

CALIFORNIA HORSE RACING BOARD
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REGULAR MEETING

of the California Horse Racing Board will be held on Thursday, July 21, 2011, commencing at 9:30 a.m., at the Del Mar Surfside Race Place (Downstairs General Admission Area), 2260 Jimmy Durante Blvd., Del Mar, California. The audio portion only of the California Horse Racing Board regular meeting will be available online through a link at the CHRB website (www.chrb.ca.gov) under "Webcasts."

AGENDA

Action Items:

1. Approval of the minutes of the regular meeting of June 23, 2011.
2. **Public Comment:** Communications, reports, requests for future actions of the Board. **Note:** Persons addressing the Board under this item will be restricted to three (3) minutes for their presentations.
3. Public hearing and action by the Board regarding the **proposed amendment of CHRB Rule 1658, Vesting of Title to Claimed Horse**, to void a claim if a claimed horse suffers a fatality during the running of the race or before it is returned to be unsaddled.
4. Public hearing and action by the Board regarding the **proposed amendment of CHRB Rule 1843.3, Penalties for Medication Violations**, to 1) change the penalty for violations due to the overage for the permitted non-steroidal anti-inflammatory drug substance (NSAID), phenylbutazone, as defined in Rule 1844 (c)(1), and for drug substances in an official test sample, which CHRB categorizes as warranting a Category D penalty; and 2) to change the allowable level of flunixin in an official test sample from 50 nanograms to 20 nanograms per milliliter of blood plasma or serum.
5. Public hearing and action by the Board regarding the **proposed amendment of CHRB Rule 1844, Authorized Medication**, to reduce the permitted level of phenylbutazone in an official test sample from five nanograms per milliliter of blood plasma or serum to two nanograms per milliliter of blood plasma or serum, and to reduce the permitted level of flunixin in an official test sample from 50 nanograms per milliliter of blood plasma or serum to 20 nanograms per milliliter of blood plasma or serum.
6. Public hearing and action by the Board regarding the **proposed amendment of CHRB Rule 1846.5, Postmortem Examination**, to require the preceding six months of veterinary records be submitted within 48 hours after submission of the Necropsy Submission Form.
7. 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 Golden Gate Fields**, commencing August 19, 2011 through October 2, 2011, inclusive.

8. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Los Angeles County Fair (F) at Fairplex**, commencing September 9, 2011 through September 24, 2011, inclusive.
9. Discussion and action by the Board on the **Application for License to Operate a Minisatellite Wagering Facility by the ORG Restaurants, LLC, Santa Maria**, for a period of up to but not exceeding two years.
10. Discussion by the Board regarding a report on the progress of the dirt and turf race courses at Santa Anita Park Race Track.
11. Discussion and action by the Board regarding the update from the California Marketing Committee (CMC) and its work with the Bailey Gardner agency on the branding and marketing of California horse racing.
12. Discussion and action by the Board regarding the distribution of race day charity proceeds of the Los Alamitos Quarter Horse Racing Association in the amount of \$42,574 to four beneficiaries.
13. Discussion and action by the Board on the approval of the 2010/2011 Agreement providing funding support for the Board.
14. **Closed Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matter, as authorized by Section 11126 of the Government Code.
 - A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," as authorized by Government Code section 11126(e).
 - B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to this agenda captioned "Pending Administrative Adjudications," as authorized by Government Code section 11126(e).

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

CALIFORNIA HORSE RACING BOARD

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

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PENDING LITIGATION
JULY 2011

SUPERIOR COURT LITIGATION

- A. **Patrick Gleason v. Anne Glasscock and the California Horse Racing Board**
Superior Court of California, County of Sacramento 34-2010-00076781
- B. **Jeff Mullins v. CHRB, et al**
Superior Court of California, County of San Diego, Case No. 37-2010-00092212
- C. **Morteza Atashkar vs. CHRB**
Superior Court of California, County of Sacramento, Case No. 34-2011-00102154

UNITED STATES DISTRICT COURT

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

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PENDING ADMINISTRATIVE ADJUDICATIONS
JULY 2011

CASE

- A. Fitness for Licensure
Gail Ruffu
Case No. SAC 11-0009

- B. Petition for Licensure (Proposed Settlement Offer)
Daniel Maier
Case No. SAC 10-0013

- C. Complaint Against Trainer Miguel Rodriguez
CHRB License #280861

PROCEEDINGS of the Regular Meeting of the California Horse Racing Board held at the Hollywood Park Race Track, 1050 South Prairie Avenue, Inglewood, California, on June 23, 2011.

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

MINUTES

Chairman Brackpool asked for approval of the minutes of the Regular Meeting of May 26, 2011.

Vice-Chairman Israel **motioned** to approve the minutes. Commissioner Rosenberg **seconded** the motion, which was **unanimously carried**.

PUBLIC COMMENT

Deborah Russell of Service Employees International Union (SEIU) spoke about the status of labor negotiations between the racing association and employees, and the status of rank and file horse racing industry employees. Marc Goodwin of Marc Goodwin Insurance Services spoke about workers' compensation insurance issues and the thoroughbred industry. Brad Blackwell of Churchill Downs introduced Alan Tse, executive vice-president and general counsel for Churchill Downs Incorporated. Mr. Tse stated he was a California resident and that he wished to introduce himself to the Board and the industry and to emphasize that California was an important jurisdiction for Churchill Downs Incorporated. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding horseracing. Tanya Werzell, an industry employee, spoke

Proceedings of the Regular Meeting of June 23, 2011

about her concerns regarding the state of the industry and its effect on racing association staffing, wages and compensation.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT OF CHRB RULE 1433, APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING, TO REVISE THE FORM CHRB-17, APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING, AND THE FORM CHRB-18, APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF A CALIFORNIA FAIR.

Chairman Brackpool stated the proposed amendment of Board Rule 1433, Application for License to Conduct a Horse Racing Meeting, would revise the form CHRB-17, Application for License to Conduct a Horse Racing Meeting, and the form CHRB-18, Application for License to Conduct a Horse Racing Meeting of a California Fair. He said discussions regarding changes to the forms had been ongoing, and they were ready for Board discussion and action. Commissioner Harris stated racing associations and racing fairs needed to complete an application prior to receiving permission to operate a race meeting. The applications were recently refreshed to bring them up to date and make them more user-friendly. Commissioner Harris urged interested parties to take a good look at the applications during the 45-day public comment period and make suggestions regarding their improvement. Commissioner Rosenberg stated the changes to the financial section of the forms were thorough, and he complemented staff on its work. Chairman Brackpool said the handle history in section six of the CHRB-17 and CHRB-18 should be modified to capture information from racing associations that were licensed by the Board less than five years. The wording should be changed to require the last five years of licensing, or the total number of years licensed if licensed for fewer than five years. In addition, if the ownership of a racing association changes, but the management remains

Proceedings of the Regular Meeting of June 23, 2011

essentially the same, the handle information should carry over. Jacqueline Wagner, CHRB staff, said the changes would be made as directed. Commissioner Moss motioned to direct staff to initiate a 45-day public comment period regarding the proposed amendment of CHRB Rule 1433. Commissioner Choper 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 DEL MAR THOROUGHBRED CLUB (T) AT DEL MAR, COMMENCING JULY 20, 2011 THROUGH SEPTEMBER 7, 2011, INCLUSIVE.

Joe Harper of the Del Mar Thoroughbred Club (DMTC) stated Craig Fravel was leaving his position at DMTC to join the Breeders' Cup organization. Mr. Harper said he would act as president and general manager, as well as chief executive officer of DMTC for the time being. Craig Dado of DMTC stated his organization wished to offer a couple of new wagers. One of the wagers was called the 50 Cent Players Pick 5 with a 14 percent takeout. He said it was the wager currently offered at Hollywood Park, where it proved successful. The one issue with the wager was the fear that it could have a negative effect, long term, on the Pick 6 Pool. So, DMTC was working with the Thoroughbred Owners of California (TOC) to develop a player friendly promotion related to the Pick 6 Pool called the Guaranteed \$50,000 Carryover. It was a guaranteed carryover, not to be confused with a guaranteed pool. The guaranteed carryover would have the effect of a win bonus. The wager would be offered every Sunday during the meeting. If there were 25 winning tickets, each ticket would pay an additional \$2,000 for an overall total of \$50,000. Focus groups demonstrated the win bonus would be enough to get some of the larger players to increase what they might wager in that pool. In addition, fans could plan for the wager because it would occur each week. Finally, purses and commissions did better

Proceedings of the Regular Meeting of June 23, 2011

when there was a carryover. If there were a double carryover the effect would be even greater. Mr. Dado stated the third wager was a head to head wager on the feature race every Saturday of the meeting. The racing department would select two horses and fans would be able to wager on the horses head to head with a ten percent takeout. DMTC believed the wager, which was like a sports bet, would be popular. Mr. Dado stated DMTC considered holding the head to head wager every day of the week, but the totalizator company said the wager would have to be on the same race number each day. DMTC wished to hold the wager on the feature races, but by being limited to the same race number it could not do that. If the wager were successful, next year DMTC would consider holding it every day. Vice-Chairman Israel asked if there was a field size that would provide optimum play on the wager. A feature race could have a prohibitive favorite that would draw only five entries. Mr. Dado stated DMTC did not do any research on that issue, but the nice thing about a head to head wager was that it was field size proof. If one had a field size of five horses or 12 horses, the head to head wager would remain the same. Chairman Brackpool asked what rule provided authority for the wager. Josh Rubinstein of DMTC said DMTC proposed to use an Association of Racing Commissioners International (ARCI) rule. It was the same rule used by the Breeders' Cup. Commissioner Harris stated the wager was a good idea, especially in the friendly DMTC media market. DMTC could get the media talking about the head to head wager, which was fairly simple for the public to understand and did not require a lot of handicapping. Vice-Chairman Israel stated it was a wager one could make with one's heart, and it would attract the average person who was not a horse player. Commissioner Derek said it would also promote horses as individuals. Horse racing benefited any time it had a superstar horse. Chairman Brackpool asked at what point the racing secretary would determine which two entrants would compete in the head to head match. Tom Robins of DMTC stated the

Proceedings of the Regular Meeting of June 23, 2011

selection of horses could occur as soon as entries were finalized, as many as five days outside of race time. Chairman Brackpool asked if there would be a reserve in the event of a scratch or would the wager be cancelled? Mr. Robins said there were a couple options, but he doubted there would be scratches, as most of the time the horses would remain alive. Commissioner Rosenberg asked what would happen in the event of a veterinarian scratch. Mr. Robins said the ARCI rule required the wagers to be refunded. Chairman Brackpool said the wager was a work in progress, but there was strong encouragement from the Board. The Pick 5 Pool was being offered at Hollywood Park, and the Board supported the \$50,000 carryover. Mr. Dado spoke about the DMTC marketing plan, which included a new DMTC phone application that would be available in July 2011. The application had many features, including the ability to watch live DMTC races and watch replays. Fans would also be able to wager on-track (only) by using their smart phones. Chairman Brackpool said the use of technology was the direction the Board was asking for. Mr. Dado said DMTC also put together a strong marketing plan, and it hoped to push its on-track numbers beyond the 18,000 person per day mark. That would represent the highest on-track average since the advent of satellite wagering. Mr. Robbins stated DMTC planned to run five days a week. Depending on the horse population, some of those days may have fewer races. Commissioner Rosenberg commented he read about possible legal actions involving the 22nd Agricultural District. He asked if the DMTC long term lease would be affected if lawsuits were filed. Mr. Harper stated the DMTC lease covered a 20-year period with three five-year renewal options. If there were a sale of the property DMTC would still have a meeting to run before that could happen. Jerry Jamgotchian, a horse owner, spoke about the projected average daily purses and what the true numbers might be if the Senate Bill 1072 funds were taken out, as well as other issues with the DMTC application. Richard Castro of Local 280 spoke about his

Proceedings of the Regular Meeting of June 23, 2011

concerns regarding the DMTC application. He was specifically concerned with the status of DelMarBets.com and how DMTC would prevent minors from placing wagers via the smart phone applications. Mr. Rubinstein said the DelMarBets.com accounts would be transferred to XpressBet. With regards to the smart phone applications, it was necessary to sign up for an account. At that time, the application would require a valid identification, and the applicant would have to meet with a Local 280 pari-mutual clerk to fund the account. He added that to withdraw funds one would have to return to the pari-mutual teller. Vice-Chairman Israel motioned to approve the application for license to operate a horse racing meeting of DMTC. 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 HUMBOLDT COUNTY FAIR (F) AT FERNDALE, COMMENCING AUGUST 12, 2011 THROUGH AUGUST 21, 2011.

Jacqueline Wagner, CHRB staff, said the Humboldt County Fair (HCF) proposed to run from August 12, 2011 through August 21, 2011, or eight days, the same number of days as in 2010. Ms. Wagner stated the application was complete, except for the fire clearance. Staff recommended the Board approve the application conditioned upon receipt of the fire clearance. Commissioner Harris said the first week of the meeting would be overlapped with Santa Rosa, but the second week would have no overlap. Stuart Titus of HCF said that was correct. During the second week of its meeting it had an agreement with Golden Gate Fields (GGF) wherein GGF would be dark on Wednesday and Thursday, and on Friday it would share host fees. Vice-Chairman Israel said the HCF purses were the same as in 2010. He asked if HCF benefited in any way from Senate Bill (SB) 1072. Mr. Titus said he was not sure of the exact impact of SB 1072. Commissioner Choper asked if the wagering structure was developed by the California

Proceedings of the Regular Meeting of June 23, 2011

Racing Fair Association. Mr. Titus stated that was his understanding. Commissioner Harris motioned to approve the application for license to operate a horse racing meeting of HCF. Commissioner Choper seconded the motion, which was unanimously carried. Marc Goodwin of Marc Goodwin Insurance Services spoke about his concerns regarding workers' compensation insurance subsidies for trainers. Chairman Brackpool commented the Board had received submissions from the California Thoroughbred Trainers (CTT) that it was satisfied with the new arrangements. Alan Balch of CTT said the California Thoroughbred Business League (CTBL) represented all constituencies, and the CTT was part of that organization. In May 2011 the CTBL solicited bids for the workers' compensation program. The Finish Line Self Insurance Group (Finish Line) was currently the superior cost program for the majority of trainers. If small trainers had difficulties, they were encouraged to contact Finish Line to see if there was a methodology that would work, or they could use the California State Fund Insurance, or anything Marc Goodwin Insurance Services offered.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE CALIFORNIA EXPOSITION AND STATE FAIR HARNESS ASSOCIATION (H) AT CAL-EXPO, COMMENCING AUGUST 26, 2011 THROUGH DECEMBER 17, 2011, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the California Exposition and State Fair Harness Association (CESFHA) proposed to run at Cal-Expo August 26, 2011 through December 17, 2011. The meeting would run three days a week for a total of 47 days, which was seven days less than the same period in 2010. The first post times would be 5:30 p.m. on Thursdays and 6:00 p.m. on Fridays and Saturdays. The advance deposit wagering providers were XpressBet, Twinspires and TVG. Ms. Wagner stated the application was complete, and staff recommended

Proceedings of the Regular Meeting of June 23, 2011

the Board approve the application as presented. Commissioner Derek said she wanted to thank CESFHA for taking the initiative to change the house rule on whipping. Commissioner Rosenberg asked about the status of the totalizer board. Dave Elliott of Cal-Expo said his organization made an agreement with Sportech, the totalizer board company, to invest about \$70,000 in improvements to the totalizer board structure. The improvements would include fiber runs, new LED boards, a video board and total reface of the totalizer board. Cal-Expo would put the new signage on the old board in time for the State Fair meeting, and then Sportech would complete the job before the opening of the August 26, 2011, fall harness meeting. Commissioner Choper stated the CHRB budget contained \$5,500 for Cal-Expo State Fair storage. He asked what that entailed. CHRB Executive Director Kirk Breed stated the budget item was the contract for storage of the split samples for the entire state. Commissioner Harris asked where the standardbred horses went when harness racing was not running at Cal-Expo. Mr. Elliott said some horses went out-of-state, while other horses were housed at Cal-Expo in a separate area. Commissioner Choper **motioned** to approve the application for license to operate a horse racing meeting of CESFHA. Commissioner Rosenberg **seconded** the motion, which was **unanimously carried**.

Proceedings of the Regular Meeting of June 23, 2011

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST TO MODIFY THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCE DEPOSIT WAGERING (ADW) AS PERMITTED UNDER BUSINESS AND PROFESSIONS CODE SECTION 19604(F)(5)(E) FOR WAGERING CONDUCTED BY THOROUGHBRED ASSOCIATIONS, AND DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST TO MODIFY THE DISTRIBUTION OF TAKEOUT AS PERMITTED BY BUSINESS AND PROFESSIONS CODE SECTION 19605.7(A)(2)(A) FOR WAGERING CONDUCTED BY THOROUGHBRED ASSOCIATIONS IN THE NORTHERN ZONE.

Jacqueline Wagner, CHRB staff, said the request was similar to the one the Board heard in June 2010. At that time the parties requested a modification on the distribution, which the Board approved with an effective date of July 1, 2010 through June 30, 2011. Jack Liebau, representing the parties said the request was a redirection of the handle as permitted by the Business and Professions Code. All interested parties signed the agreement, which was an extension of the 2010 agreement and was necessary for the continued funding of Southern California Off-Track Wagering, Inc. (SCOTWINC) and Northern California Off-Track Wagering, Inc. (NCOTWINC). Chairman Brackpool stated when the Board heard the issue in 2010 it debated the ongoing role of SCOTWINC/NCOTWINC. Part of the motion, at that time, was to figure out if there was an ongoing budget or role for the organizations, and how they would be funded. However, the Board was being asked to simply continue the modification of the distribution. There had been no presentation regarding any of the organizations. Mr. Liebau stated the reorganization was an ongoing process, and a committee had been formed to work on the accounting. The current request was essential for the continued operation of the organizations. Commissioner Rosenberg asked if there was one person who ran the organizations. Mr. Liebau stated SCOTWINC was a limited partnership, and a general partner of SCOTWINC was a corporation called SCOTWINC, Inc. which had a board of directors and officers. The general partner ran the organization. Commissioner Rosenberg stated with a \$5

Proceedings of the Regular Meeting of June 23, 2011

million budget there must be one person in charge. Mike Ernst of Del Mar Thoroughbred Club (DMTC) stated the administrative staff at SCOTWINC consisted of a controller, a staff accountant and an auditor. The payroll or the risk management function had been moved to an existing employee of DMTC. Chairman Brackpool asked who would take over as the chief executive officer in Craig Fravel's absence. Mr. Ernst stated that would be determined by the board of directors at a future meeting. Commissioner Choper asked if it were fair to state the parties affected by the diversion of the funds had all agreed to the modification. Mr. Ernst stated "yes". Commissioner Rosenberg said NCOTWINC always ran a higher deficit than SCOTWINC. What was the long term projection for NCOTWINC? Gina Lavo of NCOTWINC said the projected deficit of \$830,000 was built into the current projections. If the race dates held and the handle hit projected targets, all past deficits and current deficits should be covered. Commissioner Rosenberg asked if the \$830,000 was a projected deficit as of December 31, 2011. Ms. Lavo said "yes". However, part of that had already been absorbed, so by the end of May 2011 it was around \$550,000 to \$600,000. Vice-Chairman Israel asked if liquidating and decentralizing was a viable alternative. Mr. Liebau stated the funding was being provided by those with a direct interest in keeping the sights open and available. In California the offsite facilities produced more handle than onsite facilities. He said the organizations were making major changes, as they were in the economic interest of the horsemen and racing associations. CHRIMS was brought in to help with accounting; risk management went to DMTC; and payrolls went to Santa Anita Park Race Track. Mr. Ernst added the cost savings involved the administration of SCOTWINC. Satellites and advance deposit wagering (ADW) funded the stabling and vaning program, the California Marketing Committee, the workers' compensation program and generated significant commissions and purses. The supplemental funding was

Proceedings of the Regular Meeting of June 23, 2011

coming from ADW. Vice-Chairman Israel said he understood the importance of the satellite networks. However, was there a better way to operate them? Might it be better for the track operating a meeting to run the satellite, then pass the responsibility on to the next racing association to run? Mr. Liebau stated it was probably better to have continuity in management of the sites, rather than passing the responsibility from one track to the other. Commissioner Harris commented the satellites funded a lot of programs, but when the enabling law was passed no one envisioned that satellite handles would decline. It was not clear that the model was broken, or perhaps it was not as good as some. Commissioner Moss said he wondered if there was a standard or certain level of earnings a satellite had to reach. If they did not promote and run their business effectively, could they be replaced by another entity? Mr. Liebau stated the fairs had primary rights, which were granted under the law, to operate satellite facilities. However, some fairs had given up satellite wagering. For instance, in Santa Maria the fair was no longer operating a satellite, so SCOTWINC was opening a new site that was far superior to the old fair site. Commissioner Rosenberg stated that was the SCOTWINC end of the equation. Did not the individual minisatellites and satellites report details on their profitability? For example, did they report how much liquor or food they sold? Mr. Liebau said they did not. He stated to some extent, divulging such information would be voluntary. Commissioner Rosenberg asked if SCOTWINC had a standard deal it offered a potential minisatellite operator or did it negotiate on a case by case basis? Mr. Liebau said it was a standard thing. The law obligated SCOTWINC to take care of the totalizator system and labor that was required for wagering, as well as a blanket downlink of the signal. Chairman Brackpool stated that the ADW providers had their licenses extended through the end of December 2011. At that time, the Board made it clear that real change in ADW was needed. The request before the Board involved taking money that already

Proceedings of the Regular Meeting of June 23, 2011

belonged to the parties, but it might not be appropriate to approve the modification beyond the current term of the ADW contracts if the intent of the Board was to change how ADW worked. Mr. Liebau stated the request was structured for a year to spread the burden equally over all the tracks. He said the proposed ADW changes would involve legislation. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding the continued viability of SCOTWINC/NCOTWINC. John Bucalo of the Barona Casino spoke about his concerns regarding satellite wagering. Chairman Brackpool stated the Board understood that the burden of the modification needed to be spread out over a year. However, the Board also needed to be able to ensure that if ADW did change, it could incorporate the changes. Craig Fravel of SCOTWINC said the agreement was not predicated on which entity operated ADW, so if there were some reinvigoration of the existing ADW structure, the agreement would not be affected. In addition, the parties were willing to put a re-opener in the agreement that allowed accommodation of any ADW changes. Chairman Brackpool said as long as that could be done, the Board would be prepared to make a motion to approve the modification. Chairman Brackpool motioned to approve the request to modify the distribution of market access fees from ADW as permitted under Business and Professions Code section 19604(f)(5)(E) for wagering conducted by thoroughbred associations, and to modify the distribution of takeout as permitted by Business and Professions Code section 19605.7(a)(2)(A) for wagering conducted by thoroughbred associations in the Northern Zone, with the understanding that the authorization would accommodate any changes made with respect to the ADW providers. Commissioner Choper seconded the motion, which was unanimously carried.

Proceedings of the Regular Meeting of June 23, 2011

DISCUSSION BY THE BOARD REGARDING A REPORT ON THE PROGRESS OF THE
DIRT AND TURF RACE COURSES AT SANTA ANITA PARK RACE TRACK.

Chairman Brackpool stated that in the past 60 days the Board held two informational hearings on the issues surrounding the necessary reworking and improvements of the main track at Santa Anita Park Race Course (SA). Greg Avioli of the Stronach Racing Group stated his organization took the issue very seriously, as it had a big stake in getting the track right; it was the future of the racetrack and the future of the brand. SA was a product that the Stronach Racing Group wanted people to be attracted to, to wager at and to send their horses to race, so the issue was of the highest priority. The Stronach Racing Group would entirely fund the renovation of the track at SA, and it was determined to get it right. Mr. Avioli said he wanted to thank the representatives of the Board, the Thoroughbred Owners of California (TOC) and California Thoroughbred Trainers (CTT) for their cooperation, because working together helped produce good solution. George Haines of SA stated his organization determined the composition of the track had too much clay, and the solution of that problem was to dilute the clay with clean sand material. There were different methods and procedures to achieve that, but SA had zeroed in on a method and was putting together the numbers and mobilizing equipment. The materials were already found and onsite. SA believed there would be a 10 to 14 day remediation of the track to get the job done. Additionally, there would be extensive quality control with onsite testing to get it right. Chairman Brackpool asked if the remediation plan was agreed to by SA, CTT and the TOC. Mr. Haines said the parties agreed to the method to be used, and after some details were finalized, SA expected to move forward quickly. Commissioner Choper stated the science of the track surface was far from perfect. He said he hoped SA was comfortable with the agreement, but it should not hesitate to do what it thought was right on the basis of what it was trying to accomplish. Vice-Chairman Israel asked how the track would be tested for a variety of

Proceedings of the Regular Meeting of June 23, 2011

conditions, such as repetitive daily use and pressure from hundreds of horses. Mr. Haines said he did not know if those questions could be answered until the track was installed. SA knew the parameters of the composition of the surface, but it had to get the track in use to find those answers. Vice-Chairman Israel said at UC Davis the Board was shown a device that tested the impact of a horse hoof and what happened to a surface when it was subjected to repeated use by a horse hoof. CHRB Executive Director Kirk Breed said the hoof tester would be used to test impact and shear on the SA track. Vice-Chairman Israel asked how the tests replicated the daily activity on the track over a three month period. Mr. Breed said that could not be replicated, one could only project what would happen. Vice-Chairman Israel stated the track had to do three things: it had to be safe; it had to be fair, or consistent so horsemen knew what they were running on and handicappers could handicap; and it had to hold up to the elements. He asked how SA got to that point with its surface. Mr. Breed said every race track had to be augmented on a periodic basis, dependent on the materials used. Some materials lasted longer, but every component had to be added to and replaced over time. There were also unknown factors that had to be dealt with. That was why testing was continuous through the course of the race meeting. Vice-Chairman Israel stated he did not believe perfection was possible, but some kind of standards had to be set. Perhaps there was a standard deviation that could be set as a goal. Mr. Breed stated the standards were being developed. There was a proposed set of standards for SA, and that variability was incorporated in the standards. Commissioner Moss asked if training would be suspended at SA during the track renovation. Mr. Haines stated SA was in a unique period of time where all training centers would be open; Del Mar, SA and Hollywood Park. SA would only suspend training on its main track. Tom Robbins of Del Mar Thoroughbred Club (DMTC) said he was worried that the SA renovation would last longer than 10 to 14 days. It

Proceedings of the Regular Meeting of June 23, 2011

appeared as if SA would be the track open during the DMTC meeting. There would be trainers that prepared horses in advance of the DMTC meeting. DMTC hoped that the trainers remaining at SA, and that only had the training track to work their horses, would be given the option to travel to Hollywood Park, without cost to them, during the period it remained open. Mr. Robbins added he hoped the TOC and CTT would agree to that. Chairman Brackpool said it hopefully would be an isolated number of trainers, and DMTC did have a reasonable point. However, the Board did not want to dictate who would pay for what. Mr. Haines said SA would work with Mr. Robbins to resolve his issues. Chairman Brackpool asked if SA would address the issues with its turf course. Jason Spetnagel of SA said the turf course went through an extensive renovation following the SA meeting. The renovation included 4,000 square feet of new sod, and extensive aeration process, verticutting and an aggressive top dressing program to break up the thatch layer. He added SA was unable to determine the cause of the turf course problems, but it believed all the work should solve the issues. Chairman Brackpool stated the issue would be place on a future Regular Meeting agenda for a report and update.

