CALIFORNIA HORSE RACING BOARD
1010 HURLEY WAY, SUITE 300
SACRAMENTO, CA 95825
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REGULAR MEETING

of the **California Horse Racing Board** will be held on **Thursday, January 15, 2009**, commencing at **9:00 a.m.**, in the **Baldwin Terrace Room** at the **Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia,** California. **The meeting will open at 9:00 a.m., then the Board will adjourn into Closed Session with the regular meeting commencing at approximately 9:30 a.m.** 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** December 15, 2008.

2. Approval of the **minutes of the regular meeting of** November 18, 2008.

3. 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.

4. 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.

5. 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 the race.

6. 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.

7. Discussion and action by 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.

8. 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.**

9. Update and discussion by the Board **concerning offsite stabling at Southern California thoroughbred racetracks.**

10. 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, Youbet.com Inc., XpressBet, Inc., Churchill Downs Technology Initiatives Company dba Twinspires.com.**

11. Update and discussion by the Board **regarding California track safety standards and practices.**

12. Discussion and action by the Board **regarding the allocation of July 22, 2009 through July 26, 2009 race dates for Northern California.**

13. Announcement and discussion by the Board **of its Stewards Assignments for 2009.**

14. Discussions and action by the Board regarding **its 2009 Board meeting calendar.**

15. **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.

16. **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).

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 ADMINISTRATIVE ADJUDICATIONS
JANUARY 2009

CASE

APPEAL OF THE BOARD OF STEWARDS OFFICIAL RULING #209, LOS ANGELES TURF CLUB, INC., DATED APRIL 18, 2008
Gary Folgner, Appellant

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

PATTY LOU HARRIS, Trainer

SACRAMENTO HARNESS ASSOCIATION
Pending Adjudicatory Proceeding

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PENDING LITIGATION
JANUARY 2009

CASE

CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION and CAPITOL RACING, LLC v. CHRB
Sacramento Superior Court No. 03CS01033
Third District Court of Appeal No. C051744

GLEASON, PATRICK v. CHRB, et al
Sacramento Superior Court No. 34-2008-80000080

VALENZUELA, PATRICK v. CHRB
Los Angeles Superior Court No. BS117547

BERG, PAMELA A. v. CHRB
Sacramento Superior Court No. 34-2008-00028104-CU-DE-GDS

COST OF FREEDOM v. CHRB
Los Angeles County Superior Court

GLEN HILL FARM, LLC. V. CHRB, et al
Los Angeles County Superior Court No. BS113053

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 **December 15, 2008**.

Present: Richard B. Shapiro, Chairman
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
Robert Miller, Staff Counsel

DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION (Q)** AT LOS ALAMITOS, COMMENCING JANUARY 1, 2009, THROUGH DECEMBER 20, 2009, INCLUSIVE.

Vice-Chairman Harris asked if purses at Los Alamitos Quarter Horse Racing Association (LAQHRA) would increase in 2009 over 2008. Rod Blonien, representing LAQHRA, said his organization had looked at increasing purses; however, over the past three months there was a downturn in the handle, so the proposed purses were less. Vice-Chairman Harris asked if purses would be increased anytime in 2009. Dino Perez of the Pacific Coast Quarter Horse Racing Association said the decrease in purses was slight, and the meeting would continue with purses at the current level. The on-track handle took a substantial hit, so LAQHRA was working on new promotions to attract more attendance. Vice-Chairman Harris asked if there was any growth in the advance deposit wagering (ADW) revenue. Mr. Perez stated there had been an overall increase in ADW handle, but 2008 was the first year in which there was a slight decrease. Chairman Shapiro said the track inspection was not completed. Kirk Breed, CHRB Executive Director, said the track inspection was waiting for the housing

inspection to be completed by the County and City Housing Department. All other inspections were completed. Commissioner Moss **motioned** to approve the application for license to conduct a horse racing meeting of LAQHRA. Commissioner Andreini **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE **PROPOSED AMENDMENT OF CHRB RULE 1865, ALTERING OF SEX OF HORSE**, TO PROVIDE FOR A MINIMUM FINE OF $1,000 IF THE TRUE SEX OF THE HORSE IS NOT PROPERLY IDENTIFIED IN THE OFFICIAL PROGRAM, ABSENT MITIGATING CIRCUMSTANCES.

Vice-Chairman Harris said the initial purpose of the proposed amendment to Rule 1865, Altering of Sex of Horse, was not so much fining the trainer or scratching the horse, but to allow the public to understand that the program was correct. The addition of mitigating circumstances was important because if the racing office or another party were responsible, the trainer would not be fined. Chairman Shapiro said he did not wish to see horses scratched because of the impact on field size. Vice-Chairman Harris stated he agreed, but providing incorrect information in the official program could also impact the handle. Ed Halpern of California Thoroughbred Trainers (CTT) stated the issue of first-time geldings was something that few followed or cared about, and that was the reason there were so many violations of the Board's rule. However, trainers were currently being made aware of the Board's concerns, and the CTT was certain the number of violations would be reduced. The CTT believed the proposed penalty was excessive and not in line with the nature of the violation. He commented that fans who placed wagers were actually misled as the public thought that gelding a horse was an advantage, when the statistics demonstrated it was actually a disadvantage. Mr.

Halpern stated the CTT wanted the fine reduced to $500, and a six-month trial initiated to see if the problem could be corrected. Following a six-month period, the penalty could be adjusted based on recommendations from the stewards. Chairman Shapiro asked if there was a better way to track the gelding of horses, so the issue could be better managed. CHRB Equine Medical Director Rick Arthur stated the racing offices and InCompass worked carefully together to ensure the information was publicized. However, the problem was that horses were almost always castrated off the inclosure, and then brought back to the same trainer or a different trainer. The new trainer was often unaware that the horse was a gelding. He stated he believed the industry had done everything it could with regards to record keeping. The bottom line was that trainers did not check to see if they were entering a gelding or a colt, or they simply assumed the horse was always a gelding. Dr. Arthur stated the numbers did seem to be decreasing, but trainers who violated the rule always had the same excuse. Higher fines might seem onerous, but they were having some impact. Chairman Shapiro said the proposed regulation would have some impact, but another part of the problem was jockey agents entering horses, or racing offices were soliciting entries and trainers were not filling out the entry forms. If the Board accepted the CTT recommendations the regulation would have to again be put out for public comment, and no action would be taken. Vice-Chairman Harris said the rule allowed for mitigating circumstances, so the issue would take care of itself, and there would probably be few $1,000 fines. Commissioner Moss **motioned** to adopt the amendment to Board Rule 1865, as presented. Commissioner Israel **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE PROPOSED ADDITION OF CHRB RULE 2066, APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY, TO PROVIDE FOR AN ADDITIONAL 15 MINISATELLITE WAGERING FACILITIES IN EACH CALIFORNIA RACING ZONE.

Chairman Shapiro said the proposed addition of Rule 2066, Application for License to Operate a Minisatellite Wagering Facility, would provide the means by which entities could apply to operate a minisatellite wagering facility. He stated the Board was authorized to approve an additional 15 minisatellite wagering facilities in each racing zone. Commissioner Israel said the proposed rule should be amended, or the Board should get some assurances from Hollywood Park that if it ceased operation it will not object to any perspective minisatellite wagering facilities within a 20-mile radius of its facility. Jack Liebau of Hollywood Park said the law allowed Hollywood Park to continue operating its satellite wagering facility if it ceased live racing. If Hollywood Park did not operate a satellite facility, other entities had the right to submit an application to the Board. In addition, Hollywood Park had stated that as a racetrack it would waive the 20-mile prohibition for minisatellite wagering facilities. Commissioner Israel said he was not referring to the future of a satellite facility at Hollywood Park. He was referring to applicants to operate minisatellite wagering facilities that were within a 20-mile radius of Hollywood Park. It would be in the best interest of horse racing for Hollywood Park to allow such a facility to exist if it met all other obligations. Mr. Liebau asked if other tracks should fall under the same provision. Commissioner Israel said they should not, as no other track expressed an interest in going out of business. He stated he was interested in preserving the ability of racing fans on the west side to continue wagering. Any minisatellite wagering facility application would have to be approved by the Board, but the racetrack would have veto power. Chairman Shapiro said the issue was approving the framework to allow entities to

operate minisatellite wagering facilities. Commissioner Israel said Hollywood Park was planning on closing, and the law allowed it to prevent minisatellite wagering within a 20-mile radius of its facility. He stated he wanted to ensure the Board had the ability to license minisatellite applicants without objection from Hollywood Park. Chairman Shapiro said the 20-mile radius was written into the law. If there was any desire to change the provision to prevent a former racetrack, or racetrack not operating, from objecting to a minisatellite it would have to come from the Legislature. Commissioner Israel said he was asking Hollywood Park to voluntarily agree to such a provision. Hollywood Park was in a highly populated area, and the Board needed to ensure that wagering on horse racing was available on a walk-in basis on the west side of Los Angeles – as well as the South Bay. The closure of the racetrack would detrimentally affect handle unless the Board determined how it would deal with the loss of the track. Chairman Shapiro said he agreed the issue was important, but at the same time the Board needed to move forward with a regulation that would allow it to license minisatellite wagering applicants across the State. The Board should license minisatellite wagering into those areas where it could, and in the interim if the industry and other interested parties wished to change the law, then they could approach the Legislature. Vice-Chairman Harris said the Board needed to put the regulation in place. It should also be remembered that anyone in California could walk into any place with wireless Internet and could place a wager using advance deposit wagering. Wagering in California was already wide open, and the issue of a 20-mile radius would become somewhat irrelevant. Rod Blonien, an industry representative, stated the 20-mile radius was a precedent set by the 1986 satellite wagering law. The fairs were concerned about minisatellite wagering facilities opening too close to their facilities. He

added Hollywood Park and Los Alamitos had agreed to waive the 20-mile provision as it related to a number of locations. Chairman Shapiro **motioned** to adopt Rule 2066. Commissioner Choper **seconded** the motion. Commissioner Israel asked if there was any way to promote minisatellite wagering to prospective applicants. Mike Martin, CHRB staff, said the issue was currently receiving a lot of attention in the media. Chairman Shapiro said the Board's Public Information Officer would put out a press release, and the industry should work to promote the concept. The motion was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE **PROPOSED AMENDMENT OF CHRB RULE 2073, OPERATION OF AN ADVANCE DEPOSIT WAGERING ACCOUNT FOR ALL ENTITIES,** TO ALLOW ADW ACCOUNT HOLDERS ACCESS TO DEPOSITS THE SAME DAY THEY ARE MADE.

Chairman Shapiro said the proposed amendment to Rule 2073, Operation of an Advance Deposit Wagering Account for all Entities, would allow advance deposit wagering (ADW) account holders to immediately use any funds they deposited. The rule currently required ADW account holders that deposited funds to their accounts to wait 24 hours before using the funds to place wagers. Vice-Chairman Harris **motioned** to adopt the amendment to Rule 2073. Commissioner Andreini **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD **REGARDING ALL MATTERS CONCERNING SACRAMENTO HARNESS ASSOCIATION, ITS FINANCIAL STATUS AND RESOLUTION OF LIABILITIES.**

Chairman Shapiro said the Board would like an update regarding any progress Sacramento Harness Association (SHA) had made towards the resolution of its liabilities and obligations.

Ivan Axelrod of SHA stated in March 2008 SHA determined it could not continue operating its harness meeting, so it turned over its operations to Cal-Expo. SHA immediately put together a plan to wind down its business, liquidate its assets, and pay off its liabilities. SHA initially dealt with its three largest creditors, which were the horsemen's accounts with the paymaster of purses, Cal-Expo and Mr. Christo Bardis. SHA then moved forward to collect outstanding receivables, the bulk of which were from Southern California Off-Track Wagering, Inc. (SCOTWINC), Northern California Off-Track Wagering, Inc. (NOTWINC), and Los Alamitos Race Track. SHA ran into difficulties collecting the receivables, as SCOTWINC and NOTWINC indicated there could be other claims to that money, and no distributions of the funds would be made until the claims were settled. That was an obstacle in SHA's ability to collect the amounts due, so SHA proceeded to hold discussions with interested parties, and it approached the Board for assistance. Mr. Axelrod stated the main issue was that satellite operators believed they should be paid in full, and should not be treated as a general creditor. SHA did not agree, and it retained legal counsel. The Board and the satellite operators were asked for legal precedent to substantiate their position. No documentation was presented to SHA, so its legal counsel said without such support SHA could not treat the satellite operators as preferred creditors. Chairman Shapiro asked if some of the funds were location fees that were due to others. Mr. Axelrod said the monies owed to satellite operators were location fees. Chairman Shapiro stated the Deputy Attorney General (DAG) confirmed that location fees were to be paid on a mandatory basis, and the fee did have priority over other debts. CHRB Staff Counsel Robert Miller said the fees were mandatory in the sense that the statute set a fixed amount to be paid. Chairman Shapiro asked if the location fees were paid. Mr.

Axelrod said the fees were not paid. Chairman Shapiro asked if the Board was obligated to insist that the law be followed. Staff Counsel Miller said the Board could make a statement that the law ought to be followed. The Board could instruct SHA to follow the law and make mandatory payments, and it could instruct SCOTWINC to follow the law. Commissioner Israel asked what recourse the Board would have if its instructions were not followed. Staff Counsel Miller said the Board could discipline the parties' licenses. Although SHA was no longer operating, it was still within the three-year period in which the Board had jurisdiction. Chairman Shapiro stated the Board should mandate that SHA, SCOTWINC, NOTWINC and any other involved party distribute the funds as mandated by the law. Commissioner Israel asked if the interests of the parties might be better served with bankruptcy proceedings. Chairman Shapiro stated Commissioner Israel could be right, but the issue was long standing and needed resolution. Commissioner Choper said the satellite facilities had to pay the funds to SHA, but the DAG opinion stated there was no priority in a bankruptcy proceeding. Jack Liebau of Hollywood Park said he had asked the Board to make a finding that the location fees were mandatory payments, which was what the DAG's opinion concluded in its last paragraph. Mr. Liebau requested that the Board make a finding that the fees were mandatory payments in conformity with the DAG opinion. In addition, the Board should order SHA to make the payments to the satellite operators. The payment could be made by SCOTWINC and NOTWINC on behalf of SHA, or the money could be distributed to SHA for payment to the satellite operators. Commissioner Choper said he did not have a problem ordering the money to be paid to SHA, but it did not follow that SHA would pay the funds over to the satellite operators. The DAG opinion stated the claims of statutory obligations did not afford any

priority or secured status in the event of a bankruptcy filing. Commissioner Choper asked what was the total for the location fees. Commissioner Israel said the location fees were $670,000 – which was approximately half of the $1.17 in SHA assets. The remaining creditors were owed $2.7 million. Commissioner Choper stated if SHA paid the $670,000 to the satellite operators, there would be bankruptcy proceedings, and the money would be recalled. The Board had an obligation to enforce all laws, rules and regulations affecting horse racing and pari-mutuel wagering. It appeared that the right course for the Board would be to state that the payments were mandatory and must be made. If the issue ended in bankruptcy and the payments were not made, it was out of the Board's hands. The Board would have fulfilled its obligation to enforce the law. Mr. Axelrod said SHA was attempting to avoid bankruptcy to maximize the payments to creditors. Chairman Shapiro said he was aware of SHA's goal, but the Board's concern was upholding the law, which required that all mandatory payments should be made. Commissioner Israel asked if the Board could require SCOTWINC and NOTWINC to make payments directly to the creditors rather than to SHA. Chairman Shapiro said the Board would only state the payments were mandatory under the law. Mr. Liebau stated all Hollywood Park wanted was for the Board to affirm that the DAG's opinion was correct, that the distributions under the law were mandatory, and to order SHA to make the mandatory payments. Commissioner Choper asked where in the DAG opinion it stated the Board should direct SHA to do anything with the monies. Mr. Liebau said the Board should be concerned with the law, and under the law the payments were mandatory. Commissioner Choper stated if there was a dispute, he did not think the Board should interpret the law without advice of the DAG. However, if the Board only required the funds to be paid to SHA,

he would be satisfied. Commissioner Israel **motioned** to require SCOTWINC and NOTWINC to release the funds they were holding to SHA, and to require SHA to make the mandatory payments. Commissioner Moss **seconded** the motion, which was **carried** with Commissioner Choper voting "**no**." Mr. Axelrod said he would discuss the Board's action with SHA counsel, and he would keep the Board informed on a regular basis. Chairman Shapiro read a statement regarding his tenure as a Commissioner, the current state of horse racing in California, and some of the achievements of the Board over the past several years. He stated he would submit a letter of resignation to the Governor, effective December 16, 2008. Vice-Chairman Harris expressed his regrets over Chairman Shapiro's announcement. He stated Chairman Shapiro had worked tirelessly for the benefit of horse racing and he hoped he would stay involved in the sport. Commissioner Choper thanked Chairman Shapiro for his dedication, effort and accomplishments during his tenure on the Board. He stated he, too, hoped Chairman Shapiro would remain involved in the sport, as his accomplishments were superb. Commissioner Israel stated he would echo Commissioner Choper's remarks, and that he had appreciated Chairman Shapiro's leadership, mentoring, diligence and hard work. Commissioner Moss expressed his thanks for Chairman Shapiro's work on the Board.

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

Vice-Chairman Harris asked what were the pros and cons of an advance deposit wagering (ADW) license/approval of one year versus two years. Chairman Shapiro said from the ADW

providers' perspective a longer term of license/approval would give them a better framework for making commitments and for financial issues. From the Board's perspective a shorter term would allow it to institute changes to licenses/approvals. Chairman Shapiro commented the TVG application would have to be reconsidered to the extent that control of the company changed. The Board was licensing the entity in its current corporate structure, so if there were a change in control, there would need to be a relicensing process. Vice-Chairman Harris said ADW had grown, but he was not sure if there was good oversight on the funds held by the various ADW providers. Could any of the ADW providers assure a customer that funds on deposit were safe? Chairman Shapiro said there were common questions that all four providers needed to address, such as card-check agreements and the safety of funds on deposit. If a representative from each ADW provider would answer the Board questions, items six through nine of the agenda could be heard at the same time. Gregg Scoggins, representing XpressBet, said his organization had attempted to address the card check issue for over a year. However, there was still no formal agreement in place. He stated the parties were currently discussing what could be the last issue, which was the term of the agreement. Vice-Chairman Harris asked if the issue of chard check agreements in other states was resolved. Mr. Scoggins stated the XpressBet agreement covered tellers and customer service representatives regardless of where they were located. Brad Blackwell, representing Twinspires.com, said his organization was at the same point as XpressBet with regards to its card check agreement. Twinspires.com hoped to have its agreement completed by the end of 2008. Dan Perini of Youbet.com stated his organization also hopped to have its card check agreement completed in the near future. John Hindman of TVG stated his organization had a completed card check agreement with

Local 280. Chairman Shapiro asked if there were any issues that could impede the completion of the card check agreements. Doug Kemp of Local 280 stated the ADW representatives were accurate with regards to the status of the card check negotiations. He added Local 280 did not object to the licensing/approval of the ADW providers. Chairman Shapiro asked if there were security controls in place to ensure the integrity of ADW accounts. Mr. Scoggins stated XpressBet held all account holders' funds in a segregated account, which could not be accessed for operational purposes. XpressBet was a part of Magna Entertainment Corporation, so its financial records and audited financials were consolidated. Mr. Blackwell said Twinspires.com had the same security controls as XpressBet. Mr. Perini stated Youbet.com also had the same security controls as XpressBet. He stated Youbet was a publicly traded company, so it submitted a copy of its annual report with its license application. Mr. Hindman said TVG followed the same security protocols as XpressBet. TVG was a publicly traded corporation, and its financials were audited on an annual basis as a part of MacroVision. Chairman Shapiro said it was general knowledge that TVG was going to be sold. He asked if TVG understood that with any change in ownership there would be a requirement that TVG would be relicensed. Mr. Hindman stated TVG understood and it had no objection. Commissioner Choper said it was a good time for the ADW providers to think about putting into place a procedure to avoid the kind of crisis the providers and the industry experienced in 2008. Because the license/approval was only for one year, it was never too early to start thinking about the process, and about a more active role for the Board. Commissioner Israel **motioned** to approve the applications for license/approval of Twinspires.com, XpressBet, TVG and Youbet.com for one year, January 1, 2009 to December 31, 2009. Commissioner

Moss seconded the motion. Chairman Shapiro asked if the horsemen's organizations had objections to the licensing/approval of the ADW providers. Drew Couto of Thoroughbred Owners of California (TOC) said for the purposes of licensing the ADW providers did not need horsemen's agreements. Chairman Shapiro suggested the motion be amended to include any and all other conditions required by law. Commissioner Israel said the motion would be amended accordingly. Vice-Chairman Harris asked if the Board could retroactively apply a mandatory arbitration provision when disputes arose, as a condition of license, or would the license application have to be amended? CHRB Staff Counsel Robert Miller said the Board could not grant a license and then change the terms of the license. Such a provision would have to made part of the license application. Commissioner Israel stated he thought the Board had the right to require binding arbitration. Commissioner Choper asked if there were a DAG opinion on the issue, as it seemed the Board had quite a bit of flexibility with respect to mediation and arbitration. Chairman Shapiro said he believed the Board did not have the right to interfere in contractual agreement between private parties. The Board could put conditions on a license, but he did not know if the Board could require binding arbitration or a mandatory settlement conference if there was a dispute. Staff Counsel Miller said the parties before the Board to get a license predicated their applications on the existing state of the law, and the application as it was when they applied. The Board could set a condition of which the applicants were not previously aware, but the applicants would have the right to withdraw. Staff Counsel Miller said the Board had the power to adjudicate controversies. Commissioner Choper suggested the Board approve the ADW license/approvals in accordance with Commissioner Israel's motion, as amended. The motion was unanimously carried.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF ODS TECHNOLOGIES, L.P., DBA TVG, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS AND/OR EXTENSION OF THE CURRENT APPROVAL.

This item was approved under item six of the agenda.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF YOUBET.COM, INC., FOR A CALIFORNIA MULTIJURISDICTIONAL WAGERING HUB AND APPROVAL FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS AND/OR EXTENSION OF THE CURRENT APPROVAL.

This item was approved under item six of the agenda.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF EXPRESSBET, INC., FOR A CALIFORNIA MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS AND/OR EXTENSION OF THE CURRENT APPROVAL.

This item was approved under item six of the agenda.

REVIEW AND DISCUSSION BY THE BOARD REGARDING ITS ROLE OR OTHER METHODS IN MEDIATING OR ARBITRATING DISPUTES BETWEEN VARIOUS STAKEHOLDERS OF THE CALIFORNIA HORSE RACING INDUSTRY INCLUDING, BUT NOT LIMITED TO, THE DISSEMINATION OF SIGNALS OF CALIFORNIA RACES.

Chairman Shapiro said there were many occasions where there were disputes or disruptions caused by a variety of business reasons. He asked if there was a way for the Board to create a dispute resolution mechanism or to enforce arbitration. The Board heard industry disputes, but there often was not enough discussion amongst those parties before an issue came to the Board.

Vice-Chairman Harris said there was often a dispute within the industry that none of the parties tried to resolve – other than by bringing it to the Board. There ought to be a more refined way to resolve some of the disputes. Commissioner Choper stated the Board needed to be informed regarding its statutory authority to arbitrate industry disputes. The law seemed to be open-ended, and it seemed the Board had the authority to do anything. Vice-Chairman Harris said the problem with the ADW disputes was that the Interstate Horse Racing Act (IHRA) was used, and it might take precedence over state law. CHRB Staff Counsel Robert Miller said the District Court in Ohio issued an opinion that the IHRA preempted state law. However, a decision out of a court in Florida talked about the state's ability to regulate even in light of the IHRA. He stated it was a question that would require a lot of research. Jack Liebau said the law did not state the Board had the authority to arbitrate disputes, it stated the Board had the responsibility to arbitrate disputes. Commissioner Choper asked why responsibility was different from authority. Mr. Liebau said authority was discretionary. Commissioner Choper asked if the law stated that. Chairman Shapiro said Staff Counsel Miller could update the Board on the issue at a later date.

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.

Chairman Shapiro said the Alameda County Fair (ACF) requested that the item be deferred. He stated the horsemen were concerned that the golf course was an immediate potential problem, where one errant golf ball could cause harm. Chairman Shapiro stated ACF should

be aware of the urgency of the matter and the concerns of the horsemen. He said he would recommend the item be deferred if the parties agreed to meet within a ten-day period, and if a resolution was not achieved, the item could be heard by the Board. Rod Blonien, representing ACF, said the parties agreed to meet on December 30, 2008. Chairman Shapiro requested that the parties keep the Board informed regarding a resolution, and if there was not a resolution, the issue could be heard at the next regularly scheduled Board meeting.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT OF CHRB RULE 1481, OCCUPATIONAL LICENSES AND FEES; RULE 1486, TERM OF LICENSE; AND THE PROPOSED ADDITION OF RULE 1504.5, PROVISIONAL EXERCISE RIDER, TO CREATE A PROVISIONAL EXERCISE RIDER LICENSE CLASSIFICATION.

Chairman Shapiro said the proposal to amend Rule 1481, Occupational Licenses and Fees, and Rule 1486, Term of License, and the proposal to add Rule 1504.5, Provisional Exercise Rider, would create a mentoring training program for persons who wished to become exercise riders. Vice-Chairman Harris motioned to adopt the proposed amendment to Rule 1481 and Rule 1486, and the addition of Rule 1504.5. Commissioner Israel seconded the motion, which was unanimously carried.

DISCUSSION BY THE BOARD AND ADVICE FROM COUNSEL REGARDING THE AUTHORITY OF THE CALIFORNIA HORSE RACING BOARD TO DENY APPLICATIONS FOR LICENSURE, AND TO SUSPEND/REVOKE EXISTING OCCUPATIONAL LICENSES.

Vice-Chairman Harris said he was looking at who the Board had to license and who it could not license. Was a felony conviction a bar to receiving a license, regardless of the crime, or

did the crime have to be one that had a link to racing or moral behavior? Staff Counsel Robert Miller stated the Business and Professions Code held no provision that there must be a substantial relationship between the criminal conviction and the occupational license. The Board issued 23 different classes of occupational license and one registration. To revoke a license, the revocation proceeding must be pursuant to the Administrative Procedures Act, which called for a formal pleading. The license holder had to receive certain notices from the Board, and the matter had to go before an Administrative Law Judge for adjudication. If a notice of defense was received a hearing would be held. The Administrative Law Judge who conducted the hearing would act in the capacity of the Board to hear evidence and make findings of fact. The matter would then go before the Board to be considered. Staff Counsel Miller stated Board Rule 1489, Grounds for Denial or Refusal of License, set the grounds upon which a license could be denied. The applicant would be issued a letter of denial by the agency and the matter would be referred to the Attorney General's Office for preparation of a statement of issues. The matter would be heard by an Administrative Law Judge for findings of fact regarding the applicant's fitness for holding a CHRB occupational license. The Board could not pick and choose whom it wanted to license. There had to be a basis for refusal, and it had to go to the qualifications. Applicants for an occupational license had to indicate if they were ever convicted of a crime. If an applicant indicated he or she was convicted of a crime, Board investigators performed a background check. All individuals licensed by the Board were fingerprinted, and the fingerprints were run through the California Department of Justice databank, and the Federal Bureau of Investigation National Crime and Information Center in Washington, D.C. If an applicant had a conviction, the Board had to determine if it would

license the individual. Chairman Shapiro said he appreciated the Board's rules and regulations, but was there criteria the Board could develop that would allow it to review records and actions of other states, and deem an applicant unfit if they had current rulings in those states? Staff Counsel Miller said the Board did look at the actions of other states, which were important in determining an applicant's qualifications for license. Vice-Chairman Harris said it was not that the Board could deny a license; it was that the person could appeal a denial and could prevail. He stated he did not have an opinion regarding licensing or not licensing an applicant; it was just that he did not understand how the process worked.

PUBLIC COMMENT

John Vasquez, a Solano County Supervisor, spoke about the desire of Solano County to hold a 2009 race meeting at its County Fair. Cliff Goodrich, a consultant for Fairplex Park Pomona, spoke about the future of horse racing and Chairman Shapiro's tenure on the Board. Commissioner Israel motioned to adjourn the meeting in honor of Chairman Shapiro's service.

MEETING ADJOURNED AT 12:50 P.M.

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

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **University of California, Davis**, Gladys Valley Hall, Room 1010, Davis, California, on **November 18, 2008**.

