORNIA.

H. While Youbet will use its best efforts to ensure accuracy of Program information, printing errors occasionally occur. Youbet reserves the right to correct such errors at any time even if such errors impact a pending Reward redemption.



2% Free!

\$100 sign-up bonus

- wager now
- live odds
- handicapping
- news
- top records
- top records

login

Account # or username:

Pin or password:

Forgot your login information?

- benefits of joining
- refer a friend
- join now FREE

quick links

- wager now
- twin spires club
- schedule
- results
- mobile
- links
- race replays
- gamoney
- twinpires & Lets

special offers

- free pp's
- refer a friend: get \$50
- \$100 sign-up bonus
- double tee points

today's schedule

All times are Eastern

- 12:15 - The Meadows (H)
- 12:25 - Philadelphia Park
- 12:25 - Tampa Bay Downs
- 12:30 - Freehold Raceway (H)

tsc rewards

Take advantage of the best player rewards program in horse racing. Reward yourself with Twin Spires Club Rewards



The Twin Spires Club player rewards program has been rewarding member Churchill Downs Incorporated race tracks since 1995 and is now available for you at TwinSpires.com.

Whether you are looking for free wagering credits, Callaway golf clubs or a night in the private VIP room at Churchill Downs on Kentucky Derby Day, the Twin Spires Club has the rewards for you.

Twin Spires Club rewards you with points for wagering through TwinSpires.com. TwinSpires.com account holders automatically receive points when wagering through TwinSpires.com or through TwinSpires.com phone wagering. Players earn 4 points for every dollar wagered on CDI race tracks and 2 points for every dollar wagered on every other track.

Earning Points - It is easy to know how many points you are going to earn through Twin Spires

- 4 points per dollar wagered on CDI tracks
- 2 points per dollar wagered on every other track

Redeem Your Points For Great Prizes and Privileges

Your Twin Spires Club points can earn you great prizes like electronics, sports goods, vacations and much more. TwinSpires Players can redeem points for wagering credits and access to special Kentucky Derby VIP ticket packages reserved for Twin Spires Club Members.

(H) - Harness (PC) - Partial Card (TO) - Telephone

Wagering Available in Some States

(LA) - Louisiana Residents Only

(NW) - No Wagering

Track Canceled

Full Schedule

ways to play



The more you wager, the more you earn with the best Player Rewards Program in racing.

On-line or On-track - One Account

TwinSpires.com provides you the unique opportunity to combine points that earn online with the points that you earn at one of CDI's track or OTB locations. Combine your play to maximize your rewards.

VIP Program

Membership in the Twin Spires Club VIP Program can help you earn even more points, prizes and most importantly privileges. The Twin Spires Club is proud to offer Bronze, Silver, Gold and Platinum levels.

Members of the VIP program will be afforded special benefits online and at tracks such as free admission, free programs, access to VIP Gold Rooms and other special offers and incentives.

VIP Program Qualifications and Benefits

VIP Monthly Rewards

Serious players deserve serious rewards! In addition to all of the perks and privileges, VIP members are able to participate in the very lucrative Monthly Rewards Program. The Monthly Rewards Program allows you to multiply the points you earn to get you to your rewards even faster.

Monthly Wagering	Reward Multiplier
\$5,000 - \$9,999	1x
\$10,000 - \$19,999	2x
\$20,000 - \$49,999	3x
\$50,000 - \$99,999	5x
\$100,000 - \$249,999	8x
\$250,000+	11x

Using the chart below as a guide:

If TwinSpires Player Joe Smith has wagered \$17,000 through TwinSpires.com he would have 34,000 base points. The reward multiplier kicks in and make monthly reward a robust 68,000. Mr. Smith would then add his base points (34,000) with his monthly reward bonus points (68,000) to get a total of 102 points.

Monthly Reward Chart

Monthly Wagering	Base Points	Reward Multiplier	Monthly Reward Points	Total Point (Base & Monthly Reward)
\$7,500	15,000	1x	15,000	30,000
\$17,000	34,000	2x	68,000	102,000
\$27,500	55,000	3x	165,000	220,000
\$75,000	150,000	5x	750,000	900,000
\$175,000	350,000	8x	2,800,000	3,150,000
\$250,000	500,000	11x	5,500,000	6,000,000

* TSC members earn two base points for every dollar wagered at any 1 facility and through twinspires.com.

* Total points is the minimum a member could earn at the wagering levels listed as members earn bonus points for wagering on CDI tracks, through wagering through twinspires.com and through special promotions.

Check your VIP Monthly Reward Points

VIP Monthly Reward points are typically added within the first five days of a month. To check your VIP Monthly Reward points, please log in to TwinSpires.com, go to the "TSC Rewards" page and click on "my point balance"

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[churchill down integrity](#)

[privacy & security](#)

[terms & conditions](#)

[contact](#)

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LATC

LATC Common Pool Contract - Penn National Race Course

Secondary Recipient with all terms, conditions, obligations and covenants applicable to a Guest and/or Secondary Recipient hereunder." so that the paragraph reads as follows:

(L) **Third Parties** Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the Parties, the Host and Guest Racing Commissions, and their respective successors and permitted transferees and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action over or against any party to this Agreement. However, whenever this Agreement contemplates action by a third party, such action shall not be an obligation of a Party to this Agreement unless expressly stated herein, but only a condition of the obligations of the Parties hereto. Notwithstanding the foregoing, Guest shall be responsible for compliance by any Secondary Recipient with all terms, conditions, obligations and covenants applicable to a Guest and/or Secondary Recipient hereunder.

28. Paragraph 19(M) is amended by replacing "of the" with the words "with respect to this" so that the paragraph reads as follows:

(M) **Time** The Parties expressly agree that time is of the essence with respect to this Agreement.

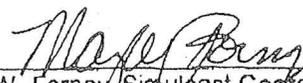
29. Paragraph 17(N) is amended to adding to the end of the paragraph "Notwithstanding the foregoing, without the consent of Guest, Host may assign this Agreement to any related entity, any associate or affiliate by operation of law or as part of an assignment of all or substantially all of any business or all or substantially all of the assets of Host." so that the paragraph reads as follows:

(N) **Assignment** This Agreement and the rights of the Parties hereto may not be conveyed, assigned or transferred to any other person without the written consent of the Parties. Notwithstanding the foregoing, without the consent of Guest, Host may assign this Agreement to any related entity, any associate or affiliate by operation of law or as part of an assignment of all or substantially all of any business or all or substantially all of the assets of Host.

30. Paragraph 17(P) is added in its entirety as follows:

(P) **Rebates on Wagers.** Guests (and any Secondary Recipients) shall not accept less than the face amount of wagers from patrons and shall not refund or rebate to patrons any consideration based on the amount of any wagers.

Los Angeles Turf Club, Incorporated:



Mary W. Forney, Simulcast Coordinator

12-22-03

Date

Penn National Race Course



Name: Richard T. Schnaars
Title: VP and GM

12/22/03

Date



Witness

12/22/03

Date

than the Parties, the Host and Guest Racing Commissions, and their respective successors and permitted transferees and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action over or against any party to this Agreement. However, whenever this Agreement contemplates action by a third party, such action shall not be an obligation of a Party to this Agreement unless expressly stated herein, but only a condition of the obligations of the Parties hereto. Notwithstanding the foregoing, Guest shall be responsible for compliance by any Secondary Recipient with all terms, conditions, obligations and covenants applicable to a Guest and/or Secondary Recipient hereunder.

28. Paragraph 19(M) is amended by replacing "of the" with the words "with respect to this" so that the paragraph reads as follows:

(M) **Time** The Parties expressly agree that time is of the essence with respect to this Agreement.

29. Paragraph 17(N) is amended to adding to the end of the paragraph "Notwithstanding the foregoing, without the consent of Guest, Host may assign this Agreement to any related entity, any associate or affiliate by operation of law or as part of an assignment of all or substantially all of any business or all or substantially all of the assets of Host." so that the paragraph reads as follows:

(N) **Assignment** This Agreement and the rights of the Parties hereto may not be conveyed, assigned or transferred to any other person without the written consent of the Parties. Notwithstanding the foregoing, without the consent of Guest, Host may assign this Agreement to any related entity, any associate or affiliate by operation of law or as part of an assignment of all or substantially all of any business or all or substantially all of the assets of Host.

30. Paragraph 17(P) is added in its entirety as follows:

(P) Rebates on Wagers. Guests (and any Secondary Recipients) shall not accept less than the face amount of wagers from patrons and shall not refund or rebate to patrons any consideration based on the amount of any wagers.

Host: Pacific Racing Association d/b/a Golden Gate Fields

Kay Webb
Name: Kay Webb
Title: Simulcast Coordinator

12/31/03
Date

Guest:

Lewiston Raceways, Inc.
Wayne Day Thomas
Name: Wayne Day Thomas
Title: Treasurer

12/29/03
Date

Witness

Date

GGF

Set forth in this Exhibit N are those changes that the Host Track has made to the Standard Simulcast Agreement constituting Sections 1 through 19, above. Host and Guest agree that the Standard Simulcast Agreement and these Exhibits, including but not limited to this Exhibit N, are further modified by the Schedules to this Agreement that follow hereafter, including but not limited to Schedule N.

Rebates on Wagers: GUEST shall not accept less than the face amount of wagers from patrons, or agrees to refund or rebate any consideration based on the face amount of any wagers to patrons.

For purposes of Section 8 (B) Payment, a "race week" is defined as ending on Monday.

For the purposes of Section 12 (C): Guest represents and warrants to Host that (i) Guest is acting at all times under this Agreement as principal, and not as an agent for Secondary Recipients, bettors or others, and (ii) Guest is a "United States person" within the meaning of Section 7701 (a)(30) of the Internal Revenue Code of 1986 as amended (the "code"). Guest agrees to provide such documentary substantiation of the foregoing, including but not limited to, Internal Revenue Service ("IRS") forms W2G and/or 1042S as is reasonably requested by Host from time to time. Guest agrees that it, and not Host, is responsible for any U.S. federal income tax withholding required with respect to any payments which are ultimately made, pursuant to this Agreement and related arrangements, to Secondary Recipients, bettors or others who are non-United States persons. Guest agrees to indemnify, save, defend and hold harmless Host and its officers, directors, agents and employees, and the successors and assigns of the foregoing, from and against the full amount of any taxes (including withholding taxes), penalties, additions to tax, and interest with respect thereto, as well as any related costs, expenses, and disbursements, including attorneys' fees, claimed by the IRS or other governmental taxing authority with respect to (x) any payments by Host to Guest under this Agreement, (y) any other payments made (or deemed by any governmental taxing authority to be made) by Host pursuant to this Agreement, and (z) any payments to Secondary Recipients, bettors or others which are contemplated by this Agreement.

For the purposes of Section 1, this agreement specifically permits Guest to provide live Simulcasts of Hosts races in licensed racetracks and off-track betting facilities according to the terms contained therein. Beyond licensed racetracks and off-track betting facilities, the audiovisual display of live racing from Host on television, via Internet video streaming, or any other electronic media is prohibited under the terms of the Agreement.

For the purposes of Section 2, Under the terms of the Agreement, the Guest is prohibited from accepting any account wagers by means of the Internet/Personal Computer or other electronic devices and is prohibited from accepting account wagers by telephone on live races conducted by Host from residents of the following thirteen (13) states: California, Indiana, Idaho, Kentucky, Louisiana, Maryland, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon and Wyoming. This list may be expanded from time to time.

For the purposes of Section 4 (G), the illegal interception, unscrambling and re-broadcast of the audiovisual display of Host live races and the acceptance of interstate account wagers on live races in the absence of a specific agreement to do so constitute violations of federal statutes, state statutes and common law entitling Del Mar to various remedies.

Del Mar Thoroughbred Club

Signature: [Signature]

Name: Paul A. Porter

Title: Simulcast Sales Manager

Date: May 23, 2003

Signature: [Signature]

Name: G. CARMICHAEL

Title: Director
Pari-Mutuel & OTB Operations

Date: 7.12.03

A. Decoder Services

Fairplex will provide an Autotote decoder request form. The completed form should be faxed to (212) 754-4391. If you are currently using an Autotote decoder to receive the Del Mar signal you may continue to use the decoder for Fairplex.

B. Past Performance and Other Program Information Services

Fairplex past performances are available through Equibase. Please contact the simulcast office for further information.

C. Totalisator Company

Autotote
Don Sanborn
(909) 623-3111

D. Telephone Company

To order a phone line, please call Paul A. Porter at (858) 792-4232.

Exhibit 5: Compensation Rates; Method of Payment

Please refer to Schedule E

Exhibit 6: Trademarks and Service Marks

From Sections 15(A) and 15(B):

Guest shall not harm or disparage the marks and shall use the marks only in a high quality manner. Fairplex reserves the right to request that Guest remove any advertisements bearing the marks which do not adequately reflect the quality required of Fairplex from the marketplace. Upon receipt of any such request, Guest shall promptly remove any such advertisements.

Exhibit N: Host's Changes to RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version 001

Set forth in this Exhibit N are those changes that the Host Track has made to the Standard Simulcast Agreement constituting Sections 1 through 19, above. Host and Guest agree that the Standard Simulcast Agreement and these Exhibits, including but not limited to this Exhibit N, are further modified by the Schedules to this Agreement that follow hereafter, including but not limited to Schedule N.

Rebates on Wagers: GUEST shall not accept less than the face amount of wagers from patrons, or agrees to refund or rebate any consideration based on the face amount of any wagers to patrons.

Payment: For purposes of section 8B a "race week" is defined as ending on Monday.

Capitol

12. This agreement shall be governed by and interpreted in accordance with the laws of the state of California.

13. CALIFORNIA HORSE RACING BOARD REQUIREMENTS. This agreement is subject to requirements of the California Horse Racing Board or the GUEST State Racing Commission, required to be set forth herein, is specifically incorporated herein by reference. Without limiting the foregoing, GUEST hereby acknowledges Rule 1950.1 of the California Horse Racing Board, which prohibits rebates on wagers, and GUEST agrees that it shall not accept less than the face amount of wagers from patrons and shall not refund or rebate any consideration based on the face amount of wagers from patrons and shall not refund or rebate any consideration based on the face amount of any wagers to patrons.

In witness wherefore, the parties have executed this agreement the day and year first above written.

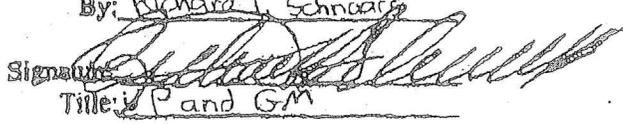
Capitol Racing L.L.C.
Christopher J. Schick



Director of Simulcasting

Association: Penn National

By: Richard J. Schnoor



Signature

Title: P and GM

template

Agreement Between
and
«Contract_Holder»

EXHIBITS to RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version 002

This Agreement is entered into as of the ____ day of _____, 2008 by and between ("HOST" or "HOST TRACK"), a racing association licensed to conduct racing in the State/Commonwealth of California and «Contract_Holder» [GUEST] ("GUEST", "GUEST TRACK" or "GUEST FACILITY"), an entity eligible by law in the State/Commonwealth of «State», to receive simultaneous broadcasts of races and accept pari-mutuel wagers on such races; hereinafter collectively referred to as the "Parties".

HOST AND GUEST UNDERSTAND AND AGREE THAT THIS AGREEMENT INCORPORATES THE "RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, VERSION 002", DATED MARCH 1, 1999, AS IF SAID DOCUMENT, IN ITS ENTIRETY AND UNCHANGED, WERE SET FORTH HEREIN. (The Uniform Simulcast Wagering Agreement, Version 002, Sections 1 through 18, contains standard language adopted by the Racing Industry in the United States.) Any changes to that document are contained within the Exhibits or Schedules to this Agreement.

Included in these Exhibits and Schedules are additional clauses to this Agreement, agreed to by this Host Track and this Guest as constituting an integral part of this Agreement. To the extent there is conflicting language between the RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version 002, and the Exhibits or Schedules, the Exhibits or Schedules will control. To the extent there is conflicting language between the Exhibits and Schedules, the Schedules will control. The RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version 002 and all Exhibits and Schedules, are deemed a part of this Agreement.

These Exhibits constitute the standard Exhibits, Form #002-XXX, o supplied by this Host to all Guest Tracks, and are not changed from Guest to Guest. All provisions of this Agreement that are specific to this Guest are contained in the Schedules hereto.