DISCUSSION AND ACTION BY THE BOARD REGARDING A FINDING PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTIONS 19483 AND 19484 THAT THE OWNERSHIP OF SANTA ANITA PARK RACE TRACK, GOLDEN GATE FIELDS AND EXPRESSBET, BY A YET TO BE NAMED ENTITY CONTROLLED BY FRANK STRONACH, IS IN THE BEST INTEREST OF HORSE RACING, AND WHETHER SUCH OWNERSHIP BETTER SERVES THE PURPOSES OF BUSINESS AND PROFESSIONS CODE DIVISION 8 CHAPTER 4 (HORSE RACING LAW).

Chairman Brackpool stated that when MID purchased Santa Anita Park Race Track (SA), Golden Gate Fields (GGF) and XpressBet from Magna Entertainment the Board negotiated a set of conditions that allowed it to issue a waiver to allow the common ownership of the three entities. Shortly thereafter the Board was informed of the transaction in which the Stronach

Proceedings of the Regular Meeting of June 23, 2011

Trust purchased the assets. Greg Avioli of the Stronach Group stated the name of the trust would be the "Stronach Group" (Group). The transaction was scheduled to close June 30, 2011, so effective July 1, 2011 the Group will have acquired the remaining North American racing interests in MID, and it would have approximately \$40 million in working capital. The Group was agreeable to complying with the terms of the waiver that the Board felt fit to put in place in 2010. The Group was making an aggressive bid for the Breeders' Cup and was one of the finalists. The track at SA was being renovated, and the Group was instituting digital distribution projects similar to those described by Del Mar Thoroughbred Club. Chairman Brackpool stated the real differences in the materials provided to the Board were in the ownership and executive control of the very top company and updates to reflect Mr. Avioli's various positions throughout the company. Commissioner Rosenberg asked if San Luis Rey Downs (SLRD) was included in the assets. Mr. Avioli said it was included. Commissioner Rosenberg asked if SLRD would retain its current function. George Haines of SA stated SLRD was leased to a group that was currently operating the facility. Mr. Avioli stated the terms of the lease were currently not being fully met, but there were no plans to discontinue its operation. The current intention was to keep it open as a training center. Commissioner Rosenberg asked if there was anything in the trust that governed what would happen in the event of a change within the trust. Would the sale of any assets be required upon a change in trustees? Mr. Avioli stated to the extent he understood the question there were no conditions in the trust that had any specific requirement. Commissioner Rosenberg asked if the audited financial statements required by the waiver had been furnished. Chairman Brackpool stated the waiver did not have a date by which the audited financials would be provided. It indicated that when the audit occurred, the financials would be given to the Board. That was an error that would not be repeated in the new agreement. He

Proceedings of the Regular Meeting of June 23, 2011

asked if the audited financials for the period May 1, 2010 through December 31, 2010 had been provided. Scott Daruty of the Group said those financials were being finalized and would be submitted to the Board when completed. Chairman Brackpool stated the new waiver would make it clear that the financials would be due 90 days after the end of each. Chairman Brackpool said the second item was the letter of credit. Mr. Daruty said the old letter of credit would be withdrawn and replaced by a new letter of credit in the name of the new company. That would occur within 30 days after the transfer. Chairman Brackpool asked what happened with the GGF/Northern California Off-Track Wagering Inc. resolution. Gina Lavo of the Group said the issue was settled in March 2010 and all parties were paid. Chairman Brackpool **motioned** to grant a waiver under Business and Professions Code sections 19483 and 19484 to the Stronach Group, with amendments made to item one and item two, and with item seven removed. Vice-Chairman Israel **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE OAK TREE RACING ASSOCIATION IN THE AMOUNT OF \$23,962 TO EIGHT BENEFICIARIES.

Commissioner Derek said in the future she would like to see a little description of what the beneficiaries did. Chairman Brackpool said that could be done. Chairman Brackpool **motioned** to approve the request to distribute the race day charity proceeds of the Oak Tree Racing Association. Commissioner Choper **seconded** the motion, which was **unanimously carried**.

Proceedings of the Regular Meeting of June 23, 2011

DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL OF SERVICE, STEWARD AND OFFICIAL VETERINARIAN CONTRACTS FOR FISCAL YEAR 2011-2012.

Commissioner Harris commented it was important to realize that the numbers were a cap and did not necessarily mean the Board would spend that much. Chairman Brackpool asked why the 2010-2011 estimated costs for the official veterinarian were so low as compared to what was actually spent. Executive Director Kirk Breed said it had to do with the estimated number of days versus the actual number of days worked. Dr. Rick Arthur, Equine Medical Director said the maximum possible number of work days was figured into the contracts. That was 990 days. However, the actual number of days worked were closer to 700 – 720 days. Chairman Brackpool said that for the Board to perform a useful function rather than approve maximums that would not happen, it needed more accuracy. He said he also had a question about the post mortem costs. In 2010-2011 there was an estimate of \$180,000 and actual spending of \$83,000. For the 2011-2012 costs the estimate was \$297,000. That seemed to be a big difference. Dr. Arthur said the actual projection for necropsies was 260 necropsies, which was a little over \$100,000 in disposable costs. Mr. Breed said the costs of the necropsies also doubled from \$134 to \$350. Dr. Arthur said the projection was based on the higher number, but in some years there were more horses. He added all the contracts were grossly overestimated, except the drug testing, which was accurate. Vice-Chairman Israel said the drug testing number was static, even though there were fewer races and fewer horses; why did the cost not go down? Dr. Arthur said the contract was actually on a per-month basis, not per-horse. That was more efficient as it allowed for an increase in the number of tests for the same costs. Vice-Chairman Israel asked if the inequity in the way safety stewards were paid had been corrected. Sometimes a safety steward had to take the place of a regular steward and did not receive any additional money.

Proceedings of the Regular Meeting of June 23, 2011

Executive Director Breed stated that had been corrected. Vice-Chairman Israel asked how the hearing officers were paid. Was it on a per-hearing basis? Mr. Breed said the hearing officers were paid on a daily basis, which included a daily basis for writing the opinion. Chairman Brackpool stated in the future a more detailed narrative on the expenditures would be helpful, such as: "this is how much a hearing officer costs, and this is the maximum amount allocated to that category." Jerry Jamgotchian, a horse owner, spoke about his concerns regarding the service, steward and official veterinarian contracts. Vice-Chairman Israel motioned to approve the service, steward and official veterinarian contracts for fiscal year 2011-2012, as submitted. Commissioner Harris seconded the motion, which was unanimously carried.

MEETING ADJOURNED AT 12:31 P.M.

Proceedings of the Regular Meeting of June 23, 2011

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

Chairman

Executive Director

CALIFORNIA HORSE RACING BOARD

JULY 21, 2011
REGULAR BOARD MEETING

There is no board package material for Item 2

STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD REGARDING
THE PROPOSED AMENDMENT OF
CHRB RULE 1658, VESTING OF TITLE TO CLAIMED HORSE,
TO VOID A CLAIM IF A CLAIMED HORSE SUFFERS A FATALITY
DURING THE RUNNING OF THE RACE

Regular Board Meeting
July 21, 2011

BACKGROUND

Business and Professions Code section 19420 provides that the Board has jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board include adjudication of controversies arising from the enforcement of those laws and regulations dealing with horse racing and pari-mutuel wagering. Business and Professions Code section 19562 provides that the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in California.

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

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

A claiming race is a venue through which a new owner may buy his first horse. It is also a venue where others claim (at bargain prices) horses they believe can compete at higher levels. However, claiming races can also be used by owners and trainers to rid themselves of horses whose performance is not what they expect, so the terms "*Caveat Emptor*" or "*Buyer Beware*" apply. The claimant does not get to examine the horse prior to putting in a claim, and the horse actually belongs to a successful claimant from the time the field is dispatched. If anything happens to the horse, the claimant still must take ownership, regardless of its condition. Rule 1658 states the claimant becomes the owner of the horse if it is alive or dead, sound or unsound, or injured during or after the race.

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

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

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

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

At its November 2009 Regular Meeting the Board reviewed the proposal to amend Rule 1685. The CTT representative expressed opposition to the proposal, and stated there was a strong negative reaction from the trainers to changing the rule. Although one of the motivations for the rule change might be the safety of the horse, in the CTT's view, trainers cared about their horses, and they did not "...go around with horses they know are about to break down and put them in a [claiming] race." The CTT believed the proposal would not cause owners and trainers to turn out lower level horses because it did not make economic sense. Additional opposition came from the Thoroughbred Owners of California (TOC). The TOC representative reminded the Board that horses entered in a claiming race were inspected four times by veterinarians before they reached the starting gate. That afforded prospective claimants more protection than a person buying in an auction transaction, or a private sale. A representative from the Del Mar Thoroughbred Club (DMTC) stated the DMTC director

of racing had serious concerns with the proposed rule change. DMTC suggested the Board look at the national injury database to see if there were patterns in the injuries among various classes of horses. The data might show if there really were a problem in claiming races over other types of races. The Board determined it would table the proposed amendment of Rule 1658 until such time as additional data were available.

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

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

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

At its April 2011 Regular Meeting the Board determined it would modify the proposed amendment of Rule 1658 to remove the provision that allowed a claim to be void if the horse were placed on the veterinarian's list as unsound or lame as a result of the running of the race. Staff was directed to initiate a 45-day public comment period for the proposed amendment.

ANALYSIS

The proposed amendment of Rule 1658 would void a successful claim if the claimed horse suffers a fatality during the running of the race or before the horse is returned to be unsaddled. The claim would be voided automatically, so the claimant would not have to take any action if the claimed horse suffers a fatality, as specified. If the horse were removed from the track and later euthanized, the claim would stand.

During the 45-day public comment period staff received seven comments. Three comments opposed the proposed amendment; three comments favored the proposed amendment; one comment explained insurance coverage for owners/trainers who claimed horses.

Included in the three favorable comments was a comment from the Environment and Training Practices Committee of the Welfare and Safety of the Racehorse Summit (Summit) co-sponsored by The Jockey Club and Grayson-Jockey Club Research Foundation. The Summit stated it supported the proposed amendment as written. The Jockey Club's Thoroughbred Safety Committee (Committee) also wrote to support the proposed amendment. However, the Committee suggested the proposed regulation be modified to allow owners a reasonable opportunity to request the stewards void a claim if the horse were unable to return to be unsaddled as a result of injuries suffered during the race. Should the Board agree with the suggested modification, "reasonable opportunity" would have to be defined, and an additional 45-day public comment period would be required.

Included in the three comments opposed to the proposed regulation were comments from Jon Lindo, a horse owner who is involved in several other facets of the industry. Mr. Lindo stated claiming is a naturally self regulating process. Owners who run cheaply to take easy purses risk losing their horses, and owners who ran "damaged goods" risked not being able to lose any horse when needed. Mr. Lindo pointed out that horses were athletes and they could be injured at any time. There should be no bail out due to an injury that could happen at any time anywhere. Finally, Mr. Lindo stated the proposed amendment could have the effect of weeding out small barns and reduce competition. Michael Wellman wrote that while the proposed amendment might have some benefit, it was flawed in effectively determining how and precisely when title of ownership is transferred. There were gray areas surrounding the process to determine if a horse could or could not be saved, and authority and ownership at such a time could be critical to the horse's future. To give authority to stewards in voiding a claim due to fatality would lead to many larger issues. Doug Kempt, an owner/breeder stated a claim should be valid if the horse is a starter and passed all pre-race inspections. The claimant should bear all risk once the horse started. Mr. Kempt stated claiming insurance was available.

RECOMMENDATION

This item is presented for Board discussion and action.

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

Regular Board Meeting
July 21, 2011

1658. Vesting of Title to Claimed Horse.

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

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

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

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

Reference: Section 19562,
Business and Professions Code.

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

2008 - 80 horses

2009 - 58 horses

HORSES CLAIMED BUT MARKED AS DNF – CALIFORNIA

2008 – 5

2009 – 10

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

Claimed injured	136
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Claimed, Fatality	57
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EQUINE INJURY DATABASE SUMMARY – CALIFORNIA (EXCEPT LOS ALAMITOS)
01/01/07 THROUGH 09/01/10

Claimed, injured	42
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Claimed, fatality	6
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STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD REGARDING
THE PROPOSED AMENDMENT OF
RULE 1843.3, PENALTIES FOR MEDICATION VIOLATIONS
TO 1) CHANGE THE PENALTY FOR VIOLATIONS DUE TO OVERAGES FOR
THE PERMITTED NON-STEROIDAL ANTI-INFLAMMATORY DRUG
SUBSTANCE (NSAID), PHENYL BUTAZONE, AS DEFINED IN RULE 1844(C) (1),
AND FOR DRUG SUBSTANCES IN AN OFFICIAL TEST SAMPLE, WHICH CHRB
CATEGORIZES AS WARRANTING A CATEGORY D PENALTY; AND 2) TO
CHANGE THE ALLOWABLE LEVEL OF FLUNIXIN IN AN OFFICIAL TEST
SAMPLE FROM 50 NANOGRAMS TO 20 NANOGRAMS PER MILLILITER OF
BLOOD PLASMA OR SERUM.

Regular Board Meeting
July 21, 2011

BACKGROUND

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

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

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

The proposal to amend Rule 1843.3 to accommodate the proposed amendment of Rule 1844 was discussed at the April 2011 Medication and Track Safety Committee meeting. The committee recommended that the proposed amendment be forwarded to the full Board for approval.

At the April 2011 Regular Board meeting staff was directed to initiate a 45-day public comment period for the proposed amendment of Rule 1843.3

ANALYSIS

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

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

In addition to the new Category "D" penalties for low level phenylbutazone violations, the proposed amendment introduces Category "D" penalties for drug substances in an official test sample which the CHRB categorizes as warranting a Category "D" penalty. Subsection 1843.3(e) currently states a Category "D" penalty is a written warning to the licensed trainer or owner. The proposed amendment creates new Category "D" penalties for drugs other than phenylbutazone. The penalties range from a written warning to a maximum fine of \$250 for a first offense, and a minimum fine of \$500 and a maximum fine of \$750 for a third offense. In addition, the proposed amendment provides that Category "D" violations will remain on the licensee's record for a period of two years.

If, after two years, the licensee has not had additional Category "D" violations of Rule 1843, the record will be expunged for penalty purposes.

RECOMMENDATION

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

CALIFORNIA HORSE RACING BOARD
TITLE 4, CALIFORNIA CODE OF REGULATIONS
ARTICLE 15, VETERINARY PRACTICES
RULE 1843.3. PENALTIES FOR MEDICATION VIOLATIONS

Regular Board Meeting
July 21, 2011

1843.3. Penalties for Medication Violations.

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

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

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

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

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

(8) The purse of the race;

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

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

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

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

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

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

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

CATEGORY "A" PENALTIES

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

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

CATEGORY "B" PENALTIES

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

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

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

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

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

CATEGORY "C" PENALTIES

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

LICENSED TRAINER:		
1 st offense	2 nd offense (365-day period)	3 rd offense (365-day period)
◦ Minimum fine of \$500 to a maximum fine of \$1,000 absent mitigating circumstances.	◦ Minimum fine of \$1,000 to a maximum fine of \$2,500, and up to a 15 - day suspension absent mitigating circumstances.	◦ Minimum fine of \$2,500 and up to a 30 - day suspension absent mitigating circumstances

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

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

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

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

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

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

CATEGORY "D" PENALTIES

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

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

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

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

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

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

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

(2) Any veterinarian found to be involved in the administration of any drug substance resulting in a positive test in Penalty Category "B" or "C" may be referred to the CVMB for consideration of further

disciplinary action upon the recommendation of the Equine Medical Director, the board of stewards or hearing officers.

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

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

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

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

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

Section 11425.50,
Government Code.

STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD REGARDING
THE PROPOSED AMENDMENT OF CHRB RULE 1844, AUTHORIZED MEDICATION,
TO REDUCE THE PERMITTED LEVEL OF PHENYL BUTAZONE IN AN OFFICIAL TEST
SAMPLE FROM FIVE NANOGRAMS PER MILLILITER OF BLOOD PLASMA OR
SERUM TO TWO NANOGRAMS PER MILLILITER OF BLOOD PLASMA OR SERUM,
AND TO REDUCE THE PERMITTED LEVEL OF FLUNIXIN IN AN OFFICIAL TEST
SAMPLE FROM 50 NANOGRAMS PER MILLILITER OF BLOOD PLASMA OR SERUM
TO 20 NANOGRAMS PER MILLILITER OF BLOOD PLASMA OR SERUM.

Regular Board Meeting
July 21, 2011

BACKGROUND:

Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 states the Board may prescribe rules, regulations and conditions under which all horse races with wagering on their results shall be conducted in California. Business and Professions Code section 19580 requires the Board to adopt regulations to establish policies, guidelines, and penalties relating to equine medication to preserve and enhance the integrity of horse racing in California. Business and Professions Code section 19581 provides that no substance of any kind shall be administered by any means to a horse after it has been entered to race, unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof. Board Rule 1844, Authorized Medication, names drug substances and medications authorized by the Board that may be administered to safeguard the health of the horse entered to race. The rule lists the drug substances that may be found in official test samples and the level at which such drugs may occur.

CHRB Equine Medical Director, Dr. Rick Arthur, reports that The CHRB/California Animal Health and Food Science-UC Davis necropsy program has shown a large majority of horses suffering fatal musculoskeletal racing fatalities have pre-existing pathology at the site of the fatal injury. The JD Wheat Orthopedic Research Laboratory at UC Davis School of Veterinary Medicine estimates over 90% of all fatal musculoskeletal racing fatalities have pre-existing pathology at the site of the fatal injury. This raises questions as to why the racing and CHRB official veterinarians are not identifying those pre-existing injuries during the pre-race examinations. Current permitted threshold levels of phenylbutazone, flunixin and ketoprofen may be compromising pre-race examinations and putting horse and rider at risk.

In 2009 the Association of Racing Commissioner International (ARCI) Regulatory Veterinarian's committee submitted a letter to the Racing Medication and Testing Consortium (RMTTC) and ARCI outlining their concern that current medication regulations were compromising pre-race examinations. "The racing regulatory veterinarians reiterated their

concern that the permissive non-steroidal anti-inflammatory (NSAID) policies in the United States are compromising the examining veterinarian's ability to indentify horses at risk for catastrophic injury. The examining veterinarians are concerned NSAID levels at the time of the pre-race inspections mask the clinical signs of inflammation and pain." Subsequently the RMTC Scientific Advisory committee assigned Dr. Larry Soma of the University of Pennsylvania a review of the scientific literature on phenylbutazone (PBZ). All members of the RMTC Scientific Advisory committee were encouraged to provide any comments to Dr. Soma. The conclusion was:

This review presented an historical prospective and examined the information presented in 4 different models used to determine the effects of NSAIDs; especially PBZ. They included naturally occurring lameness, reversible induced lameness, and indirect plasma and tissue models studying the suppression of the release of arachidonic-derived mediators of inflammation. The majority of studies suggest an effect of PBZ at 24 hours at a dose of 4.4 mg/kg. This reflects and substantiates the opinion of many clinical veterinarians, many of whom will not examine a horse for a pre-purchase lameness examination unless the horse is shown to be free of NSAIDs and glucocorticoids. This remains the opinion of many Commission Veterinarians in that they wish to examine a horse pre-race without the possibility of a NSAID or corticosteroid interfering with the examination and masking a possible musculo-skeletal condition. Based on scientific reports and the impression of clinical veterinarians, residual effects of PBZ remain at 24 hours. The impact of this sustained effect on the health and welfare of the horse remains problematic.

Pre-race examinations are usually preformed the morning of the race on the day the horse is racing. The examination can be as much as 12 hours prior to race time. To evaluate the phenylbutazone and flunixin levels at exam time California and Kentucky racing and official veterinarians were asked to obtain blood samples for NSAID analysis at the time of their examinations. Analysis showed approximately 20% of the samples would have been violations in a post race test at current permitted NSAID levels.

Most horses already meet the 2ug/ml threshold even though the CHRB threshold. In the first 3 weeks of the 2011 Santa Anita meeting 184/217 (85%) post race blood samples met the proposed 2ug/ml level. At the fall Hollywood Park meeting 394/472 (84%) met the proposed 2ug/ml level and at Los Alamitos over the last 10 months the proposed 2ug/ml level weeks 401/447 (90%) met the proposed 2ug/ml level. During this same time period for horses working for removal from the veterinarians list from Hollywood Park and Santa Anita tracks the percentage over 2ug/ml was 30%. Horses on the veterinarian's list are required to pass an examination by racing for CHRB veterinarians for them to be declared fit to race. An analysis of NSAID level and injuries in Kentucky (Dirkolou) found horses injured while racing had higher NSAID levels than horses that were not injured.

After thoroughly reviewing the issue the RMTC, ARCI, American Association of Equine Practitioners (AAEP), The Jockey Club, Thoroughbred Owners and Trainers Association (TOTA), have all recommended a 2ug/ml threshold for phenylbutazone. As of January 1, 2012, the American graded Stakes Committee will require races to be run under a 2ug/ml

phenylbutazone level to maintain their graded stakes eligibility. Graded stakes have a significant impact on the prestige of a race and the subsequent value of graded stakes winners and placed horses. California's 50ng/ml threshold on flunixin is not in compliance with neither RMTC nor ACRI model rules for flunixin. A reduction to the ARCI recommended 20ng/ml would put California in agreement with the majority of other racing states.

ANALYSIS

The proposed amendment to CHRB Rule 1844 will reduce the permitted level of phenylbutazone in an official test sample from five nanograms per milliliter of blood plasma or serum to two nanograms per milliliter of blood plasma or serum, and it would reduce the permitted level of flunixin in an official test sample from 50 nanograms per milliliter of blood plasma or serum to 20 nanograms per milliliter of blood plasma or serum. This will bring Rule 1844 in line with the American Graded Stakes Committee requirements for graded stakes, and RMTC, ARCI, AAEP, The Jockey Club and TOTA recommendations for phenylbutazone. It will also bring California into agreement with the ARCI and the majority of other racing states with regards to the allowable level for flunixin.

During the 45-day public comment period staff received written comments from California Exposition and State Fair (Cal-Expo), California Thoroughbred Trainers (CTT) and Don Shields, DVM. Cal-Expo stated it understood the reason for amending Rule 1844 was that thoroughbred pre-race examinations were increasingly difficult, and that by lowering the allowable level of phenylbutazone the veterinarians may more readily identify pre-existing conditions. However, harness racing did not have pre-race examinations, so Cal-Expo contends the regulation could be considered irrelevant to the harness industry. It requested the text of the regulation be modified to specifically exclude standardbreds (Such a modification would require an additional 45-day public comment period.). The CTT stated its opposition to the proposed regulation on many levels, and argued there is no evidence that the current allowable levels interfere with pre-race examinations or contribute to racing fatalities. The proposed amendment would eliminate the oral administration of phenylbutazone, thus inflating the costs to horsemen. Finally, the CTT recommended the Board allocate funds to further study (for six months) the issue to arrive at a definitive conclusion. Dr. Shields submitted a voluminous letter with several supporting attachments. He contends it has never been scientifically proven that phenylbutazone is among the causative factors involved in the occurrence of racing injuries and fatalities, and that some in the industry have moved from a place of concern that phenylbutazone may be masking pre-existing conditions to making broad sweeping statements about phenylbutazone's causative role.

RECOMMENDATION:

This item is presented for Board discussion and action.

The use of phenylbutazone in the horse

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Soma, L. R., Uboh, C. E., Maylin G. M. The use of phenylbutazone in the horse. *J. vet. Pharmacol. Therap.* doi: 10.1111/j.1365-2885.2011.01299.x.