Present: Richard B. Shapiro, Chairman
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
Robert Miller, Staff Counsel

MINUTES

Chairman Shapiro asked for approval of the minutes of the Regular Meeting of October 15, 2008. Vice-Chairman Harris stated on pace 117 of the minutes he was quoted as stating there was racing six to eight weeks from July 22 through September 29. He stated he said there was six-day-a week racing during that eight-day period. Chairman Shapiro said the minutes would be changed accordingly. Commissioner Choper **motioned** to approve the minutes as amended. Commissioner Israel **seconded** the motion, which was **unanimously carried**. Chairman Shapiro asked for approval of the minutes of the Regular Meeting of September 18, 2008. Commissioner Israel **motioned** to approve the minutes. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES TURF CLUB (T) AT SANTA ANITA, COMMENCING (PROPOSED) DECEMBER 26, 2008 THROUGH APRIL 19, 2009, INCLUSIVE.

Allen Gutterman of the Los Angeles Turf Club (LATC) spoke extensively about the LATC marketing plan, which included media buys, targeted discounts, special events and an advertising campaign that involved the filming of commercials. Mr. Gutterman stated LATC was also working with the Los Angeles Times to return racing coverage to that publication. Chairman Shapiro said the industry was facing difficult economic times, and a decline in the horse population. In the past, the industry tried to maintain average fields of 8.6 horses per race, so he wondered if fewer races should be carded to conserve the horse inventory. Ron Charles of LATC said the industry was moving to accommodate fewer horses. LATC changed its Saturday starting time to 12:30 p.m. due to economics and a reduced horse population. Until day light savings time LATC would run eight races during the week and nine on the weekends. It would then determine if there was the inventory to run more races on the weekends. Vice-Chairman Harris said the industry should have some flexibility. If LATC ran a tenth race and got a good handle, everyone would make money. Chairman Shapiro asked if the horsemen's agreement and trainer's agreement were in place. George Haines of LATC said the agreements were completed. Chairman Shapiro asked if the advance deposit wagering (ADW) agreement was in place. Mr. Charles said LATC hoped an ADW agreement would soon be completed. LATC wanted to open wagering to all ADW providers with television coverage provided by HRTV. Commissioner Choper commented the ADW providers would be heard for license/approval, but there remained the question of the extent to which the Board had authority to reject a license application due to non-exclusivity. However, LATC indicated

it would have a nonexclusive agreement with all the ADW providers. Mr. Charles stated LATC would have nonexclusive agreements in California, and it was attempting to reach such agreements outside the State, which was where the impasse existed. Commissioner Moss asked if LATC was negotiating with the ADW providers individually or as a group. Mr. Charles stated LATC tried to make arrangements with all of the ADW providers at the same rate, and then get the horsemen's consent. The broadcast would remain exclusively on HRTV. However, there would be a broadcast fee, which was being negotiated by LATC's representative. Commissioner Israel asked if LATC was dependent on Hollywood Park's negotiations with the ADW providers, or could LATC make its own deal with the parties. Mr. Charles stated that was possible, but he did not think it would be in the best interest of the industry. The concept was to find a solution for Hollywood Park and Golden Gate Fields, and then extend the terms through the balance of 2009. Chairman Shapiro said LATC was a venerable institution, but the financial statement was weak. He asked if LATC could assure the Board that LATC's funds were segregated. The license issued by the Board was for LATC, not Magna Entertainment Corporation (MEC). Mr. Charles said that was correct. LATC was licensed separately, but it was a wholly owned subsidiary of MEC. Any funds were held separately, per the terms of the horsemen's agreement. Commissioner Moss **motioned** to approve the application for license to conduct a horse racing meeting of LATC. Commissioner Choper **seconded** the motion, which was **carried**, with Vice-Chairman Harris **abstaining**. Vice-Chairman Harris stated he believed the application was appropriate, but he was abstaining because he did not wish to vote for applications where there was not an opportunity to review outstanding agreements. Commissioner Choper said he agreed with

Vice-Chairman Harris. Waiting until the last minute to complete negotiations put interested parties at a disadvantage. Commissioner Moss stated he did not understand why all of the ADW providers were being negotiated with at the same time. Why could not the industry make separate deals with each company? Scott Daruty of TrackNet said his organization was negotiating separately with each ADW provider on behalf of the racetracks. The element that tied all the ADW agreements together was the horsemen's approval. TrackNet currently had an agreement with Twinspires, XpressBet and Youbet to carry the Golden Gate Fields (GGF) signal. The horsemen had yet to give their approval, but when an agreement was reached, it would cover all four ADW providers, as it was important for the horsemen that the signal be broadly distributed. Commissioner Israel stated the GGF meeting was in progress. Out-of-state wagers were being taken from the three ADW providers, but that stopped. He asked what had changed that caused the out-of-state wagering to cease. Mr. Daruty stated the horsemen's approval was granted only through October 2008. Chairman Shapiro said the horsemen were clear about their intentions as far back as July 2008, so they gave prior notice. The industry hoped an agreement could be reached, so there would be no interruption in the out-of-state wagering. There were complex issues, and the horsemen were striving to earn more money for purses and the track partners. Chairman Shapiro stated a meeting to discuss ADW would be held on November 19, 2008, and he hoped all the parties could resolve the problem. The tracks, horsemen and racing fans were being hurt, but no one party could be blamed for doing anything maliciously. Commissioner Israel stated he had not been long on the Board, but it seemed that there were a lot of industry meetings where little was accomplished. Vice-Chairman Harris said that was true, and it seemed like the Board needed

to create a mechanism for some type of conflict resolution, or an arbitrator to help the parties reach a resolution. Commissioner Choper commented that racing fans, as well as the associations, were hurt by the impasse. The quality of races was suffering and it seemed fans were wondering what was the point in going to the racetrack. Drew Couto of Thoroughbred Owners of California (TOC) stated at the beginning of the GGF meeting TOC authorized all four ADW providers to accept wagers from Californians on GGF races. TrackNet did not reach an agreement with TVG, so it decided not to allow TVG to accept wagers on GGF races, so the impasse was not a result of a decision made by the horsemen. Mr. Daruty said prior to the Oak Tree meeting TrackNet offered to allow TVG to take wagers on GGF races, and races from an out-of-state track. In exchange, TrackNet wanted to right to take wagers on Oak Tree. TVG declined that offer, so it was not allowed to take wagers on GGF races. Mr. Daruty stated TrackNet understood the wishes of the Board and the industry, and it was currently negotiating agreements that would allow all four ADW providers to take the product. TrackNet just reached an agreement with an out-of-state track at a certain rate, and only three ADW providers chose to take the product at that rate. The ADW providers were not negotiating as a group; instead, they were making independent decisions. TrackNet represented the racetracks, so its job was to push the host fees as high as possible, and return as much money as possible to the tracks and horsemen. At the same time, TrackNet could not push the rates so high that the ADW providers would refuse the signal. Mr. Daruty said he hoped the meeting on November 19, 2008, would result in an agreement. Commissioner Choper stated one solution was some form of arbitration. There was a lot of effort being put into a solution, but there was also a lack of will to come to a fair conclusion. The parties

needed to find someone who would craft a resolution for the horsemen and the ADW providers. Mr. Couto said that was prudent advice, but the negotiations involved intertwined companies. When money was shifted from the ADW provider to the track partner it had to be split with the horsemen. Chairman Shapiro said he agreed the industry needed to resolve the issues, because the current economic climate only made matters worse. However, the impasse involved multiple parties with multiple overlapping interests, so to arbitrate a solution would be difficult. Mr. Couto stated there were a lot of inherent problems with the current system, and the industry would probably benefit from the views of an outside party. The heart of the problem was that the law required a track to have an agreement with the horsemen before it could work out a deal with an ADW provider or a third party. The horsemen's agreement set the terms, conditions, rates and exclusivities. However, that was not the practice. Instead, the horsemen were looked at as unreasonable when offers were presented to them with a "take it or leave it" admonition. Commissioner Israel asked why that was occurring. Mr. Daruty said that view was disputed. Mr. Couto stated if one read the Interstate Horse Racing Act (IHA) one would see his point. Commissioner Choper said he did not see how the IHA affected his suggestion. There were more complicated issues that had been put to arbitration. A third party that both sides had confidence in could come to a fair and intelligent judgment. The current state of affairs was not doing the industry any good. Commissioner Israel asked if anyone knew how much handle was lost since out-of-state wagering stopped at GGF. Mr. Couto stated the out-of-state wagering had been cut off for three weeks, and in a comparable period in 2007 that accounted for between 3.2 percent and 4.7 percent of purse revenue. He said he did not know how many dollars that cost the industry. Jack Liebau of Hollywood Park

said his organization projected a daily loss to purses of $17,000 and the loss in handle would be 3.5 percent of that number.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION (T) AT GOLDEN GATE FIELDS, COMMENCING (PROPOSED) DECEMBER 26, 2008 THROUGH JUNE 28, 2009, INCLUSIVE.

Chairman Shapiro asked if Pacific Racing Association (PRA) had a horsemen's and trainer's agreement. Robert Hartman of PRA stated an agreement with the Thoroughbred Trainers of California (TOC) was on file with staff. A vanning and stabling contract had not been completed, as it was predicated on the racing calendar and it could not be completed until all the 2009 Northern California dates were allocated. Chairman Shapiro stated he noted PRA wished to race eight races on weekdays and nine races on weekends and holidays. He said he wanted the industry to be mindful of the horse population. Vice-Chairman Harris said there needed to be some overnight stake races due to their importance to California's breeding industry. PRA had no overnight stakes, and he hoped that would be revisited with the concurrence of all interested parties. Vice-Chairman Harris stated the average daily on-track attendance at PRA was down, especially during the week. He said he did no know how it could be turned around. Mr. Hartman said PRA had a strong marketing program and it was issuing a lot of free passes. The Sunday attendance featured "Dollar Sundays" with dollar food and refreshments. There was concern that the promotions would become stale, but the exact opposite happened. The Dollar Sundays were increasing attendance, so they would be continued. Commissioner Moss asked what were the biggest races for three-year-olds at PRA. Mr. Hartman stated the El Camino Real and California Derby, which were acquired from Bay

Meadows, were big races. In addition, the San Francisco Mile, a grade two race, was PRA's greatest race of the year, which would go for $300,000. Commissioner Moss **motioned** to approve the application for license to conduct a horse racing meeting of PRA. Commissioner Israel **seconded** the motion, which was **carried** with Vice-Chairman Harris **abstaining** due to the timeliness of the completion of the horsemen's agreement.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE CAL-EXPO HARNESS ASSOCIATION (H) AT CAL-EXPO, COMMENCING (PROPOSED) DECEMBER 26, 2008 THROUGH AUGUST 1, 2009 AND SEPTEMBER 25, 2009 THROUGH DECEMBER 19, 2009, INCLUSIVE.

Chairman Shapiro stated he understood Cal-Expo Harness (Cal-Expo) would go to a three-day-a-week racing schedule. David Elliott of Cal-Expo said his organization would run a four-day-a-week schedule from January 2009 through April 2009. Cal-Expo was currently running a three-day-a-week schedule, and would run the same schedule in the fall of 2009. Chairman Shapiro stated he understood Cal-Expo currently had the horse inventory to run four days a week, but was not. Mr. Elliott said between 30 and 40 horses did not have racing opportunities each week, so the racing secretary was juggling the horses that did not get a start. Chairman Shapiro asked how many races per day were run by Cal-Expo. Mr. Elliott said Cal-Expo ran between thirteen and fifteen races per day. Chairman Shapiro asked if it would not be better for Cal-Expo to cut back to twelve races a day so a fourth day of racing could be filled. That would allow for a fourth day of racing, and would help the owners and trainers. Mr. Elliott stated the current license called for three-day-a-week racing. Chairman Shapiro said the Board could amend the license, so why would Cal-Expo hesitate to request a

change to its application? Mr. Elliott said Cal-Expo had an overpayment of $133,000 for the current meeting. It did not make sense to over pay purses for an additional fourth day of racing. The handle normally increased in January through March, and at that time Cal-Expo could run an additional day. Chairman Shapiro said Los Alamitos was running four days a week. If Cal-Expo mirrored Los Alamitos, and the horsemen would adjust the purse schedule so Cal-Expo was not overpaying, it would help to keep the night harness industry alive. Instead of running 15 races in one night, was not there a way to go to a fourth night before January 2009? Mr. Elliott stated every day Cal-Expo ran it was in overpayment. Purses had already been cut 15 percent to try to ease the problem. If the horsemen agreed to another 15 percent decrease in purses Cal-Expo could race four days a week. Commissioner Choper asked if Cal-Expo knew the cost of additional overhead if it ran an additional day. Mr. Elliott stated that would equal thirty-five to forty thousand dollars a day. Jim Perez of the California Harness Horsemen's Association (CHHA) said with the current reduction in purses the overpayment was projected to be paid by December 2008. Vice-Chairman Harris stated he thought Cal-Expo should be given the flexibility to run a program it thought would work for all parties. However, it seemed as if Cal-Expo would want to run its four-day weeks when there was better weather, which did not appear to be the case. He asked what was the logic in Cal-Expo's plans. Mr. Elliott said historically the months of January through March were very good for wagering purposes, and that was one reason Cal-Expo wished to wait to go to four-day-a-week racing. Norb Bartosik of Cal-Expo said his organization would meet with the horsemen to see if there was a way to initiate another race day in the current schedule. Chairman Shapiro stated he was not asking Cal-Expo to go deeper into overpayment, but if

there was a way to help the horsemen by having more racing, that would be a good thing. Chairman Shapiro stated when the thoroughbred horsemen ran their 2008 meeting at Cal-Expo they found the barn area in disrepair. He said he understood Cal-Expo spent close to $100,000 in repairs. Chairman Shapiro commented he did not know if there was a horsemen's agreement in place, but it might be a good idea to include a security deposit to protect Cal-Expo from barn area damage and wear and tear. Mr. Elliott said Cal-Expo had considered instituting a security deposit. The current practice was to have the trainers take responsibility for the condition of their stalls, excepting normal wear and tear. That gave Cal-Expo the ability to charge trainers for specific repairs, if needed. Chairman Shapiro stated that might not be sufficient considering the extent of the damage to the Cal-Expo barn area. He added it was CHHA's responsibility to oversee its members, and to ensure such damage did not occur again. Mr. Perez said his organization would address the issue with its horsemen. Chairman Shapiro said the missing Pegasus contract would be a condition of the license. Commissioner Choper asked if the four agreements with the ADW providers covered in-state and out-of-state wagering. Mr. Elliott said he hoped the agreement would continue to cover in-state and out-of-state wagering. He commented the harness ADW handle was not huge, but id did help Cal-Expo and the night horsemen. Commissioner Israel **motioned** to approve the application for license to conduct a horse racing meeting of Cal-Expo. Vice-Chairman Harris **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE PROPOSED ADDITION OF CHRB RULE 2066, APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY, TO PROVIDE FOR AN ADDITIONAL 15 MINISATELLITE WAGERING FACILITIES IN EACH CALIFORNIA RACING ZONE.

Jacqueline Wagner, CHRB staff, said the proposed addition of Rule 2066, Application for license to Operate a Minisatellite Wagering Facility, would govern the application process for minisatellite wagering facilities. The language for the text of the regulation was developed in conjunction with the industry. In addition to the text, staff and the industry also developed the application, which was incorporated by reference in the regulation. Ms. Wagner stated comments were received during the 45-day public comment period. The comments suggested the text of Rule 2066 be modified to provide that the Board may waive the requirement for extensive personal information if the applicant had already been investigated pursuant to the licensing process for a state gambling license. In addition, the State Gambling Control Commission submitted comments regarding the text of Rule 2066, as well as the application. Staff accepted the comments and incorporated them into the text of the regulation. Ms. Wagner stated staff recommended the Board adopt the amendments to the text of the regulation, and direct staff to initiate an additional 15-day public comment period. Vice-Chairman Harris said if the regulation were to be put out for additional comment, he would like to increase the minisatellite license fee. The proposed fee of $75 seemed too little in comparison to the fees for owners and others. Ms. Wagner stated when the text of the regulation was developed the industry felt a higher fee would be too onerous for applicants. Vice-Chairman Harris said a $500 fee, the same fee imposed by the California Gambling Control Commission, did not seem like it would be a burden. Ms. Wagner stated the text of Rule 2066 would be changed to reflect the new fee. Commissioner Israel asked if the Board

had a background investigation fee. Ms. Wagner stated the Board did not have such a fee; the costs of background investigations were absorbed in the Board's budget. In addition, the California Gambling Control Commission was enabled by law to charge a fee; the Board did not have such a statute. Commissioner Israel asked if the Board would defer to the California Gambling Control Commission if the Commission did not previously license an applicant for a minisatellite wagering facility. Ms. Wagner stated the Board would only defer to the California Gambling Control Commission if the Commission currently licensed the applicant or if the Commission currently approved the applicant for a license. The Board would otherwise conduct its own background investigation. Commissioner Israel asked if the Board could charge a background investigation fee. Staff Counsel Robert Miller stated the Board could not charge such a fee, as there was no regulation in place. Vice-Chairman Harris commented the minisatellite wagering facilities would be part of Southern California Off Track Wagering, Inc. (SCOTWINC), so it was not as if the applicants would be custodians of the funds. The minisatellite facility operator would receive two percent of the income, which would go through SCOTWINC. Commissioner Israel stated the real benefit was that the minisatellite facilities would be giving customers a benefit, and they would drive food and beverage sales, which was were the operator would make money. Rod Blonien, representing card rooms, said in sports the concession business was where the profits were made. Chairman Shapiro stated others have voiced concerns that the two percent return on the minisatellite facilities would not justify the investment required. In addition, there was the issue of the 20-mile radius, which would make it difficult to place minisatellite wagering facilities in populated areas. Vice-Chairman Harris said the law allowed for waivers of the 20-

mile radius. One should not assume racing associations and fairs would not give waivers, because no one had asked for one. Commissioner Moss said he agreed with Chairman Shapiro regarding the problems with the minisatellite wagering legislation. The two percent commission was not good and the 20-mile limitation would strangle the whole process. However, there has been some indication of interest by a number of persons, so the Board should adopt the regulation and see what type of operators want to start minisatellites. The industry could then take another look at the issue to see if the legislation needed to be changed. Commissioner Andreini asked if anyone would want to open a minisatellite wagering facility if the license was only for a two-year period. Ms. Wagner stated the two-year license was mandated by the enabling legislation. Mr. Blonien said he represented the largest card clubs in Northern and Southern California. The clubs were interested in operating minisatellite wagering facilities. In addition, he knew of two other entities that were also considering operating minisatellite wagering facilities. The problem with increasing the two percent fee for the minisatellite facilities was that the regular facilities would also want larger commissions. That would require taking money from somewhere or increasing the takeout, which was not an appealing idea. He added the two-year license was put in the enabling legislation so that the Board would have the opportunity at relicensing if any minisatellite wagering facility were not performing well. The idea was to give the Board the flexibility to license another operator instead of being stuck for five years with an underperforming entity. Mr. Blonien said a number of racing associations have indicated they would waive the 20-mile limitation, but it was a tough issue with the fairs. He stated the California Authority of Racing Fairs (CARF) had indicated it would be willing to work with fair managers regarding the limitation.

Commissioner Andreini **motioned** to direct staff to renotice the text of Rule 2066 as modified with a $500 non-refundable license fee, and with an exemption for applicants who held current California gaming licenses, or who were currently approved for a California gaming license. Vice-Chairman Harris **seconded** the motion, which was **unanimously carried**. Chris Korby of CARF said that when the industry and staff discussed the proposed text of Rule 2066 a peripheral issue was amending the existing satellite wagering regulations. He stated he would ask that such a review take place, so the industry could be on a level playing field. Vice-Chairman Harris stated that Mr. Korby should provide the Board with his suggested changes to the regulations.

DISCUSSION AND PRESENTATION ON VARIOUS STUDIES, PROGRAMS AND RESOURCES PERFORMED BY THE MADDY LABORATORY AT THE UNIVERSITY OF CALIFORNIA, DAVIS SCHOOL OF VETERINARY MEDICINE, STATE DIAGNOSTIC LABORATORY, AND UNIVERSITY OF CALIFORNIA, DAVIS SCHOOL OF ANIMAL SCIENCE FOR THE BENEFIT OF HORSE RACING.

Dr. Rick Arthur, CHRB Equine Medical Director, said there was an entire team of veterinary professionals who worked at the University of California Davis (UCD) Veterinary School to benefit horse racing. He introduced Dr. John Pascoe, Executive Associate Dean of the UCD School of Veterinary Medicine. Dr. Pascoe spoke about the School of Veterinary Medicine, and its relationship with the Board. He introduced Dr. John Madigan, Professor of Internal Medicine. Dr. Madigan spoke extensively about his work in disaster preparedness and animal emergencies, and how his work related to developing racetrack disaster plans. Dr. Pascoe introduced Dr. David Wilson, a Professor of Equine Internal Medicine, and the Director of the William R. Pritchard Veterinary Medical Teaching Hospital. Dr. Wilson spoke at length about

his work in the field of neurologic herpes in horses, as well as a 2006 incident with the disease that occurred in Northern California. Dr. Pascoe introduced Dr. Martin Vidal, an Equine Surgeon, who spoke about his work in stem cells, as they applied to horses, and what long-term implications stem cell therapy held for horse racing. Dr. Pascoe invited interested parties to accompany UC Davis staff on two tours of the Veterinary School facilities during the lunch break.

DISCUSSION BY THE BOARD REGARDING THE PRESENTATION BY MONITOR PLUS, A PROPRIETARY ADVANCED SOFTWARE TOOL DESIGNED BY ADVANCED MONITORING SYSTEMS, INC., THAT PROVIDES REAL-TIME INDEPENDENT MONITORING OF THE PARI-MUTUEL WAGER.

Chairman Shapiro said Izzy Sobkowski of Advanced Monitoring Systems (AMS) created a format that would help the industry secure its wagering systems and monitor wagering in the pools to ensure the integrity of horse racing at the highest level. Chairman Shapiro commented he hoped the national regulatory industry, along with the stakeholders, would embrace the system as a security measure for the wagering pools. Mr. Sobkowski said he would be talking about a service bureau for the independent monitoring of pari-mutuel pools. He stated he started in the horse racing industry by working as the director of the national office of wagering security for the National Thoroughbred Racing Association. Mr. Sobkowski said continuous monitoring and auditing was looking at financial transactions that occurred in the wagering pools and accounts. The monitoring looked for patterns of inappropriate activity such as money laundering, race fixing, etc. He stated over the last couple years he had worked with racing commissions such as New York, and over the last 20 months his propriety system underwent extensive testing by the Racing Commissioners International (RCI). Mr.

Sobkowski spoke about AMS, and how it would interact with the wagering pools. Chairman Shapiro stated AMS was a natural tie-in with the other national initiatives to improve wagering security. He said AMS was a tremendous system, and the idea was that California would move forward with other racing jurisdictions. There was a cost associated with the AMS, but it was something the Board should pursue. Paul Bolwinger of RCI spoke positively about the AMS. He stated New York took the lead in implementing the program as of January 1, 2009. California would be a critical component in implementing AMS nationwide. If California accepted AMS other states, such as Kentucky, Illinois and Florida would quickly follow. That was why California needed to take a leadership position in adopting AMS. He concluded by stating the resources of the RCI was available to the Board. Commissioner Moss stated he noted the relationships of jockey; owner and trainer were going to be studied. There was only one mention of the trainer/veterinarian relationship. If there was going to be real security the veterinarians needed to be monitored as well. Mr. Sobkowski said the social network analysis technology (SNA) included veterinarians. However, there was currently not enough data using the veterinary relationship. Once SNA started using live data in a real world setting the veterinary relationships would become a bit more available. Chairman Shapiro stated the goal was to test the software, but to do that data was required. It would be in the Board's best interest to move forward and get the data AMS needed. Vice-Chairman Harris said the AMS software was intriguing, as the Board spent hundreds of thousands of dollars annually on investigations, but it had no technology to aid its investigators. He asked how much it would cost the Board to initiate the AMS program. Mr. Sobkowski said if the Board adopted the program, he hoped it would look toward a user fee that would be a fraction of every wager.

Mr. Bolwinger stated in New York the totalizators paid the fee, but they would probably go back to the tracks and spread the cost. He added the RCI could work with the Board to determine how to manage the costs.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST FOR APPROVAL FROM SOUTHERN CALIFORNIA OFF-TRACK WAGERING, INC. TO **CHANGE THE CURRENT 1.06 PERCENT OFF-SITE STABLING AND VANNING FUND TAKEOUT UP TO THE MAXIMUM 1.25 PERCENT PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19607.1(F).**

Chairman Shapiro said the Board would hear the item in conjunction with item nine of the agenda, as they were closely related. The proposal would increase the current Southern California Off-Track Wagering, Inc. (SCOTWINC) off-site stabling and vanning fund take out, which was 1.06 percent, to the maximum under Business and Professions Code section 19607.1(f), which was 1.25 percent. Item nine of the agenda would increase the Northern California Off-Track Wagering, Inc. (NOTWINC) takeout, which was currently 1.06 percent, to 1.20 percent. Vice-Chairman Harris stated the money for the increases would come from the horsemen and the tracks. He asked if they concurred with the proposal. Chairman Shapiro said there had been no opposition to the proposal. Commissioner Andreini **motioned** to approve the request to increase the SCOTWINC off-track vanning and stabling takeout from 1.06 percent to 1.25 percent, and to increase the NOTWINC off-track vanning and stabling takeout from 1.06 percent to 1.20 percent. Commissioner Israel **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST FOR APPROVAL FROM NORTHERN CALIFORNIA OFF-TRACK WAGERING, INC. TO CHANGE THE CURRENT 1.06 PERCENT OFF-SITE STABLING AND VANNING FUND TAKEOUT UP TO 1.20 PERCENT PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19607.1(F).

This item was approved in conjunction with item eight of the agenda.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE ALLOCATION OF RACE DATES AND RELATED ISSUES FOR 2009 AND BEYOND.

Chairman Shapiro said the proposed 2009 night harness racing calendar for Cal-Expo called for 148 days of racing. He stated if it were approved, it should be with the caveat that racing four nights a week could be administratively approved if the horse inventory was sufficient. Commissioner Israel motioned to approve the 2009 night harness racing calendar for Cal-Expo with the caveat that racing four nights a week could be administratively approved if the horse inventory was sufficient. Commissioner Andreini seconded the motion, which was unanimously carried. Chairman Shapiro stated the proposed 2009 Southern California night racing calendar provided for 201 nights of quarter horse racing at Los Alamitos. Commissioner Andreini motioned to approve the 2009 Southern California night racing calendar. Commissioner Israel seconded the motion, which was unanimously carried. Chairman Shapiro stated the 2009 Southern California thoroughbred racing calendar called for Los Angeles Turf Club to race from December 26, 2009, through April 19, 2009. Hollywood Park Racing Association would run from April 22, 2009, through July 19, 2009. Del Mar Thoroughbred Club would run from July 21, 2009, through September 9, 2009. Fairplex Park Pomona (Pomona) would run from September 10, 2009, through September 28, 2009. Oak Tree Racing Association would run from September 30, 2009, through November 8, 2009.