Exhibit 1: General Information about Host Track

A Host Track name and official mailing address:

Simulcast Management Office	Track
-----------------------------	-------

B Host Business Entity (corporation, partnership, etc. [If Host is a legal entity other than a corporation incorporated in the state where Host's facility is located, give particulars here.]

Attached.

C Contact names, titles and numbers:

Attached.

D Other pertinent general information (for instance, satellite and transponder; Tote Company; other relevant suppliers.) Also, see Exhibit 4.

Attached.

E Notices.

From Section 17(O): "Any notice hereunder shall be deemed sufficiently given by one Party to another if in writing and delivered at the addresses set forth on Exhibit 1 and Schedule A to this Agreement, or at such other address as any Party may furnish. Notice shall be deemed delivered:

- (i) upon actual delivery, if delivery is made in person or by courier,
or
- (ii) on the third day after deposit in the United States Mail if in a sealed envelope, registered or certified, with postage prepaid, addressed to the person to whom such notice is being given."

«Contract_Holder»

To Host:

To Guest:

«Contract_Holder»

«Address»

«City», «State» «Zip»]

Attn.: «Guest_Contact»

«Guest_Title»

Phone: «Guest_Phone»

Fax: «Guest_Fax»

«EMail»

Exhibit 2: Races Included within this Simulcast Agreement

Host Track's calendar of Racing Meets and Races (including Special Events), for which the Signal and Simulcast is being offered to Guest:

Please see enclosed Host's calendar.

Exhibit 3: Host Track's Daily Schedule of Races and Wagers

A(1) Host Track's standard menu of Races (by day of week), Post Times.

Please see enclosed Host's post time schedules.

A(2) Available Pari-Mutuel Pools and Takeout rates, minimum wager amounts, maximum number of betting interests per Race, standard Scratch times.

Please see enclosed Host's Pari-Mutuel Pools and takeout rates, minimum wagering amounts, maximum number of betting interests per race, scratch times.

Takeout Rates: Pursuant to Section 19605.75 of the California Business and Professions Code, any out of state betting systems authorized to accept exotic wagers on California thoroughbred races and to combine those wagers in California wagering pools is required to deduct an amount equal to 0.5% of the total amount handled from the exotic pari-mutuel pool in addition to amounts deducted pursuant to Section 19610 of the Business and Professions Code. The amount so deducted is further required to be paid to the host track for distribution to a special workers' compensation fund pursuant to subdivision (e) of Section 19605.75. Accordingly, in addition to any other payments required by this agreement, Guest shall remit to Host the amount equal to 0.5% of the total exotic wagers accepted by Guest or Guest's Secondary Recipients. Subject to the approval of Host, the amount remitted may be included in money room settlements or host fee payments at the election of Guest.

WPS
EXOTICS

B Similar calendar/menu of Special Events or any Advanced Wagering events, including Description and Conditions of Race.

Attached

C Stop Wagering

From Section 18D: "Guest (and Secondary Recipients) understands that it must stop accepting wagers on the Races on or before the start of the race. The start of the race shall be determined in accordance with the standard set forth in Exhibit 3."

Wagering must stop at the opening of the starting gate.

D Rebroadcast Simulcast Races

In accordance with Section 7(A), state here the terms governing the rebroadcast through Host to Guest of races simulcast from another host's track:

«Contract Holder»

Not allowed.

Exhibit 4: Decoder Services and Other Contractor Services

- A. Decoder Services
From Section 4(B): "Host has retained a contractor to provide encoding services in connection with the Signals. Information with regard to Host's contractor and the procedures for obtaining decoders may be found in Exhibit 4 to this Agreement."

Please see enclosed detailed information.

- B. Past Performance and Other Program Information Services

See Host's Simulcast Information, as enclosed

- C. Totalisator Company

Scientific Games Racing
See Host's Simulcast Information, as enclosed

- D. Other Contractors

Exhibit 5: Compensation Rates; Method of Payment

The Parties agree that in the event of a breach by Guest of this of this Agreement, it would be extremely difficult if not impossible to determine actual damages that would be sustained by Host by such breach. Accordingly, the Parties now hereby agree that the amount which shall be deemed to be the amount of such damage sustained by Host by such breach shall be \$5,000 per day, which Guest shall pay to Host, upon demand, following such breach.

Fee: «Rate» of all wagers

Exhibit 6: Trademarks and Service Marks

From Sections 15(A) and 15(B):

A. "Host is willing to grant to Guest (*and through Guest, to Secondary Recipients*) a non-exclusive royalty-free license for the limited use of the trademarks and service marks of Host as set forth in Exhibit 6, as well as the trademarks and service marks for those of Host's stakes races occurring during and which are subject to this Agreement..."

B. "At any time that Guest uses the Marks, Guest represents and warrants that it shall clearly indicate Host's ownership of the Marks by use of an accompanying trademark designation, as appropriate, and/or any other statement or indication of ownership as set forth in Exhibit 6, or as Host may direct."

<u>Mark</u>	<u>Designation</u>
-------------	--------------------

Exhibit N: Host's Changes to RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version 002

Set forth in this Exhibit N are changes which the Host Track has made, and to which the Guest Track has agreed, to the Uniform Simulcast Wagering Agreement constituting Sections 1 through 18. Host and Guest also agree that the Uniform Simulcast Wagering Agreement is further modified by the Schedules to this Agreement that follow hereafter, including but not limited to Schedule N.

«Contract_Holder»

1. Paragraph 1(D) is amended by deleting "immediately" after the words "Host will"; adding "use commercially reasonable efforts to" after the words "Host will"; and adding "as soon as is reasonably practical" at the end of the sentence so that the paragraph reads as follows:

(D) The Races shall be conducted in accordance with the regulations of Host's Racing Commission. Should there be any change in Host's schedule or menu of Races, Signals, Racing Meets, pari-mutuel wagers or takeout rates, Host will use commercially reasonable efforts to notify Guest of any such change as soon as is reasonably practical.

2. Paragraph 1(E) is amended by adding "archive" after the word "copy" so that the paragraph reads as follows:

(E) The foregoing limited and nonexclusive rights granted hereby shall not include a right to tape, copy, archive or otherwise use the Signals for any other purpose. Except as expressly set forth in this Agreement, no retransmission, rebroadcast or other distribution of the Signals by Guest is permitted without the prior written permission of Host.

3. Paragraph 2(A) is amended by adding "video stream" after the word "rebroadcast"; adding "(in the clear or otherwise)" after the phrase "distribute the Signals to"; adding "direct broadcast satellite (whether digital or analogue transmission)," after "cable television"; and adding "wagering" after the word "interactive" so that the paragraph reads as follows:

(A) Unless otherwise agreed upon by the Parties, Guest will not retransmit, rebroadcast, video stream or otherwise distribute the Signals to, in the clear or otherwise, nor permit the acceptance of wagers on, Host's Races to any person, entity or facility, including without limitation the use of such Signals or wagering as part of any cable television, telephone wagering, personal computer or interactive wagering system, or at any location other than the premises specified in Schedule A(1).

4. Paragraph 2(B) is amended by adding to the end of the paragraph "Guest further agrees it shall, upon Host's request, account for all wagering conducted on the Races by Guest and Secondary Recipients by: (i) producing records and information detailing wagering conducted and winning payoffs made at each site and through each hub; or (ii) directing its totalisator company to produce such information to Host. Guest's failure to timely provide such information shall be considered a material breach of this Agreement, and this Agreement may be immediately terminated by Host" so that the paragraph reads as follows:

(B) In its sole discretion, Host may allow Guest to retransmit, rebroadcast or otherwise distribute the Signals to additional facilities located within the same state as Guest ("Satellite Facilities"), or facilities located in a different state than Guest. In addition, in its sole discretion, Host may allow Guest to distribute the Signals to cable television or other rebroadcasting systems, or to accept wagering on the Races through telephone wagering, personal computer or other interactive systems. Such Guest-state and other-state facilities and entities shall be referred to, collectively, as "Secondary Recipients". Any such permission by Host shall be in writing, shall be specific to the facilities or entities specified therein, and shall be deemed to be a part of Schedule A2 to this Agreement. Guest covenants that it shall ensure that all Secondary Recipients adhere to all terms of this Agreement. Guest further agrees it shall, upon Host's request, account for all wagering conducted on the Races by Guest and Secondary Recipients by: (i) producing records and information detailing wagering conducted and winning payoffs made at each site and through each hub; or (ii) directing its totalisator company to produce such information to Host. Guest's failure to timely provide such information shall be considered a material breach of this Agreement, and this Agreement may be immediately terminated by Host.

5. Paragraph 2(D) is amended by adding "video stream" after the word "rebroadcast"; adding "or permit any use or display of Host's real time wagering information including Host's real time odds" after the word "Races"; deleting "not located within the same state as Guest" following the word "facility"; adding "direct broadcast satellite (whether digital or analogue transmission)" after the words "cable television"; adding "internet" after the word "computer"; adding "wagering" after the word "interactive"; inserting "(i)" before the phrase "to any person"; inserting "(ii)" before the phrase "as a part of", and by adding the word "prior" before the words "written consent" so that the paragraph reads as follows:

(D) Guest shall not retransmit, rebroadcast, video stream or in any other way distribute or disseminate the Signals, or permit wagers on the Races, or permit any use or display of Host's real time wagering information, including Host's real-time odds (i) to any person, entity or facility, or (ii)

as part of a cable television, direct broadcast satellite (whether digital or analog transmission), telephone wagering, personal computer, internet or other rebroadcast or interactive wagering system, unless, and only to the extent that, Host's prior written consent has been given and has been set forth in Schedules A(3) or A(4) or as a further Schedule to this Agreement.

6. Paragraph 2(E) is amended by adding "rebroadcast, retransmission, or other" before the word "redistribution" so that the paragraph reads as follows:

(E) Any rebroadcast, retransmission, or other redistribution of the Signals by Guest shall be encrypted in a manner approved in advance by Host. Host shall be provided with all information and equipment necessary to enable Host to decode such encrypted transmissions at all times, and Guest will be responsible for all reasonable costs associated with enabling Host to decode such transmissions.

7. Paragraph 2(F) is amended by adding "rebroadcast, retransmission video streaming or other" before the word "redistribution" so that the paragraph reads as follows:

(F) Any rebroadcast, retransmission, video streaming or other redistribution of the Signals by Guest shall be simultaneous with the transmission of Signals by Host. Guest shall not alter or edit in any manner whatsoever the Signals as produced and transmitted by Guest, except that Host grants to Guest the right to delete those portions of the audio-visual signals that contain pre-race or post-race commentary and/or statements made by the Host's track announcer without any other deletion or alteration.

8. Section 2 is amended by adding the following as new paragraphs 2(I) and 2(H) thereto:

(I) At all times during the term of this Agreement, except with the written consent of Host, Guest and any of its Secondary Recipients shall not: use: (a) Serial Data Links (SDL), ITSP (data) or any other tote data connection that supplies near real-time odds, probables and pool runners amounts for any bettor wagering; (b) port links allowing the placement of wagers through "bet streaming" or "batch wagering"; and (c) any devices having data connections to the tote which are not an industry standard terminal.

(H) To the extent that Guest or any of its Secondary Recipients is deemed to be a private wagering network and/or an advanced deposit wagering provider, Guest and such Secondary Recipients, as the case may be, shall:

- (i) not accept or facilitate the acceptance of wagers, either directly or through an agent, from any resident of California or any other jurisdiction from which it is illegal to do so, regardless as to the form of wager placement (e.g., telephone wagering or computer-assisted/generated wagering). In the case of computer-assisted/generated wagers, this restriction applies to wagers originating from a computer located in California. In addition, Guest and Secondary Recipients, as the case may be, shall include in their respective customer terms and conditions a prohibition for bettors to network their computers with out of state computers to circumvent this restriction; and
- (ii) block access to any and all incoming calls originating from a California area code and/or from a cellular or satellite technology whose transmission originates from California.

9. Paragraph 4(D) is amended by adding "Secondary Recipients" after the word "Guest" so that the paragraph reads as follows:

(D) The Parties understand that the Races are to be televised via satellite transmission in accordance with contracts between Host and satellite transmission carriers who have the right to preempt or cancel the transmission of the Races. In the event of such preemption or cancellation, or if such transmission does not take place for any other reason, Host shall not incur any liability to Guest, Secondary Recipients or others.

10. Paragraph 4(F) is amended by replacing "best efforts" with the phrase "commercially reasonable efforts"; and replacing "insure" with the word "ensure" so that the final paragraph of paragraph 4(F) reads as follows:

(F) Host shall use its commercially reasonable efforts to ensure that all information delivered to Guest is accurate and given in a timely manner; provided, however, that Guest agrees that Host shall not be liable for any inaccuracy or incompleteness of the information furnished to Guest, or the failure of a third party to properly deliver the information furnished to Guest, except in the event of fraud or intentional inaccuracy by Host.

11. Paragraph 6(B) is amended by deleting "(including Guest's Secondary Recipients)" from the last sentence of the paragraph and adding the following sentence at the end of the paragraph: "Secondary Recipients shall be solely responsible for totalisator fees resulting from wagering placed by their patrons under the terms of this Agreement." Paragraph 6(B) shall read as follows:

(B) Guest shall be responsible, at its sole cost and expense, to arrange for the transmission and interface of wagering data from Guest to Host, in a format consistent with Host's requirement, so as to produce common pari-mutuel wagering pools for the calculation of odds and the determination of payouts from such pools, which payout shall be the same for all winning wagers irrespective of whether such wager is placed at the Host track or at the Guest facility. Guest shall be solely responsible for any and all totalisator interface fees resulting from wagers placed under the terms of this Agreement. Any additional charges that are charged to Host or Guest by their respective totalisator companies for the processing of wagering information shall be the sole responsibility of the respective Parties. Secondary Recipients shall be responsible for totalisator fees resulting from wagering placed by their patrons under the terms of this Agreement.

12. Paragraph 6(D) is amended by adding the sentence "In particular, for Pick 6 wagers on the Host's Races, Guest shall only accept such wagers in \$2 increments." immediately after the end of the second sentence ending with "pari-mutuel pools in the Host's state."; deleting "warranties" and replacing it with the word "warrants"; adding "types of pari-mutuel wagers" before the phrase "and breakage rates"; and adding "unless otherwise set forth in Schedule B" after the words "breakage rates" so that the paragraph reads as follows:

(D) Guest shall offer wagering on the Races on the same number of betting interests in the Races as offered at Host Track, and shall offer and accept the same types of pari-mutuel wagers on the Races as are offered and accepted at Host Track. Guest shall offer and accept commingled wagers on the Races subject to the identical retention and breakage rates as pertain to the wagers at Host Track and subject to the rules of racing in effect for pari-mutuel pools in the Host's state. In particular, for Pick 6 wagers on the Host's Races, Guest shall only accept such wagers in \$2 increments. Guest represents and warrants that applicable state and local laws in Guest's state authorize such identical retention, types of pari-mutuel wagers and breakage rates, unless otherwise set forth in Schedule B.

13. Section 6 is amended by adding the following as the new paragraph 6(E) thereto:

(D) Guest agrees, and shall arrange for any Secondary Recipient to agree, that it shall obtain in writing and provide a copy to Host of the agreement of any tote company that operates as a hub in connection with the activities of the Host or the Guest (or any Secondary Recipients), to inform Host and Guest, as well as the Host and Guest Commissions, of any simulcast site that may be located in a different jurisdiction from that of the Host or Guest respectively, and of any wagering terminal that may accept wagers from Host that is connected directly to the hub. The information supplied shall include identification of the location of such sites or terminals and information known to the tote about the owner and operator of such terminals or sites and who authorized their inclusion in the network.

14. Paragraph 8(A) is amended by adding to the end of the paragraph "This rate applies to all wagers placed on Races at Guest's facility or at any in-state non-tribal Secondary Recipient facility. A list of these facilities shall be set forth in Schedule A(2). The compensation rate does not apply for in-state Tribal Secondary Recipients and Non-State Secondary Recipients. Tribal Secondary Recipient and Non-State Secondary Recipient rates shall be negotiated separately and will be listed in Schedule A(2). Within 48 hours of Host's request, Guest agrees to verify to Host Guest's compliance with all required reporting and payments to Internal Revenue Service ("IRS"), including without limitation providing Host with Guest's IRS forms duly filed (e.g., W-2G tax forms, Forms 8300, etc.)."