This review presents a brief historical prospective of the genesis of regulated medication in the US racing industry of which the nonsteroidal anti-inflammatory drug (NSAID) phenylbutazone (PBZ) is the focus. It presents some historical guideposts in the development of the current rules on the use of PBZ by racing jurisdictions in the US. Based on its prevalent use, PBZ remains a focus of attention. The review examines the information presented in a number of different models used to determine the effects and duration of PBZ in the horse. They include naturally occurring lameness and reversible-induced lameness models that directly examine the effects and duration of the administration of various doses of PBZ. The review also examines indirect plasma and tissue models studying the suppression of the release of arachidonic acid-derived mediators of inflammation. The majority of studies suggest an effect of PBZ at 24 h at 4.4 mg/kg. This reflects and substantiates the opinion of many clinical veterinarians, many of whom will not perform a prepurchase lameness examination unless the horse is free of NSAID. This remains the opinion of many regulatory veterinarians responsible for the prerace examination of race horses that they wish to examine a horse without the possibility of an NSAID interfering with the examination and masking possible musculoskeletal conditions. Based on scientific studies, residual effects of PBZ remain at 24 h. The impact of sustained effect on the health and welfare of the horse and its contribution to injuries during competition remains problematic.

(Paper received 26 July 2010; accepted for publication 20 March 2011)

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HISTORICAL PROSPECTIVE

Phenylbutazone (PBZ) is second only to aspirin as one of the oldest nonsteroidal anti-inflammatory drugs (NSAIDs). It was introduced into veterinary medical practice in the 1950s and still remains one of the more commonly used NSAIDs in the horse (Tobin *et al.*, 1986). In 1959 it was approved for use in racing by the State of Colorado and some attribute this ruling as the beginning of the era of controlled medication in racing (Tobin, 1981). PBZ became news worthy in 1968 when Dancers' Image won the Kentucky Derby and the postrace urine tested positive for PBZ. By the early 1970s it was legalized in most states and became well established by the mid 1970s (Gowen & Lengel, 1993). In some racing jurisdictions as long as the sum of the combined urine concentration of PBZ and its metabolite, oxyphenbutazone (OPBZ), did not exceed a prescribed concentration, the horse was not in violation of the medication rules. In 1977 the National Association of State Racing Commissioners Veterinary-Chemist Advisory Committee concluded that 'PBZ does not change a horse's innate ability to race, but by relieving inflammation it may enable the horse to race closer to maximum

capabilities' (Gabel *et al.*, 1977). In the late 1979, the use of PBZ came under scrutiny which resulted in the publication of the book 'The Misuse of Drugs in Horse Racing: a Survey of Authoritative Information on Medication of Race Horses' by the Illinois Hooved Humane Society. This publication stirred controversy on the use of PBZ especially on race day and many jurisdictions revised their rules on race day use of PBZ. In 1982 a Committee appointed by the National Association of State Racing Commissions recommended 2 µg/mL as the decision or regulatory plasma/serum concentration of PBZ. Thin layer chromatography was the primary method of drug screening in urine at this time. This proposed concentration (2 µg/mL) was based on the concerns of racing chemists that high PBZ blood concentrations would produce urinary PBZ and metabolites that would interfere with or 'mask' detection of other drugs (Gabel *et al.*, 1977). Further studies indicated that the 'masking effect' was not a concern (Woods *et al.*, 1985a,b, 1986; Tobin *et al.*, 1986) and the upper plasma/serum threshold concentration was increased to 5 µg/mL. Complete uniformity does not exist among racing jurisdictions many have remained at 2 µg/mL and others are at 5 µg/mL, or at some concentration in between.

CLINICAL OPINIONS ON THE USE OF PBZ

Phenylbutazone is considered a valuable drug in the training of sore horses to maintain fitness in those with early joint or ligament problems. The use of an NSAID such as PBZ enables a horse to continue training or return to training in a shorter period. On the other hand a major drawback to the use of PBZ is the veterinarians' inability to evaluate the degree of lameness with this medication present in the horse's system (Cannon, 1973). It was also the opinion of many veterinarians that PBZ would allow a horse to compete with mild chronic arthritic changes, but did not possess sufficient anti-inflammatory activity to allow a horse with a serious injury to compete. The NSAID can be used to restore normal performance in a horse debilitated by some injury to joints, tendons, or muscle achieved by its anti-inflammatory actions and relief of pain. The short-term effects are not in doubt, but the long-term merits of continuous administration of PBZ in many cases are problematic. The cynical remark that some therapies, such as corticosteroids and NSAID allow the patient to walk to the postmortem room is an overstatement but the veterinarian must consider the long-term effect of therapy and that resting the horse may be the best approach (Sanford, 1983). Many veterinarians consider the use of NSAID justified in show-horses, show-jumpers, and combined training and have presented opinions on the use of PBZ based on the activity of the horse (Dunn, 1972). The United States Equestrian Federation rules allow higher concentration during competition compared to racing industry rules. There is great therapeutic value in the use of PBZ in the treatment of acute inflammatory conditions or in older horses in a nonracing environment for the treatment of chronic osteo-arthritis where it can extend the useful life of the horse (Barragry, 1973).

A moral dilemma confronts the practicing veterinarian when prescribing PBZ or other medications for the treatment of the varied musculoskeletal condition in competition horses especially race horses; will the medication allow a horse to maintain a training schedule thereby allow the animal to function or is the medication contributing to further injury to the detriment of the horse? This is especially true in younger horses with a fresh injury and an unsuspecting owner administering an NSAID and inflicting further damage. Many veterinarians agree that the use of anti-inflammatory drugs could mask unsoundness in horses being examined in a prepurchase examination for soundness (Dunn, 1972). NSAIDs including PBZ, have masked clinical signs that have resulted in cecal perforation (Ross *et al.*, 1985). Masking of existing musculoskeletal condition is the concern of regulatory veterinarians who are examining horses on a daily basis knowing that the examination is not in a medication-free horse.

In a multicentre field study, PBZ and suxibuzone, a prodrug of PBZ, were equally effective in the treatment of a number of acute, chronic, nonspecific lameness in which all horses were consistently lame upon trotting. Approximately 50% of the horses showed an improvement within 3 days of treatment with 30% showing an additional improvement at 6 days (Sabate *et al.*, 2009). This study illustrated the concern of many veterinarians as to the duration of administration of PBZ; if significant

improvement had not occurred within 4–5 days re-evaluation should be performed (Jeffcott & Colles, 1977; Reilly, 2000).

Toxicity of PBZ in the horse and ponies has been reviewed and several factors may predispose towards PBZ toxicity in the horse, including breed and age, but high dose is considered to be particularly important (Lees & Higgins, 1985). Clinical experience suggests that PBZ can be administered to horses in modest doses for a prolonged period of time without detectable side-effects (Tobin *et al.*, 1986). Blood dyscrasias commonly described in man have not been reported in the horse and despite the lack of documented evidence, toxicity of PBZ in the horse is considered to be lower than that in human. PBZ should not be administered if there are signs of gastro-intestinal ulceration, clotting defects or any cardiac, renal or hepatic dysfunction (Jeffcott & Colles, 1977). Despite the apparent lack of toxicity, adverse effects on the gastrointestinal tract have been reported when administered at high doses (Karcher *et al.*, 1990; Meschter *et al.*, 1990a,b). Possible toxic effects of NSAID are not limited to PBZ. Multiple daily administration of therapeutic doses of ketoprofen (2.2 mg/kg), flunixin meglumine (1.1 mg/kg), or PBZ (4.4 mg/kg) i.v., every 8 h, for 12 days produced changes in the glandular portion of the stomach; that was the area of the gastrointestinal tract most severely affected. Results of CBC, serum biochemical analyses, and fecal occult blood tests were not different from those of control horses with the exception of PBZ-treated horses that had a significant decrease in serum total protein and albumin concentrations (MacAllister *et al.*, 1993). Moderate to severe ulcerative colitis was diagnosed during necropsy, exploratory celiotomy, and biopsy; it was concluded that the ulcerative lesions may have gone unreported due to the anti-inflammatory effects of NSAID (Karcher *et al.*, 1990). Renal papillary necrosis has been reported in horses to which PBZ was administered (Gunson, 1983) and medullary crest necrosis was reported in horses placed on maintenance doses of PBZ (Read, 1983). Renal crest necrosis has also been reported in horses to which flunixin and PBZ were administered (MacAllister *et al.*, 1993). In horses on daily doses of 8.8 mg/kg for 21 days plasma albumin concentrations decreased significantly from days 10 to 21, treatment also caused neutropenia. No other clinical or hematologic abnormalities were detected for PBZ or control horses (McConnico *et al.*, 2008). A retrospective study of 269 horses administered ≤ 8.8 mg/kg/day PBZ for 4 days or the lower dose of 2–4 mg/kg of body weight/day for up to 50 days remained clinically normal (Collins & Tyler, 1984).

The current lack of toxicity and observable side effects were based on the realization that the loading dose (4.4 mg/kg twice for 4 days) recommended by the manufacturer could be reduced. A revised schedule of 4.4 mg/kg twice daily for 1 day followed by 2.2 mg/kg twice daily for 4 days, then 2.2 mg/kg daily or as needed increased the margin of safety as no changes in clinical biochemistry or hematology were observed (Taylor *et al.*, 1983b). This modified dose regimen did not compromise clinical efficiency (Taylor *et al.*, 1983a). The American Association of Equine Practitioners recommends a dose of 2.2 mg/kg daily with the last dose not more than 24 h prior to post time (Harvey, 1983). Clinical use of PBZ for many years suggests that with

adequate care, hydration, and the use of the lower therapeutic doses of PBZ can be used safely without clinically detectable side effects. The exception is the administration of a combined treatment of PBZ with flunixin to horses as detrimental effects may outweigh any potential benefits. Gastroscopy of four horses revealed substantial gastric ulcers when administered the combination (Reed *et al.*, 2006).

In the equine, a dose-finding study for PBZ has not been reported, that is the evaluation of the improvement in clinical conditions at various doses. The current dose schedules are based on years of clinical use by many or administered doses to meet regulatory requirements of the industry. Based on the opinions and observations of veterinarians, investigators conducted a number of studies to determine the plasma PBZ concentrations 24 h following various dosing schedules, formulations, and dosages (Soma *et al.*, 1983; Chay *et al.*, 1984; Houston *et al.*, 1985; Soma *et al.*, 1985). Following completion of these studies, the recommended dosing schedule was as follows: oral administration of 4.4 mg/kg (2 g) for 3–4 days followed by a single i.v. dose of 4.4 mg/kg 24 h prior to racing. If these dosing recommendations were followed, plasma PBZ concentrations on race day should not exceed 5 µg/mL. However, these studies did not attempt to determine the pharmacological effect of PBZ at 24 h or the pharmacological effects of a plasma concentration of 5 µg/mL, and this was the major drawback in the studies.

A prime consideration in the continuous use of PBZ or other NSAIDs is the possible contribution to catastrophic and noncatastrophic injuries. In the human sport medicine, which also applies to the veterinary field, there is a lack of high-quality evidence to guide practitioners in their use and the possible adverse effects that have clinical relevance. Potential negative consequences on long-term use and the healing process are slowly growing (Fournier *et al.*, 2008). Specifically, NSAIDs are not recommended in the treatment of fractures, stress fractures or chronic muscle injury. The only exception may be very short-term use for analgesic purposes or as an adjunct to other analgesics. Judicious use of NSAID may be more appropriate in the management of acute muscle and ligament sprains, tendinitis, and muscle injury. However, length of treatment should always be kept as short as possible (Mehallo *et al.*, 2006).

Cyclooxygenase activity is involved in the healing of many skeletal tissues, either directly or indirectly through modulation of the inflammatory response. Consequently, pharmacological manipulation of cyclooxygenase using NSAID can profoundly affect skeletal health. All of the NSAIDs should not be painted with a broad brush as having negative effects on healing and recovery of all types of injuries. In particular, NSAID use does not appear to have a long-term negative effect on tendons and ligaments and NSAID therapy may inhibit adhesion formation during tendon healing, which leads to a better functional recovery (O'Connor *et al.*, 2008). There is limited information on the use of PBZ and other NSAID on healing and synovial membrane health in the horse and many of the studies were conducted *in vitro*.

Oral administration of PBZ for 14 days significantly decreased proteoglycan synthesis in articular culture explants from healthy horses; these authors suggested that PBZ should be used judiciously in equine athletes with osteoarthritis, because chronic administration may suppress proteoglycan synthesis and potentiate cartilage damage (Beluche *et al.*, 2001). It has been suggested that the use of PBZ early in the postoperative period may interfere with bone healing (Rohde *et al.*, 2000). In horses with experimentally-induced osteoarthritis the use of a COX-2 inhibitor, diclofenac, induced significantly less radial carpal bone sclerosis and overall gross cartilage erosion, compared with PBZ. Results obtained suggest that diclofenac had both clinical sign-modifying and disease-modifying effects. Only clinical sign-modifying effects were detected in association with PBZ administration (Frisbie *et al.*, 2009).

The effects of NSAIDs, including PBZ, were investigated on lipopolysaccharide challenged and unchallenged equine synovial membrane in terms of production of prostaglandins E₂ (PGE₂) and hyaluronan, viability, and histomorphologic characteristics. These investigators concluded that the commonly used NSAIDs suppress induced synovial membrane PGE₂ production without detrimental effects on synovial membrane viability and function (Moses *et al.*, 2001). Results of studies have also suggested that hyaluronan and carprofen might exert an anti-arthritis action through stimulation of PG synthesis and there is possible justification for therapeutic administration of enantiomeric rather than racemic carprofen (Frean *et al.*, 1999). Others have also suggested that use of carprofen in osteoarthritis horses may induce beneficial changes in articular cartilage matrix (Armstrong & Lees, 1999).

Catastrophic injuries remain an unavoidable but public relations nightmare in the racing industry, despite the fact that injuries in athletic competition are expected. The immediate perception in racing is that the injury is drug-related, when in fact there are many horse-related and external factors that contribute to musculoskeletal injuries. One study did conclude that higher concentrations of PBZ and other NSAID did contribute to a higher incidence of racetrack injury (Dirikolu *et al.*, 2009). The plasma concentrations of PBZ in this report were higher than are currently allowed in most racing jurisdictions. Racing jurisdictions allow plasma concentrations of PBZ or flunixin; therefore, many horses are competing at plasma concentrations near the allowable limits. About 20% of the plasma samples exceeded 5 µg/mL at time of prerace examination (R. Arthur, Personal communication). The question remaining is what are the long-term effects of the continuous use of a NSAID on the musculoskeletal health of the horse? Are the short-term benefits of allowing the horse to compete under the influence of an NSAID worth the long-term risks? The veterinarian does have a greater choice of NSAID than just PBZ for the treatment of osteoarthritis in horses (Goodrich & Nixon, 2006) and it is inevitable that a horse may have to compete on a residual concentration of drug used during training. It may be of benefit to the horse to expand the veterinarian's regimen of allowable residual concentration of a more diverse list of NSAID.

PHENYLBUTAZONE AND PERFORMANCE

Results from performance studies suggested that PBZ had no clear effect on the performance of normal, healthy horses (Sanford, 1974). Plasma concentration of prostaglandins were increased in human (Demers *et al.*, 1981) and equine during exercise (Birks *et al.*, 1991; Mitten *et al.*, 1995). These exercise-induced increases in cyclooxygenase activity were inhibited by the administration of PBZ, but PBZ did not produce detectable changes in systemic hemodynamic or acid-base variables in either standing or running horses (Hinchcliff *et al.*, 1994). In exercising horses, the effect of inhibition of cyclooxygenase activity on the hemodynamic responses were examined. Administration of PBZ abolished the exertion-induced increases in plasma 6-ketoprostaglandin F₁ alpha and TXB₂. PBZ treatment resulted in significantly higher heart rates and right atrial pressures than control. There was no effect of PBZ on carotid or pulmonary arterial pressures, oxygen consumption, carbon dioxide production, blood lactate concentrations, or plasma volume during exertion. These results suggest that cyclooxygenase products likely mediate or modulate some of the systemic hemodynamic responses to exertion in horses (Mitten *et al.*, 1996), but there is no evidence that the administration of PBZ and/or the suppression of cyclooxygenase products alters performance. In a similar study, the administration of PBZ (4.4 mg/kg) to the horse did not show significant differences from control horses in heart rate, right atrial, and pulmonary vascular pressures during high speed treadmill studies (Manohar *et al.*, 1996). Endurance-like exercise (12 km/h for 3 h) did not affect the kinetic disposition of PBZ and dexamethasone. The conclusion of these authors was that resting horses can be used for determination of pharmacokinetics as no differences were noted in the disposition kinetics and the plasma-concentration time curves for the horse when at rest or sampling during exercise (Authie *et al.*, 2010).

NOCICEPTION (PAIN PERCEPTION)

Pain experience and expression is difficult to determine in the horse as it is influenced by many factors such as species, breed, individual variations, and environmental characteristics. Equally difficult to assess is the alteration of pain by analgesic drugs. Latency to the onset of flexion of the limb in response to a noxious thermal stimulus and heat-evoked skin twitch have been reliable and reproducible measures of pain threshold and a nociceptive end-point for analgesic studies in the horse (Kamerling *et al.*, 1985). Thermal-evoked skin-twitch reflex and thermal-evoked hoof withdrawal reflex have been used to compare analgesic activity of procaine, mepivacaine and PBZ. Compared to procaine and mepivacaine, PBZ failed to alter pain thresholds over 36 hours postadministration (Kamerling *et al.*, 1984). This type of stimulation produces an acute pain response and can be objectively used to compare the duration of regionally administered anesthetic agents and other drugs used to reduce the perception of pain. In the horse, PBZ was indistinguishable from

saline controls when using a thermal stimulus (Kamerling *et al.*, 1983). PBZ was not an effective drug when used to block thermal and specific nociceptive pain stimuli.

POSTOPERATIVE PAIN

Postoperative pain can be considered primarily a nociceptive pain produced by trauma to tissues due to direct intervention and disruption of these tissues. Inflammation due to surgical trauma is a part of the pain response and the use of NSAIDs has been promoted for this purpose postoperatively. Minimal differences were noted between PBZ and placebo administration in a group of horses undergoing arthroscopic surgery (Raekallio *et al.*, 1997). In a similar postoperative study, flunixin, PBZ or carprofen was administered intra-operatively just prior to the end of anesthesia. The time following surgery when additional analgesic drugs were required postoperatively were, 8.4, 11.7 and 12.8 h for PBZ, carprofen, and flunixin, respectively. Horses that were administered the opioids, butorphanol, during surgery needed significantly fewer analgesic agents postoperatively (Johnson *et al.*, 1993).

In a double-blind, randomized, prospective study of human patients undergoing arthroscopic surgery, those who were administered a prostaglandin inhibitor (naproxen sodium) had significantly less pain, less synovitis, less effusion, and faster recovery (Ogilvie-Harris *et al.*, 1985; Rasmussen *et al.*, 1993) than those without. In equally as large a prospective study, no advantages were observed over control group of patients when compared to physical therapy and administration of the NSAID, diclofenac (Birch *et al.*, 1993).

The use of NSAID in combination with more potent opioids for high-intensity pain and the weaker opioids for moderate- to low-intensity pain has been the topic of numerous publications discussing emerging trends in pain management (Schug *et al.*, 2007; Fischer *et al.*, 2008; Huang *et al.*, 2008; Layzell & Layzell, 2008). Despite the use of PBZ postoperatively on a routine basis, similar studies in the total management of postoperative pain using NSAID combined with the opioids are lacking in the equine. The role of NSAID in the management of postoperative pain was suggested in an early publication (Mather, 1992) and authors still suggest they may contribute to improved functional outcomes without significant adverse effects (Reuben & Reuben, 2007).

CENTRAL NERVOUS SYSTEM EFFECTS AND CROSSING OF THE 'BLOOD-BRAIN BARRIER'

Phenylbutazone has no known spinal or central nervous system (CNS) effects that are involved in the suppression of pain. The effects are primarily thought to be peripheral in action without CNS action or any noticeable sedation. To exert a central effect, NSAIDs have to cross the blood-brain barrier. Transfer across the blood-brain barrier is controlled by simple physico-chemical factors. OPBZ, indomethacin, and ketoprofen are characterized by high lipophilicity. At steady state, their free plasma

concentrations correspond to their cerebral spinal fluid concentrations (Bannwarth *et al.*, 1989). The presence of these NSAIDs in the brain may explain the antipyretic properties and some side effects of the NSAID. Concentrations of OPBZ in spinal fluid are similar to corresponding concentrations of unbound free OPBZ in plasma, which is approximately 5% of the total concentration of OPBZ in plasma (Gaucher *et al.*, 1983). Similarly, cerebral spinal fluid concentrations of ketoprofen reflect the unbound plasma ketoprofen concentrations and were in equilibrium with the plasma concentration from 2 to 13 h after administration (Netter *et al.*, 1985). Ibuprofen, flurbiprofen, and indomethacin rapidly cross the blood-brain barrier. Plasma protein binding limits the driving force for uptake of NSAID into the brain by reducing the free fraction of NSAID in plasma (Parepally *et al.*, 2006). The observation that long-term treatment of patients with ibuprofen results in a reduced risk and delayed onset of Alzheimer's disease suggests that it crosses the blood-brain barrier, has a central effect, and reduces inflammation in the Alzheimer's disease brain (Dokmeci & Dokmeci, 2004). Attempts to correlate the CSF concentrations of indomethacin with its regional inflammatory suppression and analgesic activity have not been successful (Bannwarth *et al.*, 1989). The assumption that all NSAID relieve pain only through an inhibition of prostaglandins synthesis, have no antinociceptive effects, central effects, and all actions are peripheral in nature have been challenged (McCormack & Brune, 1991).

PBZ IN SYNOVIAL FLUID

The efficacy of NSAIDs in joint diseases depends on their concentrations within the joint as the cells within the joint are the major site of action (Furst, 1985). There is no barrier to the diffusion of unbound NSAID into the joint cavity and their therapeutic effectiveness is determined by passage across the synovial membrane, which can depend on the degree of inflammation of the joint and on the pharmacokinetic properties of the drugs. Most NSAIDs are weak acids with a pK_a between 3 and 6 and the un-ionized forms are lipid soluble. The NSAID are primarily in the ionized form as the pK_a values are much lower than the pH of blood. The proportion changes to un-ionized as the environment becomes more acidic as in the stomach, kidneys and more importantly inflamed tissues (Day *et al.*, 1987). Inflamed joints concentrate NSAID because the pH of the synovial fluid is much lower than noninflamed joints. For example, the synovial concentration of OPBZ was higher in human patients with severe inflammation than in those with no or little inflammation (Gaucher *et al.*, 1983). Similar observations were made in an inflammatory carrageenan rat paw model where the concentrations of C^{14} PBZ was approximately 800-fold greater than plasma (Graf *et al.*, 1975).

NSAIDs are highly protein bound, but effect of protein binding on disposition into synovial fluid may not be a consideration, as bound drug will dissociate as fast as free drug diffuses. (Simkin, 1988). In inflammatory joint diseases, albumin-bound fraction diffuses better due to the increased capillary permeability to

proteins; therefore, the concentration of the NSAID will be higher in inflamed tissues. (Netter *et al.*, 1989).

NSAIDs are classified in two categories based on their half-lives. Drugs with a short half-life, shortly after administration, the concentration in synovial fluid was lower than in plasma but reversed as the plasma concentration declines. In the horse, ketoprofen was no longer detectable in plasma after 5 h whereas synovial fluid concentrations were detected for 8 h. In the same study, carprofen with a half-life 10 times longer than ketoprofen, the concentrations in synovial fluid were significantly lower than plasma at all time points (Armstrong *et al.*, 1999). In rheumatoid patients on chronic therapy this may be a possible reason for the drug's extended duration of action of drugs with apparent short elimination half-lives in plasma (Fowler *et al.*, 1983). On the other hand, drugs with a longer half-life such as PBZ, the peak concentrations in synovial fluid were lower than plasma, remained lower and decreased in parallel with the plasma concentration (Netter *et al.*, 1983). This difference in the pharmacokinetics based on elimination half-life was observed in horses with no joint disease. Following the i.v. administration of naproxen, synovial concentrations peaked at ~8 h; were lower and followed a parallel decline in plasma and synovial fluid concentrations for up to 36 h. There were no differences in the secondary disposition rate constant for plasma and elimination rate constants for the synovial fluid indicating a parallel decline in both concentrations of naproxen (Soma *et al.*, 1995). Although this study was not done for PBZ in the horse similar relationships would be expected as the pharmacokinetics are similar (Soma *et al.*, 1983).

These differences based on the pharmacokinetic characteristics of the drug, delays in achieving synovial fluid concentrations and more importantly in assessing the effects of the administered drug to a diseased subject make it difficult to establish correlations between plasma concentrations and therapeutic response (Famaey, 1985). In human patients with osteoarthritis, the synovial fluid concentrations of PBZ were lower than plasma, with a good correlation between the two. In human patients with rheumatoid arthritis synovial PBZ concentrations were higher based on the greater inflammatory nature of the disease and a higher synovial fluid protein concentration (Farr *et al.*, 1982). In clinico-pharmacological study in humans, a relationship was present between dose, plasma concentration, and clinical effects of PBZ (Brooks *et al.*, 1975).

Many authors have suggested that the plasma concentrations of NSAIDs, do not correlate well with assessments of therapeutic response. This may reflect weaknesses in experimental design, capability of determining the changes in pain levels and inflammation, and in clinical studies the variability in the diseases being studied. It may be that concentrations in plasma bear only a distant relationship to those in the inflamed tissues where NSAIDs, presumably act (Famaey, 1985; Grennan *et al.*, 1985; Simkin, 1988). Compared with the CNS, NSAID readily penetrate into the joint and concentrations are not limited to the unbound fraction and will vary with the synovial environment. Studies in non-diseased joints are useful to describe the relative relationships and pharmacokinetics of the drug, but may have

little relationship in the diseased joint. Despite the many studies and years of its use in the horse, plasma synovial relationships in the non-diseased and naturally occurring diseased joint have not been reported.