The Hollywood Park Fall Operating Company would run from November 11, 2009, through December 21, 2009. Chairman Shapiro said the 2009 Southern California Thoroughbred racing calendar had been reviewed and approved by the racing associations. Commissioner Choper asked if Hollywood Park was committed to run through the 2009 racing calendar, as presented. Chairman Shapiro stated Hollywood Park had committed to provide six months prior notice if it were to cease racing. That meant it would have to give notice by May 2009 if it would not run its fall meeting. Commissioner Israel asked why Pomona wanted a date change. Chairman Shapiro said Pomona requested its dates to run concurrent with its fair meeting. Vice-Chairman Harris asked if the fair at Pomona operated on September 28. It seemed counter-intuitive if the fair concluded on Sunday, but Pomona still raced the following Monday. Cliff Goodrich, representing Pomona, said Pomona historically ran on the Monday following the fair meeting. In addition, Oak Tree Racing Association agreed to the Monday race date for Pomona. Commissioner Andreini **motioned** to approve the 2009 Southern California thoroughbred racing calendar as presented. Commissioner Moss **seconded** the motion, which was **unanimously carried**. Chairman Shapiro said the stakeholders crafted a 2009 racing calendar for Northern California. He stated there were some flaws in the calendar that were the result of not looking at were race meetings should be placed, and at what time. As an example, the calendar had racing at Golden Gate Fields (GGF), then San Joaquin County Fair (SJCF), then Alameda County Fair (ACF) and then Sacramento (Cal-Expo), GGF and Fresno (BFF). It seemed as if it would be better to have contiguous groupings, such as a Central Valley circuit, instead of the proposed calendar. However, to do that some of the county fair dates would have to change, which would not happen any time soon. Chairman

Shapiro stated the interested parties were pretty much in agreement over the proposed 2009 Northern California racing calendar, except for the week of July 22 through July 26, 2009, which was the final week of racing at Solano County Fair (Vallejo). He stated the 2009 Northern California racing calendar started at GGF from December 26, 2008, through June 14, 2009. SJCF would run from June 18, 2009, through June 28, 2009. ACF would run from July 1, 2009, through July 19, 2009. The week of July 22, 2009, through July 26, 2009, which was normally the final week of Vallejo, was not yet determined. Sonoma County Fair (SCF) would run July 29, 2009, through August 9, 2009. From August 12, 2009, through August 23, 2009, GGF will run a meeting to benefit the California Authority of Racing Fairs (CARF). Humboldt County Fair, which would run from August 13, 2009, through August 23, 2009, would overlap the CARF race meeting at GGF. Cal-Expo would race from August 26, 2009, through September 7, 2009, and then the schedule returned to GGF September 9, 2009, through October 4, 2009. BFF would run October 7, 2009, through October 18, 2009, and then GGF would run from October 21, 2009, through December 13, 2009. Vice-Chairman Harris said he liked the idea of moving around because it allowed trainers to stable at GGF or to move. Chairman Shapiro stated he was concerned that there were portions of the calendar where trainers would not ship. He stated the movement from GGF to Cal-Expo and back to GGF was an example of where horsemen might be reluctant to ship. The racing calendar then went to BFF and back to GGF. Would the horsemen leave GGF to participate in the smaller meetings? Vice-Chairman Harris said if a trainer had 10 horses, he would not run every horse every day. He would run in one place, then two or three weeks later run in another location. Vice-Chairman Harris commented he appreciated the move to five-day weeks, as the six-day

weeks were what anchored the horse population. Commissioner Moss asked if every meeting coincided with a fair meeting. Chairman Shapiro stated the meetings did coincide with fair meetings. Vice-Chairman Harris said he was not sure the five-day meeting at Vallejo would work. Joe Barkett of Vallejo spoke about the rationale behind the proposed 2009 Northern California racing calendar. In addition, he stated that for many years Vallejo recognized that at some point the property would be used for other purposes. The fair worked out a formula that moved its traditional two weeks of racing to other racing fairs. In 2009 Vallejo would celebrate the 60th year of racing at its facility. It would also be the last year of racing at the fair. Vallejo wanted to end racing with some dignity, so it agreed to move the fair back a week. Moving the week enabled ACF to extend its meeting an extra week, which would overlap with the fair. Mr. Barkett also spoke about the CARF agreement with Magna Entertainment to run several weeks of racing at GGF to benefit the racing fairs. The profit from the meetings would be used to make improvements at ACF. He stated that although the proposed calendar was a bit different, it was designed to allow the fairs to move forward with their plans for the future. Tom Bachman of Thoroughbred Owners of California (TOC) stated Vallejo was once a pivotal part of the Northern California race circuit, but over the past several years it had suffered due to lack of attendance and handle. So, for the benefit of the Northern California circuit, the facility should not hold a race meeting in 2009. Mr. Bachman said he recognized the emotions attached to the 60th anniversary of racing at Vallejo, but the meeting was costly for the horsemen; costly for the fair; and it hurt the purse structure in the north. It would be better to run the week at SCF, as that would allow for five weeks of turf racing during the summer. Mr. Bachman commented one problem with transferring the week

was the concept of buying out fairs that were giving up dates. He stated he believed the fair should be compensated in some way, but it concerned him that the only reason a fair would stay in business was to demand more money from its cooperative group. Due to the economy there would be a lot of pressure on the horsemen in the summer of 2009, so moving the week to SCF would be one less move for the horsemen, and a plus to the racing calendar. Chairman Shapiro said he did not understand what Mr. Bachman meant when he stated the fair was selling its race dates. Mr. Bachman stated he understood the fairs were grandfathering each other out of business. He questioned why SCF did not want to take the dates, and what was the split when the fairs ran a 2007 Vallejo/SCF meeting. Who made money on that week and who did not? If a fair was going out of business, it was better to spend the money on the horsemen who were continuing in racing, rather than on the entity that was walking out. Mr. Barkett said the cooperative meeting resulted in better returns for SCF while Vallejo had worse results than the previous year. For various reasons SCF did not wish to repeat the 2007 Vallejo/SCF meeting. The proposed 2009 Northern California racing calendar was a collective effort by the fairs. Instead of fighting for dates and funds, the fairs decided to work together to improve the future of racing in Northern California. To accomplish their goals the fairs were directing monies to fairs where the need was greater, such as ACF. If the calendar meant the reduction of racing fair sites, then the financial impact also needed to be taken into account. Vallejo worked out a deal that would return some of the monies generated from the additional weeks of racing to the fair for a period of years. After a certain number of years, Solano County would hopefully be able to develop the fair grounds and replace the racing monies. Mr. Bachman said it was a question of what was the cost, and whether it would be

profitable for another fair to pick up the extra week. Mr. Barkett said CARF held discussions with the fairs, and the cost was determined to be $300,000. That sum could easily come from the additional off-track wagering. The additional on-track revenue would go to the ACF. Chairman Shapiro stated that meant Vallejo would give up its week of racing and in return would be paid $300,000. The entity that was conducting the week of racing would keep the remainder of the money. Mr. Barkett said that was correct, and the period of time was five years. Chairman Shapiro said Vallejo was no longer in racing, but over five years it would receive one million five hundred thousand dollars derived from horse racing. Chairman Shapiro asked how that money would benefit horse racing. He stated horse racing funded the fairs, and everyone knew the industry was suffering. It was gracious of Vallejo to get out of horse racing, but there were commercial tracks and others that would possibly have to make up a shortfall because of less income to the fair fund. Mr. Barkett said Vallejo relied on the income from its race meetings. There was no way the fair could simply stop racing, shut off the income, and in one year make up over $300,000 in revenues it needed to survive. In addition, that income was different from the license fee that was paid to the Fairs and Exposition Fund that supported the fairs. Mr. Barkett commented that if Vallejo did not receive some compensation there would be no incentive to work cooperatively with the rest of the racing fairs to help the industry accomplish its goals for Northern California. Commissioner Moss asked if there would be any special promotions for Vallejo's 60th anniversary. Mr. Barkett said the fair would do everything it could to promote the week. Commissioner Moss asked if the site of the fair would eventually be developed. Mr. Barkett stated six years ago Solano County entered into an agreement with the Mills Corporation to

develop the fairgrounds. That development would have included the racetrack facility. Commissioner Moss asked what would happen if the development commenced during the period Vallejo was receiving payments from the racing industry. Mr. Barkett said Solano County was in the process of planning for the future. A best estimate of when the racetrack might be developed was at least six to eight years in the future. Chairman Shapiro asked what might happen if the fair found another activity that generated significant income for the racetrack. Would the fair be willing to cap its net income at the $300,000 rate so it would not have a windfall? Mr. Barkett said the likelihood of finding new income was slim, but if it did Vallejo would not have a problem capping its income. Charlie Dougherty of California Thoroughbred Trainers (CTT) stated his organization did not support a 2009 race meeting of Vallejo. Given the difficult economic times it did not make sense to open the barn areas for one week. There would be costs for trainers related to going to the facility and setting up stalls, and the vanning and stabling fund would take a hit to open the facility. The purses generated would not justify the expense. Mr. Dougherty stated the CTT had hoped SCF would consider a third week. However, SCF did not wish to take on the payment to Vallejo, so the week went to ACF. The CTT supported the move. Gloria Haily, a trainer and CTT board member, spoke against racing for one week at Vallejo. Commissioner Choper asked how trainers used vanning if they were operating out of GGF, but were going to run at Vallejo. Ms. Hailey said she would ship the night before and pay for her grooms to go to another facility. Vice-Chairman Harris stated he understood most trainers shipped horses from GGF the day of the race. Ms. Hailey said some trainers did that, but she shipped in the night before so the horses could become acclimated to the noise of the theme park and traffic. Drew Couto

of TOC spoke about the process the Northern California industry went through to arrive at the proposed 2009 Northern California racing calendar that included a week of racing at Vallejo. He stated he looked at the costs associated with running a one-week meeting at Vallejo versus ACF, and found the total impact to be around $490,000, which the rest of the industry would have to fund. Mr. Couto stated the industry was looking at deficits over the next 18 months that could total ten million dollars, and the cost of running a meeting at Vallejo could be another half million dollars. At the industry's last meeting with Vallejo it asked if the fair would be willing to pay $200,000 - at a bare minimum - to run the one week in 2009; there was no resolution of the issue. Commissioner Choper stated that meant of the $500,000 additional cost to run the week at Vallejo, TOC subtracted the $300,000 that would be paid to Vallejo under the ACF agreement, and arrived at $200,000. Commissioner Israel asked if increased purses would make up the difference. Mr. Couto said it was not just purse money. There would be additional costs to the vanning and stabling fund because of the additional week of racing. Commissioner Israel asked how the money would be distributed to make up the $200,000 difference. Mr. Couto stated there were purses, which were estimated to be $22,000 a day less than ACF purses, or $110,000 for the week; breeders' awards; off-track stabling expenses of approximately $7,150 a-day and the off-track stabling revenues. Commissioner Israel asked if the fact that Vallejo was running its last meeting might cause a spike in its revenues. Could the projected revenues be used to make both parties whole? Mr. Barkett said he wished that were a fact, but Vallejo going out of business after 60 years was very different from Bay Meadows closing. He added that if TOC's numbers were correct, it was projecting more income than was realized in 2008 for the last week of Vallejo. Chairman

Shapiro said if an increase in income was projected, Vallejo was not losing; it was giving up additional profit. Vice-Chairman Harris stated the additional week at ACF might also not be the greatest week. Mr. Barkett said that was correct. Vallejo made the agreement so ACF could run a third week, but running a fourth week when there was no fair at ACF might not generate the same average daily handle. Commissioner Moss asked if Vallejo would conduct satellite wagering if it ceased live racing. Mr. Barkett said Vallejo had a satellite wagering facility, which would continue to operate. Vice-Chairman Harris said Vallejo would receive income for the two weeks over a five-year period. Mr. Barkett stated Vallejo would receive the income for five years, then it would scale down in years six and seven, and cease in the eighth year. Vice-Chairman Harris said his concern was the Board's ability to award the weeks if another party could claim it "bought" them. Chairman Shapiro stated the Board would retain its authority to award the weeks as it saw fit. Mr. Couto stated the TOC was not asking for a fixed sum of money. The projections were merely to provide an understanding of the differences in income between the meetings. TOC only wanted to ensure that the industry was not funding Vallejo's last week of racing, and that in 2009 the owners, trainers, racetracks and others did not pay additional costs out-of-pocket. There needed to be some true-up to minimize the impact. Jack Liebau of Hollywood Park said the race dates belonged to the State of California. He stated he questioned the ability of a track to "sell" its dates, and whether that was a good idea. Bay Meadow and Hollywood Park did not think of trying to sell their dates, as they belonged to the State. Vice-Chairman Harris said the fairs might be different, as they had limited dates and the Board could not give a fair 60 days. The law allowed consolidation of fair dates. Commissioner Choper stated he would like to vote to allow Vallejo

to have its final week of racing and a 60th anniversary. The TOC indicated that if it could recover legitimately determined costs it, too, would be okay with Vallejo racing the one week. Perhaps the parties could come to an agreement for a little less than 100 percent of the difference. Norb Bartosik of Cal-Expo stated his organization was concerned with its position on the proposed 2009 Northern California racing calendar. He said Cal-Expo wanted to be on record as stating it would like more race dates in 2010. Rick Pickering of ACF spoke in support of the proposed 2009 Northern California racing calendar. Chairman Shapiro **motioned** to approve the proposed 2009 Northern California racing calendar with the exception of the week of July 22, 2009, through July 26, 2009, which would be determined at a later time. Vice-Chairman Harris **seconded** the motion, which was **unanimously carried**.

REPORT OF THE ADVANCE DEPOSIT WAGERING (ADW) AD-HOC COMMITTEE.

Commissioner Israel said the Advance Deposit Wagering (ADW) Ad-hoc Committee (committee) met on October 27, 2008, at Hollywood Park. He stated the committee heard from various industry representatives and learned the industry would prefer that the Board take no action to require non-exclusivity. If the Board did take action to assert that non-exclusivity be part of any agreement, the racing associations and the ADW providers would have to be subject to that requirement, as there were too many "work-arounds" if both parties were not required to have such an agreement. Commissioner Israel added the committee hoped to meet again in the near future.

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

Chairman Shapiro stated it was evident that the industry was embroiled in an impasse that was causing harm to fans, the industry and the advance deposit wagering (ADW) providers. The Board was not taking a position regarding who was responsible, but it was disappointed with the current situation. The economy was in turmoil and horse racing fans were being deprived of the opportunity to place wagers on California product. Chairman Shapiro said he would recommend not licensing any ADW providers until some clarity regarding the direction the industry would take with ADW was provided. Commissioner Moss asked if any resolutions of the issues could be immediately implemented if the industry and the ADW providers resolved their issues in the near future. Chairman Shapiro stated the ADW licenses/approvals were valid through December 31, 2008. Vice-Chairman Harris said the license applications were not the problem. The ADW providers would not be damaged if the Board waited to address the applications. The real issue was the negotiations between the ADW providers and Thoroughbred Owners of California (TOC) regarding the transmission of the out-of-state signal. The current impasse could be solved in the near future, but it appeared that some version of arbitration, or mediation was needed. Chairman Shapiro said the Board was not able to intervene, and if it licensed the ADW providers without a resolution the issues would only return. Commissioner Israel said the Board's power was the right to license. If the Board did not receive more information and certain issues were not resolved, it did not have to renew the licenses/approvals. In addition, it appeared one ADW provider was for sale, so the

Board could not be sure exactly who it was licensing for 2009 it if renewed the license. Vice-Chairman Harris stated up to 20 percent of the industry's income was derived from ADW, so the Board should be careful not to simply cut the income stream. He added there would always be some controversy with ADW because of the need to renew ADW agreements on an annual basis. ADW was really on a meet-by-meet basis and it needed the horsemen's consent. The licensing was not the problem. The problem was achieving some resolution to the current negotiation. Chairman Shapiro said the Board's only leverage was not to license/approve the ADW providers. The Board clearly wanted ADW to continue, but it also wanted the industry to reach an agreement that would end the continual problems and issues. Commissioner Choper said he would agree to defer the item with the understanding that the industry and the ADW providers would meet in the near future and settle their issues. No one, including the fans, the industry and the ADW providers, was benefiting from the current situation. If the industry and the ADW providers came to their collective senses and reached an agreement, there would be no problem with licensing/approving the ADW providers. If the parties could not reach an agreement, Commissioner Choper urged them to agree to arbitration. Chairman Shapiro said with the Board's agreement items 12, 13, 14 and 15 of the agenda would be **deferred**. John Hindman of TVG said his organization was not aware of any industry meetings regarding ADW. Scott Daruty of TrackNet Media said the meetings were between the tracks, horsemen and ADW providers. The issue was how to get all three parties on the same page. When racetracks cut deals with ADW providers the horsemen would get upset that the ADW companies were approached first. The meeting that would take place on November 19, 2008, was between the racetracks and horsemen to see if the parties could reach an

agreement. It would be nice to have all the parties at the table at the same time, but that proved to be impossible. The racetracks and horsemen hoped to reach an accommodation at the November 19, 2008, meeting. Two ADW providers would be represented at the meeting because Magna Entertainment owned one and Churchill Downs owned one. There was a good likelihood that the other ADW providers would be at the meeting, too. Chairman Shapiro said the meeting should be open to all interested parties. Mr. Hindman said he hoped that if an ADW provider met the licensing criteria and demonstrated it was capable of operating ADW in California, the Board would view it favorably. Chairman Shapiro stated the Board would revisit licensing/approving ADW providers at a future meeting. He commented the Board was aware TVG was for sale, and that if it was sold, it would require re-evaluating. Vice-Chairman Harris stated he believed the Board's licensing role needed to be separated from the resolution of the dispute. A State agency should not use licensing as a tool to force parties to cut a deal. Jack Liebau said Hollywood Park would not be at the November 19, 2008, meeting. However, he hoped the parties would come to an agreement because it was Hollywood Park who would suffer. He stated the ADW providers were willing to pay a certain sum for the signal, which was unacceptable to the horsemen. While the tracks were not innocent bystanders, they were being hurt along with other segments of the industry. Chairman Shapiro stated the Board's action was in recognition of how the dispute was affecting the industry. Commissioner Moss said it was also a question of the horsemen operating in their best interest. Although there were national implications, the issues should be resolved on the basis of what was good for California horsemen.

DISCUSSION AND ACTON BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF ODS TECHNOLOGIES, L.P., DBA TVG, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS AND/OR EXTENSION OF THE CURRENT APPROVAL.

The item was deferred.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCED DEPOSIT WAGERING (ADW) OF YOUBET.COM, INC., FOR A CALIFORNIA MULTI-JURISDICTIONAL WAGERING HUB AND APPROVAL FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS AND/OR THE EXTENSION OF THE CURRENT APPROVAL.

The item was deferred.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF XPRESSBET, INC., FOR A CALIFORNIA MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS AND/OR EXTENSION OF THE CURRENT APPROVAL.

The item was deferred.

REPORT OF THE MEDICATION COMMITTEE.

Dr. Rick Arthur, CHRB Equine Medication Director, said the Medication Committee (committee) met on November 17, 2008. Dr. Sue Stover gave the committee a review of her research. Dr. Arthur stated he discussed the equine injury database, which was a national database California would use. He said he also gave a demonstration of the pre-race examination module on Encompass, which would allow the Board to interchange medical

records between tracks. A demonstration of the vet's list on Encompass was also provided. Dr. Arthur said the committee discussed improved analysis of racetrack fatalities and the TCO2 program. The committee discussed a proposal to amend the Board's rules to allow for races in which horses would run without Lasix.

PUBLIC COMMENT

Susan Branch, a horse owner, spoke about the issue of thoroughbred horses running unshod in races, and how the policy was currently being applied. Richard Hamilton, of the Dixon May Fair, said his organization was in the process of initiating satellite wagering at its facility. Chairman Shapiro said the Dixon May Fair should work with staff to complete the application, and the Board would be pleased to hear the item for approval at a future date. Michael Power, a horse owner and breeder, spoke regarding various horse racing related issues. Charles Dougherty of California Thoroughbred Trainers spoke about unresolved financial issues related to the closing of Bay Meadows Race Track. Jack Liebau of Bay Meadows said there were several outstanding issues his organization and Thoroughbred Owners of California (TOC) were attempting to resolve. The TOC and Bay Meadows were in ongoing discussions.

MEETING ADJOURNED AT 3:45 P.M.

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
PUBLIC HEARING AND ACTION BY THE BOARD ON THE PROPOSED ADDITION OF CHRB RULE 1689.2, SAFETY REINS REQUIRED

Regular Board Meeting
January 15, 2009

BACKGROUND

Business and Professions Code section 19504 provides that the Board shall determine whether the use of safety reins would provide jockeys and exercise riders greater protection from accidents and injuries than conventional reins. If the Board determines safety reins provide greater protection, it shall adopt a regulation mandating the use of approved safety reins whenever a racehorse is ridden at a racetrack. The Board shall approve any model of mandatory safety rein, if required, in use at a racetrack. Under Business and Professions Code section 19504(d), safety reins are defined as: "...a type of rein that is reinforced with a wire cable, nylon strap, or other safety device or material that is attached to the bit and designed to maintain control of the horse should the rein break."

Safety reins are essentially a rein within a rein. Typical reins are made of leather or nylon and attach to the bit. Reins provide jockeys and drivers with control of the horse; when reins break, control is lost. With safety reins, a nylon cord is stitched into the traditional leather or nylon reins during the manufacturing process, and the safety cord attaches to the bit independently of the conventional reins. Should the outer leather or nylon reins break, the safety reins allow the jockey or rider to maintain control; however, the safety feature is intended to break if a horse or rider should become entangled in the dangling ends. This is the reason nylon is used instead of wire. Additionally, the nylon only goes as far back as the end of the grip for the same reason. Arthur Gray designed the Sure Lines safety reins. Sure Line reins have a nylon cord that emerges from the outer reins and attaches to the bit using a metal clasp. Brian and Lisa Peck designed a second (loop) type of safety rein (BP Safer Rein). The "Peck" safety reins have a nylon cord that remains inside of the outer reins throughout and can be seen. Both the nylon and outer reins are looped around the bit. It should be noted that while the safety rein designers can provide supporting materials, including laboratory reports on the testing of their reins, there are currently no safety standards established for safety reins.

In late 2007 the Board was informed that the California Horsemen's Safety Alliance (CHSA), which oversees the worker's compensation program at California thoroughbred racetracks, had ordered Sure Line and Peck safety reins to distribute to horsemen to use voluntarily as an experiment to determine their effectiveness and to identify any problems. The Jockeys' Guild endorsed a CHSA request that the Board delay mandating safety reins until after the experiment was completed and evaluated.

The CHSA distributed 209 safety reins to 105 CHSA thoroughbred trainer participants. During the experiment the CHSA received feedback from trainers, which resulted in the modification of the grip and the overall length of the reins. The CHSA reported the response to the reins has been positive. In addition, retired jockey Chris McCarron endorsed the use of safety reins. The CHSA also reported it was working to establish ASTM International (ASTM) standards for safety reins. This goes a step beyond the Business and Profession Code section 19504 definition of safety reins, and will provide a standard by which all manufacturers of safety reins may be judged.

In June 2008, the Jockeys' Guild requested that the Board adopt a regulation mandating the use of safety reins at California tracks. At the June 27, 2008 regular Board meeting, a proposed text for Rule 1689.2, Safety Reins Required, was discussed. The Board determined the proposed rule should be specific to racehorses and the effective date should be 12 months, as opposed to 18 months. The Board also expressed concern that it did not want the rule to create a single-vendor monopoly; therefore the proposed rule only mandates safety reins generally, without specifying a particular design.

At the June 27, 2008 Regular Board Meeting, Ed Halpern, of the California Thoroughbred Trainers (CTT) and California Horsemen's Safety Alliance (CHSA), provided the Board with the most recent report from its Safety Rein Pilot Study Program. Originally, CHSA provided 105 trainers in California with sample safety reinforced reins from Sure Line Reins and from BP Safer Reins for use during morning workouts and racing. After an 11 month study period, a post follow up survey was conducted with the participating trainers. Seventy six of the 105 trainers participated in the survey. Two trainers chose not to use the safety reins provided. The safety reins received both positive and negative comments from the trainers. Additionally, the number of trainers in favor of and the number opposed to mandating the use of safety reins were similar.

The report contained a summary of independent laboratory test results for both the Sure Line Safety Rein and BP Safer Rein. The tests measured the breaking points of the leather rein and reinforced nylon cord in both models. Quality Inspection Services, Inc., tested the Sure Line Safety Rein. The February 15, 2008 test report indicates the failure load on leather reinforced with attached clip ranged from 498 to 685 lbs causing the leather strap failure. The April 26, 2008 test report shows failure load to the nylon strap of the safety clip assembly at 132 to 155 lbs and nylon strap failure at 478 lbs.

The BP Safer Reins were submitted to Geotechnical Engineering Materials Testing Construction QA/QC for testing. The June 15, 2007 test report states the reinforced rein leather failed at 1145 lbs of pull pressure, with the nylon cord failing at 873 lbs. The conventional un-reinforced reins failed at 400 to 493 lbs of pull pressure.

The proposal to add Rule 1689.2 was subsequently noticed for a 45-day comment period. During the public comment period, the following five comments were received:

1. California resident and horseplayer, Greg Badovinac, expressed support for the proposed rule.

2. Jack Holton, President of the Indiana Standardbred Association, expressed concern regarding the state's liability should it mandate a single source supplier. He also stressed that with proper maintenance and inspection of equipment, harness reins rarely break and that if there is a question of safety on the thoroughbred circuit, jockeys have a "perfect right to demand that their mounts be equipped with safety reins or they have the option of purchasing the equipment for themselves."

3. Edward Halpern, Director of CTT and President of CHSA, does not support the adoption of a rule mandating safety reins at California racetracks. He contends that safety reins do not provide jockeys and exercise riders greater protection from accidents and injuries than conventional reins and asks the Board to defer a decision on safety reins until objections raised by safety experts have been analyzed and overcome.

4. California Horsemen's Safety Alliance (CHSA) provided four comments.

    a. Sonia Pishehvar, CHSA Administrator, discourages mandating safety reins before further scientific studies and before regulatory guidelines on reins or safety reins are determined.

    b. Terry Smith, Ph.D., Principal Scientist at Dynamic Research, Inc., commented that after analyzing safety rein test information provided by the CHSA, he believes "there are good safety rein products on the market; however, there is not enough information currently available to develop an appropriate performance specification for these safety rein products." Furthermore, he believes "there is insufficient data available to conclude whether or not safety reins are safer for the rider or perhaps more dangerous to the rider because of their potentially higher failure limit (relative to typical leather products)."

    c. Anthony Bahno, Technical Services Manager for AIG Consultants, Inc., believes that the current testing of safety reins should be considered incomplete and that more testing needs to be conducted to develop safety performance specifications before the Board mandates the use of safety reins.

    d. Brian Peck, Inc., representing BP Safety Reins, provided a document detailing proper maintenance of BP Safer Reins. It states that "leather reins should be cleaned only with mild soap or conditioning product made for use on leather...No harsh chemicals including but not limited to household cleaners should ever be used on the leather or grips."

5. Christine Picavet believes that "regular nylon and plastic reins are dangerous. Leather reins break on rare occasions and those used in races should be newer."

The majority of comments received advise the industry to continue testing safety reins to develop industry standards.

The proposal to add Rule 1689.2 was last heard at the September 18, 2008 Regular Board Meeting. It was scheduled for public hearing and action by the Board following the end of the 45-day public comment period; however, the item was deferred pending the results of a trial used reins exchange program organized by the CTT and CHSA.

The CHSA used reins exchange program provided an additional opportunity for CHSA member trainers to try out the different types of safety reins available. Trainers were asked to bring in no more than two sets of used reins in exchange for two sets of safety reins of their choice at a reduced cost of $50 per set. Trainers could choose between Brian Peck's leather loop reins (BP Safer Reins) or Art Gray's leather clip reins and/or the nylon clip reins (Sure Line Safety Rein). Additionally, trainers who participated in this program were asked to sign a release of liability at time of receipt.

In addition, the CHSA, at the recommendation and support of both the CTT and the Jockeys' Guild, has also begun the process to develop an ASTM standard for safety reins. The Jockeys' Guild representative stated: "The CTT has agreed that, once an ASTM standard is in place, it will join the [Jockeys'] Guild in supporting the adoption of a CHRB rule mandating use of an ASTM approved safety rein at California tracks." Until such standards are in place, both parties agreed to recommend that the Board defer the adoption of Rule 1689.2.

Attached for reference:

(A) Proposed CHRB Rule 1689.2, Safety Reins Required
(B) Business and Professions Code section 19504
(C) Letter of endorsement from the Jockeys Guild
(D) Letter from CHSA reporting on the safety reins pilot study program
(E) Letter from CHSA summarizing the safety reins pilot study survey
(F) Letter of endorsement from Chris McCarron, retired jockey
(G) Informational packet provided by Art Gray, maker of Sure Lines safety reins
(H) Informational packet provided by Brian and Lisa Peck, makers of BP Safer Reins
(I) Opposition to mandatory safety reins
(J) Comment from Mr. Greg Badovinac
(K) Comment from Mr. Jack Holton
(L) Comment from Mr. Edward Halpern
(M) Comments provided by CHSA
    a. From Sonia Pishehvar, CHSA
    b. From Terry Smith, Ph.D., Dynamic Research, Inc.
    c. From Anthony Bahno, AIG Consultants, Inc.
    d. From Brian Peck, Inc.

(N) Comment from Ms. Christine Picavet
(O) CHSA Used Reins Exchange Program letter
(P) Letter Barry Broad (Jockeys' Guild Representative) requesting the Board defer adoption Rule 1689.2, until an ASTM standard for safety reins has been developed.

RECOMMENDATION

This item is presented for public hearing and action by the Board. Staff recommends the Board accept the Jockeys' Guild and CTT recommendation and defer adoption of Rule 1689.2, mandating safety reins at California Thoroughbred racetracks until an ASTM standard for safety reins has been developed.