Guest shall not permit or assist, directly or indirectly, any Secondary Recipient or other party that is not specifically listed and approved in Schedule A(2) to receive Host's signal or link to Host's tote system in any manner through Guest, or otherwise. Guest shall not in any manner (such as providing programs, accounting, settlements, tote, downlink or other similar services) assist such Secondary Recipient or other party, directly or indirectly, to receive Host's Races or linking in any manner or configuration to Host's pools.

The Parties agree that in the event of a breach by Guest of this provision of this Agreement, it would be extremely difficult if not impossible to determine actual damages that would be sustained by Host by such breach. Accordingly, the Parties now hereby agree that the amount which shall be deemed to be the amount of such damage sustained by Host by such breach shall be \$5,000 per day, which Guest shall pay to Host, upon demand, following such breach." so that the paragraph reads as follows:

(A) **Commissions** As compensation for granting to Guest the right to receive the Signals and accept wagers on the Races as set forth herein, Guest shall pay to Host (in the manner set forth hereinafter) amounts as set forth in Exhibit 5 to this Agreement. This rate applies to all wagers placed on Races at Guest's facility or at any in-state non-tribal Secondary Recipient facility. A list of these facilities shall be set forth in Schedule A(2). The compensation rate does not apply for in-state Tribal Secondary Recipients and Non-State Secondary Recipients. Tribal Secondary Recipient and Non-State Secondary Recipient rates shall be negotiated separately and will be listed in Schedule A(2). Within 48 hours of Host's request, Guest agrees to verify to Host Guest's compliance with all required reporting and payments to Internal Revenue Service ("IRS"), including without limitation providing Host with Guest's IRS forms duly filed (e.g., W-2G tax forms, Forms 8300, etc.).

Guest shall not permit or assist, directly or indirectly, any Secondary Recipient or other party that is not specifically listed and approved in Schedule A(2) to receive Host's signal or link to Host's tote system in any manner through Guest, or otherwise. Guest shall not in any manner (such as providing programs, accounting, settlements, tote, downlink or other similar services) assist such Secondary Recipient or other party, directly or indirectly, to receive Host's races or linking in any manner or configuration to Host's pools.

The Parties agree that in the event of a breach by Guest of this provision of this Agreement, it would be extremely difficult if not impossible to determine actual damages that would be sustained by Host by such breach. Accordingly, the Parties now hereby agree that the amount which shall be deemed to be the amount of such damage sustained by Host by such breach shall be \$5,000 per day, which Guest shall pay to Host, upon demand, following such breach.

15. Paragraph 8(C) is amended by adding the words "its regulatory agency" after the word "Host"; and deleting "its" and replacing it with "their" so that the paragraph reads as follows:

(C) **Verification.** On or before the tenth (10th) day after the last day of each Racing Meet, Guest shall submit verification of the accounting of the handle certified by an officer of Guest. Guest shall maintain for a minimum of 24 months, at its offices, complete and accurate books and records relating to its conduct of pari-mutuel wagering on the Races, which records shall be made available to Host, its regulatory agency or their representatives upon request.

16. Paragraph 9(B) is amended by adding "of" after the word "requirements"; adding "also" after the phrase "Guest agrees that it will", and by adding "as amended" after the phrase "*Interstate Horseracing Act of 1978*" so that the paragraph reads as follows:

(B) Guest agrees that the Races that are Simulcast shall meet the requirements of and comply with the rules and regulations of Guest's Racing Commission. Guest agrees that it will also satisfy all necessary requirements of the *Interstate Horseracing Act of 1978*, as amended, in the course of implementing this Agreement.

17. Paragraphs 10(A) through (D) are amended by deleting the current language in its entirety and inserting the following language in its place so that the paragraph reads as follows:

(A) In the event of a wagering system or communications failure between Host and Guest, the wagering data may, at Host's sole discretion, be merged manually in accordance with the instructions of Host's official. Host reserves the absolute right to refuse to accept wagering information in the event of a wagering system or communication failure for any reason. Host shall

not be liable for any measures taken that may result in, or may be a result of, Guest's wagers not being accepted in the commingled pool and, in such event, such wagers and corresponding payoffs shall become the sole responsibility of Guest.

18. Paragraph 10(E) is renumbered as Paragraph 10(B) and is amended by adding "wagering" before the word "system" so that the paragraph reads as follows:

(B) Guest agrees to adopt a policy to accommodate wagers excluded from Host's pools in the event of a wagering system or communication failure. This policy shall be reduced to writing, a copy of which shall be provided to Host, and posted in numerous conspicuous places throughout the Guest's facility.

19. Paragraph 10(C) is added in its entirety and reads as follows:

(C) In the event Guest or any Secondary Recipient accepts wagers, from any source, which are not merged into the common pool with Host, Guest shall send to Host, by fax, a statement outlining such wagers and shall include payment for such non-merged wagers at the rate listed herein with its payment. In addition, if Guest or any Secondary Recipient accepts wagers from a non-U.S. Secondary Recipient, Guest shall be fully responsible for any necessary withholding taxes and shall indemnify Host from any liability whatsoever related in any way to Guest's failure to do so or failure to withhold correctly pursuant to the applicable IRS Code and regulations, as amended. Guest shall also indemnify Host from any liability whatsoever if Guest permits the commingling of international pools with domestic pools either directly or through a Secondary Recipient in violation of any domestic or international law or treatise.

20. Paragraph 12(A)(iv) is amended by adding to the end of the sentence "including but not limited to the acceptance of wagers in an amount less than the bet minimum established by Host. In such event where Guest and/or any Secondary Recipient accepts a wager in an amount less than the bet minimum established by Host, Guest shall be wholly liable for the full amount of the payout of the successful wager(s)" so that subsection (iv) reads as follows:

(iv) the conduct of pari-mutuel wagering on the Races (including payouts thereunder) at any facility operated by Guest and/or any Secondary Recipient, including but not limited to the acceptance of wagers in an amount less than the bet minimum established by Host. In such event where Guest and/or any Secondary Recipient accepts a wager in an amount less than the bet minimum established by Host, Guest shall be wholly liable for the full amount of the payout of the successful wager(s);

21. Paragraph 12(B) is amended by replacing "best efforts" with "commercially reasonable efforts" so that the paragraph reads as follows:

(B) Host does not guarantee the accuracy or completeness of the Signals or other information supplied. Host shall not be liable to Guest (or its Secondary Recipients) or its patrons or other individuals or entities whose claims are based upon the running of or wagering on the Races, in the event that for any reason any of the Races are not run, any of the Races are delayed, wagering on the Races fails to occur or is delayed, or transmission of the Races or the Signals fails to occur or is delayed. However, Host agrees to use commercially reasonable efforts to assure the reliability, accuracy and timeliness of the Simulcasts. The liability of Host hereunder, if any, shall be limited to the amount of the Commissions paid to it pursuant to this Agreement.

22. Section 12 is amended by adding the following as the new paragraph 12(C) thereto:

(C) Guest represents and warrants to Host that Guest is: (i) acting at all times under this Agreement as principal, and not as an agent, for Secondary Recipients, bettors or others; and (ii) a "United States person" within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "Code"). Guest agrees to provide such documentary substantiation of the foregoing, including but not limited to IRS forms W-2G and/or 1042S as is reasonably requested by Host from time to time. Guest agrees that it, and not Host, is responsible for any U.S. federal income tax withholding required with respect to any payments which are ultimately made, pursuant to this Agreement and related arrangements, to Secondary Recipients, bettors or others who are non-U.S. persons. Guest agrees to indemnify, save, defend and hold harmless Host, its officers, directors, agents and employees, and the successors and assigns of the foregoing, from and

against the full amount of any taxes (including withholding taxes), penalties, additions to taxes, and interest with respect thereto, as well as any related costs, expenses and disbursements, including attorneys' fees, claimed by the IRS or other governmental taxing authority with respect to: (x) any payments made by Host to Guest under this Agreement; (y) any other payments made (or deemed by any governmental taxing authority to be made) by Host pursuant to this Agreement; and (z) any payments to Secondary Recipients, bettors or others which are contemplated by this Agreement.

23. Paragraph 14(A) is amended by adding "including number and locations of totalisator machines" in the first and last sentence after the words "simulcast facilities"; and adding "and for a period of six months thereafter" after the word "Races" so that the paragraph reads as follows:

(A) Guest shall permit inspection of its simulcast facilities, including number and location of totalisator machines, books and records by a representative of Host or of Host's Racing Commission at any time when wagering is offered by Guest or a Secondary Recipient on the Races and for a period of six (6) months thereafter; Guest shall provide in its contracts with its Secondary Recipients that the same rights of inspection shall apply to the simulcast facilities, including number and location of totalisator machines, books and records of the Secondary Recipient.

24. Section 15 is amended by adding the following paragraph as the new paragraph 15(D), and renumbering the original paragraphs 15(D) through (G) to the new paragraphs 15(E) through (H), respectively. The new paragraph 15(D) reads as follows:

(D) Guest (and Secondary Recipients) acknowledges that the Simulcasts and any component thereof are copyrighted and are the intellectual property of Host. No retransmission, rebroadcast, video stream, redistribution, dissemination or recreation of the Simulcasts of any kind in any form or way by Guest is permitted, except as expressly permitted under the terms of this Agreement for the limited uses expressly authorized.

25. Paragraph 16(C) is amended by deleting subsection (ii) in its entirety and replacing it with the following language:

(ii) immediately without notice or delay if, in the sole opinion of Host, this Agreement is violated by Guest and/or its Secondary Recipients, and Host shall be entitled to avail itself of any right or remedy provided to it under this Agreement or at law or equity.

26. Paragraphs 17(A) and (B) are amended by deleting "handles" and "handle" wherever the words appear and substituting "winning dollars" in their place so that the paragraph reads as follows:

(A) **Breakage** Breakage shall be allocated between Host and Guest (including Guest's Secondary Recipients), proportionately, on the basis of their respective winning dollars, calculated by multiplying total breakage by a fraction which uses Host's or Guest's winning dollars as the numerator and the total combined winning dollars as the denominator.

(B) **Minus Pools** Minus Pools shall be allocated between Host and Guest (including Guest's Secondary Recipients), proportionately, on the basis of their respective winning dollars, calculated by multiplying the amount of the Minus Pool liability by a fraction which uses Host's or Guest's winning dollars as the numerator and the total combined winning dollars as the denominator.

27. Paragraph 17(L) is hereby amended by adding the following sentence to the end of the paragraph: "Notwithstanding the foregoing, Guest shall be responsible for compliance by any Secondary Recipient with all terms, conditions, obligations and covenants applicable to a Guest and/or Secondary Recipient hereunder." so that the paragraph reads as follows:

(L) **Third Parties** Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the Parties, the Host and Guest Racing Commissions, and their respective successors and permitted transferees and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action over or against any party to this Agreement. However, whenever this Agreement contemplates action by a third party, such action shall not be an obligation of a Party to this Agreement unless expressly stated herein, but only a condition of the

obligations of the Parties hereto. Notwithstanding the foregoing, Guest shall be responsible for compliance by any Secondary Recipient with all terms, conditions, obligations and covenants applicable to a Guest and/or Secondary Recipient hereunder.

28. Paragraph 19(M) is amended by replacing "of the" with the words "with respect to this" so that the paragraph reads as follows:

(M) Time The Parties expressly agree that time is of the essence with respect to this Agreement.

29. Paragraph 17(N) is amended to adding to the end of the paragraph "Notwithstanding the foregoing, without the consent of Guest, Host may assign this Agreement to any related entity, any associate or affiliate by operation of law or as part of an assignment of all or substantially all of any business or all or substantially all of the assets of Host." so that the paragraph reads as follows:

(N) Assignment This Agreement and the rights of the Parties hereto may not be conveyed, assigned or transferred to any other person without the written consent of the Parties. Notwithstanding the foregoing, without the consent of Guest, Host may assign this Agreement to any related entity, any associate or affiliate by operation of law or as part of an assignment of all or substantially all of any business or all or substantially all of the assets of Host.

Host: Hollywood Park

Name: Kay Webb
Title: Director of Simulcasting

Date

Guest: «Contract_Holder»

By:
Name:
Title:

Date

Agreement Between Hollywood Park
and
«Contract Holder»

SCHEDULES to RACING INDUSTRY UNIFORM
SIMULCAST WAGERING AGREEMENT, Version 002

Entered into as of the _____ day of _____, 2008

Schedule A: General Information About Guest Track

(a) Guest Track name and official mailing address.

(a1) Guest's Principle Premises, where the Signal will be available and wagering will take place.

Include wagering hub address, TRA Settlement code(s), hub manager, phone and fax numbers.

(b) Guest Business Entity (corporation, partnership, etc.) [If Guest is a legal entity other than a corporation incorporated in the state where Guest facility is located, give particulars here.]

(c) Contact names, titles and numbers.

(d) Other pertinent general information (for instance, Tote Company; other relevant suppliers.) Also, see Schedule D.

Who is your hub? _____
Who settles Money Room? _____
Who settles Simulcast fees? _____

Which data transmission system will you utilize for Host's Meet?

NASRIN _____
RCN _____
Dial Up _____

Insert other information below:

(e) Notices.

From Section 17(O): "Any notice hereunder shall be deemed sufficiently given by one Party to another if in writing and delivered at the addresses set forth on Exhibit 1 and Schedule A to this Agreement, or at such other address as any Party may furnish. Notice shall be deemed delivered:

- (i) upon actual delivery, if delivery is made in person or by courier,
or

- (ii) on the third day after deposit in the United States Mail if in a sealed envelope, registered or certified, with postage prepaid, addressed to the person to whom such notice is being given."

To Guest:

Schedule A(2) Secondary Recipients of Guest for Host's Simulcasts

In accordance with Section 2 of the Agreement, Guest may not rebroadcast the Signals to, or allow participation in wagering pools of Host's Races from, any Secondary Participant that is not specifically set forth in this Schedule A(2).

A(2a) If no Secondary Participants in any of the four (4) categories below, please state "none" here.
ONLY LISTED LOCATIONS WILL BE AUTHORIZED

A(2b) Satellite Facilities *(in Guest's State, only)*
Please list the exact location of each Satellite Facility. (If none, please state "none".)

Site Name:
 Physical Address:
 Mailing Address:
 City, State, Zip Code:
 Telephone:
 Fax:

If more space is need, please copy and attach additional pages.

A(2c): Other Secondary Recipients *(outside of Guest's State)*
Please list the exact location of each Secondary Recipients. (If none, please state "none")

Appropriate state and horseman approvals must accompany this contract for all Secondary Recipients located outside of Guest's state.

Site Name:
 Physical Address:
 Mailing Address:
 City, State, Zip Code:
 Telephone:
 Fax:

If more space is need, please copy and attach additional pages.

A(3): Permission for distribution by Guest to cable television operators or other redistribution systems.
(Please be specific. If none, please state "none")

The audio/visual signal as well as real-time wagering information resulting from the HOST track's racing product is the sole and exclusive property of HOST track and may not be duplicated, re-broadcast or disseminated without express authorization.

A(4): Permission for Guest to utilize telephone wagering or interactive systems *(Please be specific as to the system and geographic area covered. If none, please state "none")*

A(5): Any further conditions included in and made a part of this contract with regard to any of the above categories of Secondary Participants *(If none, please state "none")*

Schedule B: Host's Races to be Taken by Guest

From Section 1(C): "During the term of this Agreement Guest agrees to use its best efforts to import the Signals of those Races specified in Schedule B, and to accept all of Host's pari-mutuel wagers on all such Races at the applicable takeout rates specified by Host, as set forth in Exhibit 3, and no other wagers or takeout rates, unless otherwise specifically agreed to by the Parties and set forth on Schedule C."

_____ Guest will Simulcast all Races in Exhibit 2.

_____ Guest will Simulcast all Races in Exhibit 2, except for the Races listed below.

_____ Of those Races in Exhibit 2, Guest will Simulcast only those Races listed below.

(Please check one of the choices, and provide detailed additional information as necessary.)

**Schedule C: Pari-Mutuel Pools to be Participated in by Guest;
Commingling or Separate Pools**

A. From Section 1(C): "During the term of this Agreement Guest agrees to use its best efforts to import the Signals of those Races specified in Schedule B, and to accept all of Host's pari-mutuel wagers on all such Races at the applicable takeout rates specified by Host, as set forth in Exhibit 3, and no other wagers or takeout rates, unless otherwise specifically agreed to by the Parties and set forth on Schedule C."

_____ Guest will accept all wagers listed in Exhibit 3 for all Pari-Mutuel Pools set forth on Exhibit B, and commingle Guest's Pari-Mutuel pools with and into Host's Pools.