NATURALLY OCCURRING OSTEOARTHRITIS

In a randomized controlled clinical trial, efficacy and safety of paste formulations of firocoxib (Equioxx[®]; Merial, Duluth, GA, USA) and PBZ in horses with naturally occurring osteoarthritis were compared. Horses were treated with firocoxib (0.1 mg/kg, orally every 24 h) or PBZ (4.4 mg/kg, orally every 24 h) for 14 days. Clinical improvement was defined as a reduction of at least 1 lameness score grade or a combined reduction of at least 3 points in scores for pain during manipulation or palpation, joint swelling, joint circumference, and range of motion. Results obtained suggested some greater improvement in some categories tested than others following firocoxib, but overall clinical efficacy of firocoxib and PBZ in horses were comparable (Doucet *et al.*, 2008).

Horses with naturally occurring forelimb and hind limb lameness were exercised on a treadmill and the degree of lameness evaluated by the use of kinematic analysis while trotting on the treadmill. Horses entered into the study were judged to have AAEP lameness scores of 1–3 based on a scale of upper severity score of 5 (Ross, 2003). In a cross-over study, PBZ paste was administered at 2.2 mg/kg (orally every 12 h for 5 days), alone or in combination with flunixin meglumine administered at 1.1 mg/kg, (i.v. every 12 h for 5 days). Lameness evaluations were performed before and 12 h after administration of two NSAID treatment regimens. Administration of a combination of the two NSAIDs alleviated lameness more effectively than did oral administration of PBZ alone. Based on the authors' conclusion, when evaluating all 28 horses, there was a significant clinical improvement after the administration of both drugs in all horses except five with forelimb lameness. PBZ alone did not result in significant clinical improvement in all horses. Results of this study suggested that the use of combinations of NSAID (stacking) did have a better effect at 12 h and would have a greater effect at 24 h. The authors suggested that 'stacking of drugs' should be a real concern (Keegan *et al.*, 2008).

The analgesic effects of PBZ in nine horses with chronic forelimb lameness were studied. The horses were administered saline for control or PBZ at 4.4 and 8.8 mg/kg i.v. daily for 4 d. Peak vertical force (force plate) was measured and AAEP clinical lameness scores were assigned before initiation of each treatment. All horses were evaluated 6, 12, and 24 h after the final dose. The vertical force was significantly increased at all post-treatment evaluation times after PBZ compared to control horses. Clinical lameness and vertical force scores were significantly decreased at 6 and 12 h at both doses and no differences were observed between the low or high dose. Scores were significantly decreased 24 hours after treatment only when PBZ was administered at the high dose (Hu *et al.*, 2005).

Force plate analysis and the AAEP lameness scoring system were used to evaluate the analgesic efficacies of flunixin (1.1 mg/kg), PBZ (4.4 mg/kg), or physiologic saline solution administered i.v. in 12 horses with navicular syndrome. Medications were administered once daily for 4 days with a 14-day washout period between treatments. At 6, 12, and 24 h after the fourth treatment, AAEP lameness evaluations and force plate data indicated significant improvement in lameness from baseline values in horses treated with flunixin or PBZ, compared with saline-treated control horses. The effect of flunixin or PBZ was maintained for at least 24 h but no differences from control were noted at 30 h. Flunixin meglumine and PBZ appear to have similar analgesic effects in horses with navicular syndrome (Erkert *et al.*, 2005).

The analgesic effects of the NSAID, ketoprofen at 2.2 and 3.63 mg/kg and PBZ at 4.4 mg/kg were compared in seven horses with bilateral forelimb chronic laminitis. Hoof pain was quantified objectively by means of an electronic hoof tester and lameness was subjectively graded on a modified Obel scale (Obel, 1948). Ketoprofen administered at 3.63 mg/kg (equimolar to 4.4 mg/kg of PBZ) reduced hoof pain and lameness score to a greater extent than the 2.2 mg/kg dose of ketoprofen or the 4.4 mg/kg of PBZ. These data suggest that ketoprofen at 1.65 times the recommended therapeutic dose was more potent than PBZ in alleviating chronic pain and lameness in horses. PBZ (4.4 mg/kg) and high dose of ketoprofen were still effective at 24 h (Owens *et al.*, 1995).

Horses (12) with navicular syndrome were fitted with 3° heel-elevation horseshoes and a force plate was used to measure baseline peak vertical ground reaction force of the forelimbs. Vertical force was measured 24 h and 14 days after shoeing and 24 h following the administration of PBZ (4.4 mg/kg, i.v. q 12 h) for 5 days. There was further significant improvement in vertical force measured 24 h following PBZ treatment. Heel-elevation shoeing alone and in combination with PBZ administration quantitatively decreased lameness in horses with navicular syndrome; injection of distal interphalangeal joint with triamcinolone acetonide did not significantly improve the vertical force measurements (Schoonover *et al.*, 2005).

INDUCED LAMENESS MODELS

The objective was to test the hypothesis that PBZ alleviates lameness in an adjustable heart bar-shoe model of equine foot pain following a single i.v. dose of 4.4 mg/kg. Heart rate and lameness score (1–5) were assessed every 20 min for 2 h and then hourly through 9 h. A lameness grade of four was produced for the study and no lameness was observed following the study when the setscrew was removed. In the PBZ-treated horses, the lameness score was lowest between 4 and 5 h post-treatment when the score was reduced from 4 to 1.5 compared with control horses. PBZ was efficacious in alleviating lameness in this model. The PBZ plasma concentrations were approximately 15 and 7 µg/mL at 4 and 8 h, respectively. The study period did not include observations beyond 9 h, but the lameness

score had not recovered to baseline values at that time (Foreman *et al.*, 2008).

Lipopolysaccharide-induced synovitis was produced in horses and treated with PBZ (4.4 mg/kg, *i.v.*, q 12 h), or etodolac (23 mg/kg, *i.v.*, q 12 h). Both reduced synovial fluid white blood cell counts at 6 and 24 h. In addition, both drugs significantly reduced PGE₂ levels at 6 h, but TXB₂ was only reduced by PBZ (Morton *et al.*, 2005). Using a standardized lameness model, flunixin was studied and PBZ was used in the same model as a positive control. At a dose of 4.4 mg/kg of PBZ and 1.1 mg/kg of flunixin peak effect occurred at 8–12 and 12 h, respectively. Flunixin analgesic activity persisted for 30 h and PBZ for 24 h (Houdeshell & Hennessey, 1977).

An induced arthritis model was developed to establish the relationship between the plasma concentration of PBZ and its pharmacological effects. A dose–effect relationship was shown for PBZ with an absence of effect for the 1 mg/kg dose and a maximum effect at about 2 mg/kg; at higher PBZ doses, the maximum effect was not modified, but its duration was increased from 8 h with a 2 mg/kg dose to about 24 h with an 8 mg/kg dose (Toutain *et al.*, 1994). This study and others cited in this review came to the same conclusion that the maximum dose was 2.2 mg/kg and higher doses did not increase the effect except the duration. Similar results were noted in humans, a dose-finding study determined that the most efficacious dose was 300 mg/day. Doses below this did not produce full benefit and no further improvement occurred with higher doses (Bird *et al.*, 1983).

The production of muscle inflammation by the injection of Freud's adjuvant did not affect the plasma kinetics and when administered 5 weeks apart there was no within horse variability indicating that the administration of PBZ did not affect the plasma kinetics of subsequent doses (Mills *et al.*, 1996). This was verified by clinical observations that the plasma concentrations in a large population of horses were consistent posttrace when a routine administration schedule was established in a horse and previous administrations did not affect subsequent doses.

INDIRECT ASSESSMENT OF DURATION OF NSAID EFFECTS

It has been shown that the mechanism of the action of aspirin-like compounds was a direct inhibition of prostaglandin synthetase, thereby preventing prostaglandin biosynthesis (Vane, 1971; Moncada *et al.*, 1974; Vane & Botting, 1987). Products of prostaglandin biosynthesis such as prostaglandins and prostacyclin produce hyperalgesia associated with inflammation and may cause pain in some inflammatory conditions by sensitizing the chemical receptors of afferent pain endings to other inflammatory mediators such as bradykinin and histamine. NSAIDs are potent inhibitor of the conversion of arachidonic acid to arachidonic acid-derived mediators of inflammation. The site of action of NSAID is the cyclooxygenase pathway, therefore, blocking the synthesis and release of several chemical mediators of inflammation, collectively known as

eicosanoids. NSAIDs in normal therapeutic doses do not block the lipoxygenase pathways which may be responsible for the reduction of leukocyte migration into the inflammatory site and the reduction of edema (Higgs, 1980).

Cyclooxygenase (COX-1) was the first enzyme recognized for catalyzing the synthesis of prostanoids from arachidonic acid, since this initial description a second isoform COX-2 has been described. PBZ is primarily a non-selective COX inhibitor; *in vitro* analysis in horse blood showed a greater COX-1 selectivity determined by the depression of TXB₂, compared to COX-2 selectivity determined by the depression of PGE₂ (Beretta *et al.*, 2005). This observation confirms that in the horse, PBZ is a more selective inhibitor of COX-1 than COX-2. This is relevant in that species difference have been noted in the concentrations of the stable metabolite TXB₂ released by COX-1 activation and the concentration of PGE₂ release by lipopolysaccharide activation of COX-2 and the selective inhibition by various NSAID (Brideau *et al.*, 2001).

There have been considerable advances in the development of pharmacokinetic/pharmacodynamic (PK/PD) models in veterinary and human medicine and investigators have studied the effects of the drug and concurrent changes in plasma or tissue concentrations of inflammatory mediators. Modern PK/PD studies link the effect(s) of the drug to its corresponding concentration in plasma (Lees *et al.*, 2004a,b,c; Toutain & Lees, 2004). General PD/PK models have been developed for describing drug actions on various active metabolites and hormones (Krzyzanski & Jusko, 2001; Puchalski *et al.*, 2001).

A number of studies have used the reduction in the metabolic products of inflammation as indirect models of the actions of PBZ and other NSAIDs at the molecular level to determine the degree and duration of action. Three types of models have been used:

1. Suppression of the release of inflammatory mediators in blood samples. A number of PK/PD models have been developed using this technique (Lees *et al.*, 1987a; Soma *et al.*, 1992).
2. Suppression of the release of inflammatory mediators in tissue cage and sponge models in which a sterile carrageenan solution was injected into the cage or sterile carrageenan-soaked polyester sponge strips were inserted subcutaneously. Both were based on the creation of a mild, reproducible and reversible inflammatory reaction that causes minimal distress to the experimental animals. The acute inflammatory exudates have been shown to contain proteins, white blood cells, and eicosanoids all because of the inflammatory reaction (Higgins & Lees, 1984; Lees & Higgins, 1984; Lees *et al.*, 1986; Higgins *et al.*, 1987a,b; Lees *et al.*, 1987a,b).
3. More recently, models in humans have used flow through methods to harvest inflammatory exudates. *In vivo* human bioassay can be used to study human volunteers and patients. Samples are collected from pertinent tissue sites such as the skin via aseptically inserted micro dialysis catheters. These experiments measured inflammatory substances in interstitial fluid collected from noninflamed and experimentally inflamed skin (Angst *et al.*, 2008a,b).

INDIRECT PLASMA MODELS

A study involving the inhibitory actions of NSAIDs on TXB₂ following a single dose of flunixin (1.1 mg/kg) or PBZ (4.4 mg/kg) was used to determine the duration of action of these drugs. Flunixin and PBZ produced similar degrees of reversible inhibition of TXB₂ at 4 (98% and 88%), 8 (77% and 76%), and 24 (63% and 50%) h, respectively. At 48 h, inhibition of TXB₂ was no longer apparent (Lees *et al.*, 1987a,b).

In a similar study, the concurrent administration of flunixin meglumine (1.1 mg/kg, i.v.) and PBZ (2.2 mg/kg, i.v.) on the pharmacokinetics of each drug indicated that the pharmacokinetic variables calculated for each drug when administered alone and in combination were similar. Serum TXB₂ production was significantly suppressed for 8, 12, and 24 h after administration of flunixin and PBZ in combination. When these drugs were administered alone, the TXB₂ concentrations were not significantly different from control values at 24 h. Note in this study that the dose of PBZ was 2.2 mg/kg. (Semrad *et al.*, 1993).

INDIRECT TISSUE MODELS

Distribution of PBZ and its active metabolite, OPBZ, into tissue fluids was studied by measuring concentrations in plasma, tissue-cage fluid, peritoneal fluid and acute inflammatory exudates harvested from a polyester sponge model of inflammation in ponies. PBZ and OPBZ readily penetrated into inflammatory sites. After 6 h, the concentration of PBZ was higher in exudates than in plasma and remained so at 24 h. Mean concentrations of OPBZ in all fluids were lower than those of PBZ at all times, but OPBZ readily entered body fluids, especially into inflammatory exudates; suggesting that OPBZ may contribute to the anti-inflammatory effect. The estimated elimination half-life of PBZ from exudates was 24 h compared to 5 h from plasma. The authors suggested that the persistence of PBZ and OPBZ in tissues exudates extended the duration of PBZ effectiveness (Lees *et al.*, 1986). Other studies have shown that flunixin was also cleared more slowly from equine tissue inflammatory exudates than from plasma (Higgins *et al.*, 1987a,b).

Acute inflammation was induced in seven ponies by subcutaneous implantation of sterile carrageenan-soaked polyester sponge strips. Treatment comprised a single therapeutic dose of 4.4 mg/kg of PBZ administered intravenously at the time of sponge implantation. Exudates were harvested at 6, 12, and 24 h and examined for leukocyte and erythrocyte numbers. Leukocyte numbers were significantly increased from 6-h values at 12 and 24 h in both control and PBZ-treated animals but differences between control and treated ponies were not significant. The administration of PBZ produced significant reductions in exudate concentrations of PGE₂ and 6-keto-PGF_{1α}, the stable products of prostacyclin at 6, 12, and 24 h. Concentrations of PBZ and OPBZ in exudates exceeded the plasma concentrations at 12 and 24 h. Concentrations of TXB₂, the stable products of TXB₂, were reduced in treated animals but these changes were not significant. Study results suggested an

effect at 24 h based on the reduction of the two measured eicosanoids PGE₂ and 6-keto-PGF_{1α} (Higgins *et al.*, 1984).

In a 12-day treatment schedule, five ponies were administered an oral paste formulation of PBZ and five matched ponies were administered equivalent doses of a placebo paste. On day 12, a mild, nonimmune inflammatory reaction was induced subcutaneously. Exudates were collected at 4, 8, 12, and 24 h. There were no significant differences in exudate protein concentration and leukocyte numbers between the treatment groups, but exudate concentrations of 6-keto-PGF_{1α} were reduced at 4, 8, and 12 h and those of TXB₂ at 8, 12, and 24 h in the PBZ treatment group. The increases in surface skin temperature were significantly less in PBZ-treated than in placebo-treated ponies between 4 and 24 h (Lees & Higgins, 1986).

The most widely accepted mode of action for NSAIDs is inhibition of prostaglandin synthetase. Leukocyte and erythrocyte accumulation in exudates is part of the inflammatory process. In the tissue cage and exudates studies, this was not significantly affected by the NSAID (Lees & Higgins, 1984, 1986). *In vitro* studies have shown that flunixin, PBZ, OPBZ, and indomethacin suppress leukocyte migration of which flunixin was the most potent of the drugs studied. The obvious difference between *in vivo* and *in vitro* studies is the more complex environment of the inflamed joint compared to the controlled environment of an *in vitro* study (Dawson *et al.*, 1987).

SUMMARY

This review presented a historical perspective and examined the information presented in four different models used to determine the pharmacological effects of NSAIDs, especially PBZ. They included naturally occurring lameness, reversible induced lameness, and indirect plasma and tissue models studying the suppression of the release of arachidonic-derived mediators of inflammation. The majority of studies suggest a persistent effect of PBZ at 24 h at 4.4 mg/kg. This reflects and substantiates the opinion of many clinical veterinarians, many of whom will not examine a horse for a prepurchase lameness examination unless the horse is shown to be free of NSAIDs and corticosteroids. Regulatory veterinarians responsible for prerace examinations of racehorses, wish to examine a horse prerace without the possibility of a NSAID or corticosteroid interfering with the examination and masking a possible musculo-skeletal condition. Based on scientific reports and the impression of clinical veterinarians, residual effects of PBZ remain at 24 h. The impact of this sustained effect on the health and welfare of the horse remains problematic.

ACKNOWLEDGMENTS

This review was at the request of the Racing Medication and Testing Consortium, Medication Advisory Committee, and supported by the Pennsylvania Horse and Harness Racing Commissions and in part by the Pennsylvania Horsemen Benevolent and

Protective Association, Pennsylvania Harness Horsemen Associations and Meadows Standardbred Owners Association.

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STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE
PROPOSED AMENDMENT OF CHRB
RULE 1846.5 POSTMORTEM EXAMINATION
TO REQUIRE THE PRECEDING SIX MONTHS OF VETERINARY MEDICAL RECORDS
BE SUBMITTED WITHIN 48 HOURS AFTER SUBMISSION OF
THE NECROPSY SUBMISSION FORM

Regular Board Meeting
July 21, 2011

BACKGROUND

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

At the April 2011 Medication and Track Safety Committee (committee) meeting the committee discussed a proposed amendment of Rule 1846.5, Postmortem Examination, which would require submission of certain veterinary medical records to the official veterinarian within 48 hours of submitting the CHRB-72, Necropsy Submission Form. The committee recommended that the proposed amendment be forwarded to the full Board for approval to initiate a 45-day public comment period. At the April 2011 Regular Board Meeting staff was directed to initiate a 45-day public comment period regarding the proposed amendment.

ANALYSIS

The proposed amendment to Rule 1846.5 adds a new subsection 1846.5(e)(1), which requires the owner's or trainer's veterinarian to provide the veterinary medical history for the preceding six months of any horse that dies or is euthanized on the grounds of a facility under the jurisdiction of the Board. The documents, which must be delivered to the official veterinarian within 48 hours of submitting the CHRB-72, Necropsy Submission Form, will allow for the correlation of postmortem data with medical records to look for causal relationships. Under the proposed amendment the documents would be considered confidential and their contents would not be disclosed except as specified under subsection 1846.5(e)(2). One comment was received during the 45-day public comment period. The Southern California Equine Foundation (SCEF) commented that a horse could have been in three or more different barns within a six month period. Who would notify the different trainers/veterinarians that they need to provide the records. The SCEF also questioned who would pay the cost of providing the records.

RECOMMENDATION

Staff recommends the Board adopt the amendment as proposed.

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

Regular Board Meeting
July 21, 2011

1846.5. Postmortem Examination.

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

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

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

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

the owner's or trainer's veterinarian within one hour of the death and shall be submitted on a Necropsy Submission Form, CHRB-72, (Rev. 06/04), hereby incorporated by reference, and which is available at all official veterinarian offices. The trainer is co-responsible to supply all information to complete CHRB-72.

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

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

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

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

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

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

Authority: Section 19440,
Business and Professions Code.

Reference: Section 4857 and 19444(c),
Business and Professions Code.

STAFF ANALYSIS

July 21, 2011

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES TURF CLUB AT GOLDEN GATE FIELDS AUGUST 19, 2011 THROUGH OCTOBER 2, 2011

Los Angeles Turf Club (LATC) filed its application to conduct a thoroughbred horse racing meeting at Golden Gate Fields (GGF).

- August 19, 2011, through October 2, 2011, or 22 days. LATC proposes to race a total of 205 races, or 9.32 races per day. The request to run 9.32 races per day is contrary to the 8.6 rate run in previous thoroughbred race meetings. In 2010 the Board approved LATC to run a race meet at GGF and it ran a total of 231 races, or 8.56 races per day with an average of 7.17 runners per race. The average daily purse for the 2010 race meeting was \$134,914. The (estimated) average daily purse for this meet is \$147,647.
- On Thursday, June 30, 2011, The Stronach Group announced that it has acquired the gaming assets previously held by MI Developments Inc. (MID) as part of reorganization. Some of the assets acquired are Santa Anita Park, Golden Gate Fields, XpressBet, AmTote and MID's joint venture interest in HRTV.
- The race dates proposed are the dates the Board allocated.

August - 2011						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September - 2011						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October - 2011						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

- Racing 3 days per week. Racing Friday through Sunday the first two weeks; Friday through Monday the third week; and Friday through Sunday the last four weeks.
- 8 races weekdays and 9 on weekends and holidays. If horse population permits may run additional races over the three days.
- First post 12:45 p.m. daily
 - Request the option to change post times to coordinate north/south signals.
- Wagering program will use CHRB and ARCI rules.
 - Early wagering will not be offered.
- The Advance Deposit Wagering (ADW) providers are Xpressbet, TwinSpires and TVG.

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

Summary of B&P code 19604

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

- The ADW provider must be licensed by the Board.
- A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
- The agreement shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made.

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

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

Documents received in compliance with Business and Professions code 19604:

- ODS Technologies, L.P. d/b/a TVG Network has submitted all documents required in compliance with Business and Professions code 19604.
- XpressBet LLC. dba XpressBet.com, DelMarBets.com and OakTreeBets.com, has submitted all documents required in compliance with Business and Professions code 19604.
- Churchill Downs Technology Initiatives Company, dba Twinpires, has submitted all documents required in compliance with Business and Professions code 19604.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- The simulcast agreement between Pacific Racing Association and NCOTWINC will cover race dates August 19, 2011 through October 2, 2011 run by Los Angeles Turf Club, Inc. at Golden Gate Fields.
- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety inspection has been requested and will be completed before the race meeting begins.
- Inspection of backstretch worker housing has been requested and will be completed before the race meeting begins.

RECOMMENDATION:

This item is presented for Board discussion and action.

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

1. APPLICANT ASSOCIATION

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

Los Angeles Turf Club, Incorporated

Golden Gate Fields

1100 Eastshore Highway

Berkeley, California 94710

Phone (510) 559-7300

Administration Fax (510) 559-7464

B. Breed of horse: TB QH H

C. Racetrack name: Golden Gate Fields

D. Attach a certified check payable to the Treasurer of the State of California in the amount of \$10,000 as deposit for license fees pursuant to B&P Code Section 19490. On file with the Board.

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

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: August 19, 2011 through October 2, 2011

B. Actual dates racing will be held: August 19-21, 26-28; September 2-4, 5, 9-11, 16-18, 23-25, 30; October 1-2.

C. Total number of days or nights of racing: 22 days

D. Days or nights of the week races will be held:

Wed - Sun Tues - Sat Other (specify)

Racing Fridays - Sundays

Exception; racing on Monday, September 5, 2011.

E. Number of days or nights of racing per week: 3 days per week except as set forth in Item D above

3. RACING PROGRAM

A. Total number of races: 205

CHRB CERTIFICATION

Application received: 5/19/11

Deposit received:

Reviewed: *[Signature]*

Hearing date: 7/21/11

Approved date:

License number:

- B. Number of races for each day or night:
 9.32 will be the average throughout the meet; we propose to conduct 8 or 9 races on weekdays and 10 races on weekends and holidays. If the horse population permits, we may run additional races over the three days.
- C. Total number of stakes races: 0
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses. N/A
- E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

<u>Post Time</u>	<u>Race Number</u>
12:45 p.m.	1
1:15 p.m.	2
1:45 p.m.	3
2:15 p.m.	4
2:45 p.m.	5
3:15 p.m.	6
3:45 p.m.	7
4:15 p.m.	8
4:45 p.m.	9
5:15 p.m.	10

The following post time exceptions will be made to coordinate North/ South signals:
 Request the option to change post time schedules in order to coordinate North/South signals.

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813. For thoroughbred and quarter horse meetings, the total amount distributed for California-bred stakes races from the purse account, including overnight stakes, shall not be less than 10% of the total amount distributed for all stakes races pursuant to B&P Code Section 19568(b).

4. RACING ASSOCIATION

- A. Association is a: Corporation (complete subsection C)
 LLC (complete subsection D)
 Other (specify, and complete subsection E)
- B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. On File.
- C. CORPORATION
 - 1. Registered name of the corporation: Los Angeles Turf Club, Incorporated
 - 2. State where incorporated: California
 - 3. Registry or file number for the corporation: 481360

4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:
 Greg Avioli, President & CEO, Racing & Gaming (Director/Officer)
 Lyle Strachan, Executive Vice-President, Finance of Racing & Gaming (Director/Officer)
 Mike Rogers, Vice-President, Operations of Racing & Gaming (Director/Officer)
 George Haines, President (Officer)
 Frank De Marco Jr., Vice-President Regulatory Affairs and Assistant Secretary (Officer)
 Scott Daruty, Vice-President (Officer)
 Gina Lavo, Controller (Officer)
 The officers of the corporation hold zero shares in Los Angeles Turf Club, Incorporated
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
 MI Developments Investments, Inc. (Parent company to change ~July 1, 2011)
6. Number of outstanding shares in the corporation: 25 Authorized Shares; 25 common shares issued to MI Developments Investments, Inc.
7. Are the shares listed for public trading? Yes No
 If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: Not applicable.
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: Magna International Developments Investments, Inc.
10. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. The licensee may submit the audited consolidated annual financial statements of its parent owner if the parent owner is a publicly traded company and guarantees the obligations of the licensee. 2010 MID Annual Report & 2011 MID 1st Quarter Report attached.