REFERENCE:

A

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 8. RUNNING THE RACE
PROPOSED ADDITION OF
RULE 1689.2. SAFETY REINS REQUIRED

Regular Board Meeting
January 15, 2009

1689.2. Safety Reins Required.

(a) No jockey or apprentice jockey shall ride in a race, nor shall any person exercise, gallop, breeze, work out or ride a racehorse on the grounds of a facility under the jurisdiction of the Board unless the racehorse is equipped with safety reins as defined under Business and Professions Code Section 19504(d).

(b) Conventional reins, as defined under Business and Professions Code Section 19504(e), may be used at facilities under the jurisdiction of the Board for a period of 12 months after the effective date of this regulation.

(c) This regulation does not apply to standardbred racehorses.

Authority: Sections 19440 and 19504, Business and Professions Code.
Reference: Section 19504, Business and Professions Code.

REFERENCE:

B

CALIFORNIA HORSE RACING BOARD
DIVISION 8, CHAPTER 4, BUSINESS AND PROFESSIONS CODE
SECTION 19504

19504.
(a) No racehorse shall be ridden at a racetrack unless the rider is equipped with a safety helmet and safety vest.
(b) No later than July 1, 2006, the board shall conduct an investigation, including at least one public hearing, to determine whether the use of safety reins would provide jockeys and exercise riders greater protection from accidents and injuries than conventional reins. Should the board determine that the use of safety reins would provide greater protection for jockeys and exercise riders than conventional reins, it shall adopt a regulation no later than July 1, 2007, mandating the use of approved safety reins whenever a racehorse is ridden at a racetrack. The regulation adopted by the board may phase in the use of safety reins, but in the event safety reins are mandated, the board shall not permit the use of conventional reins in a parimutuel race for longer than 18 months following the adoption of the regulation.
(c) The board shall approve any model of safety helmet, safety vest, and mandatory safety rein, if required, in use at a racetrack.
(d) For the purposes of this section, a ''safety rein'' is a type of rein that is reinforced with a wire cable, nylon strap, or other safety device or material that is attached to the bit and designed to maintain control of the horse should the rein break.
(e) For the purposes of this section, a ''conventional rein'' is any rein other than a safety rein.

REFERENCE:

C

LAW OFFICES OF BARRY BROAD

June 5, 2008

Richard Shapiro
Chairperson
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, California 95825

Re: Proposed Safety Rein Regulation

Dear Chairperson Shapiro and Members of the Board:

I am writing on behalf of the Jockeys' Guild to inform the CHRB of our position with regard to the adoption of a regulation mandating the use of safety reins in accordance with the provisions of Business and Professions Code section 19504 (AB 1180, Stats. 2005, Chap. 329).

The Guild supports the adoption of the following language:

> "No jockey, apprentice jockey, exercise rider or any other person shall gallop, breeze, exercise, workout, or otherwise ride a horse on the grounds of a facility under the jurisdiction of the commission unless the horse is equipped with safety reins. A safety rein is a rein with a nylon safety cord stitched into a leather, nylon, or other synthetic rein during the manufacturing process and the nylon safety cord is securely attached to the bit."

We believe that this language adequately defines a safety rein with sufficient specificity to insure that the desired result--preventing reins from breaking—is achieved without favoring a particular brand or manufacturer. The language also assures that safety reins are used whenever horses are ridden at the track, including non-racing periods as well as during races.

We urge the CHRB to adopt this language as soon as possible.

Sincerely,

Barry Broad
Legal Counsel

1127 11th Street, Suite 501
Sacramento, CA 95814
(916) 442-5999
Fax (916) 442-3209

REFERENCE:

D

CALIFORNIA HORSEMEN'S SAFETY ALLIANCE

Date: November 9, 2007
To: Ed Halpern, CHSA President, CTT General Counsel
From: Sonia Flores Pishehvar, CHSA Administrator
Subject: Safety Reins Pilot Study Program

A 90 day pilot study program was conducted in Del Mar, Santa Anita, Hollywood Park, Pomona, Golden Gate Fields, and Bay Meadows. Two manufacturers participated in this project. They were willing and able to make adjustments to specs given by a sample pool of trainers and jockeys, requesting to increase the grip length by 2 inches and the over all rein length by 3 inches.

Art Grays' Sure Lines provided 109 leather thoroughbred attached clasp nylon strip reinforced safety reins. It should be noted that these reins have not been tested at an ASTM approved testing facility. This Administrator made the recommendations to Mr. Gray to do.

The second manufacturer, Brian Pecks' Safer Reins, provided 100 units of leather loop reins with reinforced nylon parachute cord. This product has been tested at an ASTM approved laboratory in Kentucky by Mr. Matthew A. Dettman, P.E. On his report dated June 15, 2007, page one notes that the purpose of the testing was to perform quality control of the products as well as to compare results between reinforced and un-reinforced reins. The test results showed failure modes for the reinforced rein at two distinct failure points, first being the leather portion of the rein, second being the reinforcement. Failure modes for the un-reinforced rein was one, is at the leather portion of the rein. The reinforced rein leather failed at 1145 lbs of pull pressure, with the exposed reinforcement (nylon cord) failing at 873 lbs. The un-reinforced rein failed at 493 lbs of pull pressure.

The results were positive as it confirmed that the purpose of the reinforced "safety" rein is to provide a backup for the jockey or exercise rider in the event that the leather rein breaks or fails, the reinforced rein will provide the rider something to hold on to in order to continue to control the horse coming to a safe and controlled stop for the safety of both the horse and the rider.

209 safety reins were distributed to 105 CHSA Trainer participants. Release of liability was secured from all the participants. Only two trainers refused to participate in the pilot study; one citing that he only utilizes custom English leather reins an did not want to try any new products, the other trainer stating that he did not want to be bothered with any safety project.

105 trainers in Northern and Southern California were open to the practice and use of safety reinforced reins given the option to select the style and comfort of their choice. Positive feedback was received from all trainer participants and some have placed additional orders on their own. It should be noted that no written national or international standard exist on safety/reinforced reins, thus how to regulate the "safety" reins without a governing approved standard will be difficult to regulate.

Santa Anita Park: 285 West Huntington Drive *Arcadia, CA 91007* PO box 660039 * Arcadia, CA 91066-0039
Office: (626) 447-2146 * Fax: (626) 447-2006
www.officialchsa.com

REFERENCE:

E

DATE: June 25, 2008
TO: Ed Halpern, CHSA President, CTT General Counsel
FROM: Sonia Flores Pishehvar, CHSA Administrator
SUBJECT: Safety Reins Survey Summary

Pursuant to the Safety Rein Pilot Study Program report dated 11/9/2007, where it was noted that CHSA provided 105 Trainers in California with sample safety reinforced reins from Sure Line Reins, (reinforced and attached clip) and from BP Reins,(reinforced loop reins) for use during morning workouts and racing. Trainers were to provide feedback and comments on the equipment used.

The purpose of a reinforced "safety" rein is to provide a backup for the jockey and exercise rider in the event that the leather rein fails or breaks, the reinforced rein will provide the rider something to hold on to in order to continue to control the horse coming to a safe and controlled stop for the safety of the horse and rider.

Additionally it was recommended that the Sure Line reins submit the equipment for testing at an independent laboratory and provide the testing results for review. It should be noted that Mr. Art Gray has provided the testing results as requested. According to Quality Inspection Services Report dated 2/15/2008, the failure load on leather reinforced with attached clip ranged from 498 to 685 lbs, causing the Leather strap failure. Test report 4/26/2008 indicated failure load to the nylon strap of the safety clip assembly at 132 to 155 lbs; nylon strap failure at 478 lbs.

The BP Reins test results previously submitted noted that the reinforced rein leather failed at 1145 lbs of pull pressure, with the exposed reinforcement (nylon cord) failing at 873 lbs.

The conventional un-reinforced reins failed at 400 to 493 lbs of pull pressure.

Conventional rein failure is due largely to wear and tear and poor equipment inspection and maintenance practices.

Following please find the summary of a post follow up survey conducted with the Trainers in California that participated in the 11 month CHSA Safety Reins Pilot study.

76 Trainers of the original participants were available to participate in this survey. 2 of the Trainers chose not use the safety reins provided.

74 Trainers used both the reinforced with the attached clip and the reinforced loop reins.

The positive comments received were: "good quality", "safer than conventional reins," "They didn't break", "my riders like them, the oil doesn't penetrate", "good and strong", "felt very safe", "excellent quality", " added sense of security", "long lasting", " seem to last, rubber stays", " they are still intact", " everything about them is good", " strong and sturdy", "durable", "sound for safety", "less risk for injury", "easy to use", " easy to clean", "worked great in the afternoon".

The negative comments received were: "No need for extra clip", " I did not like neither of them, too thick", " Too heavy, too wide, too thick", " the buckle too difficult to clean", " the clip twists on the bit", " I saw no difference than the ones I already use", " ok for morning workouts, too heavy for racing", " I don't like the clip", " the loop is too wide", " a little too thick", " not soft, too hard, too thick", " the clip at times gets stuck on the buckle", " they didn't feel like leather", " could not tie into bit", " too thick to tie knot for riders grip", " a little slippery", " too long", ' the nylon separate attachment is not that good", " clip reins rubber is too far from bridle", " no different then ordinary reins".

Additional comments: " trainers need to take care of their equipment a little better", " I like the one I already use", " good English leather doubled with nylon in the middle would be safer", " we monitor and maintain our equipment and update and change every 2 months", ' make the reins lighter", " I would prefer the use of screws and not a buckle", " I think we should continue looking for safer racing equipment", " riders prefer the reinforced loop", " I would like them to use screws", " I like the product, safety is important", " I want to purchase the clip reins", " I try using quality safety equipment", "I don't know if they are any better than the once I already use", " liked the quality on both, clip reins are more piratical and in my opinion safer", "I purchased reinforced loop and not as good quality than the ones CHSA issued", " If the jockeys are in favor of these it should be their decision", " continue working on safety and safety equipment", " they become slippery when wet, check in rainy days", " reinforced reins are double safe and strong", "loop reins were very good quality", " I will use them in the future", " should not be made mandatory", " I don't like CHRB mandates", " should be left up to the riders and trainers", " I would not like these to be made mandatory", " it should be the trainers choice", " thank you for providing us with the reins", "I am supportive on safety Issues".

31 - Trainers preferred the loop reinforced rein, 22 - preferred the reinforced with attached clip, 19 - liked both styles of reinforced reins, 5 - had no comments, 1- did not like neither of them.

On the issue of making the safety reins mandatory, we had 32 - Trainers indicating that they are not in favor of mandating a rule. 28 - Trainers were in favor. 11- Trainers had no comment and 5 trainers were undecided.

As a result of the Trainers participating in this Pilot study, it brought awareness for the need and implementation of equipment inspection and safe work practices and procedures. Based on the comments made by the trainers contained in the body of this report there is a need for improvement on the reinforced safety reins provided in this study.

REFERENCE:

F

April 9, 2008

In reference to the Sure Lines safety reins;

To Whom It May Concern:

I believe that the *Sure Lines* safety rein is an invaluable tool that will help prevent serious racing or training accidents. The concept and design of the *Sure Lines* safety rein is a good sound one and the product itself is good quality. I acquired 15 sets of the safety reins from Art Gray in September, 2006 and have been using them in my school, the North American Racing Academy, ever since. I do not allow my students to go out on as horse without them.

During the Santa Anita meet in 2002, I escorted Art around the stable area at Santa Anita and introduced him to many trainers offering my endorsement of safety reins. I persuaded Paco Gonzalez to use them and I rode *Came Home* with the safety reins in both the SA Derby and Kentucky Derby.

I personally have had a rein break or come apart during a race or a workout on three separate occasions during my career. I was fortunate that I was able to get my mount pulled up without incident all three times. However, these incidents are pretty scary, as you could imagine, and don't always end the way they did for me. The first time occurred on the grass course at Del Mar going a mile and a sixteenth for Chay Knight. My left rein broke where the rubber grip begins nearest the bit. It happened three strides out of the gate so I had a minute and 42 seconds travelling at 40 mph to consider the consequences. The good news; we finished second. The second time, for Mike Harrington, the rein came apart at the bit because the buckle was not fastened properly. On the third occasion, I was working a three million dollar Seattle Slew two year old for Eoin Harty (Darley) at Del Mar right after the break. I broke the colt off in company at the five-eighth pole and again the rein came apart at the buckle. So picture this; I'm breezing on the outside fence with horses jogging the wrong way. We had to get by two gaps and thread our way through that traffic. The outrider was able to pick me up at the sixteenth pole. A real eye opener, I must say. Since that day, I ALWAYS check my tack to make sure it is assembled properly and placed on the horse correctly. The reason I mentioned the trainers names is because they are all fantastic horseman with top-class outfits. If it can happen to them, it can happen to anyone.

I believe mandating a product that is designed and constructed to improve the safety of riders and horses is the prudent thing to do. Anytime measures are taken to reduce the chances of accident or injury, it simply is common sense.

I personally like the Sure Lines product because I have been using the reins for 20 months now and they have held up well despite the drastic changes in weather here in Kentucky. I have sent two pairs of reins to Darrell Haire for you to examine.

I'd be happy to speak in further detail if anyone wishes to contact me. 859.797.3843

Yours truly,

Chris McCarron, retired jockey

REFERENCE:

G

Gray & Associates Consulting, Inc.
19 Naples Drive West Seneca, NY 14224
Office (716) 675-5572 Fax (716) 675-5736
Art@Gray-Consulting.net

California Horse Racing Board
1010 Hurley Way
Sacramento, CA 95825

April 9, 2008
Subject: Safety reins

Honorable Chairman Shapiro & Board Members:

The California Horse Racing Boards proactive approach to maximizing the level of safety on the racetrack for our human and equine athletes is greatly appreciated.

Safety reins have been a debated issue for many years. In an effort to assist in determining the type of safety rein best suited to ensure safety on the track we have researched and prepared the following report for your consideration. The factors pertaining to this equipment that have been agreed upon and accepted include:

- This equipment innovation is designed to address one of the most dangerous situations on the racetrack, a failed rein.
- The weakest points of thoroughbred, quarter horse reins and harness lines are at the bit and underneath the grip.
- The safety innovation is applicable to reins made of leather, nylon and beta (biothane coated nylon) material in both the buckle and loop style.
- The additional reinforcement in the rein will increase the life span of the equipment.
- Horsemen initiated the movement to mandate the safety reins.
- In order to ensure complete protection on the training and racetrack this equipment needs to be implemented universally.
- The right to manufacture the safety reins is available to all businesses serving the industry in accordance with regulatory and RCI guidelines.
- Quality control systems are in place for the manufacturers.
  Attached test report #08-65-0125-1 documents eight individual tests of safety reins from various manufacturers. Samples one through six failed to meet the required break loads. Samples seven and eight met the requirements. The instrument used for the testing is also pictured.

- This improvement is cost effective and the patent fees are minimal. With appropriate time allowed for full compliance and financial programs available to assist the horsemen in the transition from conventional reins to the safety equipment the financial hardship is minimized.
- Premium increases for liability, health and equine mortality insurance in the future will be reduced as accidents due to failed reins are eliminated.
- In the last eight years numerous letters supporting the safety reins have been submitted to RCI by industry leading Associations, Racetrack Executives and Hall of Fame horsemen. Additionally, many articles have been published praising this innovation as a potentially life saving improvement whose time has come.
- The public will be protected as their wagers will not be compromised by failed reins altering the outcome of the race.
- Most importantly the level of safety for our jockeys, exercise riders, drivers, trainers, grooms and horses will be enhanced.

The factors still under consideration include:

- The type and style best suited to safely prevent accidents from failed or improperly fastened reins.
- The establishment of standards by an accredited engineering firm or association.
- A maximum break load requirement that will allow the reins to give in exigent circumstances in order to prevent further injury.

Type & Style

The general concensus is that the safety reins with the reserve rein and snap hook providing a secondary backup attachment to the bit provides the best protection. This reserve rein is an integral component. The safety principle is the same for the thoroughbred, quarter horse reins and harness lines. The safety reins have a second nylon rein manufactured inside the original rein with a snap hook attached. The nylon strap extends back through to the far end of the grip away from the bit. The snap hook extends one-half inch beyond the loop and is attached to the bit along with the loop from the rein. There is no pressure on the snap hook. If the original material fails either at the buckle or under the grip; this second attachment to the bit will enable a jockey or exercise rider to maintain control of his/her horse.

It is important to note that other reins submitted to various jurisdictions and the CHRB for approval as safety reins do not have this key component. If the original material fails on these other reins the jockey, exercise rider, the horse and any others nearby are in danger. Without the second attachment to the bit they become passengers without control. These reins have been thoroughly tested and used by trainers in all facets of horse racing since 2003. Ohio, New Mexico and Canada after performing due diligence on the products available mandated the reins and lines with the integral second backup attachment to the bit.

Testing & Standards

The most discussed factor regarding the safety reins is the testing and potential establishment of standards for the equipment. Except for helmets there are no standards available regarding the required strength of horse racing equipment. Determining a standard break load for reins and driving lines would be difficult, very expensive and the result would be a wide range that would take into account the variables of size, strength, demeanor and racing style of both the horsemen and the horses. Additionally the various levels of quality, density and strength of the material used to manufacture the reins will result in a variety of test results. These factors have an equal effect on both conventional and safety reins.

The ASTB and ASTM representatives recommended that we test the conventional reins and utilize that information as a foundation for a required break load. Testing highlighted the weak links in the equipment. Test results dated March 7, 2008 indicated an average break load of five hundred sixty three (563) pounds for the leather reins. (Reference report # 08-65-0125-2) Testing of other manufacturers products averaged as low as four hundred (400) pounds. The deduction from these test results is that conventional reins should have a minimum break load of four hundred (400) pounds.

The original design utilized weather resistant steel cable to anchor the snap hook inside the rein but the break load of both the cable and snap hook were too strong. There were concerns that the steel cable would prevent the rein from breaking in an emergency to prevent further injury. By using a snap hook with a break load of four hundred fifty (450) pounds, replacing the steel cable with nylon and using a square box stitch to attach the snap hook we reduced the strength to a point close to the strength of conventional reins. When tested the snap hook started to open up at approximately four hundred fifty (450) pounds and the nylon material and or stitching started to fail at four hundred (400) pounds. (Reference test # 07-65-0185-1) These improvements result in a safety rein that has comparable strength to conventional reins enabling the equipment to give or be cut under extreme circumstances.

It is important to note that test results for other equipment submitted to various jurisdictions as well as the CHRB as safety reins have a break load of as much as 1100 pounds and do not have a second backup attachment to the bit. These reins do not address industry concerns and will not break at the bit if necessary to prevent further serious injury.

As earlier stated this equipment improvement has been a debated issue for many years. During this time the industry has witnessed numerous incidents due to failed reins, fortunately with only a few serious injuries.

- 2004 Mike Luzzi suffered a broken leg that required surgery in the first race of the meet at Saratoga.
- 2005 Breeders Cup Juvenile John Velazquez aboard Private Vow finished last.
- 2006 Maryland, Edgar Prado finished last in the Black Eyed Susan.
- 2007 John Velazquez finished last in a Grade 3 Stake at Aqueduct.
- 2007 Kent Desormeaux aboard Premium Tap in Dubai had a rein fail fifty yards out of the gate.
- 2008 Arizona, Jockey Ryan Barber suffered a back injury as a result of a failed rein during a morning workout.

These incidents due to failed reins are notable because the jockeys, trainers and horses are prominent members of the horse racing community. There are many more occurrences involving lesser known participants in racing that are as serious but do not receive international attention.

These incidents and injuries could have been averted if a reserve backup rein were available. If any of these jockeys or their horses had succumbed to serious injury this report would not be necessary – the safety reins with the backup attachment would already be mandated in every jurisdiction.

Safety for all participants in horse racing is paramount. Many sports and businesses take a reactive approach to safety until there is a tragedy.

- Dale Earnhardt died in an accident on the racetrack in the Daytona 500.
- A minor league baseball coach was killed last year when he was hit in the head by a line drive.
- Billy Haughton and Dave Dunckley were killed due to serious head trauma suffered in harness racing accidents.
- After these tragedies NASCAR mandated head restraints for all drivers. Major and minor league baseball mandated that all first base and third base coaches wear batting helmets during games and harness racing mandated safety helmets.

As we are all aware we live in litigious times and liability is an ever present concern. If a tragedy occurs due to a failed rein and there is equipment available that could have prevented the accident there may well be legal repercussions. Basing decisions on personal trainer preference will not bode well in court as a factor in mandating safety equipment.

Quality Inspection Services, I
Corporate Headquarters
Cathedral Park Tower
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Visit Us At: www.qisi.com **E-Mail:** Buffalo@qisi.com

REPORT No. : 07-65-0185-1

May 2, 2007

Attn: Arthur Gray
Sure Lines, Inc.
19 Naples Dr.
West Seneca, NY 14224

MECHANICAL TEST REPORT

Date Submitted: 4/26/2007

Sample Submitted: One (1) thoroughbred horse rein with sewn-in safety clip.

Objective: Tensile load test of safety clip assembly.

Test Methods: Assemblies were loaded in tension on our Tinius-Olsen Universal Test Machine S/N 88355 and ultimate load recorder.

Results: Ultimate Load: 400 lbs.

Failure Mode: Safety clip strap stitching

Sincerely,
QUALITY INSPECTION SERVICES, INC.

Michael W. Timmons
Metallurgical Services Manager

Madison, Connecticut
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Fax (203) 245-8017

Warren, Pennsylvania
Tel. (814) 726-1988
Fax (814) 726-7850

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Tel. (716) 831-1404
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REPORT No. : 07-65-0185-2

May 2, 2007

Attn: Arthur Gray
Sure Lines, Inc.
19 Naples Dr.
West Seneca, NY 14224

MECHANICAL TEST REPORT

Date Submitted: 4/26/2007

Sample Submitted: One (1) thoroughbred horse rein with sewn-in safety clip.

Objective: Tensile load test of safety clip assembly.

Test Methods: Assemblies were loaded in tension on our Tinius-Olsen Universal Test Machine S/N 88355 and ultimate load recorder.

Results: Ultimate Load: 350 lbs.

Failure Mode: Safety clip strap stitching

Sincerely,
QUALITY INSPECTION SERVICES, INC.

Michael W. Timmons
Metallurgical Services Manager

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For Job Satisfaction - Think Quality

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REPORT No. : 08-65-0125-1

March 7, 2008

Attn: Arthur Gray
Gray & Associates Consulting, Inc.
19 Naples Dr.
West Seneca, NY 14224

MECHANICAL TEST REPORT

Date Submitted: 4/26/2007

Sample Submitted: Eight (8) thoroughbred horse reins with sewn-in safety clip.

Objective: Tensile load test of safety clip assembly.

Test Methods: Assemblies were loaded in tension on our Instron Universal Test Machine S/N 2524 and ultimate load recorded.

Results:

Rein Sample No.	Ultimate Load (lbs.)	Failure Mode
1	145	Nylon strap failure
2	150	Nylon strap failure
3	143	Nylon strap failure
4	155	Nylon strap failure
5	146	Nylon strap failure
6	132	Nylon strap failure
7*	450	Stitching failure
8*	478	Nylon strap failure

* SLI samples

Note: A photograph of the test set-up is attached.

QUALITY INSPECTION SERVICES, INC.

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Metallurgical Services Manager

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Fax (203) 245-8017

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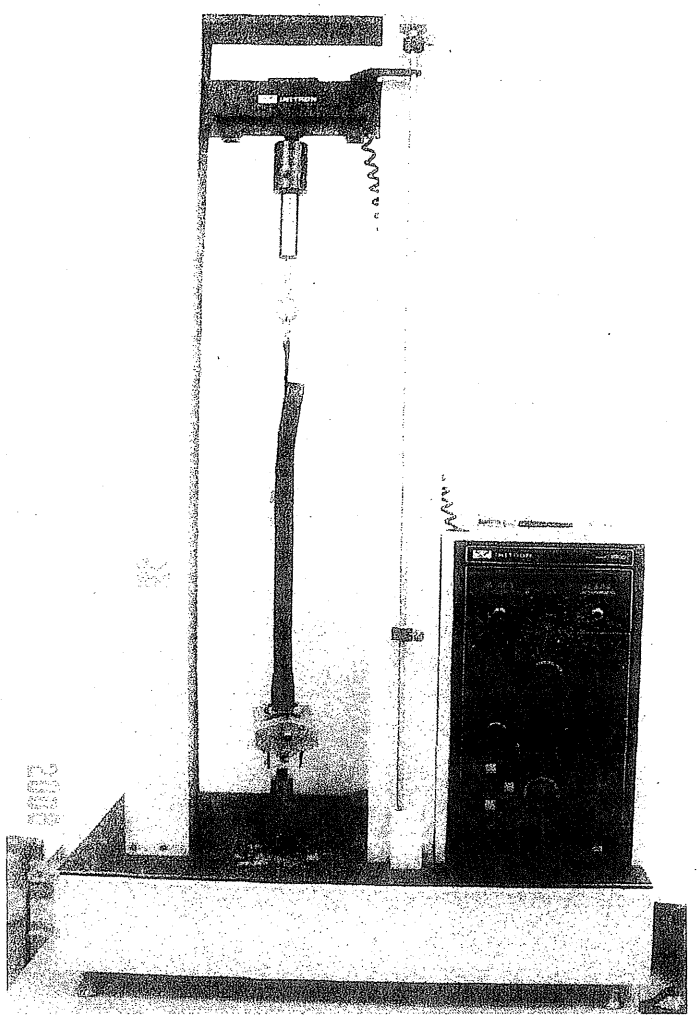
Quality Inspection Services, I
Corporate Headquarters
Cathedral Park Tower
37 Franklin Street • Suite 400 • Buffalo, New York 14202
(716) 853-2611 • Fax (716) 853-2619
Visit Us At: www.qisi.com **E-Mail:** Buffalo@qisi.com

REPORT No. : 08-65-0125-1

March 7, 2008

TEST SET-UP



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Visit Us At: www.qisi.com **E-Mail:** Buffalo@qisi.com

REPORT No. : 08-65-0125-2 March 7, 2008

Attn: Arthur Gray
Gray & Associates Consulting, Inc.
19 Naples Dr.
West Seneca, NY 14224

MECHANICAL TEST REPORT

Date Submitted: 2/15/2008

Sample Submitted: Six (6) thoroughbred horse reins with sewn-in safety clip.

Objective: Tensile load test of leather loop assembly.

Test Methods: Assemblies were loaded in tension on our Instron Universal Test Machine S/N 2524 and ultimate load recorded.

Results:

Rein Sample No.	Ultimate Load (lbs.)	Failure Mode
1	530	Leather strap failure
2	685	Leather strap failure
3	597	Leather strap failure
4	537	Leather strap failure
5	526	Leather strap failure
6	498	Leather strap failure

Note: A photograph of the test set-up is attached.

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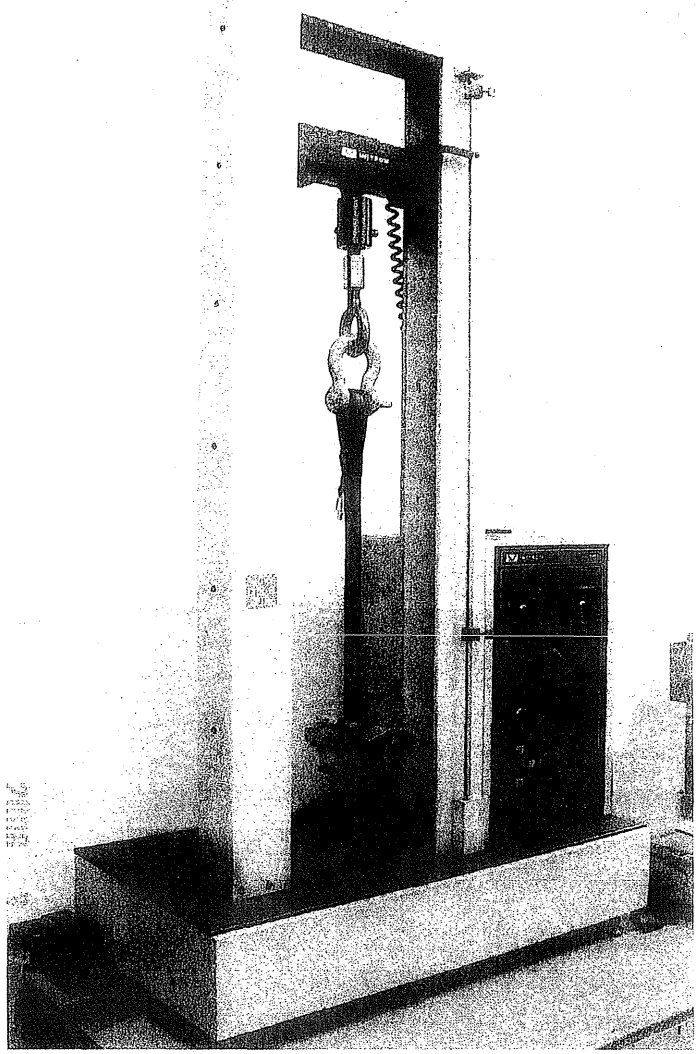
REPORT No. : 08-65-0125-2

March 7, 2008

TEST SET-UP



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Sure Lines Inc. Safety Rein Information
Table of Contents

- Original safety rein rule draft and notes
- ARCI/Indiana safety rein thoroughbred and standardbred rule draft.
- Thoroughbred Times article
- Stan Bergstein article
- Endorsements from industry leaders
- Conventional and safety rein test results and analysis
- Safety rein picture, note the safety hook just above the loop at the bit.