_____ Guest will accept all such wagers in Exhibit 3, except as follows:

(Please check one of the choices, and provide detailed additional information as necessary.)

B.

_____ Guest will not commingle with and into Host's pari-mutuel pools. Host hereby grants Guest the right to offer for its own use and that of its Secondary Participants, Separate Pari-Mutuel Pools at takeout rates authorized in Guest's state, provided Guest shall pay Host compensation according to the provisions of Exhibit 5, as may be modified by Schedule E, as set forth in Schedule N.

C.

_____ Host hereby grants Guest the right to offer for its own use and that of its Secondary Participants, pari-mutuel wagering pools not offered by Host, at takeout rates authorized in Guest's state, provided Guest shall pay Host compensation according to the provisions of Exhibit 5, as may be modified by Schedule E, and further providing that the additional pari-mutuel wagering pool types and applicable takeout rates shall be as set forth in this Schedule C. *(Please set forth here.)*

Schedule D: Contractor Services
(Not applicable)

Schedule E: Compensation; Method of Payments (Modifications to Exhibit 5)

GUEST shall be responsible for payments of all simulcast fees, reconciliation amounts and provisions of reconciliation statements owing to Hollywood Park by GUEST or its Secondary Recipients.

«Contract_Holder»

GUEST shall be responsible for payments of all decoder fees at a rate of \$300.00 per decoder, per month or any part thereof, as listed on Schedule A of this Agreement, owing to Hollywood Park by GUEST or its Secondary Recipients.

Schedule N: Guest's Changes to RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version 002, and to Exhibits

The Parties acknowledge that this Agreement incorporates the RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version 002, and the Host Track's Exhibits, Form #002-2004C, as if said documents were contained herein in their entirety. Set forth in this Schedule N are changes which the Guest Track has made to those documents, and to which the Host Track has agreed, plus other matters relevant to this Agreement and agreed to by the Parties. (If no changes, state "no changes".)

If additional space is required for changes to Agreement, please attach changes to Agreement. Do not alter contents of the Exhibits.

Host: Hollywood Park

Name: Kay Webb
Title: Director of Simulcasting

Date

Guest: «Contract_Holder»

By:
Name:
Title:

Date

«Contract_Holder»

RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version
002

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RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version
002

NOTE: This document (Sections 1 through 18) contains standard language adopted by the Racing Industry in the United States and is designated as the "RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, VERSION 002". It is incorporated by reference in, and made an integral part of, racing industry simulcast agreements, including this Agreement. **No clauses in this document have been changed. Any changes to this document are contained within the Exhibits or Schedules to this Agreement.**

Included in the Exhibits and Schedules are additional clauses to this Agreement, agreed to by this Host Track and this Guest as constituting an integral part of this Agreement. To the extent there is conflicting language between the RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version 002, and the Exhibits or Schedules, the Exhibits or Schedules will control. To the extent there is conflicting language between the Exhibits and Schedules, the Schedules will control. The Uniform Simulcast Wagering agreement, Version 002, and all Exhibits and Schedules, are deemed a part of this Agreement.

WHEREAS, Host Track plans to conduct live horse racing programs at its live race track (each race, a "Race" and collectively, the "Races"); and

WHEREAS, Guest Facility desires to acquire the non-exclusive right to receive the simultaneous audio-visual and data signals of the Races ["Signals"], and to accept pari-mutuel wagers on the Races; and

WHEREAS, Guest desires to acquire the right to participate in certain pari-mutuel wagering pools offered by Host; and

WHEREAS, Guest desires to acquire the right to commingle Guest's pari-mutuel pools with and into Host's pari-mutuel pools; and

WHEREAS Host desires to permit Guest to participate in such activities (herein collectively referred to as "Simulcasts") subject to the terms and conditions of this Agreement and all applicable laws and regulations;

NOW, THEREFORE, in consideration of the agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

1. Grant of Rights to Wager on Host Races and Receive Host Simulcasts

(A) Host grants to Guest the right to receive and, except as otherwise permitted by Section 2 of this Agreement, to use only via closed circuit video and data systems on the premises set forth in Schedule A(1), live audio-visual and data signals of live programs of Host's Races (the "Signals") which are broadcast during Host's racing meet (the "Racing Meet"). Host further grants to Guest the limited right to accept wagers on the Races, and to commingle said wagers with and into Host's wagering pools.

(B) Such Races, Signals, and Racing Meet (or Meets) are set forth in Exhibit 2. Guest will not import any of Host's Signals other than those specified in Exhibit 2, and will accept pari-mutuel wagers only on those of Host's Races as are specified in Exhibit 2.

(C) During the term of this Agreement Guest agrees to use its best efforts to import the Signals of those Races specified in Schedule B, and to accept all of Host's pari-mutuel wagers on all such Races at the applicable takeout rates specified by Host, as set forth in Exhibit 3, and no other wagers or takeout rates, unless otherwise specifically agreed to by the Parties and set forth in Schedule C. Guest further agrees to use its best efforts to provide its patrons with facilities comparable to those provided during its own live races, including but not limited to closed-circuit video of the Races, the opportunity to wager, programs, and announcement of conditions and changes.

(D) The Races shall be conducted in accordance with the regulations of Host's Racing Commission. Should there be any change in Host's schedule or menu of Races, Signals, Racing Meets, pari-mutuel wagers or takeout rates, Host will immediately notify Guest of any such change.

(E) The foregoing limited and nonexclusive rights granted hereby shall not include a right to tape, copy or otherwise use the Signals for any other purpose. Except as expressly set forth in this Agreement, no retransmission, rebroadcast or other distribution of the Signals by Guest is permitted without the prior written permission of Host.

(F) The foregoing rights shall not prohibit Host from transmitting the Races from Host to any other entity located in the Host or Guest state or elsewhere.

2. Restrictions on Rights Granted; Secondary Recipients

(A) Unless otherwise agreed upon by the Parties, Guest will not retransmit, rebroadcast or otherwise distribute the Signals to, nor permit the acceptance of wagers on, Host's Races to any person, entity or facility, including without limitation the use of such Signals or wagering as part of any cable television, telephone wagering, personal computer or interactive system, or at any location other than the premises specified in Schedule A(1).

(B) In its sole discretion, Host may allow Guest to retransmit, rebroadcast or otherwise distribute the Signals to additional facilities located within the same state as Guest ("Satellite Facilities"), or facilities located in a different state than Guest. In addition in its sole discretion, Host may allow Guest to distribute the Signals to cable television or other rebroadcasting systems, or to accept wagering on the Races through telephone wagering, personal computer or other interactive systems. Such Guest-state and other-state facilities and entities shall be referred to, collectively, as "Secondary Recipients". Any such permission by Host shall be in writing, shall be specific to the facilities or entities specified therein, and shall be deemed to be a part of Schedule A2 to this Agreement. Guest covenants that it shall ensure that all Secondary Recipients adhere to all terms of this Agreement.

(C) Host hereby grants to Guest the right to retransmit, rebroadcast or otherwise distribute the Signals to those Satellite Facilities, and only those Satellite Facilities, set forth in Schedule A(2) to this Agreement, and for wagers on the Races to be accepted at such Satellite Facilities and commingled into Guest's pari-mutuel pools, provided that the Satellite Facilities shall be prohibited from using the Signals in any way other than for use on their premises (as identified in Schedule A(2)), or wagering on the Races at their premises, in accordance with the limited rights granted Guest in Section 1 of this Agreement.

(D) Guest shall not retransmit, rebroadcast or in any other way distribute or disseminate the Signals, or permit wagers on the Races, to any person, entity or facility not located within the same state as Guest, or as part of a cable television, telephone wagering, personal computer or other rebroadcast or interactive system, unless, and only to the extent that Host's written consent has been given and has been set forth in Schedules A(3) or A(4) or as a further Schedule to this Agreement.

(E) Any redistribution of the Signals by Guest shall be encrypted in a manner approved in advance by Host. Host shall be provided with all information and equipment necessary to enable Host to decode such encrypted transmissions at all times, and Guest will be responsible for all reasonable costs associated with enabling Host to decode such transmissions.

(F) Any redistribution of the Signals by Guest shall be simultaneous with the transmission of the Signals by Host. Guest shall not alter or edit in any manner whatsoever the Signals as produced and transmitted by Guest, except that Host grants to Guest the right to delete those portions of the audio-visual signals that contain pre-race or post-race commentary and/or statements made by Host's track announcer without any other deletion or alteration.

(G) Except as specifically permitted pursuant to this Section, Guest and Secondary Recipients shall not record or duplicate the Signals in any manner whatsoever, nor permit others to do so.

(H) Guest shall be responsible for payment of all simulcast fees, decoder fees and reconciliation amounts and provisions of reconciliation statements owing to Host by Guest or its Secondary Recipients. For the purpose of computing the compensation payable to Host under this Agreement, said compensation shall be based upon the total amount wagered without any reduction due to any statutory or contractual obligations between Guest and its Secondary Recipients, or whether a Secondary Recipient has made payment to the Guest for wagers on the Races accepted by the Secondary Recipient. The execution of this Agreement by the Guest shall be equivalent to a guarantee of payment by the Guest of all compensation due to Host for any wagers taken and processed through the Guest Track's totalisator system irrespective of the origin of such wagers. Host's consent to the redistribution of the Signals and wagering on the Races by Guest's Secondary Recipients is conditioned upon compliance with this Subsection 2(H) of the Agreement.

3. Reservation of Rights

Host reserves, for itself, its agents, assigns and licensees, any and all rights relating to the Signals (except as may be granted to Guest pursuant to Sections 1 and 2 of this Agreement), including but not limited to the sole and exclusive right to produce, exhibit, sell, license, transfer or transmit in any manner, still or motion pictures, radio and television broadcast, or any other similar media transmissions now known or hereafter developed of all events, including the Races, which occur on the premises of Host (including, without limitation, all activities occurring before, during and after the Races.) No rights in the trademarks, tradenames, service marks, service names, copyrighted material or other proprietary information of Host is granted to Guest or to Guest's Secondary Recipients, except as expressly set forth herein.

4. Transmission of Audio/Visual Signals; Content of Broadcasts

(A) The audio-visual signals of the Races (including without limitation pre-race and post-race events) will be transmitted from Host to Guest by means of appropriate electronic equipment, including an uplink earth station device and encoding and decoding equipment for signal security purposes, selected by Host. Host will be responsible for providing at its cost the uplink device and transponder for transmitting the signals of the Races, and all technical services associated therewith. Guest shall be responsible for providing at its cost a compatible downlink device and decoder for receiving the signals of the Races, and all technical services associated therewith.

(B) Host has retained a contractor to provide encoding services in connection with the Signals. Information with regard to Host's contractor and the procedures for obtaining decoders may be found in Exhibit 4 to this Agreement.

(C) The Simulcasts of the Races shall be transmitted to Guest Track in the same manner as such Races are displayed on Host's closed-circuit television system.

(D) The Parties understand that the Races are to be televised via satellite transmission in accordance with contracts between Host and satellite transmission carriers who may have the right to preempt or cancel the transmission of the Races. In the event of such preemption or cancellation, or if such transmission does not take place for any other reason, Host shall not incur any liability to Guest or others.

(E) To the extent that any races simulcast to Host from other racetracks shall be a part of the Signals in accordance with Section 7, they shall be transmitted to the Guest Track in the same manner as such races are displayed on Host's closed-circuit television system.

(F) Host shall make available to Guest by the fastest means reasonably available at the time information becomes available to Host, the following:

(i) Scheduled post times for the Races, Race conditions, and racetrack conditions;

(ii) The name of each entry in the Races, including the owner, trainer, sex, color, breeding, weight, jockey or driver assignments, post position, saddle cloth or

head number, and whether the entries have been coupled in any way for wagering purposes;

- (iii) The name of each entry scratched from the Races;
- (iv) The "morning line" as established by Host;
- (v) Any jockey/driver, equipment, post time or other changes;
- (vi) The results of the Races with Host's payout prices;
- (vii) Any changes in the post time of the Races;
- (viii) A copy of any photo finish; and
- (ix) Such other information that Host believes may be necessary to Guest for the promotion and conduct of the Simulcasts as provided herein.

If Guest is desirous of receiving past performance information, Host will transmit or arrange for the transmission of such information, provided that Guest agrees to comply with conditions and fees, if any, required by the originators of past performance data.

Host shall use its best efforts to insure that all information delivered to Guest is accurate and given in a timely manner; provided, however, that Guest agrees that Host shall not be liable for any inaccuracy or incompleteness of the information furnished to Guest, or the failure of a third party to properly deliver the information furnished to Guest, except in the event of fraud or intentional inaccuracy by Host.

5. Term of the Agreement

Unless terminated sooner as provided in this Agreement, this Agreement shall remain in effect until the end of the last Racing Meet set forth in Exhibit 2 (or as may be amended by Schedule B) and may be renewed thereafter by mutual consent of the Parties.

6. Transmission of Data Signals and Racing Information; Commingled Wagering Pools and Tote Interface

(A) Wagering data and other information relating to the Races will be transferred between Guest and Host by means of telephone lines unless an alternate appropriate means (such as KU Band send/receive earth stations) is set forth in the Exhibits or Schedules to this Agreement (the "Wagering System" or "System".) Guest shall be solely responsible for all telephone line installation and costs resulting from the transfer of data from Guest to Host.

(If KU Band send/receive earth stations are employed, Host and Guest shall each be responsible for the cost, delivery and installation of their respective earth stations.)

(B) Guest shall be responsible, at its sole cost and expense, to arrange for the transmission and interface of wagering data from Guest to Host, in a format consistent with Host's requirements, so as to produce common pari-mutuel wagering pools for the calculation of odds and the determination of payouts from such pools, which payouts shall be the same for all winning wagers irrespective of whether such wager is placed at the Host track or at the Guest facility. Guest shall be solely responsible for any and all totalisator interface fees resulting from wagers placed under the terms of this Agreement. Any additional charges that are charged to Host or Guest (including Guest's Secondary Recipients) by their respective totalisator companies for the processing of wagering information shall be the sole responsibility of the respective Parties.

(C) All odds and payouts on commingled wagers for the Races shall be computed in accordance with the data available for computation at the Host Track at the start of each Race or at the time each wagering pool closes, whichever is applicable. All payout computations shall be final regardless of mistakes in transmissions or failures to transmit or receive all wagers. Guest understands and agrees that it shall be solely responsible for all claims asserted in this regard for wagers placed with Guest or with Guest's Secondary Recipients.

(D) Guest shall offer wagering on the Races on the same number of betting interests in the Races as offered at Host Track, and shall offer and accept the same types of pari-mutuel wagers on the Races as are offered and accepted at Host Track. Guest shall offer and accept commingled wagers on the Races subject to the identical retention and breakage rates as pertain to the wagers at Host Track and subject to the rules of racing in effect for pari-mutuel pools in the Host's state. Guest represents and warrants that applicable state and local laws in Guest's state authorize such identical retention and breakage rates.

7. Simulcast Races Rebroadcast by Host to Guest Facility

(A) Guest understands that Host Track may receive simulcast races from one or more other racetracks as part of Host's live race program at the Host Track. Subject to the approval of the racetrack(s) hosting such simulcast races, Host may rebroadcast such simulcast races as part of its Signals, subject to any required terms of rebroadcast as set forth in Exhibit 3(D).

(B) Guest Track may, at its option and subject to the approval of the host racetrack, choose whether to conduct wagering on such simulcast races and commingle such wagers into Host's pari-mutuel pools, and shall communicate such choice in writing to Host. Host will use its best efforts to make available to Guest all relevant racing information, and to insure that such information is accurate and given in a timely manner; provided, however, that Guest agrees that Host shall not be liable for any inaccuracy or incompleteness of the information.

(C) Guest understands that the fee percentage rate on such simulcast races may differ from the fee for Host's Races. If Guest chooses to conduct wagering on such simulcast races by means of commingling into Host's pools, Guest agrees to pay the simulcast fees contained in the simulcasting agreement between Host and the host track of such simulcasts, on all wagers placed on such simulcast races by the patrons of Guest or its Secondary Recipients. Guest further agrees to adhere to the terms of the

simulcasting agreement between Host and such host track. Guest shall be responsible for paying all such fees and expenses associated therewith directly to Host, in a time frame such that Host will have received all funds from Guest in the allotted time for payment for such simulcast races, and Host shall remit such amounts to the host track as part of Host's settlement process with that host track.