D. LLC

1. Registered name of the LLC: Not applicable
2. State where articles of organization are filed: Not applicable
3. Registry or file number for the LLC: Not applicable
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
 Not applicable
5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
 If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: Not applicable
8. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the California Corporations Commission. Not applicable

E. OTHER

1. Name(s) of partners/sole proprietor: Not applicable
2. If a partnership, attach partnership agreement. Not applicable

F. Management and Staff

1. Name and title of the managing officer and/or general manager of the association and the name and title of all department managers and staff, other than those listed in 10B, who will be listed in the official program:

Greg Avioli, President & Chief Executive Officer of Racing & Gaming
 Lyle Strachan, Vice-President, Finance of Racing & Gaming
 Mike Rogers, Vice-President, Operations of Racing & Gaming
 George Haines, President
 Frank DeMarco, Jr., Vice-President Regulatory Affairs and Assistant Secretary
 Scott Daruty, Vice-President
 Gina Lavo, Controller
 Peter W. Tunney, Executive Vice-President
 Robert Hartman, Vice-President and General Manager
 Calvin Rainey, Vice-President and Assistant General Manager
 Adam Njaa, Controller
 Merry Scalzo, Director of Operations
 Jerry Aldoroty, Director of Hospitality and Sales
 Kristin Finkel, Director of Marketing
 Bryan Wayte, Manager of Mutuels
 Tom Ferrall, Publicity Manager
 Robert Hemmer, Operations Manager
 T.W. Johnson, Security Manager
 Michael Wrona, Track Announcer
 Juan Meza, Track Superintendent
 Richard Somers, Price Maker
 William Vassar, Track Photographer
 David Seftel, M.D., Track Physician

2. Name and title of the person(s) authorized to receive notices on behalf of the association and the mailing address of such person(s) if other than the mailing address of the association:
 Robert Hartman, Vice-President and General Manager

5. PURSE PROGRAM

A. Purse distribution: *Prior meet represents August 25, 2010 through October 3, 2010 (27 Days).*

1. All races other than stakes:
 Current meet estimate: \$2,865,500.00
 Prior meet actual: \$3,166,382.00

Average Daily Purse (5A1 ÷ number of days):
 Current meet estimate: \$130,250.00
 Prior meet estimate: \$117,273.41

2. Overnight stakes:
 Current meet estimate: \$0.00
 Prior meet actual: \$50,000.00

Average Daily Purse (5A2 ÷ number of days):
 Current meet estimate: \$0.00
 Prior meet estimate: \$1,851.85

- 3. Non-overnight stakes:
 Current meet estimate: \$0.00
 Prior meet actual: \$0.00

Average Daily Purse (5A3 ÷ number of days):
 Current meet estimate: \$0.00
 Prior meet estimate: \$0.00

B. Stakes races:

- 1. Purse distribution for all stakes races:
 Current meet estimate: \$0.00
 Prior meet actual: \$50,000.00

Average Daily Purse (5B1 ÷ number of days):
 Current meet estimate: \$0.00
 Prior meet estimate: \$1,851.85

- 2. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:
 Current meet estimate: 0%
 Prior meet actual: 0%

Average Daily Purse (5B2 ÷ number of days):
 Current meet estimate: 0%
 Prior meet estimate: 0%

- C. Funds to be generated for all California-bred incentive awards:
 Current meet estimate: \$255,618.03
 Prior meet actual: \$295,002.08

- D. Payment to each recognized horsemen's organization contracting with the association and the name(s) of the organization(s):

Recognized Horsemen's Organization

Current meet estimate:		Prior meet actual:	
TOC (NTRA Contribution)	\$ 52,342.92	TOC (NTRA Contribution)	\$ 54,064.42
TOC	\$ 29,910.24	TOC	\$ 30,893.96
CTT (Administration)	\$ 14,955.12	CTT (Administration)	\$ 15,446.98
CTT (Pension)	\$ 29,910.24	CTT (Pension)	\$ 30,893.96
Total	\$ 127,118.52	Total	\$131,299.32

- E. Amount from all sources to be distributed in the form of purses or other benefits to horsemen (5A+5C+5D):
 Current meet estimate: \$ 3,248,236.55
 Prior meet actual: \$3,642,683.40

Average Daily Purse (5E ÷ number of days):
 Current meet estimate: \$147,647.16
 Prior meet estimate: \$134,914.20

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

Current meet estimate: \$2,396,749.62

Prior meet actual: \$2,317,115.46

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

Current meet estimate: \$108,943.17

Prior meet estimate: \$85,819.09

G. Purse funds to be generated from interstate handle:

Current meet estimate: \$552,474.57

Prior meet actual: \$715,683.07

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

Current meet estimate: \$25,112.48

Prior meet estimate: \$26,506.78

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

Wells Fargo PRA Account #: On File

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

Bowen & McBeth, 10722 Arrow Route, Suite 110, Rancho Cucamonga, California 91730,
(909) 944-6465

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

6. STABLE ACCOMMODATIONS

A. Number of usable stalls available for racehorses at the track where the meeting is held: 1325

B. Minimum number of stalls believed necessary for the meeting: 2000

C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: 680

- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: Pleasanton - 680 Stalls
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. Northern California Vanning & Stabling 2011 agreement attached.

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

- F. Total number of usable stalls made available on-site for the 1986 meeting: 1405
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall:
 Stabling costs for this meet: \$392,000.00
 Stabling costs per day per stall: \$10.30
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:
 Vanning fees for this meet: \$27,830.00 Vanning fee per horse: \$115.00

7. PARI-MUTUEL WAGERING PROGRAM

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

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

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1	\$2 DD*; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$.10 SF#; \$.50 PNP!	CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1; 1976.9
Race #2	\$2 DD*; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$.10 SF#; \$.50 PNP!	CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1; 1976.9
Race #3	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10SF#; \$1 PPN%; \$.50 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9
Race #4	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$.50 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9
Race #5	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$.50 PNP!; Super H5^	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9; ARCI #004-105 (Subsection T Pick (n) Position (x) Pools)
Race #6	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$.50 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9
Race #7	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$.50 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9
Race #8	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$.50 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9

Race #9 \$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8;
\$1 PPN%; \$.50 PNP! 1976.9

Race #10 \$2 DD*; \$2 PNP @; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8;
\$1 PPN%; \$.50 PNP! 1976.9

* - \$2 Daily Double on all races

@ - \$2 Pick 6 on last six races

+ - \$1 Pick 3 on every race

++ - \$1 Trifecta on every eligible race

- \$.10 cent Superfecta on all eligible races

% - \$1 Place Pick All on all races carded

! - \$.50 Pick 4 on first four and last four races

^^ - \$1 Pentafecta (Super High 5) in the 5th race only selecting the first five finishers in a same race. 100% payout 100% payout on all tickets selecting five winners. No consolation; 100% carryover if no ticket has five winners.

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **October 2, 2011 for the period of August 19, 2011 through October 2, 2011.**

C. List any options requested with regard to exotic wagering: **2 Tier – 70%/30% split \$2 Pick (n) Pool (Pick 6) will be offered on the final six races of each card, with 70% to the major pool or carryover, and 30% to the minor pool.**

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

E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract: **Sportech (previously Scientific Games Racing, LLC) Expires: September 2012**

8. ADVANCE DEPOSIT WAGERING (ADW)

A. Identify the ADW provider(s) to be used by the association for this race meeting:
Xpressbet
TVG
TwinSpires

9. SIMULCAST WAGERING PROGRAM

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

B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools. **Attached.**

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

Northern California

- Alameda County Fair, Pleasanton
- Big Fresno Fair, Fresno
- California State Fair & Exposition, Sacramento
- Club One, Fresno
- Kern County Fair, Bakersfield
- Monterey County Fair, Monterey
- San Joaquin County Fair, Stockton
- San Mateo Event Center, San Mateo
- Santa Clara County Fair, San Jose
- Shasta District Fair, Anderson
- Solano County Fair, Vallejo
- Sonoma County Fair, Santa Rosa
- Stanislaus County Fair, Turlock
- Tulare County Fair, Tulare

Southern California

- Antelope Valley Fair, Lancaster
- Barona Casino, Lakeside
- California Mid-State Fair, Paso Robles
- Del Mar Thoroughbred Club, Del Mar
- Derby Club at Seaside Park, Ventura
- Fairplex Park, Pomona
- Hollywood Park, Inglewood
- Indian Fantasy Springs Casino, Indio
- Los Alamitos Racecourse, Los Alamitos
- National Orange Show, San Bernardino
- Santa Anita Park, Arcadia
- Santa Barbara County Fair, Santa Maria
- Shalimar Sports Center, Indio
- Sports Pavilion, Lake Perris
- Sports Pavilion, Victorville
- Sycuan Casino, El Cajon
- Commerce Casino, City of Commerce
- Viejas Casino, Alpine

D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:

Los Angeles Turf Club, Inc. / Golden Gate Fields

August 19, 2011 through October 2, 2011

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

OUT-OF-STATE TRACK
ARLINGTON
BELMONT PARK
CALDER RACECOURSE
DELAWARE PARK
EMERALD DOWNS
HAWTHORNE
KENTUCKY DOWNS
LAUREL PARK
LOUISIANA DOWNS
MONMOUTH PARK
PENN NATIONAL
PHILADELPHIA PARK
PRESQUE ISLE
SARATOGA
SUFFOLK DOWNS
TURF PARADISE
TURFWAY PARK
INTERNATIONAL TRACK
FORT ERIE
HASTINGS
WOODBINE

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

Am West Entertainment	Fonner Park	Potawatomi Bingo Casino
Arapahoe Park	Freehold Racing	Portland Meadows
Arima Race Club	Gillespie County Fair	Prairie Meadows
Arlington Park	Greenetrack Greyhound	Premier Turf Club
Atlantic City Racecourse	Greyhound @ Post Falls	Presque Isle Downs
Atokad	Gulf Greyhound	Racebets
Balmoral Park	Global Wagering Solutions	Raceway Park
Bangor Raceway	Gulfstream Park	Racing2Day, LLC
Batavia	Harrington Raceway	Remington Park
Bettor Racing	Hawthorne Racecourse	Refama Park
Beulah Park	Hazel Park	Racing & Gaming Services
Birmingham Greyhound	Hoosier Park	River Downs Jockey Club
Bluffs Run Greyhound	Horseman's Park	Rockingham Park
Buffalo Raceway	Indiana Downs	Ruidoso Downs
Bwin International Ltd.	International Betting Assoc. Ltd.	Running Aces Harness
Calder Racecourse	Intermountain (Sandy Downs)	Sam Houston Park
Canterbury Park	Keeneland Association	Saratoga Raceway
Capital District OTB	Kentucky Downs	Scarborough Downs
Catskills OTB	Kentucky OTB	Scioto Downs
Charlestown Race Course	Lebanon Raceway	Seabrook Greyhound
Chester Downs	Les Bois (Treasure Valley)	Sol Mutuel
Churchill Downs	Lewiston OTB's	Southland Park
Club Hipica In Turf	Lein Games, LLC	Sportech Venue
Coeur d' Alene	Lone Star	Sports Creek Raceway
Colonial Downs	Louisiana Downs	State Fair (Lincoln Racecourse)
Columbus Raceway	LVDC (NV)	Suffolk Downs
Connecticut OTB	Magna Bet	Sun Gaming of NM
Corpus Christi Greyhound	Maronas (South America)	Sunland Park
Cypress Bayou OTB	Maryland Jockey Club	Tampa Bay Downs
Delaware Park	Maywood	Taunton
Delta Downs	Meadowlands	The Downs at Albuquerque
Dover Downs	Meadows The	Thistledown
eBet Technology	Millers OTB	Tioga Downs
Elite Turf Club	Mobile Greyhound	Tri-State GH (Mardi Gras)
Ellis Park	Monmouth Park	Turf Paradise
Emerald Downs	Montana OTB	Turfway Park
European Wagering Service	Monticello Raceway	TVG Network
Evangeline Downs	Mt. Pleasant Meadows	Twin River Greyhound
Fair Grounds	Mountaineer Park	TwinSpires
Fair Meadows	Nassau Regional OTB	Venezuela OTB
Finger Lakes	Nevada Pari-Mutuel Assoc.	Vernon Downs
	New Jersey Casino Assoc.	Western OTB
	Newport Jai Alai	Wheeling Downs
<u>Canadian Locations:</u>	NJ Mobile	Will Rogers Downs
Assiniboia, Charlottetown, Clinton TeleTheatre,	Northfield Park	XpressBet, Inc.
Dresden, Elmira Raceway, Evergreen Park,	Northville Downs	Yavapia Downs
Exhibition Park, Flamboro Downs, Fort Erie,	NYRA	Yonkers Raceway
Fraser Downs, Fredericton Raceway, Georgian	Oaklawn	Zia Park
Downs, Grand River, Hanover Raceway, Hastings	Ocean Downs	
Park, Hiawatha Horse Park, Inverness Raceway,	Panama	Separate Pools:
Kawartha Downs, Marquis Downs, Mohawk, New	PARX Racing (Philadelphia Park)	Camarero
Brunswick, Northlands, Northside Downs, Picov	Penn National Race Course	Jamaica
Downs, Quinte Raceway, Rideau Carlton, Rocky	Peru	MIR Brooks (Caliente)
Mountain Turf Club, Royal Britiana Hub, St. Johns	Phumelela Gold International	
Raceway, Sudbury Downs, Summerside, TBC	Plainridge Racecourse	
Sandown, and TBC Teletheatres, Truro Raceway,	Pocono Downs and OTB	
Western Fair, Windsor Raceway, Woodbine,		
Woodstock/Ontario		

F. For THOROUGHBRED racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

NOTICE TO APPLICANT: B&P Code Section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being conducted in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or fair is conducting its racing meeting cannot exceed a combined daily total of 23 imported thoroughbred races statewide. The limitation of 23 imported thoroughbred races per day statewide does not apply to those races specified in B&P Code Section 19596.2(a)(1), (2), (3) and (4).

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
See 8D above.	TBD	

- G. For QUARTER HORSE racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country quarter horse races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Los Alamitos	Per CHRB calendar	Full Card

- H. For STANDARD BRED racing associations, list the host tracks from which the association proposes to import out-of-state and/or out-of-country harness races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

HARNESS SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Cal Expo Harness	Per CHRB calendar	Full Card

- I. For ALL racing associations, list imported simulcast races the association plans to receive which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
None			

- J. For ALL racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in B&P Code Sections 19596.2 and 19596.3, attach a copy showing the agreement by the appropriate racing association(s). **Not applicable.**

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

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

10. CHARITY RACING DAYS

- A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association:
**Board of Directors, Los Angeles Turf Club, Incorporated
 285 W. Huntington Dr., Arcadia, CA 91007**
- B. Names and addresses of the trustees or directors of the distributing agent:
**Los Angeles Turf Club, Incorporated, Frank De Marco, Assistant Secretary
 285 W. Huntington Dr., Arcadia, CA 91007**
- C. Dates the association will conduct races as charity racing days OR:
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)? Yes

NOTICE TO APPLICANT: Net proceeds from charity racing days shall be paid to the designated and approved distributing agent within 180 days following the conclusion of the association's race meeting in accordance with the provisions of B&P Code Section 19555. Thereafter, the distributing agent shall distribute not less than 90% of the aggregate proceeds from such charity racing days within 12 calendar months after the last day of the meeting during which the charity racing days were conducted and shall distribute the remaining funds as soon thereafter as is practicable. At least 20% of the distribution shall be made to charities associated with the horse racing industry in accordance with the provisions of B&P Code Section 19556(b).

11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:

Association Veterinarian(s)	Sara Sporer, D.V.M (Track Veterinarian) Forrest Franklin, D.V.M. (CHRB Veterinarian) Diane Isbell, D.V.M. (Examining Veterinarian)
Clerk of Scales	Ken Sjoldal
Assistant Clerk of Scales	Ross Allardyce
Clerk of the Course	Tina Walker-Bryant
Film Specialist	Ella Robinson
Horse Identifier	Patrick Kealy
Horseshoe Inspector	Butch Fyllingness
Paddock Judge	Linda Anderson
Patrol Judge/Steward's Aide	Tammy McDuffie-Morris
Patrol Judge	Joshua Wyatt
Placing Judges	Ella Robinson & Steve Martinelli
Starter	Todd Stephens
Timer	Richard Somers
- B. Management officials in the racing department:

Director of Racing	Sean Greely
Racing Secretary	Sean Greely
Assistant Racing Secretary	C. Gregory Brent, Jr.
Associate Racing Secretary	David Jerkens
Paymaster of Purses	Patricia Prospero
Others (identify by name and title)	
Main Track Superintendent	Juan Meza

Turf Track Superintendent	Calvin Rainey
Price Maker	Richard Somers
Stable Superintendent	Carrie Fawcett

- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: **Christine Niccoli**
Niccoli Reporting Service, 619 Pilgrim Drive, Foster City, CA 94404-1707, (650) 573-9339
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
Plusmic Corp., USA, Bill O'Brien, Expires: December 31, 2011
- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
Pegasus Communications, Inc, Jim Porep, Jr., System maintained in house, Equipment contract expires: March 5, 2013
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:
Electronic timer is installed and maintained by on-site staff.

12. SECURITY CONTROLS

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers.
T.W. Johnson, Security Manager is responsible for security on-site.
Security Department organizational chart is attached.
Security Department phone number (510) 559-7370
Stable Security phone number (510) 559-7533
T.W. Johnson cell phone number (510) 418-3161
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: **29**
1. Attach a written plan for enhanced security for graded stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns. **N/A**
 2. Detention Barns:
 - A. Attach a plan for use of graded stakes or overnight races.
N/A
 - B. Number of security guards in the detention barn area during a 24-hour period.
N/A

**Attachment to Los Angeles Turf Club / Golden Gate Fields License I Application
11 (E):**

Track Camera Equipment:

There are a total of seven (7) cameras placed at the following strategic locations around the race track:

7/8 Pole

3/8 Pole

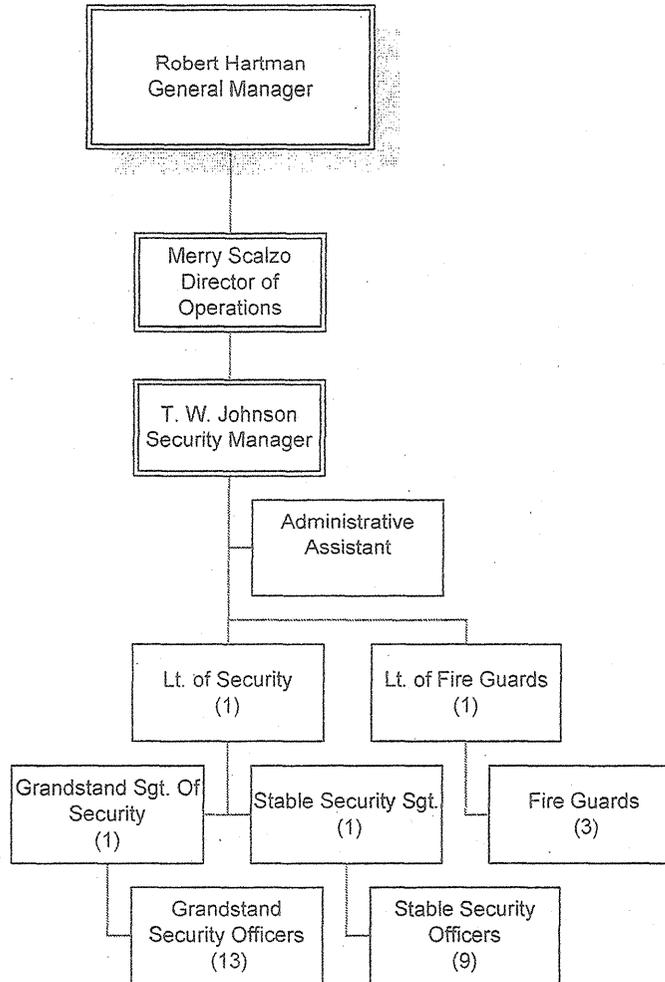
1/4 Pole

Paddock

Starting Gate

(2) Pan Cameras on Roof

LOS ANGELES TURF CLUB / GOLDEN GATE FIELDS
SECURITY DEPARTMENT ORGANIZATIONAL CHART
ATTACHMENT 12A



**Attachment to Los Angeles Turf Club / Golden Gate Fields License Application
12B (2) and 12C (1):**

Detention Barn Surveillance:

Barn #44 contains 27 stalls and is utilized as our Transit and Detention Barn. The surveillance system in place contains cameras strategically placed to monitor entrances and exits along with a camera monitoring each stall.

The camera equipment is connected to a digital recording system which is kept in a secured area with a power back-up in place.

Stable Gate Surveillance:

Cameras are strategically placed to monitor all activities at the Main Stable Gate and the Horsemen Walk-In Gate.



GOLDEN GATE FIELDS

Description of GGF Medical Clinic (Live Racing)

Services (Mission)

- Pre-race examinations on jockeys;
- Preventive & curative medical services for jockeys;
- Urgent care facility for jockeys;
- Assist CHRB in assessment of any impaired individuals.

Staffing

- Physician Medical Director (“Track Physician”).

Equipment

- Advanced cardiac life support (ACLS) equipment;
- 12-Lead EKG;
- Lung function testing equipment;
- Ultrasound (for internal organ injury assessment);
- Blood work & hematology supplies & equipment;
- Basic surgical care supplies & equipment.

Availability

- One-hour before first posted race until one-to-two hours following last posted race;
- Extended hours for necessary follow-up care and/or upon request from track management or CHRB.



EMERGENCY MEDICAL PROCEDURES FOR ON-TRACK INJURY TO JOCKEYS

"FIRST RESPONSE"

- In the event of an accident, the Stewards and/or Outriders shall immediately contact the Track Physician ("Jockey Down") using Radio Channel #7 *(or the accident may very well be witnessed directly by the Track Physician)*;
- The on-track GGF Human Ambulance (manned by GGF-contracted EMTs) and the Track Physician (transported via the GGF "chase" or "Vet" truck) shall respond immediately to the site of the accident;
- The attending medical professionals shall arrive equipped with advanced cardiac life support (ACLS) and other necessary acute medical treatment equipment & supplies;
- An "on-site evaluation" of injuries to the jockey(s) shall be made by the Track Physician.



"ON-SITE EVALUATION"

- Based on the Track Physician's "on-site evaluation" of injuries, a decision shall be made to either treat the injured jockey(s) on-site or to request emergency medical transport for off-site treatment at a hospital trauma center;
 - If on-site treatment is deemed sufficient, the GGF Human Ambulance shall transport the injured jockey(s) directly to the GGF Medical Clinic; or,
 - If off-site treatment is deemed necessary, "911" shall be used to summon a City of Albany Fire Dept. ambulance *(a Fire Dept. truck shall also respond)*.



"INJURY TREATMENT"

- If the injured jockey(s) is treated at the GGF Medical Clinic, the Track Physician shall be the primary care provider unless (or until) the Track Physician surrenders custody of the patient based on his/her medical judgment;
- If the City of Albany Fire Dept. ambulance is summoned to respond, the injured jockey(s) shall be transferred to this ambulance *(accompanied by the Track Physician)* at either of the two following locations for transport to a local hospital;
 - If the injuries are deemed less severe, the jockey will be transported by the GGF Human Ambulance to an off-track location for pick-up by the City of Albany Fire Dept. ambulance; or,
 - If the injuries are deemed severe and the jockey(s) cannot be moved, the City of Albany Fire Dept. ambulance will be escorted by GGF security personnel directly onto the track for patient pickup.

In consultation with the Track Physician, an "Accident/Injury Investigation Report" must be completed by track management following completion of the above-noted procedures.



PROCEDIMIENTOS MÉDICOS EN EMERGENCIAS PARA LESIONES DE JOCKEYS EN LA PISTA

"PRIMERA RESPUESTA"

- En caso de accidente, los comisarios y/o escoltas deberán contactar inmediatamente al Médico de Pista ("Jockey Abajo") usando el canal de radio nº7 (*salvo que el Médico de Pista sea testigo directo del accidente*);
- La Ambulancia para Humanos de GGF (con personal de emergencias médicas contratado por GGF) y el Médico de Pista (transportado a través del camión de "chase" o "Vet" de GGF) deberá acudir en forma inmediata al lugar del accidente;
- Los médicos que asistan deberán estar equipados con soporte vital cardíaco avanzado (ACLS) y otros equipos y elementos necesarios para el tratamiento médico;
- El Médico de Pista hará una "evaluación en el lugar" de las lesiones del jockey.



"EVALUACIÓN EN EL LUGAR"

- En base a la "evaluación en el lugar" de lesiones por parte del Médico de Pista, se tomará una decisión acerca de si tratar al jockey lesionado en el lugar o pedir transporte de emergencia médica para un tratamiento en un hospital o centro de salud;
 - Si se considera suficiente el tratamiento en el lugar, la Ambulancia para Humanos de GGF trasladará al jockey lesionado directamente a la Clínica Médica de GGF; o,
 - Si se considera necesario un tratamiento fuera del lugar, se usará el "911" para pedir una ambulancia del Departamento de Bomberos de la Ciudad de Albany (*un camión del Departamento de Bomberos también acudirá*).



"TRATAMIENTO DE LA LESIÓN"

- Si el jockey lesionado recibe tratamiento en la Clínica Médica de GGF, el Médico de Pista será el que proporcione atención primaria a menos que (o hasta que) el Médico de Pista dé de alta al paciente en base a su juicio médico;
- Si se requiere que acuda la ambulancia del Departamento de Bomberos de la Ciudad de Albany, el jockey lesionado será transferido a esta ambulancia (*acompañado por el Médico de Pista*) en cualquiera de los siguientes lugares para luego ser trasladado a un hospital local;
 - Si se considera que las lesiones son menos severas, el jockey será trasladado por la Ambulancia Humana de GGF a una ubicación fuera de la pista para ser recogido por la ambulancia del Departamento de Bomberos de la Ciudad de Albany; o,
 - Si se considera que las lesiones son severas y no puede moverse al jockey, la ambulancia del Departamento de Bomberos Ciudad de Albany será conducida por el personal de seguridad de GGF directamente sobre la pista para recoger al paciente.