SAFETY REIN RULE DRAFT

No one will be permitted to exercise, gallop, breeze, work out or other wise ride a horse at any time on the premises of a State racetrack unless the horse is equipped with safety reins of a type, style and design approved by the commission and tested to meet the necessary break load requirements.

All safety reins shall be equipped with a second nylon rein and hook originally manufactured inside the rein. The second rein must be anchored inside, emerge from the rein from under the buckle and hook to the bit.

Similar wording can be applied to a harness rule by replacing breeze, gallop, workout and ride with the appropriate harness terminology; jog, train or drive. .

NOTE: It is important to note that the attorneys and insurance companies I talked to recommended that the safety reins should not be mandated for racing only. If there is an injury or fatality on the training track due to a broken rein both the state and racetrack are liable to be found culpable for not implementing the same safety measures for the entire facility. The same applies if there is an injury due to a broken rein at a track in a jurisdiction where the safety reins not required. The fact that the safety reins are available and not mandated also leave the state and racetrack open to liability. The wording specifying a secure secondary attachment to the bit is also important. Most times the rein fails at the bit. It is rare but if the rein should happen to fail at the handholds or at any other section of the rein this wording will protect all from culpability.

Creating a better, safer rein

Sure Line's patented safety rein has been hailed by riders but has encountered resistance from horsemen

by Don Clippinger

IT WAS a death, a horse's death, that propelled Arthur A. Gray to action.

To be sure, the veteran New York harness racing judge had seen plenty of broken leather in his time on the track. As a young man, he was training a horse at Roosevelt Raceway when the right-hand line of the horse and driver outside him broke. Gray remembers the sensation of the horse's head passing over his own as the horse made a sudden left-hand turn toward the rail.

Gray also remembered an incident at Roosevelt in the early 1980s when one of the lines broke on a horse heading for the finish line. The driver quickly stood up on his sulky and jumped on the horse's back so he could control it and protect his fellow drivers. He was disqualified from the victory—the driver must be in the bike when crossing the finish line—but the driver may well have saved himself and other drivers and horses from serious injury.

As a judge, Gray had witnessed three or four incidents a year where leather gave way, almost always with no warning that the harness lines—the equivalent of reins—were weakened and ready to snap.

But the incident that really got to him occurred in 1997 in a $5,000 claimer at Buffalo Raceway. Sequoia Blue Chip's line broke, and he dumped his driver. A track employee made a mistake and opened the gate to the paddock; the gelding cut sharply into the paddock, ripped open his side on a post, and bled to death. "That night, I went home and started drawing pictures, making a design," Gray said.

Sure Lines Inc.

He wanted to create a harness-racing line that, in cases where the leather broke, the driver would retain control of the horse. And he accomplished that goal. It was a short step to Thoroughbred and Quarter Horse racing, and Gray developed a design for a safety rein. He obtained two patents and with the backing of investors started Sure Lines Inc.

With a product that could save horses and save lives, it would appear that Gray had a sure winner, and indeed drivers and jockeys strongly support his safety reins and lines. But it has not been an easy road for Gray, who often becomes frustrated by the inaction of most regulators and the opposition of horsemen and some tack manufacturers. "It's such a simple solution and at a minimal cost," he said. "I knew it was going to be a bit of a struggle, but I didn't think it would be the struggle that it has turned out to be."

While broken reins are not widely discussed within the sport, the sudden danger to horse and rider was in the spotlight last October 29 in the Breeders' Cup Juvenile (G1), when Private Vow's rein broke on the backstretch. Fortunately, John Velasquez was able to use some mane and his remaining rein to guide the colt to the outside and eased him in the stretch.

Six months earlier, Merrill Gold's right rein broke at the start of Black Eyed Susan Stakes (G2). Under Edgar Prado, she set the pace under no control or restraint but tired to finish last of six.

When he was the national manager of the Jockeys' Guild, John Giovanni took Gray into the jockeys' room at Saratoga Race Course to discuss the concept of safety reins. "Every jockey in the room has a story to tell" about broken reins," Gray said.

Chris McCarron, a Racing Hall of Fame jockey who is starting a national jockeys school at the Kentucky Horse Park, said safety reins would offer significant protection to both jockeys and exercise riders. "Given a choice between a flak jacket and safety reins, I would take the safety reins," he said last month at the Association of Racing Commissioners International's annual meeting.

A simple concept

Gray's concept was as simple as could be. In essence, he wanted to put a rein inside a rein. He started out with a thin steel cable that was stitched into the reins or harness lines. When the cable proved too strong—harness horses sometimes need to have their tack cut away when they fall and become tangled—he switched to a half-inch-wide piece of nylon that is similar to the material used in nylon reins.

A half-inch of the nylon strip emerges from the leather reins, and it is attached to a clasp that in turn snaps onto the bit. Until it is needed, the clasp places no pressure on the bit. The nylon membrane runs through the grip of the reins, where weakness in the leather sometimes can go undetected.

In principle, the safety reins function much like safety glass, where glass is fused to a clear plastic membrane to keep it from shattering in case of an accident.

The day after he completed his drawings, Gray contacted his friend Robert Siegelman, a Meadowlands trainer who helped to develop the safety lines and put them into use under training and race conditions. The project attracted the attention of brothers Barry and Jeff Rubenstein, prominent harness owners who became the principal investors in the project. Gray was granted patents in 1999 and 2004.

The company did little paid marketing, and Gray took a leave of absence from state employment to promote the product, attending conferences and speaking to industry groups about his safety product. Although safety reins were enthusiastically endorsed by jockeys and drivers, they were greeted with silence, hostility, or abuse in other corners of the industry.

True, safety reins cost more than regular leather reins. While traditional reins might cost $75 to $80, tack manufacturers typically would charge $100 for the safety reins, Gray said. The additional cost of manufacturing and markup are most of the difference. Gray said Sure Lines's royalty is $3 to $5 per rein.

Gray, who takes no salary from Sure Lines and supports himself and his family with industry consulting work, is frustrated by the slow acceptance of his product and stung by insinuations that he and his investors are trying to make a financial killing at the expense of hard-pressed horsemen.

Profits to charity

Noting that his investors have put up hundreds of thousands of dollars that they may never recoup, Gray said it was decided early that any profits from the safety reins would be donated to equine charities. "This is something we said from the start," he said.

With his regulatory background, Gray knew well how fractious and divided horse racing is, and he believed the obvious strategy was to have racing commissions make the safety reins mandatory. He had observed how safety helmets for harness drivers were not adopted universally until racing commissions—most notably the New Jersey Racing Commission—mandated their use. For the safety reins to be effective, "everybody has to be using them," he said.

Gray said he has spoken twice before the ARCI's model rules committee but has been unable to persuade the panel to adopt safety reins and lines. "They said they wanted an industry consensus," he said.

With backing from the current Jockeys' Guild administration, Gray and Sure Lines have made progress toward mandating safety reins and lines in California and Indiana. California's legislature last year passed a requirement that the Horse Racing Board conduct an investigation and at least one hearing by July 1 into whether safety reins would provide greater protection to jockeys and exercise riders.

If the inquiry finds that the reins would improve safety, the Horse Racing Board is required to adopt a regulation making them mandatory by July 1, 2007. Although the requirement could be phased in, that period cannot exceed 18 months from the adoption of the regulation.

Earlier this year, the Indiana Horse Racing Commission approved a safety-rein requirement. Gray said he spoke at the hearing and heard no objections from horsemen attending the meeting. However, a torrent of opposition followed the hearing, including a statement by the Indiana Standardbred Association that the rule was unnecessary and placed an onerous additional expense on horsemen.

Gray agreed that the safety reins should be phased in over an extended period to give horsemen the opportunity to replace existing tack with safety equipment. "You can't tell them to change immediately. You don't want to create a financial hardship," he said. "We've urged the commissions to set a date a year in the future."

Get author description

Subhead

Arthur Gray took a leave of absence from state employment to promote the product, attending conferences and speaking to industry groups about his safety product. Although safety reins were enthusiastically endorsed by jockeys and drivers, they were greeted with silence, hostility, or abuse in other corners of the industry.

Helping Stop the Most Feared Call of All

DEATH is not dining room conversation in this sport. Drivers do not sit and discuss it with their wives and kids over dessert.

But every driver's wife knows, when the front door closes and her husband backs out of the driveway to go to and the track, that he is headed toward danger.

They know their husbands will be guiding a thousand pounds of pure power, in a speeding crowd of flying hooves, sitting on a catapult. They know that one bad step, or one broken line, can spell disaster. And every one of them fears consciously or in the deepest recesses of her mind, the telephone call that starts with: "There's been an accident."

Ask Dottie Haughton. Ask Laura Dunkley. Ask Michelle Goudreau. Ask Jackie Smullin Roe. They all received those terrible calls, and they all are harness racing widows.

Ask Art Gray.

Gray is a college-educated former trainer, driver, and New York presiding judge who has spent the last few years cris-crossing North America, attending meetings of state racing commissioners and track owners and anyone in authority who will listen. He is telling them that he can save lives, and end broken bodies and racing carnage, with his invention, Sure Lines and Reins.

He has covered thousands of miles, and spoken 100,000 words, telling how this simple idea can work.

John Campbell says the thing every driver fears most is a broken line. He wrote to the New Jersey Racing Commission saying, "I feel very strongly that the safety lines are a significant step towards safer racing, and I hope that they will be mandatory in the very near future."

Others who wrote similar letters included Chris McErlean of The Meadowlands; Hugh Mitchell of Woodbine Entertainment; Jerry Knappenberger of the Ohio Harness Horsemen's Association; Steve O'Toole, general manager of Plainridge Racecourse; Dennis Brida of the New York Thoroughbred Horsemen's Association; L. Wayne Gertmenian, president and CEO of Thoroughbred racing's Jockeys Guild; and Dan Fick of the American Quarter Horse Racing Association. They all endorsed Gray's idea.

Fans sitting high in the stands may not sense it, but all one needs to do to realize the danger on the track is to stand by the rail, or in the first turn, and feel the rush of raw power surge past.

If a line snaps, the driver is sitting behind a half ton of life-threatening dynamite—a runaway locomotive.

When Shelley Goudreau, one of the best drivers this sport has seen in the past 50 years, hopped on his bike behind Regan's Lad 20 years ago this August at Hollywood Park, he knew the danger—as every driver in every race knows it. It is part of the built-in peril of their careers.

And in the instant after Regan's Lad's bit broke, and Goudreau toppled backwards toward his death, he likely understood what had happened to him.

It need not have been Goudreau's last drive.

Gray's invention, a snap hook attached to a second reserve line, which is anchored inside the original line, could have prevented it—and could prevent every other disaster, fatal or simply lemsome, that comes from a snapped line or, with new refinements, a broken bit.

Owner Barry Rubenstein, who knows disaster first hand from the blazing night when his trainer, Robbie Siegelman, lost his stable in the barn fire at Gulfway training center, recognized the merit of Gray's invention the minute he saw it. He has made it financially possible for Art to continue his nationwide safety pilgrimage.

Rubenstein is not seeking profit. He has pledged 100 percent of any gain as an investor to racing-related charities. Rubenstein understands fully what these lines can mean. He was an owner in the Billy Haughton, David Dunkley and Shelly Goudreau stables when those three died in racing accidents.

It was Siegelman, who trains for Rubenstein and his Cheyenne Gang, and Ed Shumate, owner of Kelly's Harness Shop at The Meadowlands, who helped Art Gray reach the point where leading figures in harness, Thoroughbred and Quarter Horse racing now want his product to become required universally.

Shumate helped Gray with hands-on expertise in developing the line, and Siegelman tested it on his horses for more than a year at The Meadowlands. Along the way that track's leading drivers, led by Campbell, became avid believers.

The American Standards Testing Bureau now has successfully tested Gray's lines, and has agreed to be the certifying agency for them.

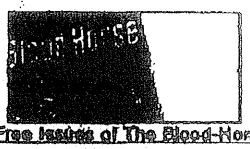
Rubenstein said that when Gray first told him about Sure Lines, he thought it would be great if harness racing could have a proactive way of preventing accidents, rather than simply reacting to them. He knew the NASCAR people learned after losing Dale Earnhardt that an accident need not be fatal if drivers had head restraints, which now are mandatory in that sport.

Sure Lines provide that type of safety net, a security blanket, a life-insurance policy, for the driver of the horse. Gray says his goal was—and is—to maximize safety for harness racing's human and equine athletes.

Our sport, and Thoroughbred and Quarter Horse racing, should support Sure Lines and Reins every step of the way, and should urge racing commissioners everywhere to mandate the safety lines as required equipment.

Art Gray's lines and reins can hugely reduce those heart-stopping phone calls.

More importantly, they can save lives. ■



4 Free Issues of The Blood-Horse

Joyeux Dansaur

Three Chimneys: Joyeux Dansaur

bloodhorse.com

February 16, 2001

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- The Blood-Horse
- The Horse
- TBH Marketwatch

- The Horse Interactive
- The HayNet
- Thoroughbred Legends
- Eclipse Press

Prairie Meadows Sued Over Trainer's Injuries

by The Associated Press
Date Posted: 2/7/01 8:25:37 AM
Last Updated: 2/7/01 8:25:37 AM

A North Dakota horse trainer who struck his head in a fall in 1999 at Prairie Meadows claims in a lawsuit that racetrack personnel let him lie on the ground for half an hour while they debated his rescue -- a delay that cost him his career.

Douglas Miller's lawsuit names Polk County and the Racing Association of Central Iowa, which manages the track in Altoona. Attorney Tom Flynn said the track will fight the allegations.

Miller fell after a rein snapped on the horse he was riding. His head slammed into a rail and he suffered permanent brain damage, ending his career.

Miller's brother, Robert, filed the lawsuit, saying Miller's condition prevents him from being sole plaintiff. The lawsuit seeks compensation for physical and mental pain, and loss of earning capacity.

Miller's lawsuit contends Prairie Meadows should have had an outrider - someone on horseback ready to assist a struggling rider - on duty.

Prairie Meadows also failed to provide assistance when ambulance crews were unable to reach Miller - locked entrance gates delayed Miller's rescue, the lawsuit claims.

The lawsuit also blames the Altoona Fire Department for canceling a Mercy Air Life flight. "He could have been LifeFlighted back to the emergency room trauma center within minutes," attorney Gregory Landry said.

Altoona fire officials said they had not yet seen the lawsuit and could not comment on it.

The lawsuit comes six months after a Polk County jury awarded a former jockey more than $3 million for her injuries in a Prairie Meadows accident in 1996.

Youbet.com

Questrwin.com -- See our Winter 2001 catalog!

mybreds.com

RACING NEWSLETTER

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AQHA
AMERICAN QUARTER HORSE ASSOCIATION

January 16, 2002

Lonny Powell
President & CEO
Association of Racing Commissioners International (ARCI)
Two Paragon Centre
2343 Alexandria Drive, Suite 200
Lexington, KY 40504

Dear Lonny:

I wanted to express my support of the Sure Line lines/reins. I have provided the product to members of the AQHA Professional Horsemen's Association - Racing Division, including Pat Swan who is married to Tomey Swan, President of The Jockey's Guild. I have spoken to these horsemen and women regarding its potential usefulness. The reaction I have received has been positive as a way to ensure continued safety on the racetrack and avoid potential situations from occurring.

Art Gray has worked hard to explain the many benefits of the Sure Lines lines/reins and as a former horsemen and racing official is able to effectively convey the usefulness of the product.

I would hope that RCI would see the value of the Sure Lines product as well.

Sincerely,

Dan Fick

cc: Art Gray, Sure Lines
Frank Lamb, NAPRA

P. O. Box 200 ▫ Amarillo, Texas ▫ 79168
1600 Quarter Horse Drive ▫ Amarillo, Texas ▫ 79104
(806) 376-4811

NEW YORK THOROUGHBRED HORSEMEN'S ASSOCIATION, INC.

February 2, 2002

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ROBERT F. FLYNN

Mr. Lonny Powell
President and CEO
Association Of Racing
Commissioners International, Inc.
2343 Alexandria Drive, Suite 200
Lexington, KY 40504-3276

Dear Mr. Powell,

The safety of horses, backstretch workers and jockeys is very important to the NYTHA and all horsemen in New York. Some of our members have tried the safety reins made by Sure Lines Inc., and have given us positive feedback.

While the NYTHA does not, as a rule, endorse products, it will back any product that will increase safety and performance in the thoroughbred industry. If you have any further questions on this matter, please contact me at the numbers listed below.

Sincerely,

Dennis J. Brida
Vice President
NYTHA

P.O. BOX 170070 - JAMAICA, NEW YORK 11417

AQUEDUCT (718) 848-3043 - FAX (718) 848-9269 - BELMONT (516) 488-2337 - FAX (516) 488-1698 - SARATOGA (518) 584-0200

WOODBINE
ENTERTAINMENT

October 23, 2001

Mr. Terry Stone
Deputy Director,
Ontario Racing Commission
9th Floor
20 Dundas Street West
Toronto, Ontario
M5G 2C2

Dear Terry,

I write to endorse the concept of safety lines for Thoroughbred and Standardbred racing in the province of Ontario. I have seen one product in particular, *Sure Lines*, and its hook-up is excellent at helping to prevent either a line or rein from coming loose or breaking.

Safety of the race participants is of utmost concern to Woodbine Entertainment and we would hope the Commission would look seriously at the merits of the use of this equipment.

Sincerely,

Hugh M. Mitchell
Sr. Vice President - Racing

HMM/cm

WOODBINE ENTERTAINMENT GROUP
555 Rexdale Boulevard P.O. Box 156 Toronto Ontario Canada M9W 5L2
Tel: 416-675-3993 Fax: 416-213-2126 www.WoodbineEntertainment.com

WOODBINE MOHAWK Champions TRN

** TOTAL PAGE.02 **

WOODBINE
ENTERTAINMENT

January 21, 2002

Mr. Lonny Powell
President & CEO
Association of Racing Commissioners International (ARCI)
Two Paragon Centre
2343 Alexandria Drive, Suite 200
Lexington, Kentucky
40504

Dear Mr. Powell

I write endorsing the use of the Sure Lines as a safety feature on equipment used for both Thoroughbred and Standardbred race horses. The product offers a new standard of safety for jockeys and drivers which should be welcomed by the racing industry.

I trust that the ARCI will see the merits of the Sure Lines and look favourably on their use.

Sincerely,

Hugh M. Mitchell
Sr. Vice President - Racing

HMM/cm

cc: A. Gray - Sure Lines

WOODBINE ENTERTAINMENT GROUP
555 Rexdale Boulevard P.O. Box 156 Toronto Ontario Canada M9W 5L2
Tel: 416-675-3999 Fax: 416-213-2126 www.WoodbineEntertainment.com

WOODBINE MOHAWK Champions TRN

** TOTAL PAGE.02 **

Charles E. Coon & Sons, Inc.

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209 Cumberland Circle W.
Longwood, FL 32779-5608
407-869-7449/fax 407-869-8305

Lonny Powell
President & CEO
Association of Racing Commissioners International (ARCI)
Two Paragon Center
2343 Alexandria Drive, Suite 200
Lexington, Kentucky 40504

Mr. Powell:

On behalf of Charles E. Coon & Sons (Chuck, Greg and Dan) I would like to take this opportunity to make you aware of our support for a system of safety lines/reins being considered by industry leaders.

Our primary business is the design, construction and maintenance of racetracks for thoroughbred and standardbred horses. Our first concern is for the safety of the athletes, both human and equine.

The Coon family has over 60 years of experience starting harness races. In that time, we have experienced the danger inherent when a horse breaks a line behind the starting gate. Personally, I can think of nothing more dangerous than a horse with a human passenger who cannot steer his mount.

As lifelong proponents of safety, we at Charles E. Coon & Sons support the implementation of a safety line/rein system.

Sincerely,

Greg Coon

Greg Coon
Charles E. Coon & Sons, Inc.

Safety Rein Test Analysis

Buffalo Testing Laboratories Inc. May 1999

These test were conducted when we initially starting developing the safety rein. Both Thoroughbred and Standardbred reins were tested.
The a) tests were to determine the break load of the safety hooks and black fishing line that we originally attempted to use.
The b) tests were to determine the weakest point of the rein. Results indicated that the loop at the bit was the weakest point in both the types of rein with a break load of approximately 425lbs.

ASTB/Analytical Services Inc. April 2002

These tests were performed when we determined that the 600lb break load for the safety hooks was too strong. We changed to a safety hook with a 500lb. break load. These reins were manufactured with the steel cable to anchor the safety hooks.
The Set "A" results indicated a consistent break load of approximately 506 lbs. These were leather reins.
The Set "B" tests were on nylon reins. The results indicated that the nylon material started but did not completely fail 440lbs. The safety hooks started to open at approximately 490lbs.

Quality Inspection Services Inc. May 2005

These tests were on the reins as they are made today. There was concern that using the steel cable to anchor the safety hook could be a problem. We replaced the steel cable with a half inch piece of nylon consistent with the bulk and strength used in manufacturing conventional nylon reins. Results indicate that break load for both the nylon and leather reins is reduced to an average break load of 460lbs., approximately 35 lbs. stronger than conventional reins.

Summary: The average break load of the safety rein is stronger than the conventional reins used today. But not too strong as to prevent the rein from breaking when required.

BUFFALO TESTING LABORATORIES INC.
CHEMISTS - METALLURGISTS
902 Kenmore Avenue
Phone (716) 873-2302
BIOLOGISTS - ENGINEERS
Buffalo, NY 14216-1495
FAX (716) 873-9914

Report No. 7241

Results:

Sample No. 1: Manufactured Sulky Bridle - Clear Fishing Line.

a.) Hook failed at 620 lbs.

b.) Leather loop failed at eyelet in buckle at ~~240~~ 420 lbs.

Sample No. 2: Hand made Sulky Bridle - Black Fishing Line

a.) Black line failed at 360 lbs.

b.) Leather loop failed at eyelet in buckle at 425 lbs.

Sample No. 3: Thoroughbred Bridle - Black Fishing Line. Gripped On Rubber Section.

a.) Black line failed at 380 lbs.

b.) Leather loop failed at eyelet in buckle at 415 lbs.

Sincerely,
BUFFALO TESTING LABORATORIES, INC.

ALLAN ENIS
METALLURGICAL ENGINEER

KENNETH G. KOLACKI
METALLURGIST

ASTB / ANALYTICAL SERVICES, INC.
4027 New Castle Avenue, New Castle, DE 19720 <> Phone: (302) 571-8882 <> Fax: (302) 571-0582

April 18, 2002

Sure Lines, Inc.
19 Naples Drive
West Seneca, NY 14224

Att: Mr. Arthur A. Gray
President

Gentlemen:

RE: Testing of Sure Line Products
ASTB/AS P. #1235-722; LR. #31071

Pursuant to your recent request, ASTB/AS received and tested two (2) SURELINE safety rein/line assemblies for ultimate strength determinations, described as follows:

SET "A" Light Tan Leather/Red Rubber Reins

SET "B" Black Nylon/Red Rubber Reins

These rein assemblies were tested in triplicate, with the following results:

	SET "A"	SET "B"
Peak/Breaking Load, lbs	506, 509, 507	485, 440, 496
Test Observations	Snap Hooks Deform	Nylon Loop/Snap Hooks Failed

The actual test sets are being returned under separate cover for your review.

Respectfully submitted,

ASTB/ANALYTICAL SERVICES, INC.

F. Wanzenberg, P.E.
Analytical Division

V. Morfopoulos, Ph.D.
Technical Director

FW/VM/ad
Enc.

Quality Inspection Services, Inc.
Corporate Headquarters
Cathedral Park Tower
37 Franklin Street • Suite 400 • Buffalo, New York 14202
(716) 853-2611 • Fax (716) 853-2619
Visit Us At: www.qisi.com E-Mail: Buffalo@qisi.com

REPORT No. : 65-2042

May 9, 2005

Attn. Arthur Gray
Sure Lines, Inc.
19 Naples Dr.
West Seneca, NY 14224

MECHANICAL TEST REPORT

Date Submitted: 5/3/05

Sample Submitted: Four (4) thoroughbred reins with sewn-in safety clips.

Objective: Tensile load test of safety clip assembly.

Test Methods: Assemblies were loaded in tension on our Tinius-Olsen Universal Test Machine S/N 88355 and ultimate load recorder.

Results:

Assembly No.	Ultimate Load (lbs.)	Failure Mode
Nylon #1	490	Bending of clip metal
Nylon #2	430	Bending of clip metal
Leather #1	460	Bending of clip metal
Leather #2	480	Bending of clip metal

Sincerely,
QUALITY INSPECTION SERVICES, INC.

Michael W. Timmons
Metallurgical Services Manager

Madison, Connecticut
Tel. (203) 245-7743
Fax (203) 245-8017

Warren, Pennsylvania
Tel. (814) 726-1988
Fax (814) 726-7850

Sustaining Member

Jacksonville, Florida
Tel. (904) 359-0747
Toll Free (800) 927-3575
Fax (904) 359-0771

Garnerville, New York
Tel. (845) 429-2000

Welder Training & Testing Services
Tel. (716) 831-1404
Fax (716) 831-1408

Buffalo, New York
Tel. (716) 836-0131
Fax (716) 836-9608

East Syracuse, New York
Tel. (315) 431-4291
Fax (315) 431-4292

Amherst, New York
Tel. (716) 568-0154
Fax (716) 636-8921

For Job Satisfaction - Think Quality

NEW JERSEY SPORTS & EXPOSITION AUTHORITY
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Continental Airlines Arena
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Boardwalk Hall
Atlantic City Convention Center
The Wildwoods Convention Center

MEADOWLANDS RACETRACK

January 14, 2002

Lonny Powell
President & CEO
Association of Racing Commissioners International (ARCI)
Two Paragon Centre
2343 Alexandria Drive, Suite 200
Lexington, KY 40504

Dear Lonny,

I wanted to express my support of the Sure Line lines/reins. I have seen the product in use at the Meadowlands Racetrack and have spoken to many horsemen regarding its potential usefulness. The reaction I have received has been positive as a way to ensure continued safety on the racetrack and avoid potential dangerous situations from occurring.

Art Gray has worked hard to explain the many benefits of the Sure Lines lines/reins and as a former horsemen and racing official is able to effectively convey the usefulness of the product.

I would hope that ARCI would see the value of the Sure Lines product as well.

Sincerely,

Christopher McErlean

Copy to: A. Gray, Sure Lines
F. Zanzuccki, NJRC
B. Plasteris, NJRC
B. Garland

Sent via fax/e-mail and regular mail

LONDON FISCHER LLP
59 MAIDEN LANE
NEW YORK, NEW YORK 10038

E-MAIL:
LAW@LONDONFISCHER.COM

(212) 972-1000

FACSIMILE
(212) 972-1030

September 18, 2002

Mr. Norman Barron
Chairman, Safety Committee
Ohio State Racing Commission
77 S. High Street
Columbus, Ohio 43266

Dear Chairman Barron:

By way of introduction, I am a long term insurance defense attorney specializing in equine related liability cases, including those cases which involve personal injuries and accidents occurring in horse races and training. I am therefore, taking this opportunity to endorse the safety lines and reins designed by Sure Lines, Inc.

Insurance companies recognize that horse racing, in general, can be a very dangerous activity. Any measure we can implement to protect our grooms, trainers, drivers, jockeys, exercise riders and horses should, therefore, be vigorously pursued. It is my considered view that the Sure Lines' safety lines and reins will provide an increased measure of safety for the human and equine athletes in all facets of racing and training by eliminating one of the more dangerous situations on the racetrack.