8. Compensation and Method of Payment

(A) **Commissions** As Compensation for granting to Guest the right to receive the Signals and accept wagers on the Races as set forth herein, Guest shall pay to Host (in the manner set forth hereinafter) amounts as set forth in Exhibit 5 to this Agreement.

(B) **Payment** Guest shall send to Host, within four (4) days after the running of the last Race for a given week (for purposes of this section the "Race week" being defined as ending on a Sunday) (i) a statement of the total handle of each of the Races at the Guest Facility or at any other facility at which the Signals are received by Secondary Recipients, as well as an accounting of the handle for each type of wager (in the form of the computer generated Liability Report printout) signed by an officer of Guest; and (ii) payment in full to Host, for the Races in accordance with the amounts specified in Exhibit 5. All payments shall be in United States funds, by method of payment set forth in Exhibit 5. Host reserves the right to withhold transmission of the Signals in the event of late or non payment of amounts owing under this Agreement.

(C) **Verification** On or before the tenth (10th) day after the last day of each Racing Meet, Guest shall submit verification of the accounting of the handle certified by an officer of Guest. Guest shall maintain for a minimum of 24 months, at its offices, complete and accurate books and records relating to its conduct of pari-mutuel wagering on the Races, which records shall be made available to Host or its representatives upon request.

(D) **Limitation on Liability** Host's obligations under this Agreement are and shall be deemed to be satisfied in full by providing the Signals to Guest for reception at Guest's track in accordance with the terms hereof.

(E) **Expenses** Unless otherwise specifically set forth in this Agreement, each Party shall be solely responsible for all expenses incurred by it in the performance of this Agreement or the operations of its facility.

(F) **Money Room Adjustments** The Parties shall reconcile their return to bettors' accounts on a daily basis using information provided by Host's totalisator contractor. All money room adjustments (as reflected in the liability and/or prices or equivalent report generated by Host's totalisator company) owed to Host by Guest (and/or any Secondary Recipient) shall be due and payable by Guest within the earlier of (i) three (3) business days of written demand therefore by Host, or (ii) three (3) business days after the fifteenth (15th) day of each month and after the last day of each month.

(G) **Responsibility Concerning Secondary Recipients** In addition to any other remedies available to it under this Agreement or in equity or law, and notwithstanding any provision to the contrary in any of the Secondary Recipient

agreements, Guest shall be jointly and severally liable for any Commissions or Money Room adjustments owed to Host by any Secondary Recipient.

Compliance with Government Laws and Regulations, including Interstate Horseracing Act

(A) This Agreement is subject to the requirements of the Racing Commissions of the Host and Guest states. Any provision mandated by either Commission and required to be set forth herein, is specifically incorporated herein by reference.

(B) Guest agrees that the Races that are Simulcast shall meet the requirements and comply with the rules and regulations of Guest's Racing Commission. Guest agrees that it will satisfy all necessary requirements of the Interstate Horseracing Act of 1978 in the course of implementing this Agreement.

(C) The Parties hereto, including any Secondary Recipients, shall comply with the provisions of all applicable Federal, State and local laws and regulations in connection with their performance hereunder.

10. Wagering System or Communications Problems

(A) In the event of a Wagering System or communication failure after wagers have been accepted by Guest, Host shall accept - either through the System or through a "Manual Merge" - wagering information regarding the amount of wagers accepted by Guest on any given race, for at least 5 minutes past the actual start of the Race (or, in the case of multiple-race exotic wagers, for at least 5 minutes after the last Race of the group of Races is declared official.) Guest shall immediately transmit by fax the following information:

- (i) the wagering information regarding the amount wagered on the Win, Place and Show horse;
- (ii) the wagering information from such Race regarding the amount wagered in exotic pools on such horses (plus any other horses that figure in the payouts of an exotic pool for such Race);
- (iii) the collective amount wagered in such Race, in each pool, on all other horses; and
- (iv) the amount wagered in such Race, in the Win pool, on each other horse.

It is the intent of the Parties that the wagering information on all winning wagers be transmitted immediately so as to not unduly delay the commencement of the next Race, with the remaining information to be transmitted later that same day.

(B) In the event a System or communication failure cannot be rectified within the aforementioned time frame, or if for any reason Host or its Racing Commission determines that the merging of pool data from the Guest site to Host's pools may endanger Host's pools or cause an unreasonable delay in scheduled post times, Host may elect to abort Manual Merge procedures resulting in, among other things, the option by Host to remove Guest's partial wagering information from Host's pools, with no

obligation or liability on the part of Host or its Racing Commission. Host shall not be liable for any measures taken that may result in, or may be a result of, Guest's wagers not being accepted in the commingled pool, and in such event such wagers shall become the sole responsibility of Guest. If Guest notifies Host in a timely manner that the System or communication failures have been rectified, Host shall not unreasonably refuse to accept wagering information from Guest through the System.

(C) Host reserves the right to refuse to accept further wagering information if there have been intermittent System or communication failures. In such event, Host shall immediately inform Guest of its decision not to accept further wagering information through a Manual Merge so that Guest may taken appropriate action with regard to wagering at its facility.

(D) If for any reason Guest's (or any Secondary Recipient's) wagers cannot be commingled with Host's wagers for the pools related to any Race, Guest shall at its sole discretion (and in accordance with the laws and rules of its state) either cancel such wagers and make appropriate refunds, or otherwise determine how the payoffs for such pools shall be made, and shall immediately notify Host of the manner in which it is proceeding. If for any reason beyond the control of Guest, commingling is not available between Host and Guest (or any Secondary Recipient) Guest may choose not to import the Races from Host, and shall immediately notify Host of this decision; provided, however, that all other terms of this Agreement shall be in full force and effect.

(E) Guest agrees to adopt a policy to accommodate wagers excluded from Host's pools in the event of a System or communication failure. This policy shall be reduced to writing, a copy of which shall be provided Host, and posted in numerous conspicuous places throughout the Guest's facility.

11. Representations and Warranties

In addition to the representations and warranties contained elsewhere in this Agreement, Host and Guest each represent that:

(A) It is a corporation (or other entity as set forth otherwise on Exhibit 1 or Schedule A to this Agreement), duly organized, validly existing and in good standing under the laws of the State in which its facility is located;

(B) It has all requisite power and authority to transact the business it transacts and to enter into this Agreement and perform its obligations herein;

(C) The execution, delivery and performance of this Agreement has been duly authorized by all requisite corporate or other action and this Agreement is valid and legally binding on it;

(D) Its operation is duly licensed to conduct pari-mutuel wagering;

(E) It is in compliance with all applicable federal and state statutes, local laws and ordinances, and has obtained all requisite Federal and State governmental approvals to enter into this Agreement and perform its obligations hereunder;

(F) It has obtained, or will obtain prior to the transmission of the Signals or wagering on the Races at the Guest Facility pursuant to this Agreement, the approval of its Racing Commission and other requisite consents to enter into and perform this Agreement in compliance with the Interstate Horseracing Act of 1978 (15 U.S.C. 3001 et seq.), and has satisfied all necessary requirements thereunder; and

(G) No other consents of any other person, entity or governmental authority are required to permit it to enter or consummate the transactions contemplated hereby.

12. Indemnification; Liability

(A) Guest hereby agrees, for itself and each and every Secondary Recipient, to indemnify, save, defend and hold harmless Host and its officers, directors, agents and employees, and the successors and assigns of the foregoing, from and against the full amount of any and all liabilities, obligations, losses, damages, injuries, penalties, claims, actions, suits, costs, expenses and disbursements, including attorneys' fees, arising from or related to (i) the exercise by Guest and/or any Secondary Recipient of the rights conferred hereby and the use by Guest and/or any Secondary Recipient of the contemplated service; (ii) acts or omissions of Guest and/or any Secondary Recipient and/or their officers, directors, employees, agents or other representatives in connection with the performance of the Agreement; (iii) the reception, transmission or use of the Signals (and the information conveyed thereby) and other information, provided hereunder by Host or its contractors or sub-contractors, by Guest and/or any Secondary Recipient; (iv) the conduct of pari-mutuel wagering on the Races (including payouts thereunder) at any facility operated by Guest and/or any Secondary Recipient; (v) compliance by Guest and Secondary Recipients with all applicable federal, state, local and international laws and regulations, including without limitation the Interstate Horseracing Act of 1978; and/or (vi) Guest's breach of any of its representations and warranties contained in this Agreement. The applicability of this Section includes all cases in which either a customer of Guest or a federal, state or local government or agency shall make a claim, file a suit, or issue a ruling.

(B) Host does not guarantee the accuracy or completeness of the Signals or other information supplied. Host shall not be liable to Guest (or its Secondary Recipients) or its patrons or other individuals or entities whose claims are based upon the running of or wagering on the Races, in the event that for any reason any of the Races are not run, any of the Races are delayed, wagering on the Races fails to occur or is delayed, or transmission of the Races or the Signals fails to occur or is delayed. However, Host agrees to use its best efforts to assure the reliability, accuracy and timeliness of the Simulcasts. The liability of Host hereunder, if any, shall be limited to the amount of the Commissions paid to it pursuant to this Agreement.

13. Force Majeure

Host shall not be liable to Guest, or any third party, for failure to run, or delay in the running of, the Races, or in the event any equipment, service or transmission cannot be provided by Host or its contractors or sub-contractors due to an act of God, fire, epidemic, casualty, act or decision of a governmental authority, injunction, technical difficulties, failure of satellite or other communications or electrical or telephone power transmission lines or facilities, boycott, strike or labor dispute, or any similar or dissimilar

cause beyond the control of Host or its contractors, sub-contractors, representatives and agents. In the event of such occurrence(s) Host may terminate this Agreement or suspend and defer its performance hereunder without incurring any further obligation or liability to Guest or entities or individuals whose claims are predicated upon the running of, or wagering on, the Races.

If any of the above events occur at Guest Track and prevent Guest from Simulcasting the Races, Guest may terminate this Agreement or defer or suspend its performance hereunder without incurring any further obligation or liability to Host.

14. Inspection

(A) Guest shall permit inspection of its simulcast facilities, books and records by a representative of Host or of Host's Racing Commission at any time when wagering is offered by Guest or a Secondary Recipient on the Races; Guest shall provide in its contracts with its Secondary Recipients that the same rights of inspection shall apply to the simulcast facilities, books and records of the Secondary Recipient.

(B) Host shall permit inspection of the totalisator facilities at the Host Track where Guest's wagers are subject to commingling, and related totalisator books and records, by a representative of Guest or of Guest's Racing Commission, at any time when wagering is being conduct by Guest on the Races.

15. Trademarks and other Intellectual Property

(A) Host is willing to grant to Guest (and through Guest, to Secondary Recipients) a non-exclusive royalty-free license for the limited use of the trademarks and service marks of Host as set forth in Exhibit 6, as well as the trademarks and service marks for those of Host's stakes races occurring during and which are subject to this Agreement (all trademarks and service marks hereinafter collectively referred to as "Marks"), in connection with Guest's advertising of the Simulcasts at Guest's facility, in Guest's program, subject to the following terms and conditions.

(B) At any time that Guest uses the Marks, Guest represents and warrants that it shall clearly indicate Host's ownership of the Marks by use of an accompanying trademark designation, as appropriate, and/or any other statement or indication of ownership as set forth in Exhibit 6, or as Host may direct.

(C) Guest understands that this is a limited license and that Guest is not permitted to and represents and warrants that it shall not use or authorize use of the Marks for any other purpose whatsoever without the prior written consent of Host, including but not limited to use in any promotion or use for any other commercial or collateral purpose such as souvenirs, T-shirts, or other items sold or sponsored by Guest.

(D) Guest represents and warrants that it shall not use or authorize use of any other of Host's logos, trademarks, service marks or copyrights without Host's prior written consent. Guest recognizes the value of the goodwill associated with Host's Marks, and marks which Host claims right to, and recognizes that such marks have secondary meaning in the mind of the public. Guest represents and warrants that it does

not have any claim, right, title or interest in any logos, trademarks, service marks or copyrights to which Host claims rights, except as provided herein.

(E) In the event that Guest has used or uses any logos, trademarks, service marks or copyrights in which Host claims rights at any time prior to or during or after the termination of this Agreement, Guest agrees that such use shall inure and accrue to the benefit of Host. Guest shall not be permitted to sublicense or assign its limited license of the Marks.

(F) Guest represents and warrants that it will not take or fail to take any action which could impair Host's or Host's other licensees' right in Host's logos, trademarks, service marks and copyrights, and that it shall indemnify Host for any liability arising from Guest's breach of this Section.

(G) Host specifically reserves any and all intellectual property rights not specifically granted herein.

16. Termination

(A) This Agreement shall be automatically terminated upon the bankruptcy, insolvency or dissolution of either party, or upon the failure to obtain or withdrawal of any approvals required by any applicable laws as to the transactions contemplated hereby.

(B) Either Host or Guest may terminate this Agreement five (5) days after written notice is given to the other Party.

(C) Notwithstanding anything to the contrary contained herein, Host shall have the right to terminate this Agreement (i) five days after written notice to Guest of non-payment of any moneys due to Host hereunder, or (ii) immediately upon written notice to Guest, if Guest or Secondary Recipient materially breaches any other obligation under this Agreement; and Host shall be entitled to avail itself of any right or remedy provided to it under this Agreement or at law or equity.

(D) Any termination of this Agreement shall not affect any outstanding obligations or indemnities of the Parties hereto.

17. Miscellaneous

(A) **Breakage** Breakage shall be allocated between Host and Guest (including Guest's Secondary Recipients), proportionately, on the basis of their respective handles, calculated by multiplying total breakage by a fraction which uses Host's or Guest's handle as the numerator and the total combined handle as the denominator.

(B) **Minus Pools** Minus Pools shall be allocated between Host and Guest (including Guest's Secondary Recipients), proportionately, on the basis of their respective handles, calculated by multiplying the amount of the Minus Pool liability by a fraction which uses Host's or Guest's handle as the numerator and the total combined handle as the denominator.

(C) **Uncashed Pari-Mutuel Tickets** After the close of the Host Racing Meet, Guest shall retain and cash "outs" tickets in accordance with the laws of Guest's state.

(D) **Stop Wagering** Guest (and Secondary Recipients) understands that it must stop accepting wagers on the Races on or before the start of the race. The start of the race shall be determined in accordance with the standard set forth in Exhibit 3.

(E) **Recovery of Expenses** In the event of any litigation between the Parties to enforce any of the provisions of this Agreement or as a result of a breach of any representations and warranties contained in this Agreement, the unsuccessful Party to such litigation agrees to pay the successful Party all costs and expenses, including reasonable attorney's fees and costs, incurred by the successful Party, all of which shall be included in the judgment in such litigation.

(F) **Governing Law** This Agreement shall be deemed to have been entered into in the State in which Host is licensed (as set forth above), and the validity, interpretation and legal effect of this Agreement shall be governed by the laws of that State. The Parties consent and agree to the jurisdiction of the Courts of that State and the Federal Court located in that State.

(G) **Entire Agreement; Amendment** This Agreement, including the Exhibits and Schedules hereto, contains the entire understanding of the Parties hereto relating to the subject matter hereof, supersedes any and all prior or contemporaneous agreements or understandings, either oral or written, and may not be changed or terminated orally. This Agreement may be amended only by a written Agreement signed by the Parties.

(H) **Captions** The captions of the sections and subsections in this Agreement are inserted for convenience only and shall not affect the construction or interpretation thereof.

(I) **Counterparts and Duplicate Originals** This Agreement and all amendments hereto may be executed in several counterparts and each counterpart shall constitute a duplicate original of the same instrument.

(J) **Severability** Any provision hereof prohibited by or unlawful or unenforceable under any applicable law of any jurisdiction shall as to such jurisdiction be ineffective without affecting any other provision of this Agreement or the enforcement thereof in any other jurisdiction.

(K) **Waiver; Remedies** A waiver by one Party of a breach by the other Party shall not be considered a waiver of any or all subsequent breaches by the noncomplying Party. The Parties hereto shall have all remedies for breach of this Agreement available to them provided by law and equity.

(L) **Third Parties** Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the Parties, the Host and Guest Racing Commissions, and their respective successors and permitted transferees and assigns,

nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any Party to this Agreement, nor shall any provision give any third person any right of subrogation or action over or against any Party to this Agreement. However, whenever this Agreement requires or contemplates action by a third party, such action shall not be an obligation of a Party to this Agreement unless expressly stated herein, but only a condition of the obligations of the Parties hereto.