City of Albany

1000 SAN PABLO AVE. • ALBANY, CALIF. 94706 • TELEPHONE (510) 528-5775 • FAX (510) 528-5774

FIRE DEPARTMENT
FIRE PREVENTION BUREAU

13 May 2011

Calvin Rainey
Vice-President and Assistant General Manager
Golden Gate Fields
1100 Eastshore Highway
Albany, CA 94706

Dear Mr. Rainey,

The Albany Fire Prevention Bureau conducted a Fire and Life Safety inspection under the Fire Prevention Code, NFPA 1, and the Fundamental Requirements listed in the *Life Safety Code*, NFPA 101, Chapter 2, the 2010 California Fire Code and California Code of Regulations, on April 27 and May 1, 2011. Most areas of Golden Gate Fields Race Track, within the jurisdiction of the Albany Fire Department have been inspected. Areas include the Administration Offices, kitchens, public areas and non-public areas of the Club House & Turf Club, public areas and non-public areas of A & B Decks, snack shops on all levels, underground level and Jockeys building. The Corporation Yard and the Equine Hospital will have their inspection completed soon.

GENERAL

These buildings are in good condition. Housekeeping in the public and non-public areas are well maintained, fire extinguishers, exit/panic hardware, egress doors are in operational condition. Multiple exit signs and emergency illumination devices need batteries replaced to remain in operational condition. All Fire & Life Safety general requirements are being maintained.

Letter of Correction Notices for GGF Main Building – Administration Offices, kitchens, public areas and non-public areas of the Club House & Turf Club, public areas and non-public areas of A & B Decks, snack shops on all levels, underground level, Jockeys building, Corporation Yard and the Equine Hospital shall follow under separate cover.

Conditional Fire Clearance

Conditional fire clearance is granted to Golden Gate Fields/ Pacific Racing Association for the

June 13, 2011 – December 31, 2011. During the course of the June 2011 – December 2011 Racing Season, the Albany Fire Prevention Bureau will conduct periodic Fire & Life Safety Inspections. If a flagrant Fire or Life Safety violation is discovered during GGF's June 2, 2011 – December 18, 2011 racing season, their fire clearance shall be revoked.

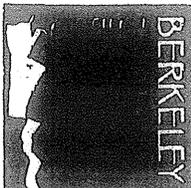
If you have any questions, please do not hesitate to contact me at (510) 528-5775.

Sincerely,



Brian J. Crudo
Battalion Chief/Fire Marshal

cc: Ed Tubbs, Fire Chief
Colleen Germek, C.H.R.B.
Peter Tunney, Executive Vice-President, GGF
Robert Hartman, General Manager, GGF
Merry Scalzo, Director of Operations, GGF
Roy Roenbeck, Director of Safety and Compliance, GGF



Department of Fire and Emergency Services
Division of Fire Prevention

Date: 30 December 2010

Merry Scalzo
Director of Operations
Golden Gate Fields
1100 Eastshore Highway
Albany, CA 94706
Phone (510) 559-7325
Fax (510) 559-7465

Subject: Fire & Life Safety Inspection – Golden Gate Fields - Stables

On December 29, 2010 the Berkeley Fire Prevention Division conducted an annual inspection of the Golden Gate Field Horse Stables. This inspection will be valid through December 29, 2011. Our fire life safety report indicates that there are no outstanding violations noted or corrections need to be made at this time.

Should you have any questions regarding the annual inspection please call my office (510.981-5582) at your convenience.

Thank you for your time and I look forward to speaking with you in the near future.

A handwritten signature in black ink, appearing to read "Stan Fernandez". The signature is stylized and cursive.

Stan Fernandez
Fire Inspector / Investigator

Ref. No. 320006363874

CERTIFICATE OF INSURANCE

Aon Reed Stenhouse Inc.
 20 Bay Street
 Toronto ON M5J 2N9
 tel 416-868-5500 fax 416-868-5580

Re: Contractual Agreement

California Horse Racing Board
 Attention : Insurance Department
 1010 Hurley Way
 Sacramento, CA 95825
 USA

Insurance as described herein has been arranged on behalf of the Insured named herein under the following policy(ies) and as more fully described by the terms, conditions, exclusions and provisions contained in the said policy(ies) and any endorsements attached thereto.

Insured

MI Developments Inc. a/o Los Angeles Turf Club,
 Incorporated dba Santa Anita Park.
 1100 Eastshore Highway
 Albany, CA 94706
 USA

Coverage

Commercial General Liability	Insurer	Zurich American Insurance Company	
Policy #	GLO 9302183-08		
Effective	01-Jul-2010	Expiry	01-Jul-2011
Limits of Liability	Bodily Injury & Property Damage, Each Occurrence USD2,000,000 Policy may be subject to a general aggregate and other aggregates where applicable		
US Workers Comp/Employers Liability	Insurer	Twin City Fire Insurance Company	
Policy #	41 WE PV9475		
Effective	01-Jan-2011	Expiry	01-Jan-2012
Limits of Liability	Workers Compensation As per applicable Law		

Cancellation / Termination

The Insurer will endeavour to provide THIRTY (30) days written notice of cancellation/termination to the addressee except that statutory or policy conditions (whichever prevails) will apply for non-payment of premium.

THE POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE
 OR, IN THE CASE OF AUTOMOBILE INSURANCE,
 THE POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE

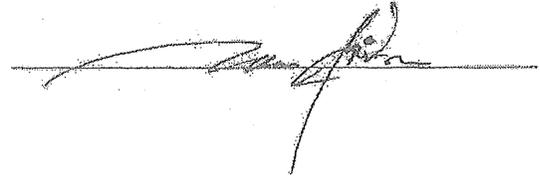
Ref. No. 320006363874

CERTIFICATE OF INSURANCE

THIS CERTIFICATE CONSTITUTES A STATEMENT OF THE FACTS AS OF THE DATE OF ISSUANCE AND ARE SO REPRESENTED AND WARRANTED ONLY TO THE INSURED. OTHER PERSONS RELYING ON THIS CERTIFICATE DO SO AT THEIR OWN RISK.

Aon Reed Stenhouse Inc.

Dated : 06-June-2011
Issued By : Basu, Arindam
Tel : 416 868 5742



THE POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE
OR, IN THE CASE OF AUTOMOBILE INSURANCE,
THE POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE

AON

Ref. No. 320006283429

CERTIFICATE OF INSURANCE

Aon Reed Stenhouse Inc.
20 Bay Street
Toronto ON M5J 2N9
tel 416-868-5500 fax 416-868-5580

Re: Evidence of Insurance

California Horse Racing Board
Attention : Insurance Department
1010 Hurley Way
Sacramento, CA 95825
USA

Insurance as described herein has been arranged on behalf of the Insured named herein under the following policy(ies) and as more fully described by the terms, conditions, exclusions and provisions contained in the said policy(ies) and any endorsements attached thereto.

Insured

MI Developments Inc. a/o Pacific Racing Association dba
Golden Gate Fields.
375 Magna Drive
Aurora, ON L4G 7L6

Coverage

Commercial General Liability	Insurer	Zurich American Insurance Company	
Policy #	GLO 9302183-08		
Effective	01-Jul-2010	Expiry	01-Apr-2011
Limits of Liability	Bodily Injury & Property Damage, Each Occurrence USD2,000,000 Policy may be subject to a general aggregate and other aggregates where applicable		
US Workers Comp/Employers Liability	Insurer	Twin City Fire Insurance Company	
Policy #	41 WE PV9475		
Effective	01-Jan-2011	Expiry	01-Jan-2012
Limits of Liability	Workers Compensation As per applicable Law		

THIS CERTIFICATE CONSTITUTES A STATEMENT OF THE FACTS AS OF THE DATE OF ISSUANCE AND ARE SO REPRESENTED AND WARRANTED ONLY TO THE INSURED. OTHER PERSONS RELYING ON THIS CERTIFICATE DO SO AT THEIR OWN RISK.

Aon Reed Stenhouse Inc.

Dated : 31-December-2010
Issued By : Fogal, Annicia
Tel : 416-868-5806



THE POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE
OR, IN THE CASE OF AUTOMOBILE INSURANCE,
THE POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE



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

N/A

3. TCO2 Testing:

A. Number of races to be tested, and number of horses entered in each race to be tested.
Will follow CHRB staff directives.

B. Plan for enhanced surveillance for trainers with high-test results.
Contractual obligations with TOC, CTT, and CHRB directives will be followed.

C. Plan for detention barns for repeat offenders.
In compliance with our Race Meet Agreement with TOC and at the direction of the CHRB.

D. Number of security personnel assigned to the TCO2 program.
As needed per the advice of CHRB staff.

C. Describe the electronic security system:

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

D. For night racing associations. Describe emergency lighting system: Not Applicable.

13. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:

Brad Winding Turf Rescue, LLC, 19615 Barclay Road, Castro Valley, CA 94546,
(510) 581-8470

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

Pleasanton – American Medical Response, 640-143rd Ave., San Leandro, CA 94577, 510-895-7600

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

D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
(If quarter horse racing association see D(1):

Dr. David Seftel

Office Number: 510-559-7375, Cell Number: 650-520-6204

1. Name address and emergency telephone number of hospital located within 1.5 miles of the racetrack, which whom an agreement is in place to provide emergency medical services:

N/A

E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:

Alta Bates Summit Medical Center, 2450 Ashby, Berkeley, CA 94705 (510) 204-4444

F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey: Attached.

- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B& P Code 19481.3(d):
Roy Roenbeck, Director of Safety and Compliance
Calvin Rainey, Assistant General Manager, serves as Assistant Safety Manager
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Berkeley fire clearance attached.
Albany fire clearance attached.
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **Twin City Fire Insurance Co.-#41WEPV9475**
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation.
Workers' Compensation certificate of insurance is attached; valid through January 1, 2012.
(Parent company to change ~ 7/1/11)

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

14. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

- Tip Sheets** Jack's Blue Card, 127 Sun Avenue, Hayward, CA 94544
- Armored Car Services** Loomis Armored Car, P.O. Box 44196, San Francisco, CA 94144
- Track Physician** Dr. David Seftel, Conocen Corp., 20066 Austin Lane, Castro Valley, CA 94546
- Official Program** Del Mar Graphics, 1100 Eastshore Highway, Albany, CA 94706
- Jockey's Laundry** F. Lorene Dutton, Bailey's Mobile Laundry, 3263 Vineyard Ave., Pleasanton, CA 94566
- Starting Gate** Mike Costello, United Puett Starting Gate Co., P.O. Box 18, S. Salem, NY 10590
- Track Photographer** Bill Vassar, Vassar Photography, 1167 Sapphire Drive, Livermore, CA 94550

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

Describe any promotional plans: The tentative Summer/Fall 2011 promotional/giveaway schedule is listed below (subject to change).

August 20, 2011

- Food Truck Festival – Every Saturday during the Summer/Fall race meet, there will be a gourmet mobile food festival at the North Grandstand area consisting of 15-30 mobile food vehicles. The festival will rotate vendors on a consistent basis in order to maximize area interest, as well as offer an opportunity to maximize truck exposure. GGF intends for this event to be a Bay Area destination that encourages local neighborhood interaction, activates outdoor eating spaces and leverages the Bay Area's best horse racing to create a genuinely unique guest experience.

August 21, 2011

- \$1 Day / Summer Concert – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment.

August 27, 2011

- Food Truck Festival

August 28, 2011

- \$1 Day / Summer Concert – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment.

September 3, 2011

- Food Truck Festival

September 4, 2011

- \$1 Day / Summer Concert – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment.

September 5, 2011 – Labor Day

- Blanket Giveaway where all fans will receive one giveaway item with paid admission while supplies last.
- Family Day – Kid's Lunch Box Giveaway, Pony Rides, Petting Zoo, Face Painters, and Bounce Jumps.
- Concert where fans will enjoy live entertainment.

September 10, 2011

- Food Truck Festival

September 11, 2011

- \$1 NFL Sunday / Summer Concert – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment. Fans will be able to enjoy football games in the "End Zone" and throughout the facility provided by the NFL ticket.

September 17, 2011

- Food Truck Festival

September 18, 2011

- \$1 NFL Sunday / Summer Concert – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment. Fans will be able to enjoy football games in the "End Zone" and throughout the facility provided by the NFL ticket.

September 24, 2011

- Food Truck Festival

September 25, 2011

- \$1 NFL Sunday / Summer Concert – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment. Fans will be able to enjoy football games in the “End Zone” and throughout the facility provided by the NFL ticket.

October 1, 2011

- Food Truck Festival

October 2, 2011 – Closing Day

- \$1 NFL Sunday / Summer Concert – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment. Fans will be able to enjoy football games throughout the facility provided by the NFL ticket.

B. Number of hosts and hostesses employed for meeting:

3 Customer Service Representatives

5 Group Sales Representatives

C. Describe facilities set aside for new fans:

Customer Service – Our customer service center is open year round with trained customer service representatives to assist fans with general racing information and maintain our frequent fan club known as the THOROUGHBREDS.

Mutuel Newcomer Window - A specific Mutuel teller window has been created which includes a hand-selected Mutuel clerk trained in customer service.

Manager on Duty Program – This program was designed to ensure interaction between managers, employees, and the fans. There are 15 managers in rotation who are assigned specific days in which they interact with the fans to help with any questions while doing a site inspection for safety and cleanliness.

Group Sales Contest Area – All group attendees can enter contests for prizes which creates a festive atmosphere where people can mingle and share their handicapping prowess.

Dollar Day “New Fan” Tent – Added a “New Fan” customer service tent in the \$1 Day Concert Series area to assist newcomers with racing questions and to promote wagering.

Wagering Kiosk in Concert Area – Added wagering machines in the Concert area to provide easy accessibility to wager.

D. Describe any improvements to the physical facility in advance of the meeting that directly benefit:

1. Horsemen

- Ongoing restroom, barn, and road renovations in the barn area.

2. Fans

- This is the third season for the popular Grandstand area called the “End Zone” which features college football games on Saturdays and NFL football games on Sundays.
- Added 20 new 42” plasma televisions in the north end of the Club House and scheduled to add seven new 42” plasma televisions and four new 50” plasma televisions in the Top of the Stretch.

3. Facilities in the restricted areas Equine Hospital

16. SCHEDULE OF CHARGES

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

New Bundled Pricing = Paid admission receives free program except on Dollar Days

Admission (general)	\$6.00 - Bundled price includes free program (Previously \$4.00 without free program)
Admission (club house)	\$8.00 - Bundled price includes free program (Previously \$6.00 without free program)
Admission (turf club)	\$10.00 Weekdays - Bundled price includes free program
Admission (turf club)	\$15.00 Weekends & Holidays - Bundled price includes free program (Turf Club admission remains unchanged but now includes a free program)
Reserved seating (general)	N/A
Reserved seating (clubhouse)	\$3.00 (No charge with Thoroughbreds card)
Parking (general)	\$4.00
Parking (preferred)	\$8.00
Parking (valet)	\$8.00
Programs (on-track)	\$2.50 (Previously \$2.25)
(off-track)	\$2.50 (Previously \$2.25)

Thoroughbred Club Members

New Bundled Pricing includes free program

General Admission:		Club House Admission:	
1-10 Visits	\$5.00	1-10 Visits	\$6.00
11-20 Visits	\$4.00	11-20 Visits	\$5.00
21-30 Visits	\$3.00	21-30 Visits	\$4.00
31-40 Visits	\$2.00	31-40 Visits	\$3.00
Over 40 Visits	\$1.00	Over 40 Visits	\$2.00
		Reserved seating	Free

Thoroughbred Club Members

Old Pricing without free program

General Admission:		Club House Admission:	
1-3 Visits	\$3.00	1-3 Visits	\$4.00
4-8 Visits	\$2.50	4-8 Visits	\$3.50
9-15 Visits	\$2.00	9-15 Visits	\$3.00
16-20 Visits	\$1.50	16-20 Visits	\$2.50
Over 20 Visits	\$1.00	Over 20 Visits	\$2.00
		Reserved seating	Free

Thoroughbred Club Prepaid Admission/Program Packages

TB Club Members can purchase a minimum of 30 Prepaid G/A admissions @ \$2.00 each

TB Club Members can purchase a minimum of 15 Prepaid C/H admissions @ 4.00 each

B. Describe any "Season Boxes" and "Turf Club Membership" fees:

Turf Club – Full Season Single Membership	\$ 1,000.00
Turf Club – Full Season Dual Membership	\$ 2,000.00
Top of the Stretch – Full Season Membership	\$ 500.00
Club House Box (4 seats, no admission)	\$ 450.00
Club House Season Pass (Admission only)	\$ 400.00
Grandstand Season Pass (Admission only)	\$ 200.00

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

Bundled pricing was introduced at GGF on April 7, 2011 where fans receive a free program with paid admission except on Dollar Days. Also, GGF introduced a "Prepaid Admission/Program Package" for THOROUGHBREDS members who are frequent customers: G/A prepaid package = \$60.00 for 30 admissions/programs equaling \$2.00 per visit or C/H prepaid package = \$60.00 for 15 admissions/programs equaling \$4.00 per visit.

17. JOCKEYS/DRIVERS' QUARTERS

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

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Corners (lockers and cubicles) | How many | <input type="text" value="23"/> |
| <input checked="" type="checkbox"/> Showers | <input checked="" type="checkbox"/> Steam room, sauna or steam cabinets | <input checked="" type="checkbox"/> Lounge area |
| <input checked="" type="checkbox"/> Masseur | <input checked="" type="checkbox"/> Food/beverage service | <input checked="" type="checkbox"/> Certified platform scale |

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

Fifteen by twenty foot room accessed from a community hallway. The room has a television and bed with an attached shower room, sink and toilet.

18. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing has been requested and will be completed prior to the beginning of the race meeting.
- B. Number of rooms used for housing on the backstretch of the racetrack: 128
- C. Number of restrooms available on the backstretch of the racetrack:
18 with showers, 7 in office areas.
- D. Estimated ratio of restroom facilities to the number of backstretch personnel:
1 restroom for every 12 people.

19. TRACK SAFETY

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

- B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.

Inner and outer railings are metal gooseneck. Coverings are Rider Protection Rail by Horsemen's Track & Equipment, Inc. Approximate height of the top of the inner railing is 42 inches.

- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:
Juan Meza
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. On file.
- E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. Not applicable.

20. DECLARATIONS

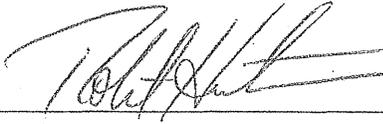
- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): No exceptions.
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
CTT agreement on file.
TOC agreement on file.
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). Attached.
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): No exceptions.
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): No exceptions.

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

21. CERTIFICATION BY APPLICANT

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

Robert Hartman
Print Name


Signature

Vice President & General Manager
Print Title

5/18/11
Date

STAFF ANALYSIS

July 21, 2011

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES COUNTY FAIR AT FAIRPLEX SEPTEMBER 9-25, 2011.

Los Angeles County Fair (LACF) filed its application to conduct a horse racing meeting at Fairplex:

- September 9-25, 2011, or 13 days, two less than 2010. The fair proposes to race 136 races.
- The proposed race dates are the approved dates allocated to the fair.

September – 2011						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5 H	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	

- Racing Friday through Sunday the first week and Wednesday through Sunday the second and third week. 9 races per day Wednesday, September 14th and Thursday, 10 races Wednesday, September 21st and Friday, September 9th and 16th. 11 races, Friday, September 23rd and Saturday, September 10th and 17th and Sunday, September, 11th and 18th. 12 races per day Saturday and Sunday, September 24th and 25th.
 - Number of horses available determines the number of daily races programmed by breed.
 - 2010 Race Meeting: Average number of runners per race (TB): 6.97
 - 2010 Race Meeting: Average number of runners per race (Arabian): 6.78
 - 2010 Race Meeting: Average number of runners per race (Mules): 5.75
- First post 1:00 p.m. daily.
- Specific changes from the 2010 license application:
 - Decreases: Box Seats from \$ 45 to \$39.
- Request Darrel Sparks be appointed horse identifier pursuant to CHRB Rule 1525.
- Wagering program will use CHRB rules.
 - Early wagering 8:30 a.m. at Hollywood Park.
- The Advance Deposit Wagering (ADW) providers are TVG, Xpressbet and Twin Spires.

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

Summary of B&P code 19604

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

- The ADW provider must be licensed by the Board.

- A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
- The agreement shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made.

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

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

Documents received in compliance with Business and Professions code 19604:

- ODS Technologies, L.P. d/b/a TVG Network has submitted all documents required in compliance with Business and Professions code 19604.
- XpressBet LLC. dba XpressBet.com, DelMarBets.com and OakTreeBets.com, has submitted all documents required in compliance with Business and Professions code 19604.
- Churchill Downs Technology Initiatives Company, dba TwinSPIRES, has submitted all documents required in compliance with Business and Professions code 19604.
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Track safety inspection has been requested and will be completed before the race meeting begins.
- Inspection of backstretch worker housing has been requested and will be completed before the race meeting begins.

Specific information still needed to complete this application includes:

1. Arabian Stakes Schedule
2. Fire Clearance

RECOMMENDATION:

Staff recommends the Board approve the application contingent upon submission of the Arabian stakes schedule and fire clearance.

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

1. APPLICANT FAIR ASSOCIATION

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

Los Angeles County Fair Association

P. O. Box 2250

Pomona, CA 91769

Phone: 909-865-4093

Fax: 909-622-5652

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

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

2. DATES OF RACE MEETING

A. Inclusive dates of race meeting: *Sept. 9 – Sept. 25, 2011*

B. Dates racing will NOT be held: *Sept. 12, Sept. 13, Sept. 19 and Sept. 20.*

C. Total number of racing days: *13 days*

3. RACING PROGRAM

A. Total number of races: *136*

B. Number of races by breed:

<input type="text" value="129"/>	Thoroughbreds	<input type="text" value="0"/>	Quarter Horses	<input type="text" value="0"/>	Appaloosas
<input type="text" value="7"/>	Arabians	<input type="text" value="0"/>	Paints	<input type="text" value="0"/>	Mules

C. Number of races daily:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Thoroughbred	11,11,12	0	0	8,9	8	9, 9, 10	11,11,12
Other Breeds	0	0	0	1	1	1	0
Total	11,11,12	0	0	9, 10	9	10, 10, 11	11,11,12

Application received: <i>6/11/11</i> Reviewed: <i>[Signature]</i>	CHRB CERTIFICATION	Hearing date: <i>7/21/11</i> Approved date: License number:
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D. Total number of stakes races by breed:

<input type="text" value="12"/>	Thoroughbreds	<input type="text" value="0"/>	Quarter Horses	<input type="text" value="0"/>	Appaloosas
<input type="text" value="2"/>	Arabians	<input type="text" value="0"/>	Paints	<input type="text" value="0"/>	Mules

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

F. Will provisions be made for owners and trainers to use their own registered colors?

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

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

APPROX. POST TIME

Pacific Daylight Time

Wed - Sun.

Race 1	1:00 pm
Race 2	1:25 pm
Race 3	1:50 pm
Race 4	2:15 pm
Race 5	2:40 pm
Race 6	3:05 pm
Race 7	3:30 pm
Race 8	3:55 pm
Race 9	4:20 pm
Race 10	4:45 pm
Race 11	5:10 pm
Race 12	5:35 pm
Race 13	N/A

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

4. FAIR ASSOCIATION

A. Names of the fair directors:

Richard Crean, Chairman	
Reginald Webb, Vice Chairman	
Bernard Bernstein	Stephen C. Morgan
Robert Dukes	Michael Ortiz
Susan Hyland	John Solomon
Linda Keagle	Ronald Vera
Arthur Ludwick	

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

2011 STAKES SCHEDULE

DATE	STAKE	PURSE/DISTANCE	
Fri. Sept 9, 2011	BEVERLY J. LEWIS Fillies, Three Year Olds	\$50,000 Guaranteed Six & One Half Furlongs	Noms Sat 9/3
Sat. Sept 10, 2011	E. B. JOHNSTON – Cal Bred Fillies & Mares, Three Year Olds & Upward	\$50,000 Guaranteed One Mile & One Sixteenth	Sat 9/3
Sun. Sept 11, 2011	JIM KOSTOFF Three Year Olds	\$50,000 Guaranteed Six & One Half Furlongs	Sat 9/3
Wed. Sep 14, 2011	C.B. AFFLERBAUGH Two Year Olds	\$50,000 Guaranteed Seven Furlongs	Wed 9/7
Fri. Sep 16, 2011	PHIL D. SHEPHERD Fillies, Two Year Olds	\$50,000 Guaranteed Seven Furlongs	Wed 9/7
Sat. Sep 17, 2011	BARRETT'S DEBUTANTE Fillies, Two Year Olds	\$110,000 Estimated Six & One Half Furlongs	Wed 6/15
Sun. Sep 18, 2011	BARRETT'S JUVENILE Two Year Olds	\$110,000 Estimated Six & One Half Furlongs	Wed 6/15
Wed. Sep 21, 2011	GOVERNOR'S CUP Three Year Olds & Upward	\$50,000 Guaranteed Six & One Half Furlongs	Wed 9/14
Fri. Sept 23, 2011	BANGLES AND BEADS Fillies & Mares, Three Year Olds & Upward	\$50,000 Guaranteed Six & One Half Furlongs	Wed 9/14
Sat. Sep 24, 2011	LAS MADRINAS Fillies & Mares, Three Year Olds & Upwards	\$50,000 Guaranteed One Mile & One Sixteenth	Wed 9/14
Sat. Sep 24, 2011	POMONA DERBY Three Year Olds	\$50,000 Guaranteed One Mile & One Sixteenth	Wed 9/14
Sun. Sep 25, 2011	RALPH M. HINDS POMONA HANDICAP Three Year Olds & Upward	\$75,000 Guaranteed One Mile & One Eighth	Sat 9/17

Two Arabian Stakes Races dates and purses TBA

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

OFFICERS

- James E. Henwood, President & Chief Executive Officer*
- Dale Coleman, Vice President-Sales, Marketing, & Creative Planning*
- Michael Seder, Vice President Finance & Chief Financial Officer*
- Dwight Richards, Vice President - Operations*
- Jeff Tucci, Vice President - Hospitality*

MANAGEMENT

- Kim Lloyd, Equine Manager*
- Barry Gillies, Security/Parking Manager*
- Michelle DeMott, Director of Marketing & Communications*
- Karen Furlow, Controller*
- William Shacklett, Facilities Manager*
- Debbie Vengco, Marketing Manager*
- Ralph Schorbach, I.T. Manager*

5. PURSE PROGRAM

A. Purse distribution:

- 1. All races other than stakes:
 - Current meet estimate: \$2,086,839
 - Prior meet actual: \$2,601,586

Average Daily Purse (5A1 ÷ number of days):
 Current meet estimate: \$160,526
 Prior meet actual: \$173,439

- 2. Overnight stakes:
 - Current meet estimate: 0
 - Prior meet actual: 0

Average Daily Purse (5A2 ÷ number of days):
 Current meet estimate:
 Prior meet actual:

- 3. Non-overnight stakes:
 - Current meet estimate: \$625,000
 - Prior meet actual: \$657,775

Average Daily Purse (5A3 ÷ number of days):
 Current meet estimate: \$48,077
 Prior meet actual: \$43,852

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

- Current meet estimate: \$161,487
- Prior meet actual: \$194,199

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

Current meet estimate:		Prior meet actual:	
CTT	\$7,707		\$9,602
TOC	\$15,648		\$19,494
NTRA	\$6,233		\$4,602
ARABIAN	\$2,365		\$2,642
AMRA	\$0		\$1,868
CHBPAPEN	\$23,354		\$29,096
CTHF	\$23,354		\$29,096
Total	\$78,661	Total	\$96,400

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

Current meet estimate: \$2,951,987
 Prior meet actual: \$3,549,960

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

Current meet estimate: \$227,076
 Prior meet actual: \$236,664

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

Current meet estimate: \$2,338,844
 Prior meet actual: \$2,512,168

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

Current meet estimate: \$179,911
 Prior meet actual: \$167,478

F. Purse funds to be generated from interstate handle:

Current meet estimate: \$432,290
 Prior meet actual: \$464,326

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

Current meet estimate: \$33,253
 Prior meet actual: \$30,955

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

Wells Fargo - Account # On file

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

Bowen McBeth, Inc., 10722 Arrow Route, Suite 110, Rancho Cucamonga, CA 91730, 909-944-6465

NOTICE TO APPLICANT: All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, shall not be deemed as income to the fair and shall, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from off-track simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards, shall also be deposited within 3 calendar days following receipt into such liability account. In the event the fair is obligated to the payment of purses prior to those obligated amounts being retained from pari-mutuel wagering for such purpose, or as a result of overpayment of earned purses at the conclusion of the meeting, the fair shall transfer from its own funds such amounts as are necessary for the Paymaster of Purses to distribute to the horse owners statutorily or contractually entitled thereto.