As evidenced by the present workers' compensation crisis, insurers are certainly concerned about horseracing's level of focus on safety. A concerted effort and renewed focus on safety procedures, policies, regulations and equipment would send a clear message to the insurers that the sport is concerned about safety as well. Additional safety measures such as the mandated use of Sure Lines' safety lines and reins should also have a positive long-term effect on future premium rates as accidents under these circumstances will be eliminated, or at the very least, significantly reduced.

The Safety Committee of the Ohio State Racing Commission, under your leadership, should be commended for its progressive position on safety. I sincerely hope that for the benefit of all in racing you will consider mandating this product as part of your progressive position on safety.

I appreciate your time and consideration.

Very truly yours,

LONDON FISCHER LLP

Harvey A. Feintuch

K:\360\002\corresp\Norman Barron Letter 9-18-02.doc

REFERENCE:

H

Matthew A. Dettman, P.E.

Geotechnical Engin
Materials Testing
Construction QA/QC

June 15th, 2007

Lisa and Brian Peck

RE: **Supplemental Report: Testing of Reinforced Reins**

Lisa and Brian,

In accordance with your request, I have completed the second round of testing of your 1 inch reinforced reins. This letter will summarize the results of the testing. Please note that the reins and the process are identical to that described in my report dated December 6th, 2006.

PURPOSE

The purpose of this second round of testing was to verify the results of the initial testing to determine the consistency of the testing procedure as well as to serve as a quality control measure of your rein manufacturing process to see if the reins test the same over a period of time. In addition to the testing of the 1 inch reinforced reins, a sample of 1 inch reins were manufactured by you in the identical fashion as the reinforced reins except that the reinforcing was omitted. The purpose of this testing was to compare your reinforced reins to un-reinforced reins. In the first round of testing, un-reinforced reins were tested; however they were manufactured by a separate company. The goal here was simply to compare the results of the 2 reins with everything being identical except for the reinforcement.

TEST RESULTS

In this round of testing, 10 reinforced reins and 4 un-reinforced reins were tested in the identical fashion as the first series of testing. For all intents and purposes, the results of the testing for the reinforced reins were the same as the first series of tests in both failure mode and load at failure. In the failure mode, two distinct failure points were noted with the first failure being that of the leather portion of the rein and the second being that of the reinforcement. The failure mode of the un-reinforced reins resulted in one failure point, which was of course expected.

The table below shows the average results from testing. For the reinforced reins, both the leather failure

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Office) 270-745-2462 Mobile) 270-991-4814 email) matthew.dettman@wku.edu

and the cord failure results are shown. Results from the first round of testing are shown in parenthesis below the current results.

Un-Reinforced Rein 1 inch width	Reinforced Rein 1 inch width	
Leather Failure (lbs)	*Leather Failure (lbs)*	*Cord Failure (lbs)*
493 (500)	1145 (1130)	873 (840)

The results of the current testing show a high correlation with the initial testing which is a good indication that the testing method is sound and that the rein manufacturing process is consistent and reliable.

It should be noted that in the first round of testing there were a couple of "flyers", or reins that failed more than 20% over or under the average. This round of testing had one reinforced rein out of ten that I considered a "flyer". This rein failed approximately 30% below average in both leather and cord, but still well above the strength of the un-reinforced rein. It is my opinion that this type of result is to be expected of a product that is manufactured by hand using a natural material such as leather. In addition, I believe the results show that these reins are very consistent in strength and quality, and even the "worst case" failure is still capable of providing the intended safety of the jockey.

In conclusion, I believe that based on the two rounds of rein testing, that the test method I have developed is sound, reliable, and repeatable and that the reins developed by Lisa and Brian Peck will provide a reliable back-up system for the jockey such that in the event that the leather rein fails due to excessive use, weathering, sudden high tensile load, or any other event that could cause the leather to fail, the parachute cord will remain in-tact allowing the jockey an opportunity to regain control of the horse guide it to safety. If you have any questions or comments, please don't hesitate to contact me.

Sincerely,

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Matthew A. Dettman, P.E.

Geotechnical Engineering
Materials Testing
Construction QA/QC

December 16th, 2006

Lisa and Brian Peck

RE: Testing of Reinforced Reins

Lisa and Brian,

In accordance with your request, I have completed the initial testing of the reinforced reins. This letter will summarize the purpose, description of reins, process, and results of this testing.

PURPOSE

Several weeks ago, you contacted me to determine if a test method could be developed to determine the strength of a horse rein that had been reinforced with parachute cords. It is my understanding that the purpose of the parachute cords is to provide a backup for the jockey if the leather in the rein breaks or fails, then the parachute cord will remain intact so the jockey has something to hold on to so control of the horse can be maintained to guide both the horse and jockey to safety.

DESCRIPTION OF REINS

At the time of our initial meeting, you provided several samples of un-reinforced reins that are currently in use, as well as samples of your new reinforced rein. The un-reinforced reins are made of leather with rubber grips and are 1 inch wide. The new reinforced rein is also leather with rubber grips, is 1 inch wide, and reinforced with parachute cord. The parachute cord is embedded in the leather and starts at the loop end of the rein and runs down the entire length of the rubber grip and it stops at this point. The remaining part of the rein contains no reinforcing. On a subsequent visit, you brought another group of reinforced reins which were identical to the previous samples; however they were ¾ of an inch wide. The 3 reins are shown in Figure 1, with the un-reinforced rein on the top, the 1 inch reinforced rein in the middle, and the ¾ inch reinforced rein on the bottom.

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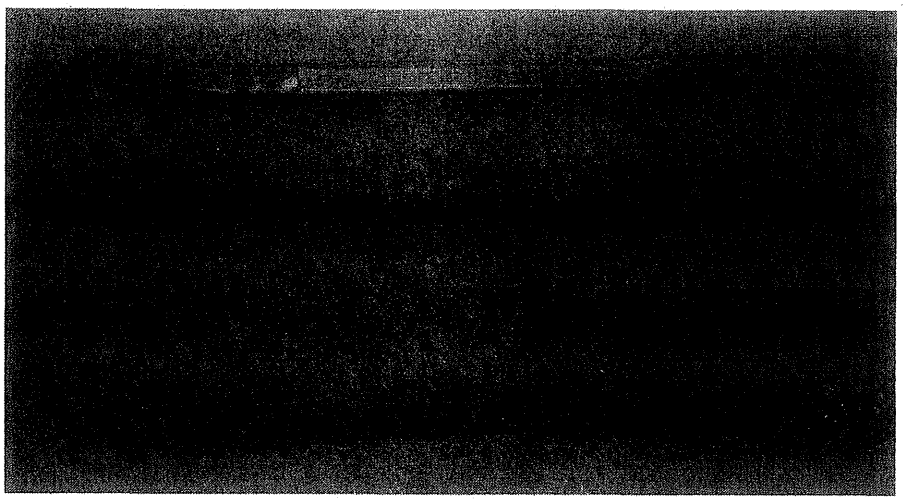

Figure 1 – Close-up of the 3 Reins Tested

TEST PROCESS

The project started with research into whether or not a current standard test method exists for the analysis of reins. Since no standard test method was found, it was necessary to develop a reliable and repeatable method to determine the ultimate tensile strength of the reins. Further research was performed into the process used to test safety straps and climbing harnesses and aspects of these different existing methods were combined in the development of the method used to test the reins. The difficulty in performing this test is how to "grab" the rein without tearing the material or creating stress concentrations that would have an adverse impact on the final results. The method developed to test the reins was to create 2 brackets that would hold a piston horizontally such that the ends of each rein could be wrapped around the piston and clamped so that enough friction would be developed to allow the reins to be pulled to failure. To pull the reins, one of the brackets was mounted to the floor, and the other was mounted to an MTS actuator capable of pulling a maximum force of 50,000 pounds. The actuator is computer controlled so that load and deflection readings can be taken during the test. Figure 2 below shows a close up of the brackets and a view of the entire test setup.

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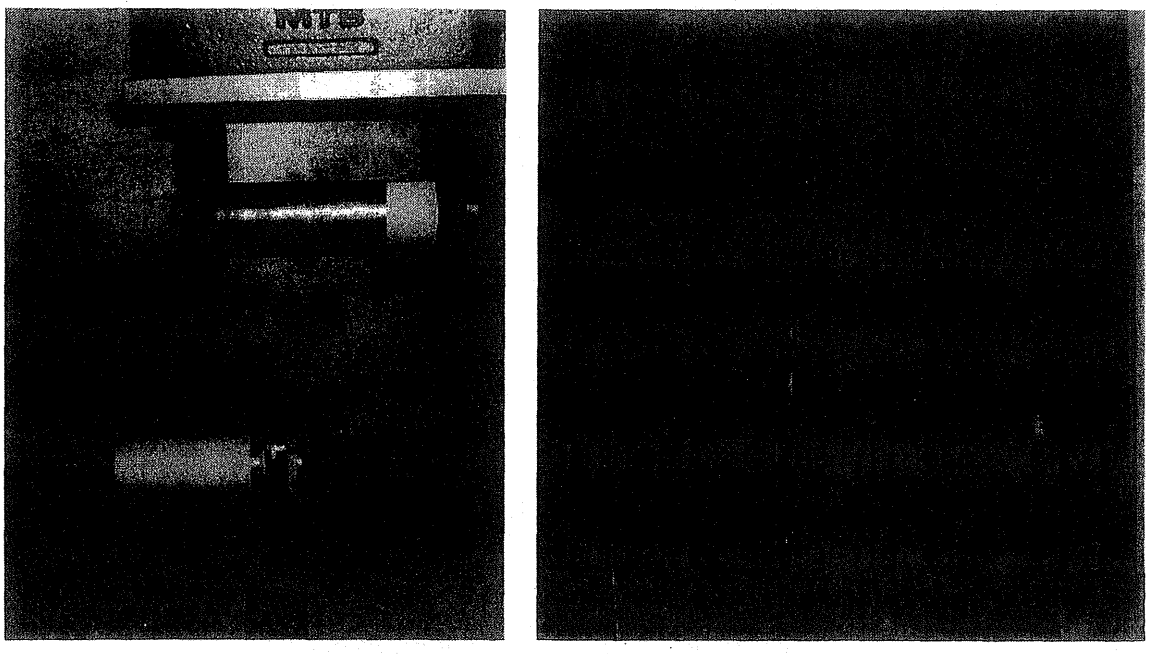

Figure 2 – Brackets and Test Frame Setup

As the purpose of the rein testing was to determine if the parachute cords would remain in-tact after the leather failed, the reins were tested entirely in the reinforced section to determine both the overall strength of the rein and to see if the cord would remain in-tact such that the jockey could hold the cord and guide the horse to safety. To perform this test, the loop-end of the rein was attached to piston of the upper test bracket, which is affixed to the MTS actuator, and the lower portion of the rein was wrapped around the piston of the lower test bracket, as shown in Figure 3 below. Once the rein was fully secured, the MTS actuator pulled the rein to failure recording both tensile load and deflection during the test. Figure 4 shows a close-up of a rein after the test was completed.

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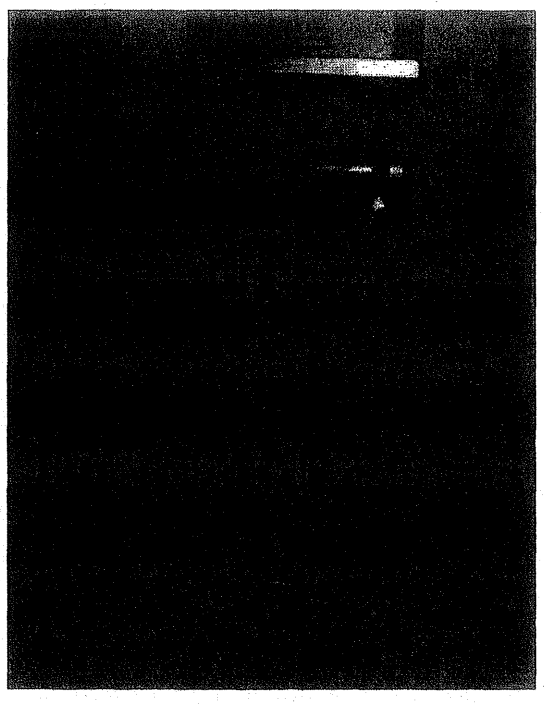

Figure 3 – Rein in the Test Setup

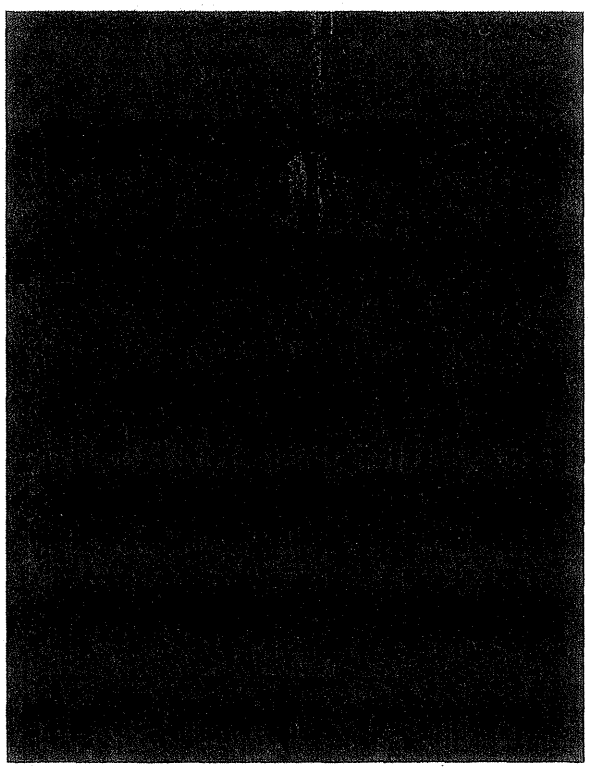

Figure 4 – Failed Rein

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TEST RESULTS

A series of tests was performed on each of the 3 types of reins. Several tests were run to test the brackets and MTS actuator in order to determine the best process that was repeatable and that provided consistent results. As stated above, each rein was tested to failure and the failure load was recorded for each test. For the reinforced reins, the tests revealed 2 separate and distinct failure loads recorded during the test. The first failure load recorded was the load at which the leather failed and the second failure load was the load at which the parachute cord failed. Based on these observations, it appears that once the leather fails, the parachute cord does in fact remain intact. When the parachute cord does fail, it typically does not break, but it pulls loose from its sewn connection at the base of the rubber grip. In none of the tests did the cord pull loose from the looped end of the rein.

The table below shows the average results from testing. For the reinforced reins, both the leather failure and the cord failure results are shown.

Un-Reinforced Rein 1 inch width	Reinforced Rein 1 inch width		Reinforced Rein ¾ inch width	
Leather Failure (lbs)	*Leather Failure (lbs)*	*Cord Failure (lbs)*	*Leather Failure (lbs)*	*Cord Failure (lbs)*
500	1130	840	1000	770

While this data represents a fairly small sampling of reins, the results were very consistent and did not show a very wide spread of data. In other words, most of the reinforced 1 inch reins broke within about two hundred pounds of the average value with only a couple "flyers", or reins that broke either much higher or much lower than the average. The same can be said for the un-reinforced reins and the ¾ inch reinforced reins.

At this point I am very confident that the test method developed is sound and will work for all similar reins. I would recommend another round of testing now that all of the "kinks" have been worked out of the system and the focus can be solely on the results as the testing process is established.

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Please let me know if you have any questions regarding this report. I have several more pictures as well as video clips of the testing process. If you are interested in doing any more testing of reins, I would recommend a sample of 10 reins for each type to be tested. I am confident that the procedure is sound and any future testing would simply be to put the rein in the machine and test it. I don't see any more "kinks" in the system so the testing should go very quickly. I have really enjoyed working on this project and hope to do some more testing soon.

Sincerely,

Matthew A. Dettman, P.E.

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REFERENCE:

I

Opposition to Mandatory Safety Reins

I am Dwayne Rhule, 1st Vice President of the ISA. Currently I hold an owner, trainer, and qualifier license for harness horses.

FOR THE RECORD:

Thank you Madame Chair and Commissioners for the opportunity to speak on this important matter concerning the "Safety Reins" issue. I am aware of the 20 minute time limitation. I will be speaking on behalf of the Standardbred, Thoroughbred, and Quarter Horse associations. Nat Hill IV, DVM will also speak within this allotted time frame regarding the "Safety Reins." We had originally requested that four of our leading harness manufacturers and suppliers be allowed to speak as well. Unfortunately, our time restraint will not allow everyone who has now gained knowledge on the "safety reins proposal" the opportunity to share their opposing concerns of the mandatory ruling.

Madame Chair, your letter dated May 16, 2006 stands correct that the Thoroughbred and Quarter Horse associations were in opposition to mandatory safety reins at the previous meetings. The ISA did submit a letter dated November 18, 2005 that we were not opposing mandatory "safety reins." However, if you would refer back to that letter it also stated that "Although possibly erroring on the side of caution, rather than to expose the horsemen to harm, the ISA agrees to support the safety rein requirement." No one at that time within the ISA Board of Directors had any real experiences with the "Sure Lines" product. Around mid-November 2005, I placed in service two sets of "Sure Lines" purchased through Tim Konkle's magazine, Hoosier Horse Review. Mr. Konkle had written and published a personal endorsement of the product for "Sure Lines." Shortly after the November 18, 2005 letter the ISA became deeply involved with the "Integrity '06 Proposal."

At the January 24, 2006 IHRC meeting Sure-Lines and the Jockey's Guild presented the "Safety Reins" proposal to the commission. Myself and other guests present at the meeting found it difficult to hear all of the comments and inter personal conversations of the IHRC persons and presenters. To speak or make objections at the time would not have been beneficial to us due to the lack of knowledge of the proceedings for the promotion of the "Sure Lines" product. After the meeting the 3 horse breeds

requested a copy of the transcript from the January 24, 2006 meeting. Upon reviewing the transcript the ISA Board of Directors voted to OPPOSE MANDATORY "SAFETY REINS." A letter was then drafted dated February 18, 2006 and forwarded to the IHRC. We realized the commission had moved to some degree on this matter but had not yet adopted or drafted a rule mandating "safety reins." We requested an opportunity to highlight our concerns to the commission before a decision was made to adopt "Safety Reins" as a mandatory rule. Thank you again for this opportunity.

According to the transcript from January 24th, page 55 lines 17 through 25. Mr. Gorajec stated, "Well, my opinion is that if the Commission feels that the safety reins are a ***SUPERIOR PRODUCT***, then the route to go is to mandate them. Quite frankly, they are kind of optional right now. My thought and I'm sure horsemen will have an opportunity to rebut me, but I think unless it's mandatory, I don't believe a lot of horsemen are going to opt for it because of the additional cost." It is the ISA's conclusion after in depth research that the "Sure Lines Product" is ***NOT A SUPERIOR PRODUCT!*** Additional cost is a factor, but is not the major concern for opposing the mandating of "Safety Reins." **Our concerns are quality, necessity, proposed endorsements, and cost of the "Sure Lines" product.**

Now let's look at "Sure Lines" after 6 months of use. **(Line #1)** The cable is frayed; **(Line #2)** nylon strapping is coming apart at the buckle area. I took these out of use after only 6 months. **(Line # 3)** Here a regular set of lines with 2 years of use that appear acceptable for a race. **(Line #4)** Here is 2 regular sets of lines with 5 or more years of use still in acceptable condition. "Sure Lines" contends that this product is under their close supervision and quality control. Why should the commission feel this product is superior to present market equipment?

Big Dee's is the largest supplier of harness equipment in North America. They sold or gave away for promotion 24 sets in 5 years of the "safety reins," while selling 13,163 sets of other lines on the market. Once again the concern of "safety reins" being a **SUPERIOR** product is questionable.

We have consulted with our membership including drivers and trainers. I have here a signed petition of 100 Standardbred drivers and trainers currently racing at Hoosier Park who **OPPOSE MANDATORY "SAFETY REINS."** This list of names includes Indiana's top trainers and drivers. Their names can be found on the back of the race program listed under "LEADING DRIVERS" and "LEADING TRAINERS." They hold first hand knowledge of our safety concerns for racing in the state of Indiana. For horsemen this is their business, income, and life at stake when sending a horse out onto the racetrack. Therefore, safety is at their forefront. After discussing with them the Commission's idea to mandate "safety reins" for the state of Indiana, many of them were more than eager to sign the petition to oppose a mandatory rule for "safety reins." This is just a small representation of the horsemen for the

state of Indiana. Keep in mind that the petition was signed by horsemen within 2 hours on one given race evening ending the petition at 100 trainers and drivers. Many more signatures could be gathered if need be. In addition to their signature many of the trainers and drivers who signed noted actually using the "Safety Reins." However, they do not believe the "safety reins" are a proven SUPERIOR product that warrants a mandatory ruling.

This leads us into the necessity of "Safety Reins." I asked Joe Gorajec if I could speak to the judge about the "safety reins". He said it was okay. I have no intention of placing the Judges in an awkward position. I did not ask them their opinion on the reins. I simply asked the following questions "Tim Schmitz, do we have a crisis on our hands concerning broken lines?" Tim responded, "We do not have a problem with broken lines." I then asked, "Tim, what equipment malfunctions have you seen at Hoosier Park and Indiana Downs during your tenure?" His reply, "One broken line 2 feet from the buckle area. It was a dry rotted leather line. The trainer was fined $300 and placed on probation." I proceeded to ask, "Tim, throughout your career as an Official Racing Steward, how many horses have you started that have had broken equipment relating to the reins?" Tim responded with "1 broken bit, 5 reins not buckled, and 1 rein broken in the middle of the line as mentioned previously." I then asked Tim "how many horses have you started in your 20 plus year career where you had made these observations?" His reply, "I have started an estimated 1,100,000 horses." I then asked him "Would reins constructed like the 'Sure Lines' product help this proposed safety issue?" His response was "No, why would a person hook a second hook when they did not buckle the line in the first place."

Please take a look at the February 2006 issue of the **Hoof Beats** magazine that has been provided to you. The top 21 Standardbred horses in North America are shown here without use of the safety reins. Is there a demonstrated need for safety reins? According to data that we have researched, this issue does not merit the need for safety reins. The same statement can be made for the **Thoroughbred Times** magazine **(Handout Copies)**.

Furthermore; according to the transcript from January 24th, page 42 lines 8 through 22. Art Gray stated "Now, on the safety rein issue, we are here today because of the need to protect the riders and the

horse and the integrity of the **betting public** in horse racing. Throughout the industry, as you know, times have progressed, certain safety measures have increased. And for the health and safety of riders and horses also, we are proposing from the Guild the use of safety reins. We have had an – I will just quote a couple of incidences. In the Black-Eyed Susan this year, Edgar Prado's horse broke a rein. He could not ride his horse out. He was one of the choices. Of course, it was **detrimental to the betting public**. He couldn't finish on his horse to a placing that the horse could have gained."

I have here a picture of the photo finish from the 2006 Kentucky Derby Winner Barbaro, with jockey Edgar Prado **(who Art Gray referred to in the January Transcript)**. Please take notice that in this picture Edgar Prado was not using safety reins. This leads us to question his assurance of safety lines having the **SUPERIOR QUALITY** that would ensure his safety. By not using "safety reins" during North America's largest most publicized and wagered upon horse racing event it appears that there is not an emergency need for "Safety Reins?" Furthermore, this picture of the 2006 Preakness winner also does not show use of safety reins.

The USTA was approached for their endorsement of "Sure Lines," and they did NOT provide it per Mr. Hastings, head of regulations. The U.S.T.A. is the regulatory body of our Standardbred business. You also have a letter in your packet from an outstanding director of the U.S.T.A., Jerry Landess, not wanting mandatory "safety reins." He has over 60 plus years in the Horse Racing Industry, in which his opinion should hold value. You also have a letter from Doug Ackerman, with over 60 years as well in the industry and one of the top horsemen in North America who is from Indiana. These examples should all hold a high merit as excellent testimony opposing the necessity of "Safety Reins."

To the best of our knowledge no Indiana horse owner, trainer, driver, except Tim Konkle has asked for this product to be mandatory. Here in Indiana we are competing within our own jurisdiction. As noted previously, there does not appear to be a need for mandatory "safety reins" within our jurisdiction. We need to keep the focus on our needs here currently in the Horse Racing Industry of Indiana.

As for the cost factor, all three breeds are looking at a cost totaling well over $200,000 to owners, trainers, and drivers. This figure is calculated as a beginning figure for a mandatory ruling.

Safety Precautions to Consider:

Has this issue ever been brought to our trainers or Paddock Judges attention that they were not fulfilling their duties according to the IHRC Rule Book?

- Current IHRC Rule – **Paddock Judge Responsibilities;** inspection of horses for changes of equipment, broken or faulty equipment, and head numbers.
- Current IHRC Rule – **Trainer responsibilities;** ensuring that his or her horse are properly shod, bandaged, and equipped.

If we have a perceived problem why have we not seen some kind of communication from the IHRC before now? Mandatory safety reins is a drastic first communication with the horsemen.

I conducted a time and motion research study at Hoosier Park and Indiana Downs this past month of May. In short version Jockey's never looked at or touched the reins of their horses until they are asked to mount the horse. Jockey's have anywhere from 6 ½ to 8 minutes of idle time. Minor variations can occur. After observing numerous races in the paddock I could not understand how anyone could mount a horse and not check over his or her reins. Chief Steward said, "He had 2 broken reins in the last 2 years, but no conclusive data as to the cause of the broken reins."

As for the Standardbred drivers at Hoosier Park they have at least 3 to 8 minutes of time to look over a horse. Normally most drivers took about 2 minutes to look over reins and other equipment. The majority did a good job of reviewing their horses programmed to drive prior to leaving the paddock for the race.

A SOLUTION!

All accidents have a root cause. Root causes here are lack of inspection by users such as jockey's, drivers, and trainers. I can provide you with more detail later, but briefly this is what the ISA proposes. This simple solution would not cause additional financial burden to the owners, trainers, and drivers of Indiana. When horses are being prepared to race in the paddock, the paddock judge makes a call over the loud speaker to the trainers and grooms to check their reins. When the paddock judge calls for the horses to be hooked to the race bike, he once again makes a call for the reins to be checked. This would involve the trainer and groom checking to make sure the reins are fastened properly and are in a racable condition. Then as drivers and jockeys are called to mount their horses they are reminded over the loud speaker by the paddock judge to check their reins to ensure proper racable condition. This type of safety precaution can be conducted within 30 seconds. If more time permitted I could give you a detailed description of how the safety check could be performed. If there is reins or any type of questionable equipment malfunction the paddock judge already at both racetracks has stored extra equipment available for such emergency situations. This is a repetitive process that becomes second nature. It will be low cost but highly effective in the prevention phase.

In conclusion, the Standardbred, Thoroughbred, and Quarter Horse Associations hereby oppose a mandatory ruling for "Safety Reins." Please take into serious consideration this presentation before making a crucial judgment of mandatory "Safety Reins." Our research proves that "Safety Reins" do not possess SUPERIOR QUALITY, that Indiana has not previously demonstrated a need for this emergency safety precaution, nor does mandatory "Safety Reins" support the best interest of our Indiana Horse Racing Industry leaders or the general population of horsemen. (Give out the main points of this presentation.)

Thank you for your time, Dwayne Rhule, ISA 1st Vice President

REFERENCE:

J

Germek, Colleen

From: greg badovinac
Sent: Sunday, August 03, 2008 10:31 AM
To: Germek, Colleen
Subject: Rule 1689.2

As a California resident and horseplayer, I strongly support the Commissioners' efforts to protect the horses and riders with the proposed amendments to CHRB Rules 1689.2.

This should pose little additional costs with the phase-in period while protecting the human athletes riding the equine athletes during training and races.

Greg Badovinac
North Hollywood, CA

Your PC, mobile phone, and online services work together like never before. See how Windows® fits your life

REFERENCE:

K

From: Jack Holton
Sent: Tuesday, September 02, 2008 7:10 AM
To: Germek, Colleen
Subject: Safety reins

Ms. Germek,

Indiana has been dealing with this proposal for two years. The Indiana Horse Racing Commission proposed the rule and evidence was presented at a Commission meeting. The Commission decided not to impose the mandate at that meeting. My concerns are directed at the version of "Safety Reins" that are in use for Standardbred racing. In harness racing the incidence of line breakage is extremely rare. Failure of proper attachment is the primary cause of mishap related to lines (reins).

As an owner I constantly stress proper maintenance of equipment and only hire trainers who take care of equipment. I also want to have the latest and greatest in terms of equipment. In the case of harness lines well maintained equipment rarely breaks and when it does there is no uniform location for the breakage. In harness racing it would seem to only be "Safety Equipment" if the reinforcement was imbedded in the entire length of the lines or reins. Another concern is that if "Safety" is a built in attribute of equipment there is a tendency by some to rely on the advertised quality rather than proper maintenance.