(M) **Time** The Parties expressly agree that time is of the essence of the Agreement.

(N) **Assignment** This Agreement and the rights of the Parties hereto may not be conveyed, assigned or transferred to any other person without the written consent of the Parties.

(O) **Notices** Any notice hereunder shall be deemed sufficiently given by one Party to another if in writing and delivered at the addresses set forth on Exhibit 1 and Schedule A to this Agreement, or at such other address as any Party may furnish. Notice shall be deemed delivered (i) upon actual delivery, if delivery is made in person or by courier, or (ii) on the third day after deposit in the United States Mail if in a sealed envelope, registered or certified, with postage prepaid, addressed to the person to whom such notice is being given.

18. Further Assurances

Each of the parties agrees to execute and deliver any and all further agreements, documents or instruments necessary to effectuate this Agreement and the transactions referred to herein or contemplated hereby or reasonably requested by another Party to perfect or evidence its rights hereunder. Each Party will promptly notify the other of any information delivered to or obtained by such Party which would prevent the consummation of any transactions contemplated by this Agreement, or would indicate a breach of this Agreement by any Party.

STRUCTURE AND UNIFORM FORMAT FOR EXHIBITS AND SCHEDULES
RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, VERSION 002

Exhibit 1 General Information about Host Track

Schedule A General Information about Guest Track

- A Host Track name and official mailing address
- (a) Guest Track name and official mailing address
 - (a1) Guest's Principal Premises, where the Signal will be available and wagering will take place
- B Host Business Entity
- (b) Guest Business Entity
- C Contact names, titles and numbers
- (c) Contact names, titles and numbers
- D Other pertinent general information
- (d) Other pertinent general information
- E Notices
- (e) Notices

Schedule (A2) Secondary Recipients of Guest for Host's Simulcasts

Exhibit 2 Races Included within this Simulcast Agreement

Schedule B Host Races to be Taken by Guest

Exhibit 3 Host Track's Daily Schedule of Races and Wagers

Schedule C Pari-Mutuel Pools to be Participated in by Guest; Commingling or Separate Pools

- A(1) Host Track's standard menu of Races (*by day of week*), Post Times
- A(2) Available pari-mutuel Pools and Takeout rates, minimum wager amounts, maximum number of betting interests per Race, Standard Scratch times.

- B. Similar calendar/menu of Special Events or any Advanced Wagering
- C. Stop Wagering
- D. Rebroadcast Simulcast Races

Exhibit 4 Decoder Services and Other Contractor Services

Schedule D Contractor Services (If any)

- A. Decoder Services
- B. Past Performance and Other Program Information Services
- C. Totalisator Company
- D. Other Contractors

Exhibit 5 Compensation Rates Method of Payment

Schedule E Compensation; Method of Payment (Modifications to Exhibit 5)

Exhibit 6 Trademarks and Service Marks

Exhibit N Host's Changes to RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, VERSION 002

Schedule N Further changes to RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, VERSION 002, and to Exhibits

APPENDICES TO THE RACING INDUSTRY UNIFORM SIMULCAST WAGERING
AGREEMENT, Version 002

[The Form of Exhibits and Schedules provided below is intended as a guide to the Parties to this Agreement. The RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, VERSION 002, is to be incorporated by reference, without modification within that document. Any modifications to that document should instead be made by appropriate language placed within the Exhibits or Schedules.

The Parties are urged to adopt the Uniform Format, especially the order of sections for the Exhibits and Schedules, as provided here, but to rework the language below as they see fit in the interest of clarity and completeness for any individual agreement.

Please note further that for simplicity of review by the Parties to the Agreement, the Exhibits are intended to reflect the Host Track's legal and operational information and requirements as applied to all Guest Tracks. Any material that is different for a specific Guest Track is to be placed within the Schedules.]

Agreement Between [Host Track] and [Guest Track]

EXHIBITS to RACING INDUSTRY UNIFORM
SIMULCAST WAGERING AGREEMENT, Version 002

This Agreement is entered into as of the _____ day of _____, _____.

by and between _____ ("HOST" or "HOST TRACK"), a racing association licensed to conduct racing in the State/Commonwealth of _____,

and _____ ("GUEST", "GUEST TRACK" or "GUEST FACILITY"), an entity eligible by law in the State/Commonwealth of _____, to receive simultaneous broadcasts of races and accept pari-mutuel wagers on such races; hereinafter collectively referred to as the "Parties".

HOST AND GUEST UNDERSTAND AND AGREE THAT THIS AGREEMENT INCORPORATES THE "RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, VERSION 002", DATED MARCH 1, 1999, AS IF SAID DOCUMENT, IN ITS ENTIRETY AND UNCHANGED, WERE SET FORTH HEREIN. (The Uniform Simulcast Wagering Agreement, Version 002, Sections 1 through 18, contains standard language adopted by the Racing Industry in the United States.) Any changes to that document are contained within the Exhibits or Schedules to this Agreement.

Included in these Exhibits and Schedules are additional clauses to this Agreement, agreed to by this Host Track and this Guest as constituting an integral part of this Agreement. To the extent there is conflicting language between the RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version 002, and the Exhibits or Schedules, the Exhibits or Schedules will control. To the extent there is conflicting language between the Exhibits and Schedules, the Schedules will control. The RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version 002 and all Exhibits and Schedules, are deemed a part of this Agreement.

These Exhibits constitute the standard Exhibits, Form #002-XXX, of [name of this Host] supplied by this Host to all Guest Tracks, and are not changed from Guest to Guest. All provisions of this Agreement that are specific to this Guest are contained in the Schedules hereto.

Exhibit 1: General Information about Host Track

- A Host Track name and official mailing address:

- B Host Business Entity (corporation, partnership, etc. [If Host is a legal entity other than a corporation incorporated in the state where Host's facility is located, give particulars here.]

- C Contact names, titles and numbers:

- D Other pertinent general information (for instance, satellite and transponder; Tote Company; other relevant suppliers.) Also, see Exhibit 4.

- E Notices.
 From Section 17(O): "Any notice hereunder shall be deemed sufficiently given by one Party to another if in writing and delivered at the addresses set forth on Exhibit 1 and Schedule A to this Agreement, or at such other address as any Party may furnish. Notice shall be deemed delivered:
 - (i) upon actual delivery, if delivery is made in person or by courier,
 - or
 - (ii) on the third day after deposit in the United States Mail if in a sealed envelope, registered or certified, with postage prepaid, addressed to the person to whom such notice is being given."

To Host:

Exhibit 2: Races Included within this Simulcast Agreement

Host Track's calendar of Racing Meets and Races (including Special Events), for which the Signal and Simulcast is being offered to Guest:

Exhibit 3: Host Track's Daily Schedule of Races and Wagers

- A(1) Host Track's standard menu of Races (*by day of week*), Post Times.
- A(2) Available Pari-Mutuel Pools and Takeout rates, minimum wager amounts, maximum number of betting interests per Race, standard Scratch times.
- B Similar calendar/menu of Special Events or any Advanced Wagering events, including Description and Conditions of Race.

C Stop Wagering

From Section 18D: "Guest (and Secondary Recipients) understands that it must stop accepting wagers on the Races on or before the start of the race. The start of the race shall be determined in accordance with the standard set forth in Exhibit 3."

_____ Wagering must stop when the first horse enters the starting gate.
(Thoroughbred; Quarter Horse)

_____ Wagering must stop when the starting gate reaches the official recall pole. (Standardbred)

_____ Wagering must stop at the opening of the starting gate.

_____ Other standard for Stop Wagering (*Please state below*).

D Rebroadcast Simulcast Races

In accordance with Section 7(A), state here the terms governing the rebroadcast through Host to Guest of races simulcast from another host's track:

Exhibit 4: Decoder Services and Other Contractor Services

A. Decoder Services

From Section 4(B): "Host has retained a contractor to provide encoding services in connection with the Signals. Information with regard to Host's contractor and the procedures for obtaining decoders may be found in Exhibit 4 to this Agreement." *(Please give particulars here.)*

B. Past Performance and Other Program Information Services

From Section 4(F): "If Guest is desirous of receiving past performance information, Host will transmit or arrange for the transmission of such information, provided that Guest agrees to comply with conditions and fees, if any, required by the originators of past performance data." *(Host may wish to provide further information here.)*

C. Totalisator Company

(Host should again name Tote company here, and may wish to provide further information.)

D. Other Contractors

(Host may wish to provide further information here.)

Exhibit N: Host's Changes to RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version 002

The Parties acknowledge that this Agreement incorporates the RACING INDUSTRY UNIFORM SIMULCAST WAGERING AGREEMENT, Version 002, as if said document were contained herein in its entirety. Set forth in this Exhibit N are changes which the Host Track has made to that document, plus other matters relevant to this Agreement. The Parties also agree that the Agreement, is further modified by the Schedules to this Agreement that follow hereafter, including but not limited to Schedule N (*the latter being a parallel clause to this one.*)

(signatures)

Name

Date

Name

Date

Witness

Date

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING
THE STATUS OF THE INFIELD GOLF COURSE AT THE
ALAMEDA COUNTY FAIRGROUNDS
AND
THE CALIFORNIA THOROUGHBRED TRAINERS (CTT) REQUEST
THAT THE BOARD REVOKE THE EXEMPTION ALLOWING THE
INFIELD OF THE RACETRACK TO BE USED FOR GOLF

Regular Board Meeting
February 26, 2008

BACKGROUND

Business and Professions Code section 19481 provides that the Board shall establish safety standards governing the uniformity and content of the track base and racing surface, inner and outer rails, gates and gaps, turf, access and egress to the track, lighting for night racing, equipment for horse and rider, drainage, communications, veterinary services, medical and ambulance services, and other track facilities in order to improve the safety of horses, riders, and workers at the racetrack. Board Rule 1475, Golf Course in the Infield of the Racetrack, states if golfing activities are conducted in the infield of the racetrack operated by a licensed racing association, fair or training facility used for timed and reported workouts, all racing surfaces must be inspected prior to racing or training and the licensed racing association, fair, or training facility used for timed and reported workouts shall ensure that all golf balls are removed from all racing surfaces. No licensed racing association, fair, or training facility used for timed and reported workouts shall permit any golfing activity in the infield of the racetrack during the hours of training or racing unless the golf course meets the following criteria: (a) Access to the course is by way of a tunnel or other means where golfers do not physically cross the track. (b) There is a minimum of 135 feet between the inside track rail and the golf course.

Prior to the adoption of Rule 1475, Board staff surveyed the racetrack at the Alameda County Fair (ACF) on April 7, 1993. The survey found the hours of operation were 8:30 a.m. to dusk. The survey also noted that golfers played while horses were being trained, and seven golf balls were found on the track.

Board Rule 1475 became effective in July 1994. At the November 1994 Regular Board Meeting ACF was granted a permanent exemption from the requirements of Rule 1475(b). The exemption was explicitly for subsection 1475(b), which governs only the requirement for a 135-foot space between the inside track rail and the golf course. The ACF was not exempted from the remaining requirements of Rule 1475. (See attached copy of the minutes of the November 18, 1994, Regular Board Meeting). However, the exemption means that golfing activity may take place on the ACF infield during the hours of training or racing.

Since the implementation of Rule 1475, the ACF racetrack has been inspected annually, before each race meeting. The racetrack has been deemed in compliance with the Board's safety standards, including the exemption for the golf course granted in 1994.

In October 2008 a trainer who was watching one of her horses work on the track, and who was standing next to and outside the outside rail on the west side of the ACF racetrack, just north of the clocker's stand, was hit on the forehead, just above her left eye. The trainer required first aid, and was taken off the track in an ambulance. She later had four stitches and a CAT scan. In November 2008 a trainer reported an incident where a golf ball almost hit his horse.

In November 2008 the California Thoroughbred Trainers (CTT) requested that the Board review the status of the ACF golf course to determine if it meets the Board's track safety standards. The CTT stated the golf course created a danger for riders, horses and spectators due to the hazards presented by errant golf balls. Recent incidents include a golf ball hitting a trainer in the head and another golf ball flying under the legs of a horse. In making its request the CTT stated ACF had to comply with the provisions of Rule 1471(c), which states:

"The provisions of this article shall not require the removal or replacement of, or substantial modification to, any rail or other object installed prior to May 24, 1994, if in the judgment of the Board there is a showing that compliance with the safety standards can be attained by alternate methods, technologies, programs, practices, means, devices or processes proposed and implemented that will provide equal or superior safety for racing participants."

The CTT also stated the Board should use its authority under Rule 1471(d)(4) to revoke the ACF approval. However, the minutes of the 1994 Regular Board Meeting do not indicate that the ACF exemption was granted under Rule 1471. Instead, the Board simply moved to grant an exemption to the provisions of Rule 1475(b).

The CTT and ACF management have been in contact regarding this issue. The CTT suggested several modifications to the golf course to minimize the risk to horsemen. In addition, the Northern California Vanning and Stabling Committee initiated an enquiry into the costs of buying out the golf course lease. (See attachments)

At the January 2009 meeting of the Board, CTT and ACF informed the Board that they had met to discuss the issue and had agreed to monitor the frequency with which golf balls entered the track. The monitoring would continue for two weeks and then the parties would look at the results. There were solutions, such as putting up screening, but first the parties had to figure out where the problems existed. CTT represented that if the parties could not reach a solution within 30 days, they would return to request Board action. The item was deferred to allow continued discussions between the parties.

By way of an update ACF submits that progress continues to be made on the golf ball issue. They submit:

1. A three week on-site monitoring of the golf course & track, noting specifics of any ball that reached the track. IE... Location, estimated trajectory (rolling onto the track vs. flying onto the track,) time of day, etc... has been completed by ACF. They had originally planned this as a two week study, but extended it for a third week in order to gather more data.
2. ACF then walked the track & golf course with the Operator (Jetter Golf) & a golfing specialist/engineer (Dave Tanner.) Mr. Tanner has prepared the attached quote for his services. His firm will develop a computerized trajectory study of the four holes that are of concern. Based on the results of his study, he will provide engineered plans for the appropriate netting & fencing fixes. His designs will then be used to obtain construction & installation quotes. Although ACF has yet to identify a funding source for these efforts, they are moving forward.
3. ACF has concluded its independent audit of their Golf Operator. This Audit also confirmed that the largest percentage of activity at the 9 Hole Executive Course takes place in the morning hours.
4. There have been no reports of golf ball related incidents at the track, other than when Audrey was struck by a ball. The Golf Operator has continued to cooperate in looking for solutions.

RECOMMENDATION

Staff recommends the Board hear from the CTT and ACF concerning the status of discussions regarding this matter.

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STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING
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AND
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THAT THE BOARD REVOKE THE EXEMPTION ALLOWING THE
INFIELD OF THE RACETRACK TO BE USED FOR GOLF

1. Minutes of the Regular Board Meeting of November 18, 1994.
2. Letter dated October 30, 2008, from Ed Halpern of CTT to Rick Pickering of ACF.
3. Letter dated November 13, 2008, from Kirk Breed of CHRB to Rick Pickering of ACF.
4. Letter dated November 17, 2008, from Rick Pickering of ACF to Kirk Breed of CHRB.
5. Letter dated November 26, 2008, from Ed Halpern of CTT to Kirk Breed of CHRB.
6. E-mail dated November 26, 2008, from Ed Halpern of CTT to Rick Pickering of ACF.
7. E-mail dated December 1, 2008, from Rick Pickering of ACF to Ed Halpern of CTT.
8. E-mail dated February 10, 2009, from Rick Pickering of ACF to Kirk Breed of CHRB; Christopher Korby of California Authority of Racing Fairs, Drew Couto of the Thoroughbred Owners of California, Robert Hartman of Golden Gate Fields, Ed Halpern of CTT.

PROCEEDINGS of the Regular Meeting of the California Horse Racing Board held at the Hollywood Park Race Track, Inglewood, California on November 18, 1994.

Present: Ralph M. Scurfield, Chairman
 Donald Valpredo, Vice-Chairman
 Stefan L. Manolakas, Member
 George Nicholaw, Member
 James C. Watson, Member
 Robert H. Tourtelot, Member
 Hyla Berteau, Member
 Roy C. Wood, Jr., Executive Director
 Roy Minami, Assistant Executive Director

Chairman Scurfield said the Board would go into Executive Session before the public portion of the Board meeting. The Board met in Executive Session and a brief recess was taken.

MINUTES.