The fair is entitled thereafter to recover such transferred funds from the Paymaster of Purses' account; and if insufficient funds remain in the account at the conclusion of the meeting, the fair is entitled to carry forward the deficit to its next succeeding meeting as provided by B&P Code Section 19615(c) or (d). In the event of underpayment of purses which results in a balance remaining in the Paymaster of Purses' account at the conclusion of the meeting after distribution of amounts due to horsemen and breeders and horsemen's organizations, the fair may carry forward the surplus amount to its next succeeding meeting; provided, however, that the amount so retained does not exceed an amount equivalent to the average daily distribution of purses and breeders' awards during the meeting. All amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: *1346*
- B. Minimum number of stalls believed necessary for the meeting: *1600*
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: *1,000*
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: *Hollywood Park - 300 San Luis Rey - 200 Santa Anita - 500*
- E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. *On file*

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

- F. Total number of usable stalls made available on-site for the 1986 meeting:
695 permanent; 350 portable
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per-day per stall:
Total cost: \$257,000 Cost per stall: \$22.02
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:
Total cost: \$89,570
Cost per horse:
Santa Anita \$180 round-trip
Hollywood Park \$200 round-trip
San Luis Rey \$320 round-trip
Los Alamitos \$180 round-trip

7. PARI-MUTUEL WAGERING PROGRAM

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

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

and US for unlimited sweepstakes (pick 9).

	TYPE OF WAGERS	APPLICABLE RULES
Ex. Race	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1	Thor, \$2Q, \$1E, \$1TRI, \$1PK-3, \$.10 SF, \$2DD, \$1 US begins	CHRB #1958, #1959, #1979, #1977, #1979.1, #1957, #1976
Race #2	Thor, \$2Q, \$1E, \$1TRI, \$1PK-3, \$.10 SF, \$2DD, \$.50 Early PK-4	CHRB #1958, #1959, #1978, #1979, #1977, #1979.1, #1957
Race #3	Thor, \$2Q, \$1E, \$1TRI, \$1PK-3, \$.10 SF, \$2DD, \$.50 PNP-5	CHRB #1958, #1959, #1979, #1976.9, #1977, #1979.1, #1957
Race #4	Thor, \$2Q, \$1E, \$1TRI, \$1PK-3, \$.10 SF, \$2DD, \$2 PNP-6, note #1	CHRB #1958, #1959, #1979, #1977, #1979.1, #1957, #1976.9
Race #5	Thor, \$2Q, \$1E, \$1TRI, \$1PK-3, \$.10 SF, \$2DD	CHRB #1958, #1959, #1979, #1977, #1979.1, #1957
Race #6	Thor, \$2Q, \$1E, \$1TRI, \$1PK-3, \$.10 SF, \$2DD, \$.50 PK-4 note #2	CHRB #1958, #1959, #1979, #1977, #1979.1, #1957, #1978
Race #7	Thor, \$2Q, \$1E, \$1TRI, \$1PK-3, \$.10 SF, \$2DD	CHRB #1958, #1959, #1979, #1977, #1979.1, #1957
Race #8	Thor, \$2Q, \$1E, \$1TRI, \$1 PK-3, \$.10 SF, \$2DD	CHRB #1958, #1959, #1979, #1977, #1979.1, #1957
Race #9	Thor, \$2Q, \$1E, \$1TRI, \$1PK-3, \$.10 SF, \$2DD	CHRB #1958, #1959, #1979, #1977, #1979.1, #1957
Race #10	Thor, \$2Q, \$1E, \$1TRI, \$1PK-3, \$.10 SF, \$2DD	CHRB #1958, #1959, #1979, #1977, #1979.1, #1957
Race #11	Thor, \$2Q, \$1E, \$1TRI, \$.10 SF, \$2DD	CHRB #1958, #1959, #1979, #1979.1, #1957
Race #12	Thor, \$2Q, \$1E, \$1TRI, \$.10 SF, note # 3	CHRB #1958, #1959, #1979, #1979.1

1 \$2 PNP-6 offered in the last six races daily.

2 Late \$1 PK-4 offered in the last four races daily.

3 We will also offer \$1 Super High Five wagering on the last race of the card according to ARCI Pick(n), Position(x) pools rules. Fairplex reserves the right to withdraw this specific request if such wager is deemed uncomplimentary to the wagering menu.

NOTE: On days with less races, the type of wagers offered based on this schedule will be rolled forward or backwards accordingly.

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: *September 25, 2011*

C. List any options requested with regard to exotic wagering: *None*

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

Hollywood Park - 8:30 a.m.

E. Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract: *Sportech, Terence McWilliams, Expiration: 9/2012*

8. ADVANCED DEPOSIT WAGERING

A. Identify the ADW provider(s) to be used by the fair for this race meeting:

Fairplex in cooperation with Thoroughbred Owners of California and via Monarch Content Management, LLC, has signed agreements in place with the following National Advanced Deposit Wagering (ADW) companies: TVG, XpressBet.com and Twin Spires.com for internet and telephone wagering (live operator and IVR – Interactive Voice Response) on Fairplex content and via Southern California customers (during Fairplex’s season.)

9. SIMULCAST WAGERING PROGRAM

A. Simulcast organization engaged by the fair to conduct simulcast wagering:

Southern California OffTrack Wagering, Inc.

B. Attach the agreement between the fair and simulcast organization permitting the organization to use the fair's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools. *On file with the CHRB.*

C. California simulcast facilities the fair proposes to offer its live audiovisual signal: (Exhibit A)

D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal: (Exhibit B)

E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair: (Exhibit C)

F. List the host tracks from which the fair proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held and whether or not a full card will be accepted. If the full card will not be imported, state “selected feature and/or stakes races”:(Exhibit D)

NOTICE TO APPLICANT: B&P Code Section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being conducted in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or fair is conducting its racing meeting cannot exceed a combined daily total of 23 imported thoroughbred races statewide. The limitation of 23 imported thoroughbred races per day statewide does not apply to those races specified in B&P Code Section 19596.2(a)(1), (2), (3) and (4).

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
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G. List imported simulcast races the fair plans to receive during the racing meeting which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:

None

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

Satellites

Alameda County Fair, Pleasanton
Antelope Valley Fair, Lancaster
Barona Resort & Casino, Lakeside
Big Fresno Fair, Fresno
Cabazon Fantasy Springs Casino, Indio
California State Fair & Expo, Sacramento
Fairplex Park, Pomona
Fresno Club One, Fresno
Golden Gate Fields, Albany
Hollywood Park, Inglewood
Humboldt County Fair, Ferndale
Kern County Fair, Bakersfield
Los Alamitos Racecourse, Los Alamitos
Monterey County Fair, Monterey
National Orange Show, San Bernardino
San Bernardino County Fair, Victorville
San Joaquin County Fair, Stockton
Santa Clara County Fair, San Jose
Santa Anita Park, Arcadia
Shalimar Sports Center, Indio
Shasta District Fair, Anderson
Solano County Fair, Vallejo
Sonoma County Fair, Santa Rosa
Sports Pavilion The Farmers Fair, Lake Perris
Stanislaus County Fair, Turlock
Sycuan Resort & Casino, El Cajon
The Horsemen's Club, Santa Maria
The Jockey Club, San Mateo
Tulare County Fair, Tulare
Ventura County Fair, Ventura
Viejas Casino & Turf Club, Alpine

Mini-Satellites

Commerce Casino, Commerce
OC Tavern, San Clemente

AmWest Entertainment, KY
 Arapahoe Park, Colorado
 Arima Race Course, Trinidad
 Arlington International Race Course, Illinois
 Assiniboia Downs, Canada
 Atlantic City Casino Assn., New Jersey
 Atlantic City Race Course, New Jersey
 Atlantic Resort and Casino, Bahamas
 Atokad Park, South Dakota
 Balmoral Park, Illinois
 Bangor Raceway, Maine
 Barrie Raceway, Ontario
 Belmont Gaming, New Hampshire
 Bet Pad, LLC. Ohio
 Beulah Park, Ohio
 Birmingham Race Course, Alabama
 Blue Ribbon Downs, Oklahoma
 Bluff Runs Greyhound, Idaho
 Bordertown OTB, Oklahoma
 Buffalo Trotting Association, New York
 Calder Race Course, Florida
 Caliente, Mexico
 Canterbury Park, Minnesota
 Capital District OTB, New York
 Catskill Regional OTB, New York
 Caymanas Race Track, Jamaica
 Charles Town Races, West Virginia
 Chester Downs - Pennsylvania
 Churchill Downs, Kentucky
 Clinton Teletheatre, Canada
 Coeur d' Alene Casino, Idaho
 Colonial Downs, Virginia
 Columbus Races, Nebraska
 Connaught Park, Canada
 Connecticut OTB, Connecticut
 Corpus Cristi Greyhound, Texas
 Cypress Bayou, Louisiana
 Divi Carina Bay Casino, Louisiana
 Delaware Park, Delaware
 Delta Downs, Louisiana
 Dover Downs, Delaware
 Downs at Albuquerque, New Mexico
 Elite Turf Club, Curacao
 Ellis Park, Kentucky
 Elmira Raceway, Ontario
 Equus St. Thomas, St. Thomas
 Euro Offtrack, Isle of Man
 Evangeline Downs, Louisiana
 Evansville OTB, Indiana
 Fair Chance Racing Services, Trinidad
 Fairgrounds Racecourse, Louisiana
 Fair Meadows, Texas
 Fairmount Park, Illinois
 Finger Lakes Race Track, New York
 Flamboro Downs, Ontario
 Fønner Park, Nebraska
 Fort Erie Racetrack, Canada
 Foxwoods Casino, Connecticut
 Fraser Downs, British Columbia
 Freehold Raceway, New Jersey
 Gillespie County Downs, Texas
 Greentrack, Alabama
 Gulf Greyhound, Texas
 Gulfstream Park, Florida
 Hanover Raceway, Canada
 Harrington Raceway & Simulcast, Delaware
 Hastings Park, Canada
 Hawthorne Race Course, Illinois
 Hazel Park, Michigan
 Hiawatha Downs, Ontario
 Hipodromo Camarero, Puerto Rico
 Hipodromo Presidente Remon, Panama
 Ho-Chuck Casino, Connecticut
 Hoosier Park, Indiana
 Horsemen's Park, Nebraska
 Indiana Downs, Indiana
 John Martins Manor, Maine
 Kawartha Downs, Ontario
 Keeneland, Kentucky
 Kentucky Downs, Kentucky
 Kentucky OTB, Kentucky
 Las Vegas Dissemination Company, Nevada
 Lebanon Trotting Club, Ohio
 Lewiston Raceway, Maine
 Lien Games, North Dakota
 Lincoln Greyhound Park, Rhode Island
 Lone Star Race Park, Texas
 Louisiana Downs, Louisiana
 Magna Bet, Austria
 Manor Downs, Texas

Marquis Downs, Saskatchewan
 Maryland Jockey Club, Maryland
 Maywood Park, Illinois
 Meskwaki Casino, Oklahoma
 Millenium Racing, Trinidad
 Millers OTB, Maine
 Mohegan Sun, Pennsylvania
 Monmouth Park, New Jersey
 Montana OTB, Montana
 Monticello Raceway, NY
 Mountaineer Park, West Virginia
 Mt. Pleasant Meadows, Michigan
 Nassau Regional OTB, New York
 Nebraska State Fair Park, Nebraska
 Nevada Pari-Mutuel Association, Nevada
 NJSEA, New Jersey
 New Jersey Mobile, New Jersey
 New York Racing Association, New York
 Newport Jai-Alai, Rhode Island
 Northfield Park, Ohio
 Northlands Park, Canada
 Northville Downs, Michigan
 Northwest Racing Associates, Washington
 Oaklawn Park, Arkansas
 Ocean Downs, Maryland
 Oneida Bingo and Casino, Oklahoma
 Ontario Teletheatre, Ontario
 Paragon Casino, Louisiana
 Penn National Race Course, Pennsylvania
 Philadelphia Park, Pennsylvania
 Phumelela Gold, South Africa
 Pojoaque Casino, Oklahoma
 Potawatomi Casino, Wisconsin
 Picov Downs, Canada
 Pimlico Race Course, Maryland
 Pinnacle Race Course, Michigan
 Plainfield Greyhound Park, Connecticut
 Pocono Downs, Pennsylvania
 Portland Meadows, Oregon
 Prairie Meadows, Iowa
 Premier Turf Club, North Dakota
 Presque Isle Downs, Pennsylvania
 Queensbury Downs, Saskatchewan
 Raceway Park, Ohio
 Racing2Day, North Dakota
 Racing and Gaming Services, St Kitts
 Racing World UK, England
 Remington Park, Oklahoma
 Retama Park, Texas
 Rideau Carleton Raceway, Canada
 Riders Up OTB, Oklahoma
 River Downs, Ohio
 Roberts Television International, NV
 Rockingham Park, New Hampshire
 Rocky Mountain Turf Club, Canada
 Royal Beach Casino, St Kitts
 Royal River Racing, South Dakota
 Royal Britannia Hub, Canada
 Ruidoso Downs, New Mexico
 Running Aces Harness Park, West Virginia
 Saginaw Harness Raceway, MI
 Sam Houston Park, Texas
 Sandy Downs, Idaho
 Saratoga Raceway, New York
 Scarborough Downs, Maine
 Scioto Downs, Ohio
 Seabrook Greyhound Park, NH
 Shoreline Star Greyhounds, Connecticut
 Simulcast Services, Texas
 Skydancer Casino, Oklahoma
 Sol Mutuel, St. George's, Grenada
 Southland Greyhound Park, Arkansas
 Sports Center, Kentucky
 Stampede Park, Alberta
 Sudbury Downs, Canada
 Suffolk District OTB, New York
 Suffolk Downs, Massachusetts
 Sunland Park Racetrack, New Mexico
 Sun Ray Park, New Mexico
 Tampa Bay Downs, Florida
 Taunton Dog Track, New Hampshire
 TBC Teletheatre, British Columbia
 The Meadows, Pennsylvania
 The Racing Channel, Pennsylvania
 The Stables, Oklahoma
 Thistledown Racing Club, Ohio
 Thunder Ridge, Kentucky
 Tioga Downs, New York
 Tote Investment Services, Trinidad
 Tri-State Greyhound, West Virginia

Trois Rivieres, Canada
Truro Raceway, Canada
Turf de Venezuela, Venezuela
TVG, Los Angeles
TVG Yonkers, New York
Turf Paradise, Arizona
Turfway Park, Kentucky
Twin Spires, Kentucky
Valley Greyhound Park, Texas
Vernon Downs, New York
Western Fair, Ontario
Western Regional OTB, New York
Wheeling Downs, Canada
Will Rogers Downs, Oklahoma
Windsor Raceway, Ontario
Woodbine Entertainment Corp, Ontario
Wonderland Park, Massachusetts
Wyoming OTB, Wyoming
XpressBet, Pennsylvania
Yavapai Downs, Arizona
Yonkers Raceway, New York
YouBet Illinois, Illinois
Zia Park, New Mexico

AmWest Entertainment, KY
Arapahoe Park, Colorado
Arima Race Course, Trinidad
Arlington International Race Course, Illinois
Assiniboia Downs, Canada
Atlantic City Casino Assn., New Jersey
Atlantic City Race Course, New Jersey
Atlantic Resort and Casino, Bahamas
Atokad Park, South Dakota
Balmoral Park, Illinois
Bangor Raceway, Maine
Barrie Raceway, Ontario
Belmont Gaming, New Hampshire
Bet Pad, LLC. Ohio
Beulah Park, Ohio
Birmingham Race Course, Alabama
Blue Ribbon Downs, Oklahoma
Bluff Runs Greyhound, Idaho
Bordertown OTB, Oklahoma
Buffalo Trotting Association, New York
Calder Race Course, Florida
Canterbury Park, Minnesota
Capital District OTB, New York
Catskill Regional OTB, New York
Charles Town Races, West Virginia
Chester Downs - Pennsylvania
Churchill Downs, Kentucky
Clinton Teletheatre, Canada
Coeur d' Alene Casino, Idaho
Colonial Downs, Virginia
Columbus Races, Nebraska
Connaught Park, Canada
Connecticut OTB, Connecticut
Corpus Cristi Greyhound, Texas
Cypress Bayou, Louisiana
Divi Carina Bay Casino, Louisiana
Delaware Park, Delaware
Delta Downs, Louisiana
Dover Downs, Delaware
Downs at Albuquerque, New Mexico
Elite Turf Club, Curacao
Ellis Park, Kentucky
Elmira Raceway, Ontario
Equus St. Thomas, St. Thomas
Euro Offtrack, Isle of Man
Evangeline Downs, Louisiana
Evansville OTB, Indiana
Fair Chance Racing Services, Trinidad
Fairgrounds Racecourse, Louisiana
Fair Meadows, Texas
Fairmount Park, Illinois
Finger Lakes Race Track, New York
Flamboro Downs, Ontario
Fonner Park, Nebraska
Fort Erie Racetrack, Canada
Foxwoods Casino (LVDC), Connecticut
Fraser Downs, British Columbia
Freehold Raceway, New Jersey
Gillespie County Downs, Texas
Greentrack, Alabama
Gulf Greyhound, Texas
Gulfstream Park, Florida
Hanover Raceway, Canada
Harrington Raceway & Simulcast, Delaware
Hastings Park, Canada
Hawthorne Race Course, Illinois
Hazel Park, Michigan
Hiawatha Downs, Ontario
Hipodromo Camarero, Puerto Rico
Ho-Chuck Casino, Connecticut
Hoosier Park, Indiana
Horsemen's Park, Nebraska
Indiana Downs, Indiana
John Martins Manor, Maine
Kawartha Downs, Ontario
Keeneland, Kentucky
Kentucky Downs, Kentucky
Kentucky OTB, Kentucky
Las Vegas Dissemination Company, Nevada
Lebanon Trotting Club, Ohio
Lewiston Raceway, Maine
Lien Games, North Dakota
Lincoln Greyhound Park, Rhode Island
Lone Star Race Park, Texas
Louisiana Downs, Louisiana
Magna Bet, Austria
Manor Downs, Texas
Marquis Downs, Saskatchewan
Maryland Jockey Club, Maryland
Maywood Park, Illinois

Meskwaki Casino (LVDC), Oklahoma
 Millenium Racing, Trinidad
 Millers OTB, Maine
 Mohegan Sun, Pennsylvania
 Monmouth Park, New Jersey
 Montana OTB, Montana
 Monticello Raceway, NY
 Mountaineer Park, West Virginia
 Mt. Pleasant Meadows, Michigan
 Nassau Regional OTB, New York
 Nebraska State Fair Park, Nebraska
 Nevada Pari-Mutuel Association, Nevada
 NJSEA, New Jersey
 New Jersey Mobile, New Jersey
 New York Racing Association, New York
 Newport Jai-Alai, Rhode Island
 Northfield Park, Ohio
 Northlands Park, Canada
 Northville Downs, Michigan
 Northwest Racing Associates, Washington
 Oaklawn Park, Arkansas
 Ocean Downs, Maryland
 Oneida Bingo and Casino, Oklahoma
 Ontario Teletheatre, Ontario
 Paragon Casino, Louisiana
 Penn National Race Course, Pennsylvania
 Philadelphia Park, Pennsylvania
 Phumelela Gold, South Africa
 Pojoaque Casino, Oklahoma
 Potawatomi Casino, Wisconsin
 Picov Downs, Canada
 Pimlico Race Course, Maryland
 Pinnacle Race Course, Michigan
 Plainfield Greyhound Park, Connecticut
 Pocono Downs, Pennsylvania
 Portland Meadows, Oregon
 Prairie Meadows, Iowa
 Premier Turf Club, North Dakota
 Presque Isle Downs, Pennsylvania
 Queensbury Downs, Saskatchewan
 Raceway Park, Ohio
 Racing2Day, North Dakota
 Racing and Gaming Services, St Kitts
 Racing World UK, England
 Remington Park, Oklahoma
 Retama Park, Texas
 Rideau Carleton Raceway, Canada
 Riders Up OTB, Oklahoma
 River Downs, Ohio
 Roberts Television International, NV
 Rockingham Park, New Hampshire
 Rocky Mountain Turf Club, Canada
 Royal Beach Casino, St Kitts
 Royal River Racing, South Dakota
 Royal Britannia Hub, Canada
 Ruidoso Downs, New Mexico
 Running Aces Harness Park, West Virginia
 Saginaw Harness Raceway, MI
 Sam Houston Park, Texas
 Sandy Downs, Idaho
 Saratoga Raceway, New York
 Scarborough Downs, Maine
 Scioto Downs, Ohio
 Seabrook Greyhound Park, NH
 Shoreline Star Greyhounds, Connecticut
 Simulcast Services, Texas
 Skydancer Casino, Oklahoma
 Sol Mutuel, St. George's, Grenada
 Southland Greyhound Park, Arkansas
 Sports Center, Kentucky
 Stampede Park, Alberta
 Sudbury Downs, Canada
 Suffolk District OTB, New York
 Suffolk Downs, Massachusetts
 Sunland Park Racetrack, New Mexico
 Sun Ray Park, New Mexico
 Tampa Bay Downs, Florida
 Taunton Dog Track, New Hampshire
 TBC Teletheatre, British Columbia
 The Meadows, Pennsylvania
 The Racing Channel, Pennsylvania
 The Stables, Oklahoma
 Thistledown Racing Club, Ohio
 Thunder Ridge, Kentucky
 Tioga Downs, New York
 Tote Investment Services, Trinidad
 Tri-State Greyhound, West Virginia
 Trois Rivieres, Canada
 Truro Raceway, Canada
 Turf de Venezuela, Venezuela

Exhibit C

TVG, Los Angeles
TVG Yonkers, New York
Turf Paradise, Arizona
Turfway Park, Kentucky
Twin Spires, Kentucky
Valley Greyhound Park, Texas
Vernon Downs, New York
Western Fair, Ontario
Western Regional OTB, New York
Wheeling Downs, Canada
Will Rogers Downs, Oklahoma
Windsor Raceway, Ontario
Woodbine Entertainment Corp, Ontario
Wonderland Park, Massachusetts
Wyoming OTB, Wyoming
XpressBet, Pennsylvania
Yavapai Downs, Arizona
Yonkers Raceway, New York
YouBet Illinois, Illinois
Zia Park, New Mexico