The final concern is that of liability. If a state agency mandates a single source supplier the state may be legally responsible for equipment failure. The state should not be put in the position of directing mandatory sales of a product. The state would be better served by stipulating general requirements for equipment and letting the manufacturer's come up with the solution. With that being said, jockeys have a perfect right to demand that their mounts be equipped with such reins or they have the option of purchasing the equipment for themselves. If the issue is as dangerous as purported then peer pressure on other jockeys and pressure on owners and trainers should be sufficient without the need for state mandate.

Jack Holton, President
Indiana Standardbred Association

REFERENCE:

L

PRESIDENT
JOHN W. SADLER
NO CAL VICE PRESIDENT
WILLIAM ANTON
SO CAL VICE PRESIDENT
JAMES CASSIDY
SECRETARY/TREASURER
HOWARD ZUCKER
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EXECUTIVE STAFF
EDWARD I. HALPERN
Executive Director
& General Counsel
CHARLES E. DOUGHERTY, JR.
Deputy Director
ANGIE CARMONA
Deputy Director

September 4, 2008

Via Mail & Fax (818) 227-5550

The Honorable Richard Shapiro
Chairman, California Horse Racing Board
5000 N. Parkway Calabasas, Suite 210
Calabasas, CA 91302

Dear Commissioner Shapiro:

I am writing in regards to a proposed decision to require "safety reins" be used by jockeys and exercise riders. Business & Professions requires the Board to adopt a regulation to that effect **only if it determines that** "the use of safety reins would provide jockeys and exercise riders greater protection from accidents and injuries than conventional reins." To date, no rein has been shown to provide said "greater protection from accidents and injuries." What has been submitted shows only that the additional material used in the demonstration reins increases the number of pounds per square inch that it takes to break the rein. That standard would be acceptable if it were shown that an extremely high degree of tension is what causes a rein to break or that an extremely high degree of material strength is what prevents a rein from breaking. Neither of those propositions is correct. Furthermore, the tests provided by the manufacturers are not relevant as they test only new equipment. New reins do not fail due to a failure of material strength.

It is on a very rare occasion that a rein will break. When that happens, it is usually because a buckle has broken or has been left unhooked. It also happens on very rare occasion when the rein material has been compromised or the stitching tears lose. In fact, the most common incident of control failure has nothing to do with the rein. It occurs when the bit breaks.

As stated at the July CHRB meeting, in the six years that the industry has been keeping accident and injury records, there has not been one accident or injury that is attributable to the failure of a conventional rein. Therefore, at a very minimum, a different design of rein may afford similar protection from accidents and injuries, but cannot be shown to provide "greater protection." It is more important to note that experienced horsemen will state that for a number of reasons the proposed "safety rein" actually increases the possibility of accidents or injuries. If a rein becomes tangled on the starting gate, or the rail or the rider, the preference would be for it to break at lesser pressure not greater pressure.

Furthermore, the most common rein in current use has a safety feature that is lacking in the proposed rein. This current safety feature allows the rider to maintain control when the most common incidents of rein failure occur. The proposed rein does not prevent accident or injury when equipment breaks due to improper care or maintenance of the buckle, yet this is the most common reasons for failure. The rein currently used by most trainers has a stiff, reinforced portion that wraps around the bit. If that rein is used and the buckle area should break or become undone, the area around the bit has enough strength to keeps its shape around the bit, thus, allowing the rider to control or stop the horse. The proposed rein does not contain that safety feature and is, therefore, less likely to prevent a loss of control and, thus, less likely to prevent accident or injury. We would also point out that the current version of "safety reins" does not represent a new concept. The reins have been reviewed by predecessors on the California Horse Racing Board on at least one and possibly more occasions in recent history. At those meetings, there was not a finding that they added additional safety for the rider or the horse. Furthermore, the marketplace has previously rejected the concept.

SO. CALIFORNIA - MAIN OFFICE
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(510) 524-5280 FAX
E-Mail: nocalfl@aol.com

www.caltrainers.org

The California Thoroughbred Trainers will be happy to continue working with the Jockeys and any other party to investigate and develop technology that will help to ensure the safety and integrity of equipment used in racing. Our commitment to that end has already been shown by our involvement in the development of new safety vests and helmets. We will also be taking part in two programs to monitor the quality of the equipment that is currently in use. First, we will take part in a program to inspect equipment that is currently in use and, second, we will provide all trainers with information to ensure that equipment is maintained in the proper manner.

In the meantime, we ask that the Board defer a decision on "safety reins" until the objections raised by safety experts have been analyzed and overcome. The opinions of safety and engineering experts are being forwarded under separate cover.

Thank you for your consideration of this matter.

Sincerely,

CALIFORNIA THOROUGHBRED TRAINERS

EDWARD I. HALPERN
Executive Director & General Counsel

EIH:ac

cc: CHRB Commissioners
CTT Board

REFERENCE:

M (a)

CALIFORNIA HORSEMEN'S SAFETY ALLIANCE

DATE: September 2, 2008
TO: Richard Shapiro, CHRB Chairman and Board of Directors
FROM: Sonia F. Pishehvar, CHSA Administrator
SUBJECT: Safety Reins

For the past five years California Horsemen's Safety Alliance has been actively involved in making safety a priority in the Thoroughbred Horse Racing industry in California by bringing awareness on injury prevention and establishing safe work practices through on going safety educational programs, developing videos and training materials as well as actively contributing toward improvements on personal protective equipment, safety vest and helmets.

On September 2007 we embarked on the Safety Rein Pilot Study, as we were made aware of the AB1180. As previously reported 209 safety reins from two manufactures of "safety" reinforced reins were distributed to 105 trainers in Northern and Southern California for their use during morning workouts and live racing. We had requested that the manufactures conduct independent laboratory testing on their reins in order to have information on the performance of their products. At that time it was identified that no regulating standard exist on reins. Mr. Grays' April 2008 testing report was made available for our review in June 2008.

On June 2008 CHSA conducted a survey to gather feedback from trainers on the use of the "safety" reins. Our findings were reported; indicating that of the 105 original participants 76 trainers provided feedback and comments. For details attached please find the survey summary report dated 6/25/2008.

As a result of the pilot study conducted, the need to implement proper care, cleaning and maintenance practices was identified. Information based on the manufactures recommendations will be provided to all trainers and staff in order to maintain the integrity of the reins and lessening damage to the leather and stitching impacting the soundness of the leather reins. Education on this subject will be implemented.

In follow up communications with Mr. Gray requesting a copy of the RCI regulations on safety reins, I was informed that they do not exist. Absent regulatory guidelines on reins or safety reins and facts and information on the required force loads to break a rein and without the scientific evidence that identifies that safety reins are safer than conventional reins. It is my recommendation for further studies and scientific testing be performed to identify the unknowns. Making the "safety" reinforce reins mandatory prior to identifying the unknown is not recommended at this time.

Santa Anita Racetrack • 285 W. Huntington Drive • Arcadia, CA 91007 • P.O Box 660039 • Arcadia, CA 91066-0039
Phone: (626) 447-2146 • Fax: (626) 447-2006 • E-Mail: chsasonia@hotmail.com

REFERENCE:

M (b)

2 September 2008

Ms. Sonia Pishehvar
Workers Compensation Program Administrator
California Horseman's Safety Alliance
Santa Anita Racetrack
285 W. Huntington Drive
Arcadia, CA 91007

Re: Safety reins for equine racing

Dear Ms. Pishehvar,

Thank you for forwarding me the copy of CA Bill AB1180 as well as the reports from Mr. Gray and Mr. Dettman. Clearly the issue of safety reins in professional racing is very important and I commend your organization for taking the lead in developing a safer rider environment for all those that participate in the professional racing industry.

The engineering staff has reviewed the documents that you have provided and also inspected the different safety rein systems that were provided. Based on the information provided, it appears that there are currently several manufacturers who are selling safety rein systems. The main purpose of any safety rein system is to act as a secondary system in the event that the primary system fails. On a racehorse traveling at 40 mph such a failure can be quite catastrophic for both the horse and the jockey.

Leather reins can and will break due their natural material properties. From an engineering and biomechanical perspective, the maximum load limit of new leather reins can be determined using tensile load machines that apply a slowly increasing force to the leather reins while they are secured between two holders or grips. Based on the testing performed by Gray and Associates Consulting Inc., the end loop of new leather reins fails (i.e., breaks) at approximately 550 lbs. Since jockeys do not report regular rein failures, we can assume that jockeys exert substantially less than 550 lbs of force on the reins when they ride.

As with all natural products, the properties of leather reins tend to change over time due to various factors such as amount of use, exposure, cleaning, etc. Most often the ultimate failure load of these used and aged leather reins tends to decrease, to a point where catastrophic failure is possible while the jockey is riding a horse. It is at this point that a safety rein system becomes invaluable.

The purpose of the safety rein system is to allow the rider to maintain control of the horse and to safely bring the horse and rider to a stop. It is not meant to replace the primary rein system (i.e., the leather straps).

Furthermore, during normal use, the secondary system should be functionally inactive (i.e., it takes no load from the jockey); otherwise the ultimate failure load of the reins could be so high that the reins would not fail in the event that a jockey or horse had an appendage caught in the reins. At that point, the reins must fail or else the jockey or the horse will experience significant injury.

In order to ensure that some of these initial design goals be met (i.e. failure of the primary system at a given load value and failure of the secondary system at a given load value) and in order to ensure that all safety reins perform in a similar manner, I would recommend that a safety rein performance specification be developed. Such a specification could be developed under the American Society of Testing and Materials (ASTM) which is an organization that specializes in the development of performance specifications for specific activities and devices. A committee of interested parties (i.e. ,manufacturers, jockeys, administrators, researchers, etc.) would develop a draft standard which would need to be balloted and approved by the ASTM membership. Compliance with such a standard would be completely voluntary; however, CHSA and other governing bodies could cite this standard as a requirement for any reins that are to be used during an event that is sanctioned or sponsored by the governing body.

Prior to development of such a performance standard, I believe that there are several key pieces of information that are currently unknown and must be determined before development of any standard. Firstly, the amount of force that is applied by a jockey during typical horse riding is not known. This value would provide baseline information that could then be related to the current information regarding the ultimate loading capability of existing leather rein systems (i.e., what is the safety factor of existing leather rein products relative to the biomechanical performance characteristics of jockeys). Additional rein systems should also be tested in order to get a much larger set of data and a better understanding of the performance characteristics of existing rein products.

This baseline data could then be used to establish the minimum and maximum threshold values at which the primary rein system should fail. Any performance specification for leather reins should establish a range of forces at which the primary rein system should fail. This would be done for safety reasons. For example, while a steel cable rein system does seem quite sensible from a durability perspective, it does pose significant injury risks to both the horse and the jockey due to its extremely high ultimate load characteristics relative to normal leather reins.

In addition to this information, a literature search should be performed to determine the isometric strength characteristics of a horse. This

information would be quite useful in that it would establish a threshold beyond which no rein system, primary or secondary, should remain intact.

At the present time, I believe that there are good safety rein products on the market; however, there is not enough information currently available to develop an appropriate performance specification for these safety rein products. Furthermore, there is insufficient data available to conclude whether or not safety reins are safer for the rider or perhaps more dangerous to the rider because of their potentially higher failure limit (relative to typical leather products). Additional research is necessary and to this end, I have taken the liberty of providing a proposal that describes a research program that would gather these necessary data. Once these data have been collected then it is my opinion that sufficient information would be available to develop a suitable safety rein performance specification for the racing industry.

Thank you once again for the opportunity to work with the California Horseman's Safety Alliance. Please do not hesitate to contact me if you have any questions.

Sincerely,

Terry Smith

Terry A. Smith, Ph.D.
Principal Scientist

TAS/lcr

REFERENCE:

M (c)

AIG Consultants, Inc.

Two Rincon Center
121 Spear Street
San Francisco, CA 94105
415.836.2982

Sent via e-mail

August 29, 2008

Ms. Sonia Pishehvar
Workers Compensation Program Administrator
California Horsemen's Safety Alliance
285 W. Huntington Drive
Arcadia, CA 91007

RE: Safety Reins for equine racing

Dear Sonia:

As you are aware, I have been working with the California Horsemen's Safety Alliance (CHSA) since 2003 as a safety consultant employed by AIG Consultants, Inc. I have over 25 years of professional experience and I am a Certified Safety Professional (CSP). My services are provided in conjunction with the worker's compensation insurance program provided by American International Group (AIG). I have been actively involved in assisting the CHSA with safety related issues pertaining to safety education, evaluation and use of personal protective equipment such as protective vests and helmets.

The purpose of this letter is to provide my opinion regarding the proposed mandatory use of safety reins at California racetracks which conduct thoroughbred horse racing.

I attended the CHRB meeting in Pleasanton CA on June 27, 2008. During that meeting one of the topics of discussion was the use of safety reins at racetracks in California. There were discussions and information provided by Mr. Gray and other interested parties regarding the proposed mandatory use of safety reins. The use of safety reins can provide a method of allowing a rider to maintain control if and when the conventional rein was to break. One of the key factors is determining the break load at which the conventional reins and the safety reins break.

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In my opinion the current testing that Mr. Gray has done should be considered "incomplete". The point at which the reins are designed to break at appears to be completely arbitrary. Is this the correct breaking force that is needed or is it different? If the breaking load is too high it might endanger both the horse and the rider if they were to become caught and tangled in a rein.

Regarding testing of similar products one example that comes to mind is a safety harness which is used to protect people from falling from heights in occupations such as construction. How was it determined that the harness needed to withstand a certain force load associated with a person wearing a harness and who has fallen from a height? The resulting requirement of force load was not just picked out of the air. The determination of the required force loads was obtained through scientific testing and research. Therefore I believe that is necessary to conduct additional testing to determine the required forces to break the reins.

Mr. Gray's letter to the CHRB dated April 9th 2008 states "Determining a standard break load for reins and driving lines would be difficult, very expensive and the result would be a wide range that would take into account the variables of size, strength, demeanor, and racing style of both the horsemen and the horses". The manufacturers of safety reins should be required to complete this testing to ensure that the safety reins perform in an similar manner.

In addition, I think that additional testing is necessary as well as developing a safety performance specification developed by an organization such as the American Society of Testing and Materials (ASTM). It should be noted that the ASTM has developed many performance standards including those for the safety helmets and protective vests currently being used in the equine racing industry. I believe that additional testing is necessary before safety reins are a CHRB mandatory requirement. In the absence of a standard for safety reins, I would like to see the CHRB decide that is not mandatory but voluntary to use safety reins.

Sincerely,

Anthony M. Bahno, CSP
Technical Services Manager
National Accounts

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REFERENCE:

M (d)

Brian D. Peck Inc.
P O Box 814
Pewee Valley, KY 40056
502-376-8337

Information regarding care and maintenance of BP Safer Reins:

Leather reins should be cleaned only with a mild soap or conditioning product made for use on leather. Rubber grips can be wiped lightly with clear water on a dampened soft cloth or sponge. No harsh chemicals including but not limited to household cleaners should ever be used on the leather or grips. Reins should be returned to the original manufacturer for re-gripping which includes an inspection of the inner cord. Any changes made to the reins other than by the original manufacturer void any and all guarantees.

Anyone needing additional information about BP Safer Reins can contact Brian at the above mentioned phone number.

REFERENCE:

N

Germek, Colleen

From: Christine Picavet
Sent: Saturday, September 06, 2008 8:47 AM
To: Germek, Colleen
Subject: safety reins

Regular nylon and plastic reins are dangerous. Leather reins break on rare occasions and those used in races should be newer. Jockeys are willing to ride time bombs but are worried about leather reins. Darrell Hair & Co have done a good job.

Christine Picavet

REFERENCE:

O

CALIFORNIA HORSEMEN'S SAFETY ALLIANCE

DATE: October 1, 2008
TO: All CHSA Trainer Participants
FROM: Sonia F. Pishehvar, CHSA Administrator
SUBJECT: Used Reins Exchange Program

As a Licensed Thoroughbred Trainer and an active participant in the CHSA program we are offering for a limited time only a "used reins" in exchange for "safety reins" program. The limit is of two sets of reins per trainer and the choice from two styles of safety reins.

The safety reins are provided at a discount cost of $50.00 per set. You are not under any obligation legal or otherwise to participate in this "used reins exchange program".

Should you elect to participate, you would be asked to bring in two sets of old / used reins to the CHSA office at Santa Anita.

This program is offered for a limited time only and on a first come first served basis.

Should you have any questions or need any further information please contact the CHSA office at (626) 447-2146 or Sonia at (909) 648-0843.

REFERENCE:

P

December 30, 2008

Colleen Germek
Regulations Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Re: Status of Safety Rein Issue

Dear Ms. Germek:

With regard to the safety rein issue, the Jockeys' Guild and the California Thoroughbred Trainers (CTT) Association have reached an agreement to defer adoption of the safety rein standard and jointly seek the development of an ASTM standard for safety reins. We anticipate that a standard will be developed within the next 10 to 12 months. Sonia Pishehvar will take the lead on behalf of the California Horsemen's Safety Alliance (CHSA) to move the issue through the ASTM process.

The CTT has agreed that, once an ASTM standard is in place, it will join the Guild in supporting the adoption of a CHRB rule mandating use of an ASTM approved safety rein at California tracks.

At the January meeting, Ed Helpern and I have agreed to present the matter as a joint proposal of the Guild and the CTT.

Thank you for your consideration.

Sincerely,

Barry Broad

1127 11TH Street, Suite 501
Sacramento, CA 95814
(916) 442-5999
Fax (916) 442-3209

STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT OF 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

Regular Board Meeting
January 15, 2009

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings is vested in the California Horse Racing Board (Board). Business and Professions Code section 19562 states that the Board may prescribe rules, regulations and conditions under which all horse races with wagering on their results shall be conducted in California.

In February 2006 the Board added Rule 1690.1, Toe Grabs Prohibited, to prevent the use of toe grabs over four millimeters in height on thoroughbreds while racing.

In June 2008 the Jockey Club Thoroughbred Safety Committee (JCTSC) recommended an immediate ban on toe grabs other than wear plates with a height no greater than two millimeters while racing or training on all racing surfaces.

In July 2008 the State of Kentucky approved an amendment to its regulation governing the type of shoes horses may wear in competition. The amendment prohibited wear plates with a height greater than two millimeters on the front shoes of thoroughbred horses while racing or training.

A proposal to amend Rule 1690.1 was heard at the September 2008 Regular Board Meeting. Chairman Shapiro reported that the JCTSC recommended that the height for permissible front shoe toe grabs be changed from four millimeters to two millimeters. The California Thoroughbred Trainers (CTT) stated that moving to amend Rule 1690.1 was premature, as the proposal had not been thoroughly discussed. The CTT recommended the matter go to the appropriate Board committee before initiating the public notice process. Equine Medical Director, Dr Rick Arthur, commented that the two-millimeter proposal was a twelfth of an inch change, and the recommendation from the JCTSC was derived from high-speed video research that was done on synthetic surfaces in Kentucky, as part of the Welfare and Safety Summit. He reported that the JCTSC was also looking at hind shoes, and that the Board might wait until this research was completed, so a comprehensive shoeing program could be enacted. After discussing the issue, the Board directed staff to initiate a 45-day public comment period for the proposed amendment of Rule 1690.1.

ANALYSIS

The proposed amendment to Rule 1690.1 would change the height limitation for toe grabs on the front shoes of thoroughbred horses participating in a race from the current four millimeters to a maximum of two millimeters. The proposed amendment to Rule 1690.1 would be in line with the recommendations made by the JCTSC.

RECOMMENDATION

Staff recommends the Board adopt the proposed amendment to Rule 1690.1 as presented. No comments were received during the 45 day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 8. RUNNING THE RACE
PROPOSED AMENDMENT OF
RULE 1690.1. TOE GRABS PROHIBITED

Regular Board Meeting
January 15, 2009

1690.1. Toe Grabs Prohibited.

(a) Toe grabs with a height greater than ~~four~~ two millimeters, worn on the front shoes of thoroughbred horses while racing, are prohibited.

Authority: Sections 19420 and 19562,
Business and Professions Code.

Reference: Section 19481,
Business and Professions Code.

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

Regular Board Meeting
January 15, 2009

BACKGROUND

Business and Professions Code section 19420 provides that the Board shall have jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to adopt rules and regulations for the protection of the public and the control of horse racing. Business and Professions Code section 19563 states the Board may adopt any rules and regulations of the United States Trotting Association, not inconsistent with this chapter, for the regulation of harness racing.

Rule 1721, Driving Rules, provides guidelines for the conduct of drivers during a harness race.

In December 2008 the United States Trotting Association (USTA) amended its driving rules to provide that a driver shall keep a hand in each handhold at all times during the race, and shall have control of his or her horse during the race. The amendment was made in conjunction with changes to whipping rules.

ANALYSIS

The proposed amendment to Rule 1721 will bring the Board's rules in line with USTA rules by requiring a driver to keep a hand in each handhold at all times during the race, and to have control of the horse at all times during the race. The amendment is a companion to the proposed amendments to the Board's harness whipping rules, and is intended to protect horses from abuse, and to improve the public perception of how harness races are conducted.

RECOMMENDATION

Staff recommends the Board direct staff to initiate a 45-day public comment period for the proposed amendment to Rule 1721.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 9. HARNESS RACING RULES
PROPOSED AMENDMENT OF
SECTION 1721. DRIVING RULES

Regular Board Meeting
January 15, 2009

1721. Driving Rules.

No driver during a race shall:

(a) Change either to the right or left during any part of the race when another horse is so near that in altering the position of his horse he compels the horse behind him to shorten his stride, or causes the driver of such other horse to pull such horse out of his stride.

(b) Jostle, strike, hook wheels, or interfere with another horse or driver.

(c) Cross sharply in front of a horse or cross over in front of a field of horses in a reckless manner, endangering other drivers or horses.

(d) Swerve in or out or pull up quickly.

(e) Crowd a horse or driver by putting a wheel under him.

(f) Carry a horse out or sit down in front of him, take up abruptly in front of other horses so as to cause confusion or interference among the trailing horses, or do any other act which constitutes what is popularly known as "helping."

(g) Let a horse pass inside needlessly.

(h) Lay off a normal pace and leave a hole when it is well within the horse's capacity to keep the hole closed.

(i) Commit any act ~~which shall impede~~ that impedes the progress of another horse or cause him to break.

(j) Change course after selecting a position in the home stretch, or bear in or out, in such manner as to interfere with another horse or cause him to change stride or break.

(k) Drive in a careless or reckless manner.

(l) Drive or cause to be driven any unreasonably slow quarters or fractions.

(m) Fail to use his best efforts to win.

(n) Whip his horse under the arch of the sulky.

(o) Drive in such manner as to obtain for himself an unfair advantage.

(p) Drivers must keep a hand in each handhold at all times during the race and have control of their hose at all times during the race.

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

Reference: Section 19563, Business and Professions Code.

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

Regular Board Meeting
January 15, 2009

BACKGROUND

Business and Professions Code section 19420 provides that the Board shall have jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to adopt rules and regulations for the protection of the public and the control of horse racing. Business and Professions Code section 19563 states the Board may adopt any rules and regulations of the United States Trotting Association, not inconsistent with this chapter, for the regulation of harness racing.

Rule 1733, Whips, designates the length of whips authorized for use in harness races. The rule also allows harness drivers' whips to have a snapper not longer than six inches.

In December 2008 the United States Trotting Association (USTA) voted to amend its rule relative to whipping. The amendment eliminated the use of snappers on whips used in harness races.

ANALYSIS

The proposed amendment to Rule 1733 will bring the Board's rules in line with the amended USTA rule, which eliminated the use of a snapper. The proposed amendment will allow harness drivers to use a whip not to exceed four feet in length, and without a snapper.

RECOMMENDATION

Staff recommends the Board direct staff to initiate a 45-day public comment period for the proposed amendment of Rule 1733.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 9. HARNESS RACING RULES
PROPOSED AMENDMENT OF
SECTION 1733. WHIPS

Regular Board Meeting
January 15, 2009

1733. Whips.

Whips shall not exceed four feet ~~plus a snapper not longer than six inches~~. Whips shall be in good condition and are subject to inspection by the officials at any time.

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

Reference: Section 19563,
Business and Professions Code.

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

Regular Board Meeting
January 15, 2009

BACKGROUND

Business and Professions Code section 19420 provides that the Board shall have jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to adopt rules and regulations for the protection of the public and the control of horse racing. Business and Professions Code section 19563 states the Board may adopt any rules and regulations of the United States Trotting Association, not inconsistent with this chapter, for the regulation of harness racing.

Rule 1734, Whipping, describes actions that would be considered unnecessary or unreasonable force in using a whip in harness racing.

In December 2008 the United States Trotting Association (USTA) amended its whipping rule to add to actions that might be considered unnecessary or unreasonable force in the whipping of a horse.

ANALYSIS

The proposed amendment to Rule 1734 will bring the Board's rules in line with the amended USTA rule regarding the whipping of horses. The proposed amendment lists actions that would be considered indiscriminate use of the whip, and they were recommended by the USTA to counter public perception that some equine participants were being abused.

RECOMMENDATION

Staff recommends the Board direct staff to initiate a 45-day public comment period for the proposed amendment of Rule 1734.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 9. HARNESS RACING RULES
PROPOSED AMENDMENT OF
SECTION 1734. WHIPPING

Regular Board Meeting
January 15, 2009

1734. Whipping.

(A) No driver shall use unreasonable or unnecessary force in the whipping of a horse, nor whip any horse causing visible injury, nor whip any horse about the head, nor whip any horse after the finish line has been crossed except when necessary to control the horse.

(B) The following actions shall be considered indiscriminate use of the whip:

(1) Any blatant or exaggerated movements of the whipping arm that may result from raising the elbow above the driver's shoulder height and/or allowing the hand holding the whip to reach behind the driver during the use of the whip.

(2) The use of the whip other than the area inside and above the level of the shafts of the sulky and between the sulky shafts.

(3) Whipping under the arch or shafts of the sulky or use of the whip as a goading device or placing the whip between the legs of the horse.

(4) The horse does not appear to be advancing through the field of horses.

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

Reference: Section 19563,
Business and Professions Code.

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
January 15, 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)

RECOMMENDATION

This item is presented for Board discussion and action.

INDEX

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

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.

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 Bertea, 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)

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

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 Bertea 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

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Deputy Director
ANGIE CARMONA
Deputy Director

October 30, 2008

VIA Fax (925) 426-7644

Mr. Rick K. Pickering
Chief Executive Officer
Alameda County Fair Association
4501 Pleasanton Avenue
Pleasanton, CA 94566

Dear Rick:

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

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EHMlscCorresp2008.doc

CALIFORNIA HORSE RACING BOARD
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SACRAMENTO, CA 95825
(916) 263-6000
FAX (916) 263-6042

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 INFIELD 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
PLEASANTON

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,

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 it's 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.

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 lightening, 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 negations 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.

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

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& General Counsel
RLES E. DOUGHERTY, JR.
..uty Director
ANGIE CARMONA
Deputy Director

Via Fax & Mail

Mr. Kirk Breed
Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

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 CHRB put this matter on the agenda of the next Board meeting.

Sincerely,

EDWARD I. HALPERN
Executive Director & General Counsel

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..caltrainers.org

EIH:ac

cc: Richard Shapiro
CTT Board
Brian Pitnick

From: Ehalp@aol.com
Sent: Wednesday, November 26, 2008
To: Rick Pickering
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
Date: December 1, 2008
To: Ehalp@aol.com,

Cc: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 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

State of California

California Horse Racing Board

REPORT of INVESTIGATION

FILE NUMBER 08GG154

FIL Page 8-18

CHRB-209 (NEW 12/07)

DATE:	INVESTIGATOR:
10-30-08	Supervising Investigator Anne Glasscock
TRACK/LOCATION: Alameda County Fairgrounds	OTHER OFFICERS:
REPORT RE: Incident of 10-26-08 involving injury to trainer	

On 10-29-08, I received a report of an incident that occurred at the auxiliary racetrack at the Alameda County Fairgrounds, Pleasanton, Ca., involving an injury accident to the trainer Audrey Burch, CHRB license #077630.

On 10-30-08, I went to the Alameda County Fairgrounds and conducted an investigation into the incident, interviewing witnesses, surveying the scene of the incident and taking measurements.