Chairman Scurfield said there would be no approval of minutes due to the short time span between last month's meeting and this Board meeting.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSERACING MEETING OF THE LOS ANGELES TURF CLUB (T), AT SANTA ANITA PARK, COMMENCING DECEMBER 26, 1994 THROUGH APRIL 24, 1995, INCLUSIVE.

Roy Wood, Executive Director, said the application was in order with the exception of contracts for horsemen's approval, guest commission approval for interstate wagering, certificate of insurance, fire clearances, and a completed contract with Eclipse Photo, Incorporated. Cliff Goodrich, Santa Anita Race Track, said the contracts would be in place prior to the meet starting and the following amendments were made to the application: There should be fifty-seven stakes races; the overnight distribution changes to

(SEE NEXT PAGE)

Proceedings of Regular Board Meeting of November 18, 1994 8
horsemen, the racing associations, and the State and indicated he would like the group to meet before the next Board meeting.

* DISCUSSION AND ACTION ON THE FOLLOWING REQUESTS FOR EXEMPTIONS FROM TRACK SAFETY REGULATIONS: ALAMEDA COUNTY FAIR; FRESNO COUNTY FAIR; HUMBOLDT COUNTY FAIR; AND SAN JOAQUIN COUNTY FAIR.

This item was taken out of agenda order. Commissioner Manolakas motioned to grant the Alameda County Fair permanent exemptions for an ivy-covered barrier along the backstretch instead of an outside rail and for the one hundred and thirty-five foot requirement between the inside rail and the golf course. Commissioner Watson seconded the motion, which was unanimously carried. Commissioner Manolakas motioned to grant the Fresno County Fair (Fresno) a temporary exception for the one hundred and thirty-five foot requirement between the inside rails, pending funding and a review by staff. He said there was a concrete curb currently around the inside rail. Additionally, a permanent exception was granted for separate ingress and egress gates or gaps. Commissioner Manolakas reported that the Fresno general manager would provide a report as to how the Fair would proceed to remedy those issues. Commissioner Nicholaw seconded the motion, which was unanimously carried. For Humboldt County Fair (Humboldt), Commissioner Manolakas motioned to grant a temporary exemption for the installation of inside and outside rails, also pending funding. Humboldt management agreed to replace any dangerous conditions on the rail or any safety measures that CHRB staff would direct them

Proceedings of Regular Board Meeting of November 18, 1994 9

to undertake. Commissioner Watson seconded the motion, which was unanimously carried. Commissioner Manolakas motioned to grant the San Joaquin County Fair a temporary exemption for the inside and outside rail, pending funding. Additionally, a permanent exemption was granted for a light pole that was nine feet eight inches inside the inside rail, instead of the required ten feet. He said the facility had agreed to pad the light post. Commissioner Manolakas said the Medication Committee would like to establish some type of minimum padding for any kind of fixture within the ten foot area. Commissioner Watson and Commissioner Berteau seconded the motion, which was unanimously carried.

DISCUSSION AND ACTION ON THE IMPLEMENTATION OF THE PROVISION OF AB 3287 THAT REQUIRES THE BOARD TO APPORTION ASSETS GENERATED, PURSUANT TO SECTION 19613.2(d), BUSINESS AND PROFESSIONS CODE, FOR THE BENEFIT OF THE HORSEMEN AND THE SUCCESSOR ORGANIZATION.

This item was taken out of agenda order. Ed Friendly, representing the Thoroughbred Owners of California (TOC), said the new trainer's organization, California Horsemen's Benevolent and Protective Association (CHBPA), and the TOC organization, effective January, 1995, had agreed to divide the previous CHBPA's liquid cash assets with two-thirds to the owners organization and one-third to the trainers organization. He said a \$48,000 stock the CHBPA purchased which went into Northern California Off-Track Wagering, Inc. (NOTWINC) was worth nothing and if it could be sold or was sold, the two groups agreed to split the sale of the stock two-thirds, one-third. Mr. Friendly said statutes require the owner's



October 30, 2008

PRESIDENT

JAMES M. CASSIDY
 NO CAL VICE PRESIDENT
 WILLIAM ANTON
 SO CAL VICE PRESIDENT
 EOIN HARTY
 SECRETARY/TREASURER
 HOWARD ZUCKER
 PRESIDENT EMERITUS
 NOBLE THREEWITT

VIA Fax (925) 426-7644

Mr. Rick K. Pickering
 Chief Executive Officer
 Alameda County Fair Association
 4501 Pleasanton Avenue
 Pleasanton, CA 94566

Dear Rick:

BOARD OF DIRECTORS

WILLIAM ANTON
 TIM BELLASIS
 JACK CARAVA
 JAMES M. CASSIDY
 GLORIA HALEY
 EOIN HARTY
 DAN HENDRICKS
 CLIFFORD W. SISE, JR.
 HOWARD ZUCKER

EXECUTIVE STAFF

EDWARD I. HALPERN
 Executive Director
 & General Counsel

CHARLES E. DOUGHERTY, JR.
 Deputy Director

ANGIE CARMONA
 Deputy Director

The California Thoroughbred Trainers takes the position that continuing operation of the golf course during training hours poses an unacceptable risk of injury to racing industry personnel and to our horses. Therefore, I am writing to ask that you take immediate steps to eliminate the hours of operation of the golf facility while horses are on the track at Pleasanton.

As you are aware, a trainer was hit in the head by an errant ball earlier this week. I have also received a report of a horse being narrowly missed just yesterday. The impact of a ball striking a horse or rider could lead to serious or life threatening injuries. Being that the Fair and the golf course operator are fully aware of this situation and the danger posed to bystanders, it appears to me to constitute gross negligence if immediate precautions are not taken to prevent further incidents.

During our conversation of yesterday, you were kind enough to inform me that discussions are taking place on how to deal with this issue. Although I am appreciative of your efforts, I believe the golf course should be closed until an agreement is reached on how best to deal with the danger involved.

Obviously, I would prefer to see this problem solved by agreement among all the parties; but should we fail to accomplish that in short order, I will not hesitate to take legal action in order to prevent further injuries.

Your cooperation in this matter is much appreciated.

Sincerely,

EDWARD I. HALPERN
 Executive Director & General Counsel

EIH:ac

cc: Charles E. Dougherty, Jr.
 Commissioner John Harris
 Brian Pitnick
 Commissioner Richard Shapiro

SO. CALIFORNIA - MAIN OFFICE

Santa Anita Race Track
 285 W. Huntington Drive
 Arcadia, CA 91707
 P.O. Box 860039
 Arcadia, CA 91066-0039
 (925) 447-2145
 (626) 446-0270 FAX
 E-Mail: caltrnrs@pacbell.net

NO. CALIFORNIA - FIELD OFFICE

Golden Gate Fields
 1100 Eastshore Highway
 Emeryville, CA 94710
 P.O. Box 0027
 Berkeley, CA 94708
 (510) 524-3081
 (510) 524-5200 FAX
 E-Mail: nocofl@nol.com

www.caltrainers.org

CALIFORNIA HORSE RACING BOARD
1010 HURLEY WAY, SUITE 300
SACRAMENTO, CA 95825
(916) 263-6000
FAX (916) 263-6042

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November 13, 2008

Mr. Rick Pickering, General Manager
Alameda Fair Grounds
4501 Pleasanton Ave.
Pleasanton, CA 94566

Dear Mr. Pickering:

SUBJECT: RULE 1475 (B) GOLF COURSE IN THE INFIELDF OF THE RACETRACK

The golf operation in the infield of the racetrack at the Alameda County Fairgrounds does not comply with Section 1475 (B) of the California Horse Racing Board Rules and Regulations. If you plan to continue operating a golf course and a training facility simultaneously than you have to address the distance from the track to the golf course (needs to be a minimum of 135 feet between the inside track rail and the golf course). I have attached the Inspection Report to assist you in developing a plan of mitigation.

Please advise me as soon as possible your intentions in addressing this matter. If your mitigation is that the golf operation was grandfathered into some sort of agreement with the CHRB's approval than please provide some evidence of such because I have not been able to find any record of any such an arrangement.

Sincerely,

Kirk E. Breed
Executive Director

cc: Commissioner John Harris
Ed Halpern
Charles Dougherty
Drew Couto
Jackie Wagner

ALAMEDA
COUNTY
FAIRGROUNDS
P L E A S A N T O N

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

November 17, 2008

RE: Rule 1475 – Golf Course in the Infield of the Racetrack

Dear Mr. Breed:

Thank you for your letter dated November 4, 2008, and for our subsequent phone conversation. The Fair Association understands the weightiness of this matter and continues to work toward prudent solutions, which may include "buying-out" the remainder 26 years of the private leasehold interest in our golf course.

I. Background

Original Golf Course Lease - The golf course at the Alameda County Fairgrounds began operations in April of 1974, via a multi-year lease agreement. The original agreement was for 10 years with two 10-year renewal options. At that time, in order to accommodate thoroughbred training, the lease precluded golfing until after training was concluded each morning. In 1984, based upon proven safety, the 10-year renewal agreement allowed golfing to begin at 8:00 AM. In 1994 the lease was renewed for it's final 10-year period, again allowing golf to begin at 8:00 AM each day. In 1988 a stand-alone Driving Range was constructed near the Satellite Wagering Facility via a separate lease agreement.

Current Golf Course Lease - In 1994, following a competitive bidding process, a new company, Jetter Golf, Inc, was selected as the new operator. The new 30-year agreement combined the Golf Course and the Driving Range into a single lease. Given the uncertainties of the racing industry, this new lease agreement provided that the Fair Association would give Jetter Golf a one-year notice if the Golf Course or Driving Range were needed for a differing land use. The lease document also established a predetermined formula for buying out the golf operator if such notice was given. Consistent with the old lease, the new lease allowed golfing to begin at 8:00 AM each day.

Based on the Legislature's passage of AB 765-Evans in 2007, (which would have allowed a 1% increase in Take Out for Fairs) and a commitment from the racing industry to see these funds enhance Pleasanton's training and racing operations,



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Page Two

the Fair Association provided Jetter Golf with the one-year notice in July of 2007, with an effective date of July 2008. When it became clear that the 1% increase in Fair Take Out might not be forthcoming, the Fair Association extended its one-year notice to March of 2009, and worked diligently with the racing industry toward SB-1635, a possible increase in Take Out on Exotic Wagers. When SB-1635 stalled out, the Fair Association had no clear means to fund the much-needed improvements and therefore it rescinded its one-year notice to Jetter Golf. The above referenced one-year notice; its extension and the subsequent rescinding, engendered legal fees and much negotiation on the part of the Fair Association and Jetter Golf.

II. Golf Ball Incident

The October 26, 2008 golf ball injury is regrettable. Given how poorly the shot was hit, it could have struck a person standing on a public street adjacent to many municipal golf courses around California. The person who miss-hit the golf ball is in fact considered a good golfer, and he plays this course weekly as part of a Men's Golf Club. He came forward at the time of the incident to identify himself and offer assistance. In checking our files, we can find only one other report of someone being hit by a ball in the 34-year history of the golf course. This other incident was roughly 12 years ago when a golfer was struck while actually playing the course.

According to our "old time trainers" there was an incident some 14 years ago when a horse was struck in the shin while leaving the track. The horse rested for a week and then returned to training.

III. Prudent Practices

The Fair Association removes balls from the track throughout the day, every day. The tractor drivers and water truck drivers stop to remove balls. The out-riders ride the track searching for balls each morning before training begins. Exercise riders also point out a ball from time to time to the out-riders. Screening and netting have been added to the course through the years where appropriate.

Signage is posted that advises golfers that horses are training from 8:00-10:30AM daily. Signage throughout the course also warns golfers not to attempt to retrieve any balls from the track until after morning training is completed.

Trainers and their workout personnel are also aware that golfing takes place during morning workouts. They are requested to advise the out riders if they see any golf balls or inappropriate behavior by golfers. Many training personnel golf on the course once they are finished with their training activities.

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Page Three

By way of scope, the golf course averages more than 40,000 rounds each year. At 30 plus hits per round, this generates more than 1,200,000 balls per year. With everyone working together, millions of golf balls have not interfered with training operations. While an unfortunate incident has occurred, the odds are better at winning the lottery, or being struck by lightning, than being injured by a golf ball at our track.

IV. Rule 1475 and Justifiable Reliance

Rule 1475 became effective on May 24, 1994, some 20 years after the golf course began operations. Although the 1974 lease precluded golfing until after 10:00AM, the 1984 and 1994 lease renewals allowed golfing to begin at 8:00AM.

Thousands of horses have trained at the Pleasanton track concurrent with morning golfing. Owners, trainers and their respective Associations have been well aware of this for decades. Over the years CHRB Staff, Investigators and Racing Officials have been well aware of this practice, and have in fact golfed at this course.

Consequently, the Fair Association has justifiably relied upon a clear understanding by the California racing industry, respective Associations and the CHRB itself, that we golf from 8:00-10:30AM during training. The acceptance and acquiescence by the industry occurred both before and after Rule 1475 went into effect. Consequently, it respectfully argued that the golf course in the infield of the track has been previously exempted to Rule 1475, either formally or informally.

Should the industry now seek to apply Rule 1475 in this instance, it is respectfully submitted that further clarification of the rule be considered. Specifically, how is the 135 feet between the inside rail and the golf course determined? Is it measured to the edge of the nearest grass, to the edges of the Tee Boxes, to the edges of the Greens, etc...

V. Vanning and Stabling Funds

There appears to be confusion regarding the Vanning and Stabling funds that are now being allocated to Pleasanton. These funds are 30-45% less per day than what Bay Meadows and Golden Gate Fields received. These funds are allocated by a Committee consisting of three votes: GGF's, TOC and CARF. During negotiations regarding these funds, the CTT noted a potential conflict of training and golfing. However, Committee members stated that their primary goal was to prepare for a quick transition out of Bay Meadows, and that the golfing matter would be addressed in the future. Committee members also suggested that when more race dates are assigned to Pleasanton it might be possible to cover the cost to reduce the hours of golfing.

Rule 1475 Letter
Page Four

To date, all involved have worked admirably and cooperatively to transition out of Bay Meadows and in to Pleasanton. All parties have made adjustments and trainers are telling us that their thoroughbreds are more sound training in Pleasanton that they were when they trained at Bay Meadows.

VI. Constructive Alternatives

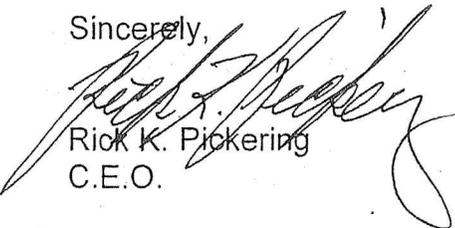
Since the October 26 incident, owners, trainers, jockeys, formal Associations, CHRB Staff, and the Golf Operator have put forth a variety of constructive solutions. Jetter Golf is amenable to installing fencing and screening as deemed appropriate by the racing industry, and paid for by the industry. However, they cannot guarantee that a golf ball will not enter the track.

Jetter Golf has argued that to take away their best two and half hours of each day would be comparable to asking a movie theatre to close down from 7:00-9:30PM each day. They believe that it would be detrimental to the momentum of their business. Although Jetter Golf is preparing a financial work up of the projected cost to close for these morning hours, it has been suggested that buying them out of the golf course lease would be a better approach than paying them daily for the next 26 years. They hope to have cost data available to us in the next two weeks.

In closing, we remain committed to working toward the success of training and racing in Northern California. We trust that everyone's Herculean efforts to facilitate a fast transition from Bay Meadows do not go unnoticed. Regarding golfing from 8:00-10:30AM, Jetter Golf has stated a willingness to work with the industry, provided they are not financially harmed. Thus at issue is whether to install more screens and nets, to buy out golfing for two hours each morning, or to but out the golf lease.

We appreciate the ongoing cooperation and understanding of the CHRB, and all involved parties, in sorting through possible solutions, prudent timing and the necessary finances.

Sincerely,



Rick K. Pickering
C.E.O.

Cc: Drew Couto, TOC
Ed Halpern, CTT
Chris Korby, CARF
Robert Hartman, GGF's



November 26, 2008

2008 DEC -1 AM 8:24

PRESIDENT

JAMES M. CASSIDY
 NO CAL VICE PRESIDENT
 WILLIAM ANTON
 SO CAL VICE PRESIDENT
 EOIN HARTY
 SECRETARY/TREASURER
 HOWARD ZUCKER
 PRESIDENT EMERITUS
 NOBLE THREEWITT

Via Fax & Mail

Mr. Kirk Breed
 Executive Director
 California Horse Racing Board
 1010 Hurley Way, Suite 300
 Sacramento, CA 95825

BOARD OF DIRECTORS

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EXECUTIVE STAFF

EDWARD I. HALPERN
 Executive Director
 & General Counsel
 CHARLES E. DOUGHERTY, JR.
 Deputy Director
 ANGIE CARMONA
 Deputy Director

Dear Kirk:

As you are aware, the golf course in the infield at the Alameda County Fairgrounds creates a danger for riders, horses, and spectators. Errant golf balls cross the track, land on the track, and roll onto the track. In two recent incidences, a trainer was hit on the head by a golf ball and another ball flew under a horse's legs. We are fortunate to date that no serious injuries have occurred. On the other hand, the risk remains and the consequences could be grave.

I have been in touch with Rick Pickering and suggested minor modifications, which could decrease the risk of serious injuries. To date, there has been no response other than a general statement to the effect that they are working on the problem.

In 1994, the California Horse Racing Board approved an exemption thereby allowing the infield at Pleasanton to be used as a golf course. In order to obtain said exemption, the Alameda County Fairgrounds had to comply with Section 1471(c) of the Horse Racing Rules and Regulations to wit:

"The provisions of this article shall not require the removal or replacement of, or substantial modification to, any rail or other object installed prior to May 24, 1994, if in the judgment of the Board there is a showing that compliance with the safety standards can be attained by alternate methods, technologies, programs, practices, means, devices or processes proposed and implemented that will provide equal or superior safety for racing participants."

The golf course, as currently configured, does not meet these standards. The Board should use its authority under Section 1471(d)(4), "The Board may revoke an approval at any time if, in their judgment there is failure to comply with the terms of the approval" to consider revoking that exemption."

Therefore, I am hereby requesting the CHRFB put this matter on the agenda of the next Board meeting.

Sincerely,


 EDWARD I. HALPERN
 Executive Director & General Counsel

EIH:ac

cc: Richard Shapiro
 CTT Board
 Brian Pitnick

SO. CALIFORNIA - MAIN OFFICE
 Santa Anita Race Track
 285 W. Huntington Drive
 Arcadia, CA 91007
 P.O. Box 660039
 Arcadia, CA 91066-0039
 (626) 447-2146
 (626) 446-0270 FAX
 E-Mail: callmrs@pacbell.net

NO. CALIFORNIA - FIELD OFFICE
 Golden Gate Fields
 1100 Eastshore Highway
 Berkeley, CA 94710
 P.O. Box 6027
 Berkeley, CA 94706
 (510) 524-3081
 (510) 524-6200 FAX
 E-Mail: nocctf@aol.com

www.caltrainers.org

From: Ehalp@aol.com [<mailto:Ehalp@aol.com>]
Sent: Wednesday, November 26, 2008 10:22 AM
To: Rick Pickering; cdogjr@yahoo.com; kirkbreed@mac.com;
JohnHarris@harrisfarms.com; richard@wincorealestate.com; pitnick@pacbell.net
Subject: Re: Golfing Item

Rick,

On November 21, I wrote to you regarding a program of modest changes that we believe could alleviate the dangers posed by errant golf balls. (see below) To date I have had no response from you. Because this is Thanksgiving week, I understand that there can be some additional delay and therefore I will wait until December 2 for your reply. If I do not hear from you by that date I will have no choice but to file a complaint with the stewards. In addition thereto I will not hesitate to take such legal action as is necessary.

Your immediate attention is requested.

Ed Halpern

11-21-08

Rick,

Charlie, Brian Pitnick, Jim Burns and I walked the golf course on Wednesday and came up with the following ideas for minimizing the risk to horses, riders and other participants. We believe that at a very minimum these changes should be made immediately. Of course the safest manner of dealing with this issue would be to close the course during training. By making suggestions we are in no way waiving any persons rights against the fair or the golf course. Neither are we saying that we accept responsibility for accidents that occur if the changes are made.

Move the tee box on hole 9 approximately. 15/20 yards to the left.

Move the tee box on 5 to the left and forward approximately 10/15 yards.

Extend the net on hole 4 an additional pole. Consider moving the tee box back to full utilize the length of the nets.

In addition, we would recommend that more signage be placed on the course to alert people that they should not go on the track during training hours. We only saw 3 signs up, on 1 and 9 tee box and along the track rail on 5.

We would like to have parking restricted so that nobody parks along the rail during training hours.

No use of lawnmower/maintenance tractors be allowed on holes that are on the perimeter of the course during training hours. They should only be moving in the center holes during training.

Open the course for play at 9am. Only 1 hour of course time would be lost.

In closing I would like to express my dissatisfaction with the actions taken to date by the management at Pleasanton. Because many of the solutions seem so simple it is clear that management had not previously walked the course to look for alternative solutions. Your response to my earlier letter was that you were making a good faith attempt to solve the problem. I trust that your good faith will now include making the effort to look into every possible solution and that you will act to mitigate the danger without further delay.

Your prompt action will be appreciated.

Ed Halpern
Executive Director
California Thoroughbred Trainers

From: Rick Pickering <Rick@AlamedaCountyFair.com>
Date: December 1, 2008 3:58:55 PM PST
To: Ehalp@aol.com, cdogjr@yahoo.com
Cc: kirkbreed@mac.com, JohnHarris@harrisfarms.com, richard@wincorealestate.com, Christopher Korby <korby@calairs.net>, "Hartman, Robert" <Robert.Hartman@goldengatefields.com>, "Drew J. Couto" <drew@deposet.com>, dshaire@aol.com, Randy Magee <rmagee@alamedacountyfair.com>
Subject: More on Golfing Item

Ed:

Thank you for your continued input on this important item. While last week was the Thanksgiving holiday, & I was in L.A., my apologies for not responding to you sooner. Your visit to the track & golf course on Wednesday, November 19 was appreciated, along with your emailed ideas of Friday, November 21. Your emailed ideas were immediately shared with Jetter Golf for their review & response. Your ideas were also immediately forwarded to the Nor Cal Vanning & Stabling Committee members for their review & input. Given the Thanksgiving holiday week, responses have been delayed. Again, my apologies for not advising you that these next steps had been taken immediately upon receiving your emailed ideas.

OVERVIEW: In order to help keep accurate communications on this item, I wish to respectfully share with CTT the following facts. We met with Jetter Golf when the incident occurred. They requested feedback from the Fair Association & horsemen regarding any ideas that might help mitigate future instances. We requested said input from industry representatives, including Pleasanton based horsemen & the CTT. Your visit to the Fairgrounds on November 19 was partially in response to our request for more input.

As requested by the Vanning & Stabling Committee members we asked Jetter Golf to provide a rough estimate of a "buy-out" of the 2 hours per day for the remaining 26 years of the lease. This 2 hour per day buy-out information was shared with the Vanning & Stabling Committee. Members of the Committee have now asked for an estimated cost to buy-out the Golf Course lease rather than simply buy-out two hours per day. We have met again with Jetter Golf & they are preparing a lease buy-out estimate. We have also remained in contact with Audrey Burch during this period of time. Please note that you & I spoke of much of this while we were at the November 18 CHRB Meeting in Davis.

Additionally, members of the Nor Cal Vanning & Stabling Committee & I have been attempting to schedule a meeting or conference call on this important matter.

Simultaneously with the above, we have initiated a full audit of the Golf Course. Mr. Lewis Ridgeway has been engaged as the auditor & is in the process of obtaining data. Should a buy-out be perused, it is prudent to have audited data as the lease agreement predicates a full buy-out tied to several factors, including undepreciated capital investments, gross receipts, etc...

EXEMPTION: Your November 26 letter states that, "In 1994 the CHRB approved an exemption thereby allowing the infield at the Fairgrounds to be used as a golf course..." Thank you for making reference to this important exemption as the Fair Association put this forward when the industry asked that we expand our training program to accept the Bay Meadows horses.

It the spirit of continued cooperation & safety for all, would you kindly provide me ASAP with a complete copy of the information referenced in your November 26 letter to the CHRB.

When the Fair Association agreed to take on an expansion of stabling & training earlier this year, we did so with the good faith reliance that this exemption was in place. We also made it clear to all parties that any changes to this exemption or requested changes to the golf course would have to be paid for by the industry.

The December 1994 Minutes of the Fair Board state that the CHRB had notified the Fair Association that it had granted a "permanent exemption" to permit the overlap of the golfing activities during training hours. To the best of my knowledge, the golf course has not significantly changed since 1994, other than Jetter Golf shortened the ninth hole three years ago. Consequently, please forward to me ASAP any aspects in which CTT now believes - after some 14 years of experience - that the Fair Association is not living up to the terms of the exemption.

GOING FORWARD: On a positive note I believe that all involved remain committed to the safety of horsemen & horses. At issue is determining what is best, in what time line, at what costs & how is it paid for. We recognize that CTT is seeking to limit its legal exposure in this matter & document its actions. We even understand the legal strategy of CTT putting forth suggested solutions on November 21, with the caveat that CTT is not responsible if these solutions don't work & now arguing that its recommendations have not yet been implemented. Again, we have asked Jetter Golf for a cost estimate to implement CTT's suggestions, including shifting the start of golf from 8:00AM to 9:00AM. We have asked for a meeting with the Nor Cal Vanning & Stabling Committee. We have actively sought industry input. We have continued with our audit of the golf course. We have not been advised on any related golf ball incident other than Mrs. Burch's.

It is respectfully requested that CTT hold off on its request to have the CHRB Board reconsider its 1994 Exemption. However, if CTT believes it must move in this direction, it is respectfully requested that you share all related information with me as soon as possible. The fact that CTT & the entire Nor Cal Racing industry has been aware of, & participated in, training & golfing in Pleasanton since the 1970's, along with the 1994 CHRB formal Exemption, goes to the point of mutual respect & cooperation. Since CTT now wants us to change quickly, give us the support to do so & the finances to make it happen.

I'm still naive enough to believe in fixing problems versus fixing blame, and that the most prudent solutions will be reached by the parties working cooperatively. While all parties have attorneys involved & varying amounts of skin in the game, the Fair Association remains committed to safety & we appreciate CTT's understanding as we work to simultaneously balance the needs of multiple constituents.

Rick Pickering
cell 925-567-6032

Wagner, Jacqueline

From: Kirk Breed [kirkbreed@mac.com]
Sent: Tuesday, February 10, 2009 11:28 AM
To: Wagner, Jacqueline
Subject: Fwd: Update on Pleasanton's Golf Ball Issue

Does this qualify for board kpacket.

Begin forwarded message:

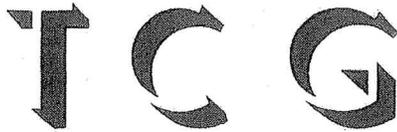
From: Rick Pickering <Rick@AlamedaCountyFair.com>
Date: February 10, 2009 10:44:16 AM PST
To: Christopher Korby <korby@calfairs.net>, "Drew J. Couto" <drew@deposet.com>, "Hartman, Robert" <Robert.Hartman@goldengatefields.com>, kirkbreed@mac.com, cdogjr@yahoo.com, Ehalp@aol.com, TBach6525@aol.com
Cc: RBlonien@aol.com, Louie Brown <lbrown@kscsacramento.com>
Subject: Update on Pleasanton's Golf Ball Issue

Gentlemen:

By way of an update, we continue to progress on the golf ball issue.

1. We completed a three week on-site monitoring of the golf course & track, noting specifics of any ball that reached the track. IE... Location, estimated trajectory (rolling onto the track vs flying onto the track,) time of day, etc... We had originally planned this as a two week study, but we extended it for a third week in order to gather more data.
2. We then walked the track & golf course with the Operator (Jetter Golf) & a golfing specialist/engineer (Dave Tanner.) Mr. Tanner has prepared the attached quote for his services. His firm will develop a computerized trajectory study of the four holes that are of concern. Based on the results of his study, he will provide engineered plans for the appropriate netting & fencing fixes. His designs will then be used to obtain construction & installation quotes. Although we have yet to identify a funding source for these efforts, we are moving forward.
3. We have concluded our independent audit of our Golf Operator. This Audit also confirmed that the largest percentage of activity at the 9 Hole Executive Course takes place in the morning hours.
4. There have been no reports of golf ball related incidents at the track, other than when Audrey was struck by a ball. The Golf Operator has continued to cooperate in looking for solutions.

From: adminscanner@alamedacountyfair.com [mailto:adminscanner@alamedacountyfair.com]
Sent: Tuesday, February 10, 2009 10:06 AM
To: Rick Pickering
Subject: Message from KMBT_C650



TANNER CONSULTING
GROUP

Golf Engineering Services...

P.P.O Box 1860—Valley Springs, CA 95252 Phone: (209) 772-2233 Fax: (209) 772-2230

February 6, 2009

To: Ed Johnson – Maintenance Operations Manager
Alameda County Fairgrounds
4501 Pleasanton Avenue – Pleasanton, CA 94566

RE: Proposal for Ball Trajectory Study

Dear Mr. Johnson:

Thank you for the opportunity of providing you with our proposal for services. I would like to assure you that Tanner Consulting Group has the extensive experience and excellent technical background needed for a project such as yours. Our expertise covers all aspects of ball containment systems including planning, budgeting, and design. We pride ourselves on being able to offer innovative design and safety solutions.

With TCG, you can expect a well coordinated project from start to finish. Our designs will be done in C.A.D. to provide you with the most accurate plans available. Sight information will be compiled using the most current topographic site plan, as well as, any other information you an provide for us. Additionally, all of our work will be done in strict accordance with Municipal Codes & Ordinances, Uniform Plumbing Codes, National Electric Codes, and State & County Health Codes. Upon completion of your design, our structural engineer can create all necessary structural calculations and stamped plans needed for the permitting process of this project.

I believe this proposal addresses your requirements and provides the planning basis for a successful project. If you have any questions, please don't hesitate in calling me at (209) 772-2233. I look forward to hearing from you soon.

Best Regards,

Dave Tanner

Dave Tanner
Tanner Consulting Group



PROPOSAL

ALAMRDA COUNTY FAIRGROUNDS/PLEASANTON FARWAYS GOLF CPOURSE

PROPOSAL FOR BALL TRAJECTORY STUDY WITH SERVICES TO INCLUDE THE FOLLOWING:

1. TCG will re-create site plan in a 3-D format for the areas you indicate.
2. Four ball trajectory studies showing projected ball flights as they will relate to the facility plans will be prepared.
3. We will prepare four recommended netting plan that will include: Plan View, Elevations, Isometric Views, and include our Projected Ball Trajectory Chart.
4. Plans and specifications for a chainlink fencing system to be locate 10'-12' within the race rail and above the drainage swell at the perimeter of the golf course..

Tanner Consulting Group will create all necessary plans to assure all proposed improvements meet with all code requirements. Tanner Consulting Group will utilize a current topographic map or site plan provided by you along with most current satellite image.

Our fee structure for the above mentioned items is as follows:

a. Base Map Preparation	\$ 950.00
b. First Ball Trajectory Study Hole #1	\$ 1,640.00
c. Second Ball Trajectory Study Hole #4	\$ 1,210.00
d. Third Ball Trajectory Study Hole #5	\$ 1,210.00
e. Fourth Ball Trajectory Study Hole #9	\$ 1,210.00
f. Chain Link Fencing Plans for Perrimeter of Golf	\$ 1,100.00
g. Netting/fencing Plans and Specifications for Project	\$ 1,370.00
h. Site Visits or Meetings (if required):	\$ 1,100.00 (includes airfare, hotel, rental car & site visit)
i. Structural Engineering (if required)	\$ 2,200.00 each
j. Printing & Shipping	Billed at our cost

Please send your signed copy of this proposal, your purchase order, our new account information sheet, plus any site information to: **Tanner Consulting Group—P.O. Box 1860, Valley Springs, CA 95252.**

Date: _____

Signature of Acceptance: _____ Title: _____

Phone: _____ Fax: _____

EMAIL: _____

CALIFORNIA HORSE RACING BOARD

FEBRUARY 26, 2009
REGULAR BOARD MEETING

There is no board package material for Item 6

CALIFORNIA HORSE RACING BOARD

FEBRUARY 26, 2009
REGULAR BOARD MEETING

There is no board package material for Item 7

CALIFORNIA HORSE RACING BOARD

FEBRUARY 26, 2009
REGULAR BOARD MEETING

There is no board package material for Item 8