The Alameda County Fairgrounds racetrack is one of the oldest continually operating racetracks in America and for the past thirty-five years a golf course has been maintained and operated in the infield of the racetrack. Alameda County Fairgrounds is one of three fairgrounds, in northern California, that operate golf courses in their infields, these being Solano County Fairgrounds and Sonoma County Fairgrounds. Routinely during the annual Fair operation, when live racing is active, these golf courses shut down for the duration and reopen after the fair is concluded. The golf course at the Alameda County Fairgrounds opens for business at 08:00 AM each day.

On 10-15-08, the Bay Meadows Racetrack in San Mateo, Ca., closed it's facility to the training and racing of thoroughbred racehorses and the Alameda County Fairgrounds became the auxiliary racehorse training facility for northern California. Trainers and horses that had been housed at Bay Meadows and that could not now be accommodated at Golden Gate Fields Racetrack, Albany, Ca., moved to the Alameda County Fairgrounds, greatly increasing the horse population in training there and the traffic on the racetrack during training hours. Training hours for a racetrack are typically from 05:30 AM to 10:00 AM, with the last horse off the track at 10:30 AM, but since this track does not have any lighting on the track for when it is dark, the training hours would be from first light through 10:00 AM.

On 05-24-1994, the California Horse Racing Board enacted and put into effect rule #1475, entitled "Golf Course in the Infield of the Racetrack", which sets out the specifications for golf courses being maintained in the infield of a racetrack or auxiliary training facility which is used for timed and reported works.

On 10-26-08 at approximately 09:00 AM, trainer Audrey Burch was standing next to and outside the outside rail on the west side of the Alameda County Fairgrounds racetrack, just north of the Clockers Stand, which is situated just north of the entrance to the saddling enclosure, watching one of her horses work on the track. Trainer Dennis Ward was just exiting the saddling enclosure, riding one horse and ponying a second horse. Clockers Kathy Sealy, Pat Sealy and Pedro Mercado were in the Clockers Stand, about ten feet above the racetrack. Trainer Brian Pitnick was in the grandstand area, south of the Clockers Stand, watching one of his horses on the track. At this same time, a group of golfers were on the tee that is next to the 1/8 th pole of

the racetrack, including a golfer by the name of Teddy Theodore. This information and sequence of events was gathered from interviews with the above-mentioned persons. The golfer involved was identified by trainer Jeff Bonde, who is a personal friend of Mr. Theodore.

Mr. Theodore apparently "tee'd" off, hitting his ball and "slicing" it or hitting it so it flew off across the racetrack. It is not clear if someone in the golfing group called out "Fore", just prior to or in conjunction with the golf ball being hit by Mr. Theodore, but there was a warning called out. Mr. Ward heard this yell, understood that it meant to watch out for a flying golf ball and ducked his head. Mr. Ward stated that he thought he heard the golf ball sail by within two feet of his head. The golf ball hit Mrs. Burch in the forehead, just above her left eye and just below her hairline, causing a ½ inch laceration and a large hematoma (raised bruised area). The cut immediately began to bleed and she put her hand up to her head and it was covered in blood. Clocker Kathy Sealy heard the call of "Fore" and looked down to see Mrs. Burch clutch her head and the blood on her face and a golf ball roll down the gradient toward the fence west of the track. Mrs. Sealy immediately called down to the American Medical Response Ambulance, which was stationed just west of the Clockers Stand and the track, and attendant River Cullen responded to assist Mrs. Burch.

Outrider Janey Schvandeveldt, saw Mr. Theodore hit the ball, watched it sail across the track and hit Mrs. Burch in the head.

Ms. Cullen rendered first aide to Mrs. Burch, cleaning and wrapping the injury and at 09:15 AM Mrs. Burch was transferred to a responding ambulance and transported to Valley Care Hospital, Pleasanton, Ca., for evaluation and treatment.

Mrs. Sealy stated that this is not the first time that a golf ball has been hit onto or over the racetrack fro that particular tee. She said that there have been quite a few balls that have hit the side of the Clockers Stand and that one even broke the window on the north side of the stand. Both she and Pat Sealy concurred that during training hours, golf balls often end up out on the track and the outriders have to go retrieve them so horses do not get injured. This area in front of the Clockers Stand and down the homestretch to the finish line is particularly dangerous to horses that are working; also there are frequently balls on the track around the 5/8' s pole and the 3 ½ pole but that the outriders do a good job of removing them when they know about them.

I then went to speak with Trainer Brian Pitnick, who had seen Mrs. Burch after the incident. We were standing just south of the outgap to the racetrack, slightly north of the 1/8th pole where the tee in question is. I observed a group of golfers on the tee and one golfer in a yellow baseball cap was on the tee addressing his ball. I saw him swing, hit the ball and the ball sailed out into the work lane of the racetrack about 30 yards away from us. I watched a horse that was working come down the lane right into the area where the ball was on the track and luckily no contact was made with the golf ball. Mr. Pitnick called the Clocker and the outrider responded and picked up the golf ball and threw it back on the golf course where the golfer then retrieved it.

I met with Stable Superintendent Jim Burns and after training hours we went through the tunnel to the infield and proceeded to measure the distance from the inside rail to the edge of the golf course. The distance measured was 19 feet. We then measured the distance from the inside rail to the tee by the 1/8th pole and the distance measured at 45 feet. Rule 1475 subsection "B" calls for the edge of the golf course to be 135 fe from the inside rail of the racetrack.

I met briefly with Trainer Audrey Burch at Golden Gate Fields Racetrack, Albany, Ca., and Mrs. Burch

showed me the bandage covering her laceration and her blackened left eye, which is a result of the injury. She also stated that she had four stitches to close the laceration and had a clear CAT scan report from the hospital.

On 10-31-08, Mrs. Burch came into the CHRB office at Golden Gate Fields, Albany, Ca., and I took pictures of the injuries she sustained.

Mrs. Burch stated that she had never heard any warning call, did not know what it meant if she had heard it and thought that it was lucky that she had not heard it as she might have turned her head and gotten hit in the temple instead and been killed or more seriously injured. The first thing she knew was she felt a sharp pain in her forehead, put her hand up to where it hurt and when she looked at her hand it was covered in blood. She said she leaned forward but the front of her shirt and jacket quickly got saturated with blood. She said she turned around and walked toward the ambulance where the ambulance attendant assisted her, treating her wound and calling for another ambulance to transport her to the hospital.

On 11-01-08, I received at telephone call from trainer Brian Pitnick who stated that he was standing by the outside rail at Pleasanton this morning during training hours and he saw a golf ball whiz by and almost his Quinn Howey who was galloping a horse near the 16th pole on the track.

INVESTIGATOR'S NAME: Anne Glasscock		APPROVED BY (SUPERVISING INVESTIGATOR'S NAME):	
INVESTIGATOR'S SIGNATURE:	DATE:	APPROVAL SIGNATURE:	DATE:

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

Regular Board Meeting
January 15, 2009

BACKGROUND

The Southern California thoroughbred racetracks, and owner and trainer organizations are prepared to update the Board on the status of offsite stabling at Southern California thoroughbred racetracks.

CALIFORNIA CODES
BUSINESS AND PROFESSIONS CODE
SECTION 19530-19540

Offsite Stabling

19535. (a) Notwithstanding any other provision of law, at the time the board allocates racing weeks, it shall determine the number of useable stalls that each association or fair shall make available and maintain in order to conduct the racing meeting. The minimum number of stalls may be at the site of the racing meeting or at board-approved offsite locations.

(b) With respect to racing meetings conducted in the northern zone, the association or fair conducting the meeting shall provide all stabling required by the board pursuant to subdivision (a) without cost to participating horsemen. Offsite stabling shall be at a board approved facility or facilities selected by the association or fair, with the agreement of the organization representing horsemen participating at the meeting. If there is a disagreement between the association or fair and the organization representing the majority of horsemen participating at the meeting with respect to the selection of offsite stabling facilities, the board, at the request of the association or fair or the organization representing the majority of horsemen participating at the meeting, shall promptly determine the board-approved facility or facilities at which offsite stabling shall be made available. The organization representing horsemen participating at the meeting and the association or fair shall mutually agree on the criteria and selection of horses that may use stalls required pursuant to this section. With respect to northern zone thoroughbred meetings only, the association shall also provide, at the option of the horse owner, vanning of participating racehorses from any board-approved offsite stabling facility in the northern zone. Fairs may provide, subject to the availability of funds pursuant to Sections 19607, 19607.1, 19607.2, and 19607.3, at the option of the horse owner, vanning of participating racehorses from any board-approved offsite stabling facility.

(c) With respect to racing meetings conducted in the central or southern zones, all costs associated with the maintenance of the useable stalls for the racing meeting shall be borne by the association or fair conducting the meeting, and, with respect to useable stalls at an offsite location, the association or fair may be required, by order of the board, to bear the costs of vanning from the offsite location to the racing meeting. However, with respect to any racing association in the central or southern zone that conducted a racing meeting in 1986, if the number of useable stalls made available onsite by a racing association during a racing meeting is less than 95 percent of the number of useable stalls made available onsite by that racing association during its 1986 racing meeting, the racing association shall reimburse the facility providing offsite stabling for the difference in cost between the actual number of useable stalls made available and 95 percent of the useable stalls made available in 1986. The racing association shall, in addition, reimburse the owner for vanning to the onsite location with respect to those horses stabled at an offsite location necessitated by the failure of a

racing association to maintain 95 percent of the useable stalls made available by that racing association during its 1986 racing meeting.

STAFF ANALYSIS
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, YOUBET.COM INC., XPRESSBET, INC., CHURCHILL DOWNS TECHNOLOGY INITIATIVES COMPANY DBA TWINSPIRES.COM.

Regular Board Meeting
January 15, 2009

BACKGROUND

Business and Professions Code section 19420 provides that the Board shall have jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing pari-mutuel wagering. Business and Professions Code section 19604 states the Board may authorize any racing association, racing fair, betting system, or multijurisdictional wagering hub to conduct advance deposit wagering (ADW) in accordance with this section. Business and Professions Code section 19604(b)(1) states no ADW provider shall accept wagers or wagering instructions on races conducted in California from a resident of California unless all of the following conditions are met: (A) The ADW provider is licensed by the Board. *(B) A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made. (C) The agreement referenced in subparagraph (B) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act.* . .regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of the horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider.

At the December 15, 2008, Regular Meeting the Board heard applications for approval to conduct ADW for TwinSpires, TVG, YouBet.com and XpressBet. During the December meeting each of the ADW providers shared the status of their outstanding items. The Thoroughbred Owners of California (TOC) had no objections to the licensing of the ADW providers and stated that a TOC agreement was not a condition for ADW licensure. However, a horsemen agreement is required before facilitating wagers on a California product is allowed. SEIU Local 280 stated they had no objections to the licensing of the ADW providers and concurred that TwinSpires, YouBet and XpressBet had provided an accurate representation on the status of their card check negotiations. The ADW providers were granted a conditional approval for a one-year term beginning January 1, 2009, through December 31, 2009. The ADW approval was conditioned upon the compliance of all ADW conditions required by law.

ANALYSIS

Subsequent to the December 2008 Regular Board Meeting staff requested that the ADW providers submit a copy of their outstanding items on or by January 6, 2009. As of January 7, 2009, the following documents remain as outstanding items for the respective ADW providers:

TwinSpires

- Contractual agreements between applicant tracks/associations.
- Horsemen's agreement or written approval from the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act.
- Labor organization agreement.

TVG

- Horsemen's agreement or written approval from the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act.

YouBet (Instate and Out-of State)

- Horsemen's agreement or written approval from the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act.
- Labor organization agreement.

XpressBet

- Horsemen's agreement or written approval from the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act.
- Labor organization agreement.

RECOMMENDATION

This item is presented to the Board for discussion.

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

Regular Board Meeting
January 15, 2009

BACKGROUND

Discussion of Track Safety Standards Pilot Study

The California Horse Racing Board (CHRB) seeks a pilot study of racetrack surfaces for the development of safety standards in accordance with the requirements of Business & Professions Code Section 19481 (a).

As the horse racing industry has acted innovatively to maintain its fan base and compete with Indian gaming and other forms of entertainment and wagering, the need for control, monitoring, and assurances as to a "level playing field" have, if anything, increased. The CHRB mandated and legislation was passed to require racing associations that operate more than four weeks of racing in a year to install, operate, and maintain synthetic surfaces. California's four racetracks that now operate more than four weeks of racing have each installed a different manufacturer's synthetic surface. To ensure that these surfaces provide the safety they are purported to bring and that they continue to function as intended, monitoring under sets of standards is necessary. These standards do not exist at this time. The independent contractor – likely a soils scientist/engineer – will test racing surfaces in California, synthesize the study results with current research and other studies in the surfaces community, and develop standards by which California tracks can be measured and compared. Without this pilot study, the best the CHRB can hope for is the status quo – an unknown record of track surface safety and consistency, and no means to determine whether the racing associations that conduct horse racing in California are providing appropriate measures to ensure safety and best practices.

California statutes (Business and Professions Code Sections 19481 (a) and (b)) mandate the CHRB to perform the following:

> (a) 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.
>
> (b) Designate a steward at all horse racing meetings to be responsible for enforcing compliance with safety standards.

The CHRB contracts with the stewards who are responsible for overseeing the running of racing operations at the state's licensed racing enclosures. At least three stewards are assigned to each racetrack, and one is designated as the safety steward in accordance with B&P section 19481.(b). In order to ensure the best decisions, the contractors chosen for this role must have enforceable standards to apply. This pilot study will provide those standards.

The study would provide the necessary standards to serve as the basis for continuing assessments of the success of the horse racing industry in its efforts to protect its participants and revitalize the sport. Each of the four manufactured synthetic race tracks in California would

have to be studied separately and then monitored daily for a variety of variables to be determined as the components of a safe racing surface. Logging data under the auspices of soils engineers, veterinarians and with the cooperation of horsemen and racing executives, the track safety pilot study would then be used to compare and assess the state's thirteen race tracks, and as reasonable and feasible, its licensed training facilities. This innovative approach would result in industry standards that could serve as a model for the nation.

The development of synthetic surfaces has the potential to be the most important change for horse racing facilities in decades. In order to ensure that the potential from the investment in synthetic tracks is met, it is necessary to develop best practices for quality control and maintenance. Quantitative measures of the track composition and performance are a critical part of both quality control and maintenance. In particular, four areas of concern have emerged in the use of these surfaces since they have first been installed in the United States:

1) Permeability of the track material
2) Variability of the ability of the track to absorb impact at a range of operating temperatures
3) Variation in the shear strength of synthetic tracks as a function of temperature and moisture
4) Changes over time in the track surface when exposed to UV rays, organic contamination and heat cycling.

These variables have come into question already in California at Santa Anita and Del Mar in particular. Santa Anita lost 11 days of racing in early 2008 when the installed surface would not drain properly. At Del Mar, the initial season of racing on the synthetic surface suffered from slow times and inconsistency from morning workouts to afternoon racing. These are issues the pilot study will initially address.

A similar approach has been taken in other sports where the American Society for Testing and Materials has developed standards that are used for testing of artificial playing fields for sports. One well developed set of criterion are used in soccer, where the governing body, Fédération Internationale de Football Association, has produced a comprehensive guide to how to determine if a surface is acceptable for safe and fair play. The racetrack study will follow a similar pattern and ultimately develop a similar guide.

In addition to the testing of the performance of the surface samples, it is necessary to help racetrack maintenance with quality control of the final surface. To this end, samples of the constituent materials, in particular wax or polymer and sand will be submitted as part of the test plot construction. The track should then be specified to use the same materials based on a series of quality control tests that can b performed on constituent materials as delivered to the track. This test can help manufacturers provide quality control to ensure that the track mixture has the intended composition at all locations.

This pilot seeks to develop a series of test methods which can be used repetitively to assist in the quality control during installation of synthetic surfaces as well as in the routine maintenance and regular continuing monitoring of the track surfaces, and will result not only in the development of the methods required, but will set up the infrastructure needed to support the tracks during the installation and use of these new synthetic surfaces. Ideally, the wide sharing of the lessons learned from the maintenance of these surfaces can result in not only a safer surface for the horses, but also reduced cost for maintenance and reduced management effort. The pilot study starts with the proposed track materials testing effort, then documents and standardizes the maintenance of synthetic track materials, and describes the proposed study of the effects of synthetic surfaces on the injuries of horses.

The study will result in a set of standards that provide a means to assess the safety and continuing development and operation of racetrack surfaces in California. The eventual outcome will include verifiable evidence of safety rates for racehorses and greater confidence from the wagering public that California is doing everything possible to ensure a fair sport with the appropriate concern for its equine athletes.

The outcomes of this research will include:

- Laboratory comparison of permeability of candidate surfaces
- In-situ comparison of the infiltration rate of installed surfaces from each of the manufacturers.
- Comparison of the shear strength, peak load, and compaction of the installed surfaces at test plots under conditions of ambient testing.
- Laboratory comparison of the candidate surfaces for: impact absorption and shear strength as a function of temperature
- Laboratory comparison of the candidate surfaces after exposure to heat and UV for accelerated aging. The materials subjected to accelerated aging will be tested from impact absorption and shear strength
- Protocols which can be used to monitor the condition of the installed track for condition of the surface as a result of aging, usage and changes in climate during usage.

The results will be a report document of the study results and a guide that can be used for future actions in California racetracks – maintenance and development of new surfaces.

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

Regular Board Meeting
January 15, 2009

BACKGROUND

At its November 18, 2008, Regular Meeting the Board approved the proposed 2009 Northern California race dates calendar with exception to the week of July 22, 2009, through July 26, 2009. Solano County Fair (Vallejo) requested that it be granted the week so it could operate one last meeting to celebrate its 60th.year of racing. However, the California Thoroughbred Trainers and the Thoroughbred Owners of California objected to Vallejo's request. The Board recommended that all concerned parties meet and come to an agreement for the disposition of the week. The Board stated if the parties could not come to an agreement, the disposition of the period in question would be heard at the January 2009 Regular Board Meeting. Regardless of an agreement between the parties, the Board must still approve the allocation of the week of July 22, 2009, through July 26, 2009.

Attached is the approved 2009 Northern California race dates calendar.

RECOMMENDATION

This item is presented for Board discussion and action.

PRA @ GGF Winter-Spring	118
PRA @ GGF Fall	34
Total PRA	**152**

Stockton (8/15-8/28)	9
Pleasanton (7/1-7/19)	15
Santa Rosa (7/29-8/9)	11
Ferndale (8/13-8/23)	9

CARF @ GGF	29 (8/12-8/23 & 9/9-10/4)
Sacramento (8/26-9/7)	11
Fresno (10/7-10/18)	10
Vallejo (7/22-7/26)	5
Total Fairs	**98**

TBD @ Jan 15, 2009 Board Meeting

December

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					26	27
28	29	30	31			

5

January

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

20

February

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

17

March

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

1 20

April

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
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October

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November

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December

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Approved 11/18/08 Board Meeting

STAFF ANALYSIS
ANNOUNCEMENT AND DISCUSSION BY THE BOARD OF ITS STEWARDS ASSIGNMENTS FOR 2009

Regular Board Meeting
January 15, 2009

BACKGROUND

Attached for the Board's reference are:

2009 Stewards Assignments

Business and Professions Code sections and Board Rules pertaining to Stewards' assignments and responsibilities.

CALIFORNIA HORSE RACING BOARD
2009 STEWARDS ASSIGNMENTS*

Assistant Steward	THOROUGHBRED MEETINGS – Central and Southern Zones		Stewards
Juaregui	Santa Anita (49 days)	12/26/08 – 03/01/09	Chaney, Ward, Winick
	Santa Anita (35 days)	03/04/09 – 04/19/09	Chaney, Ward, Christiansen
	Hollywood Park (65 days)	04/22/09 - 07/19/09	Chaney, Ward, Sawyer
	Del Mar (43 days)	07/22/09 - 09/09/09	Chaney, Ward, Fermin
	Santa Anita (31 days)	09/30/09 - 11/08/09	Chaney, Ward, Christiansen
	Hollywood Park (31 days)	11/11/09 - 12/21/09	Christiansen, Sawyer, Winick
	THOROUGHBRED MEETINGS – Northern Zone		
Nicolo	Golden Gate (43 days)	12/26/08 - 03/01/09	Herbuveaux, McHargue, Nevin
	Golden Gate (35 days)	03/04/09 – 04/19/09	Herbuveaux, McHargue, Baker
	Golden Gate (40 days)	04/22/09 – 06/14/09	Herbuveaux, McHargue, Nevin
	Golden Gate (34 days)	10/21/09 - 12/13/09	Meyers, McHargue, Nevin
	QUARTER HORSE MEETINGS – Statewide		
	Los Alamitos (35 days)	01/01/09 – 03/01/09	Hamilton, Christiansen, Meyers
	Los Alamitos (28 days)	03/05/09 – 04/19/09	Hamilton, Sawyer, Winick
	Los Alamitos (52 days)	04/23/09 – 07/19/09	Hamilton, Winick, Christiansen
	Los Alamitos (27 days)	07/23/09 – 09/06/09	Dreyer/Hamilton, Sawyer, Winick
	Los Alamitos (36 days)	09/10/09 – 11/08/09	Hamilton, Sawyer, Dreyer
	Los Alamitos (23 days)	11/12/09 – 12/20/09	Hamilton, Moreno, Dreyer
	HARNESS MEETINGS – Statewide		
	Cal Expo (35 days)	12/26/08 - 03/01/09	Oke, McLaren, Baker
	Cal Expo (54 days)	03/04/09 - 06/14/09	Oke, McLaren, Meyers
	Cal Expo (21 days)	06/18/09 - 08/01/09	Oke, McLaren, Nicolo
	Cal Expo (11 days)	09/25/09 – 10/21/09	Oke, McLaren, Moreno
	Cal Expo (27 days)	10/22/09 – 12/19/09	Oke, McLaren, Baker
	FAIR MEETINGS – Statewide		
	Stockton (9 days)	06/18/09 - 06/28/09	Meyers, Moreno, Baker
	Pleasanton (15)	07/01/09 - 07/19/09	Herbuveaux, McHargue, Baker
	Vallejo (5)	07/22/09 - 07/26/09	Meyers, Nevin, Baker
	Santa Rosa (10)	07/29/09 - 08/09/09	Meyers, Nevin, Baker
Nicolo	CARF @ Golden Gate (10)	08/12/09 - 08/23/09	Baker, Herbuveaux, McHargue
	Ferndale (9)	08/13/09 - 08/23/09	Nevin, Nicolo, Dreyer
Nicolo	CARF @ Golden Gate (19)	09/09/09 - 10/04/09	Baker, Herbuveaux, Nevin
	Sacramento (11)	08/26/09 - 09/07/09	Baker, Nevin, Meyers
Juaregui	Pomona (16)	09/10/09 - 09/28/09	Christiansen, Ward, Winick
	Fresno (10)	10/07/09 - 10/18/09	Herbuveaux, Nicolo, Meyers

* **All dates and assignments are subject to change.**

** **Assistant Stewards, unless otherwise assigned.**

CALIFORNIA CODES
BUSINESS AND PROFESSIONS CODE
SECTION 19510-19518

Article 5. Stewards and Racing Officials

19512. (a) The board shall require applicants for license as a steward or as an official veterinarian to pass both a written and an oral examination.

(b) The board may admit to the steward examination any person who meets all of the following qualifications:

(1) Has not been convicted of a crime involving moral turpitude or of a felony.

(2) Has been given a physical examination by a licensed physician and surgeon within 60 days prior to the date of application for the steward's examination, indicating at least 20-20 vision or vision corrected to at least 20-20, and normal hearing ability.

(3) Possesses at least one of the following qualifications:

(A) Has at least five years of experience in the parimutuel horse racing industry as a licensed trainer, jockey, or driver.

(B) Has at least 10 years of experience in the California parimutuel horse racing industry as a licensed owner whose experience, knowledge, ability, and integrity relative to the industry are known to the board.

(C) Has at least three years of experience as a licensed racing official, racing secretary, assistant racing secretary, or director of racing.

(D) Has experience in the horse racing industry of a character and for a length of time sufficient, as determined by the board, to qualify the person as having experience substantially equivalent to the experience described in subparagraph (A), (B), or (C).

(c) The board may admit to the official veterinarian examination any person who meets all of the following qualifications:

(1) Is currently licensed to practice veterinary medicine in this state.

(2) Is currently in good standing with the California Veterinary Medical Board.

(3) Has current veterinary malpractice insurance.

19513. (a) The board shall prepare both written and oral examinations. All examinations shall be standardized and, in the case of oral examinations, tape recorded. Written examinations may be administered by members of the board staff. Oral examinations shall be conducted by a panel of not less than three board members.

(b) The board shall provide a detailed outline of the subjects to be covered by the oral and written examinations for a license to every person who requests the outline.

(c) The results of the oral and written examinations for stewards licenses shall be a public record.

19518. (a) (1) The board shall contract with persons licensed as stewards pursuant to this article to perform the duties of stewards at horse racing meets. The board shall also contract with licensed veterinarians pursuant to this article to perform the duties of official veterinarians at horse racing meets. Contracts shall be upon any terms that the board, the stewards, and the official veterinarians may mutually agree upon and may contain different rates of compensation based upon the experience of the steward or official veterinarian.

Title 4. California Code of Regulations
Article 5. Racing Officials

1520. Racing Officials.

The racing officials of a race meeting, unless otherwise ordered by the Board, are: the stewards, the associate judges, the placing judges, the paddock judge, the patrol judges, the starter, the clerk of scales, the official veterinarian, the racing veterinarian, the horse identifier, the horseshoe inspector, the timers, and the clerk of the course.

Authority: Sections 19440 and 19562,
Business and Professions Code.
Reference: Sections 19401(a), (e),
Business and Professions Code.

1525. Racing Officials Appointed by the Board.

The Board shall appoint the following racing officials for a race meeting: The stewards, the official veterinarian, and the official horse identifier.

1527. General Authority of Stewards.

The stewards have general authority and supervision over all licensees and other persons attendant on horses, and also over the inclosures of any recognized meeting. The stewards are strictly responsible to the Board for the conduct of the race meeting in every particular.

Authority: Section 19440,
Business and Professions Code.
Reference: Section 19440,
Business and Professions Code.

1528. Jurisdiction of Stewards to Suspend or Fine.

The stewards' jurisdiction in any matter commences at such time as entries are taken for the first day of racing at the meeting and extends until thirty (30) days after the close of such meeting. However, the Executive Director of the Board may delegate the authority to adjudicate any matter occurring at any racing meeting to another Board of Stewards if the matter is not resolved after the conclusion of the thirty (30) days. The stewards may suspend the license of anyone whom they have the authority to supervise or they may impose a fine or they may exclude from all inclosures in this State or they may suspend, exclude and fine. All such suspensions, fines or exclusions shall be reported immediately to the Board.

Authority: Section 19440,
Business and Professions Code.
Reference: Section 19440,
Business and Professions Code.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD
REGARDING ITS 2009 BOARD MEETING CALENDAR

Regular Board Meeting
January 15, 2009

BACKGROUND

The attached 2009 Board meeting calendar is subject to Board approval and recommendations.

MEETING SCHEDULE OF THE CALIFORNIA HORSE RACING BOARD

-2009-

Location	Day	* Meeting Date	Date Notice of Meeting is mailed	**Date documents are received for Board package
Santa Anita Arcadia	Thursday	January 15, 2009	January 5, 2009	December 30, 2008
Santa Anita Arcadia	Thursday	February 19, 2009	February 9, 2009	February 4, 2009
Golden Gate Fields Albany	Thursday	March 19, 2009	March 6, 2009	March 4, 2009
Los Alamitos Los Alamitos	Thursday	April 23, 2009	April 10, 2009	April 8, 2009
Hollywood Park Inglewood	Tuesday	May 19, 2009	May 8, 2009	May 6, 2009
Los Alamitos Los Alamitos or other location	**Thursday**	**June 11, 2009**	**May 29, 2009**	**May 27, 2009**
Del Mar Simulcast Facility Del Mar	Thursday	July 23, 2009	July 10, 2009	July 8, 2009
Del Mar Simulcast Facility Del Mar	Wednesday	August 19, 2009	August 7, 2009	August 5, 2009
Los Angeles County Fair Fairplex	Thursday	September 17, 2009	September 4, 2009	September 2, 2009
Big Fresno Fair Fresno or Oak Tree	**Thursday**	**October 15, 2009**	**October 2, 2009**	**September 30, 2009**
Golden Gate Fields Albany	Tuesday	November 17, 2009	November 6, 2009	November 4, 2009

* Meeting dates are subject to change.

**Agenda requests and/or documents received after the dates indicated will not be included in the agenda or package unless approved by the Executive Director.

Revised 12/30/08