Date	Track	Race	Grade	Purse	Distance
9/10/2011	Arlington	Arlington - Washington Lassie		\$100,000	1 Mile
9/10/2011	Arlington	Arlington - Washington Futurity		\$100,000	1 Mile
9/10/2011	Belmont	The Bowling Green BC	II	\$150,000	1 3/8 Miles (turf)
9/10/2011	Louisiana Downs	Unbridled Hcp		\$100,000	1 1/16 Mile (turf)
9/10/2011	Louisiana Downs	Temperance Hills		\$50,000	6 Furlongs
9/10/2011	Louisiana Downs	River Cities		\$100,000	1 1/16 Mile (turf)
9/10/2011	Louisiana Downs	The Happy Ticket		\$105,000	1 1/16 Mile (turf)
9/10/2011	Louisiana Downs	Sunday Silence		\$150,000	1 1/16 Mile (turf)
9/10/2011	Louisiana Downs	Super Derby	II	\$500,000	1 1/8 Miles
9/11/2011	Belmont	Ashley T. Cole		\$100,000	1 1/8 Miles (turf)
9/11/2011	Emerald Downs	Muckleshoot Tribal Classic		\$50,000	1 1/16 mile
9/17/2011	Belmont	The Garden City BC	I	\$100,000	1 1/8 Miles (turf)
9/17/2011	Calder	Judys Red Shoes		\$75,000	1 1/16 Mile (turf)
9/17/2011	Calder	Needles Stakes		\$75,000	1 1/16 Mile (turf)
9/17/2011	Calder	Brave Raj		\$100,000	1 Mile 70 yds
9/17/2011	Calder	Foolish.Pleasure Stakes		\$100,000	1 Mile 70 yds
9/18/2011	Woodbine	Woodbine Mile	I	\$1,000,000	1 Mile
9/18/2011	Woodbine	Northern Dancer BC Turf	I	\$750,000	1 1/2 Mile (turf)
9/24/2011	Belmont	The Gallant Bloom	II	\$150,000	6 1/2 Furlongs
9/24/2011	Louisiana Downs	Lady Razorback Futurity		\$50,000	6 Furlongs
9/24/2011	Louisiana Downs	Razorback Futurity		\$50,000	6 Furlongs
9/24/2011	Louisiana Downs	LA Stallion Stakes		\$100,000	7 Furlongs
9/24/2011	Louisiana Downs	LA Stallion Stakes		\$100,000	7 Furlongs
9/24/2011	Louisiana Downs	Elge Rasberry Sales		\$150,000	1 Mile (turf)
9/25/2011	Louisiana Downs	A.L. Erwin Sales		\$150,000	1 Mile (turf)
9/25/2011	Hastings	British Columbia Derby	III	\$200,000	1 1/8 Miles

Full & Partial Cards

Arlington Park: September 8, 2011 – September 26, 2011
 Belmont Park: September 10, 2011 – September 26, 2011
 Calder Race Course: September 8, 2011 – September 26, 2011
 Delaware Park: September 8, 2011 – September 26, 2011
 Emerald Downs: September 8, 2011 – September 26, 2011
 Monmouth Park: September 8, 2011 – September 26, 2011
 Thistledown: September 8, 2011 – September 26, 2011
 Turfway Park: September 8, 2011 – September 26, 2011

Woodbine: September 8, 2011 – September 26, 2011
 Hastings Park: September 8, 2011 – September 26, 2011
 Assiniboia Downs September 25, 2011
 South America: September 8, 2011 – September 26, 2011

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

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

10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing Officials nominated:

<i>Association Veterinarian(s)</i>	<i>Jill Bailey</i>
<i>Clerk of Scales</i>	<i>Ruben Hernandez</i>
<i>Clerk of the Course</i>	<i>Lisa Jones</i>
<i>Film Specialist</i>	<i>Cheryl White</i>
<i>Horse Identifier</i>	<i>Darrel Sparks</i>
<i>Horseshoe Inspector</i>	<i>Victor Tovar</i>
<i>Paddock Judge</i>	<i>Ken Goldberg</i>
<i>Patrol Judges</i>	<i>Myra Troske</i>
	<i>Cheryl White</i>
	<i>Heather Correa</i>
<i>Placing Judges</i>	<i>Kevin Colosi</i>
	<i>Matt Nichols</i>
<i>Starter</i>	<i>Jay Slender</i>
<i>Steward's Aide</i>	<i>Leslie Miller</i>
<i>Timer</i>	<i>Jim Porep</i>
<i>Quick Official</i>	<i>Robert Vella</i>

B. Management officials in the racing department:

<i>Racing Secretary</i>	<i>Tom Knust</i>
<i>Assistant Racing Secretary</i>	<i>Zachary Soto</i>
<i>Paymaster of Purses</i>	<i>Bridget Crawford</i>
<i>Others (identify by name and title)</i>	
<i>Equine Manager</i>	<i>Kim Lloyd</i>
<i>Racing Consultant</i>	<i>Cliff Goodrich</i>
<i>Racing Consultant</i>	<i>Tom Robbins</i>
<i>Racing Supervisor</i>	<i>Terry Gilligan</i>
<i>Jockey Room Custodian</i>	<i>Charles McCaul</i>
<i>Mutuel Manager</i>	<i>Bill Navarro</i>
<i>Safety Manager</i>	<i>Barry Gillies</i>
<i>Announcer</i>	<i>Trevor Denman</i>
<i>Track Superintendent</i>	<i>Steve Wood</i>
<i>Director of Labor Relations</i>	<i>Ken Walker</i>

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

*Barbara Weinstein, P.O. Box 5866, Huntington Beach, CA 92615,
714-964-7102*

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

William D. O'Brien, Plusmic Corp USA Expiration Date of Contract: 12/31/11

- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks. *Jim Porep, Pegasus Communication Expiration of Contract: 4/30/2013*

One pan camera located in the Grandstand crowd's nest near the Finish Line. Tower cameras are located at the 1/8 Pole, 9/16 Pole and 1/4 Pole. In addition, we have a fixed camera on the Starting Gate and 3 additional handheld cameras at the Paddock, Winner's Circle and the Starting Gate.

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

*Pegasus Datalink Track System
Provided by Pegasus Communication
Jim Porep
Expiration Date of Contract: 4/30/13
(951)-789-9333*

*Timing cells – (16) 42 MRR – 5,000 receiving cells
(16) 42 MRR – 5,000 light source cells
Owned and operated by Fairplex*

11. SECURITY CONTROLS

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

- *Dwight Richards, Vice-President Operations 909-865-4202*
- *Barry Gillies, Safety Services Manager 909-865-4186*
- *Lt. Anthony Casella, CHRB Security Supervisor 909-865-4654*
- *Dean Gardner, Sergeant 909-865-4654*

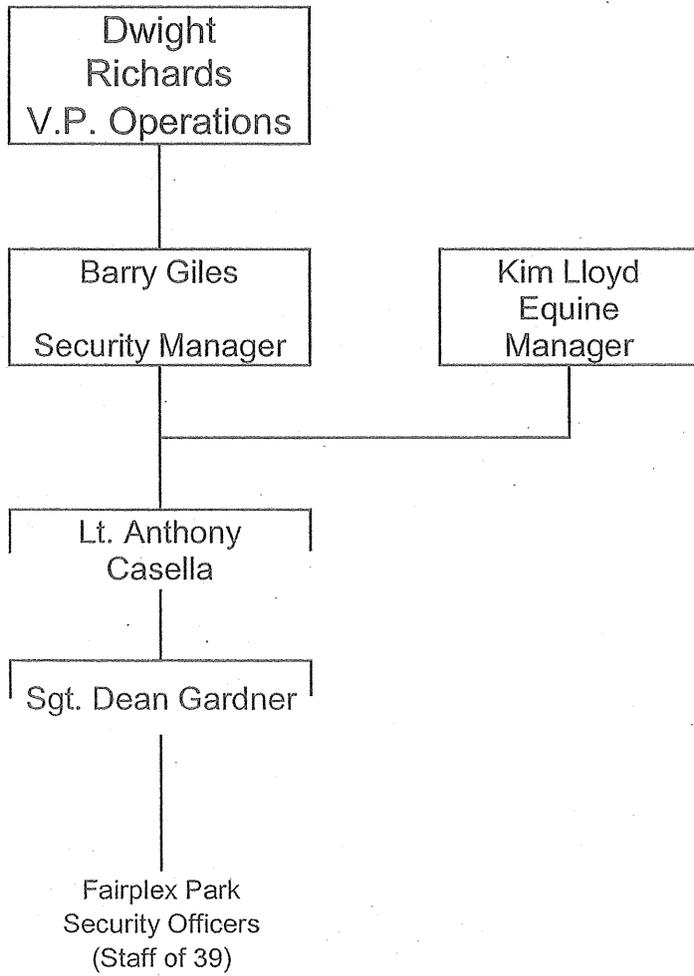
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: *37 Security Guards*

1. Attach a written plan for enhanced security for graded stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns. *Attached Security Plan*
2. Detention Barns:
 - A. Attach a plan for use of graded stakes or overnight races. *Attached Security Plan*
 - B. Number of security guards in the detention barn area during a 24-hour period.
See Attached Security Plan
 - C. Describe number and location of surveillance cameras in detention barn area.

FAIRPLEX PARK

Security

June 1, 2011



See Attached Security Plan

3. TCO2 Testing:
- A. Number of races to be tested and number of horses entered in each race to be tested.
At the direction of Equine Medical Director
- B. Plan for enhanced surveillance for trainers with high-test results.
Trainers with high test results and who enter their horses in a race will have those horses placed in the detention barn in accordance with attached Security Plan.
- C. Plan for detention barns for repeat offenders.
All horses entered in races by repeat offenders will be placed in the detention barn in accordance with attached Security Plan.
- D. Number of security personnel assigned to the TCO2 program.
Up to three. See attached Security Plan.
- C. Describe the electronic security system:
Money room in the Grandstand Mezzanine has magnetic connections at each opening. There are also interior motion detectors. These systems are monitored by a central alarm station located at Gate 1, which is manned by Security 24 hours a day.
1. Location and number of video surveillance cameras for the detention barn and stable gate.
See attached Security Plan.

12. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:

*Workouts:**Cole-Schaefer Ambulance Service, 324 N. Towne Avenue, Pomona, CA 91767**Emergency Telephone No.: 800-966-4727 / 909-622-1273**Regional Manager – Albert Cisneros, cell: 909-238-8413**Running of the races:**Cole-Schaefer Ambulance Service, 324 N. Towne Avenue, Pomona, CA 91767**Emergency Telephone No.: 800-966-4727 / 909-622-1273**Regional Manager – Albert Cisneros, cell: 909-238-8413*

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

*Santa Anita, Hollywood Park and Los Alamitos**Huntington Ambulance, P. O. Box 145, Sunset Beach, California 90742, 562-904-1550**San Luis Rey Downs, North County Fire Protection District, Bonsall, CA, 760-723-2005*

- C. Describe the on-track first aid facility, including equipment and medical staffing:
See attached Security Plan-Emergency Care and Medical Facilities
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
See attached Security Plan-Emergency Care and Medical Facilities
- E. Name, address and emergency telephone number of the hospital to be used for admittance and

This memorandum provides additional detail regarding enhanced security for all stakes worth 100,000 or more at the 2011 race meet.

Components of the 2011 plan include the following:

1. Assignment of event security personnel to each graded stakes entry beginning no less than six (6) hours prior to post-time for the race.
2. Training of the event security personnel by the Fairplex racing office, Fairplex security supervisors and CHRB investigators;
3. Provision and monitoring of log/surveillance sheets requiring all individuals entering the stall of an entrant to provide license information and purpose of entry;
4. Hand-held digital video cameras for all event surveillance personnel to record activity by persons entering stall;
5. Total carbon dioxide (TCO₂) level testing of entries in all races consistent with the testing at preceding race meets;
6. Compliance with TCO₂ detention barn procedures, protocols and disciplinary procedures as set forth in agreements with the TOC and CTT. A copy of current protocols and procedures.

Security Controls

Paragraph B (1) Surveillance of horses in races with a purse of \$100,000 or more:

Fairplex will provide payroll and administrative services for Everlast Protection Services, coordinator for this project. "In today" horses in the Barretts Juvenile and Debutante will be subject to surveillance. The CHRB will provide hand-held cameras and Santa Anna Security Services will be responsible for hiring non-union security to remain outside the stall of each horse in these races 6 hours prior to the running of the race. The security person assigned to a horse will escort the horse from the stall to the receiving barn. Anytime an authorized person enters the stall within the 6 hour period, the security person must operate the camera and memorialize the interaction of the authorized person and the horse.

Paragraph B (2) Detention Barn

A) Barretts Barn 7 is our detention barn. Cameras are installed and will be operational every racing day. Video tapes will also be available for review by the stewards at their request. Upon written instruction from the CHRB, trainers may be required to place their "in today" horse in the detention barn 24 hours prior to the race.

With regard to TCO2 detention barn procedures, protocols and disciplinary procedures as set forth in agreements with TOC and CTT, these items are detailed in the TOC agreement.

B) Three Guards cover the Detention Barn, one per eight hour period.

C) Camera Locations

Camera surveillance locations cover:

- West Gate: Fixed Camera. Web broadcast. View of vehicle entering into restricted CHRB area.
 - East Gate: Fixed Camera. Web broadcast. View of vehicles exiting out of CHRB area.
 - Triangle Parking: General coverage of parking lot.
 - Daily Double: Two Fixed Cameras. Web broadcast. View of entrances and mutuel windows.
 - Barretts Barn 7: Camera coverage of all 6 stalls and outside East/West stalls sides
- These cameras monitor for activities in these locations and are recorded for a specific number of days. Monitoring of surveillance cameras are done at Backside Security office, the West Gate, and Security Headquarters.

Holding Barn

Barretts Barn 7 is our holding barn. All horses shipping in, except those accommodated by trainers assigned stalls, will be housed in the holding barn while on the grounds at Fairplex Park.

Shockwave Therapy Barn

A stall in Barretts Barn 7 will be assigned for this procedure. All horses receiving this treatment must register and use this stall.

treatment of emergency injuries in the event of an on-track injury to a jockey:

See attached Security Plan-Emergency Care and Medical Facilities

- G. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey: *See attached Security Plan-Emergency Care and Medical Facilities*
- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B& P Code 19481.3(d):
See attached Security Plan-Emergency Care and Medical Facilities
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Pending
- I. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the fair for payment of workers' compensation.
Attached

13. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

Cornucopia, LLC at Fairplex, Jeff Tucci, P. O. Box 2250, Pomona, CA 91769

Today's Racing Digest, Kay Neves, 1414 E. Foothill Blvd., Glendora, California 91741

Bob's Cards, Inc., Tiffany Bohland, 6288 Highland Meadows, Medina, Ohio 44256

14. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A detailed Marketing Plan will be sent under separate cover.

A. Describe any promotional plans:

- *Food Truck Festival*
- *Handicapping Tournament & Contest*
- *Bingo Bash*
- *Weiner Dog Races/Family Day*
- *Day At The Races and Group Sales/Picnics in Infield*
- *Season Pass Program*
- *Giveaway Days*
- *Barretts Weekend of Stars*
- *California Classic Day*

B. Number of hosts and hostesses employed for meeting:

We employ approximately 25 customer service representatives on weekdays (Wednesday, Thursday), and 35 on weekends (Friday, Saturday, Sunday).

C. Describe facilities set aside for new fans:

- *At Fairplex Park, we are geared for new fans by nature of the L.A. County Fair and the 1.4 million people it attracts.*
- *In addition to the many and diverse food and beverage eateries on the Fairgrounds, Fairplex Park offers uniqueness and variety for F&B options at the racetrack. We have designed places to have fun with a group of friends, business associates and places to meet new folks.*

Los Angeles County Fair Emergency Care and Medical Facilities

The Los Angeles County Fair provides emergency care which allows for comprehensive medical care for jockeys, track staff and allied personnel. Emergency care focuses on immediate stabilizing, comfort and evacuation of injured racetrack personnel to appropriate hospital care facilities.

Staffing

Two Emergency Medical Technicians from Cole Schaefer Ambulance Service staff are located in an on-track ambulance that follows the horses during each race. This ambulance and crew are present whenever horses are on the track and are responsible for initiating basic life support measures, including immediate medical stabilization, care and evacuation to medical care facilities.

During training hours Cole Schaefer Ambulance Service executes the same procedure as above as well as are the primary service covering the Fairgrounds outside of training hours.

Cole Schaefer is in charge of the First Aid building located on the southeast side of the grandstand clubhouse. There are two ambulances and a golf cart with gurney for transport capabilities. Cole Schaefer follows the protocols of Los Angeles County fire rescue.

A licensed Physician is on duty and is responsible for care on an ongoing basis of jockeys, track staff and allied personnel requiring non-emergency medical care. The staffing of the physician is on a rotating basis with doctors supplied through the staff at Western University in Pomona, California (909-469-5683) and contracted through Cole Schaefer. A list of these physicians is pending and will be made available prior to the Fair.

Equipment

- 9 Beds
- Oxygen at each station
- AED
- Otoscope
- Ophthalmoscope
- 12 Lead Monitors

12-D, 12-E

Physical Resources

The Los Angeles County Fair provides the services of a state of the art Kimzey Horse Ambulance as well as a senior experienced driver who is responsible for the evacuation and disposition of injured horses.

Redundant communications services are provided to ensure constant contact between all emergency care personnel. Two way radio networks are established within the racing operations as well as fair emergency operations. All key emergency care personnel also carry cell phones and each is provided a laminated card containing all contact numbers.

12 D. The staffing of the physician is on a rotating basis with doctors supplied through the staff at Western University in Pomona, California (909-469-5683) and contracted through Cole Schaefer. A list of these physicians is pending and will be made available prior to the Fair. The First Aid office is 909-865-4370.

12 E. Pomona Valley Medical Center
1798 N. Garey Ave.
Pomona, CA 91767
909-865-9611

Los Angeles County Fair Racing Accident Procedures

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

Track Ambulance

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

Security

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

Racing Staff/Track Veterinarian

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

Plant Staff

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

Announcer

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

Senior Management

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

All Department Heads

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

Procedimiento en caso de Accidente en Los Angeles County Fair

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

El personal de la Ambulancia

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

Seguridad

1. Tan pronto como sea posible, un miembro de seguridad del hipodromo deberá reportarse al lugar del accidente y desde ahí recibir las instrucciones del Paramédico responsable del lugar del accidente. El miembro de seguridad será responsable de mantener a los transeúntes fuera del lugar del accidente..
2. Un miembro del departamento de seguridad del hipodromo se acercará al cuartel del jockey para asegurar el área donde la ambulancia estará y prevenir que transeúntes y personas ajenas se acerquen.
3. Un miembro de seguridad del hipodromo será responsable de escoltar a los vehículos de emergencia..
4. Los miembros de seguridad serán responsables de controlar a la multitud.

Personal de Carreras/Veterinario del hipodromo

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

Personal de Planta/Plant Staff

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

Locutor

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

Gerencia

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

Todo los Jefes de Departamento

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

12 G. Health and Safety Manager: Barry Gillies 213-276-3150 (cell)
 Assistant Manager: Simon Concepcion 909-263-4559 (cell)
 Alternat Manager: Mike Seder 909-286-3120 (cell)

Here's a run-down of where to go for the type of fun you're looking for:

- *Finish Line Sports Bar and Grill: Enjoy exciting wagering, all major sporting events plus great food and more than 70 big screen TV's. Finish Line Sports Bar and Grill features comfortable seating indoors and outdoors, open every day. Located at Gate 12.*
- *The Terrace at Fairplex Park: This is a popular group dining area with a close-up view of the racing action right on the clubhouse turn. Savor a delicious carving-station buffet lunch at your reserved, comfortable table. Restrooms, a full-service bar and wagering amenities are easily accessible and service with a smile comes at no extra charge.*
- *Stute's Sports Bar: September is Sports Month at Fairplex Park. Watch all the games from the road to the baseball playoffs, college and professional football (NFL Ticket), golf, and the best sport of them all, Horse Racing. Over 10 plasma televisions and one giant projection screen is a sure bet to cheer your team or your horse on to victory. Located at the west end of the grandstand mezzanine, Stute's offers both hot snacks and cold drinks for whatever your mood.*
- *Box Seats at Fairplex Park: Located right in front of the racing action, this is the perfect place to kick back and enjoy the races with your friends. Pari-mutuel and food and beverage service brought right to your seat.*
- *Longboard Bar: Newly renovated and where the action is! This is the hot spot for owners and trainers to hang out before and after the races. Located adjacent to the saddling paddock, saddle up to the bar or sit down and enjoy a burger or a dog from the grill. Just maybe you'll hear the name of the next race winner!*
- *Top of the Park Terrace: The Terrace features canopied outdoor seating, Top of the Park menu-dining, friendly service, your own tabletop monitors and a majestic, panoramic view of Fairplex Park and the beautiful San Gabriel Mountains. Located high above the clubhouse turn, you'll see every step of the race from this spectacular vantage point!*
- *Top of the Park Restaurant: Make reservations early! This is the most popular dining at the track. You'll have your own table with plenty of large TV monitors for easy viewing. The bar is always a happening place, so play the ponies and celebrate with your friends until the last race.*
- *Sky Boxes: From the highest perch on the racetrack, fans will be able to socialize in an intimate environment with everything at their fingertips. Wagering access, plasma televisions, a live panorama view of the races, and food and beverage service all in your private box. Seating for groups of up to 20 people.*
- *Clubhouse Level III will be our designated tournament floor. For the 13th year, Fairplex will participate in the DRF/NTRA Handicapper of the Year tournament. Six slots in the finals at the Treasure Island in Vegas will be up for grabs in 2012.*

D. Describe any improvements to the physical facility in advance of the meeting that directly benefits:

1. *Horsemen: Ongoing repairs (restricted area)*
2. *Fans*
Ongoing replacement of television monitors with flat panel televisions and seating areas.
3. *Improvements to Paddock area, expansion of the highly successful Longboard Bar including an area for Beginner Bettors*

15. SCHEDULE OF CHARGES

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

General Admission Adults	\$12 weekdays/\$17 weekends
General Admission Child 6-12	\$ 7 weekdays/\$12 weekends
General Admission Seniors 60+	\$ 6 Senior Days/\$ 9 weekdays/\$14 weekends
Adult purchased through Group Sales	\$ 10 (20 or more)
Child purchased through Group Sales	\$ 6
RaceFan ClubCard	\$ 7
Box Seats	\$ 5 Daily, Season \$39
General Parking	\$10
Preferred Parking	\$15
Valet Parking	\$20
Programs On-Track	2.25
Programs Off-Track	2.25

B. Describe any "Season Boxes" or other special accommodation fees: *Described above*

C. Describe any "package" plans such as combined parking, admission and program:
Season Admission Pass – Daily pass with free parking upgrades - \$24.95

16. JOCKEYS' QUARTERS

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

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

B. Describe the quarters to be used for female jockeys:
12' x 11' lounge with air conditioning and closed circuit TV. 11' x 13' restroom with shower, sauna and 4 cubicles. Located between Paddock and Food and Beverage Area

17. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing has been requested and will be completed prior to the beginning of the race meeting.
- B. Number of rooms used for housing on the backstretch of the racetrack: **0**
- C. Number of restrooms available on the backstretch of the racetrack: **26**
- D. Estimated ratio of restrooms to the number of backstretch personnel: **26/1000**

18. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish 3,294.46 feet.
- B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
Rail designed per specifications of the California Horse Racing Board.
Metal gooseneck supports with sheet metal cover.
Aluminum face of rail - 25" overhang.
Approximate height of the top of inner railing from the level of the race course - 40".
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: *Steve Wood*
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. *On file*
- E. If the fair is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. *N/A*

19. DECLARATIONS

- A. All labor agreements, concession and service contracts, and other agreements necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state):
No exceptions
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
On file
- C. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): *No exceptions*
- D. Absent natural disasters or causes beyond the control of the fair, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the fair except as follows (if no exceptions, so state): *No exceptions*

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

20. CERTIFICATION BY APPLICANT

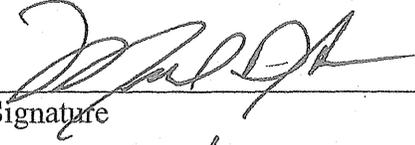
I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the fair to attest to this application on its behalf.

MICHAEL D. SEDER

Print Name

CFO

Print Title



Signature

6/8/2011

Date

STAFF ANALYSIS
DISCUSSION AND ACTION
BY THE BOARD ON THE
APPLICATION FOR LICENSE
TO OPERATE A MINISATELLITE WAGERING FACILITY
BY THE ORG RESTAURANTS, LLC, SANTA MARIA,
FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS

Regular Board Meeting
July 21, 2011

This item has been deferred and will be heard at a future meeting of the Board.

STAFF ANALYSIS
DISCUSSION AND ACTION
BY THE BOARD REGARDING
AN UPDATE ON THE
PROGRESS OF THE
DIRT AND TURF RACE COURSES
AT SANTA ANITA PARK RACE TRACK

Regular Board Meeting
July 21, 2011

BACKGROUND

A representative from Santa Anita is prepared to present on update regarding the progress of the dirt and turf race courses at Santa Anita Park Race Track.

RECOMMENDATION

Staff recommends the Board hear from the Santa Anita representative.

STAFF ANALYSIS
DISCUSSION AND ACTION
BY THE BOARD REGARDING
AN UPDATE FROM THE
CALIFORNIA MARKETING COMMITTEE (CMC)
AND ITS WORK WITH THE BAILEY GARDNER AGENCY
ON THE BRANDING AND MARKETING
OF CALIFORNIA HORSE RACING

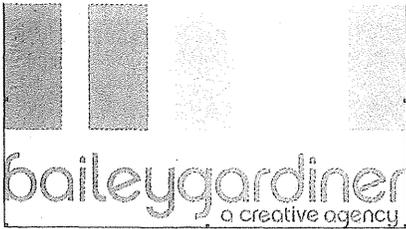
Regular Board Meeting
July 21, 2011

BACKGROUND

The California Marketing Committee (CMC) is prepared to present on update regarding its work with the Bailey Gardner agency on the branding and marketing of California Horse Racing.

RECOMMENDATION

Staff recommends the Board hear from the CMC representative.



Introduction

The California Marketing Committee (CMC) voted in December 2010 to contract Bailey Gardiner Inc. to plan and manage a strategic marketing campaign to support thoroughbred racing in the State of California. Bailey Gardiner (BG) is tasked with developing a comprehensive marketing platform for California Racing, based on research findings derived from a primary research study undertaken on behalf of the CMC. Following is a synopsis of progress made on this program, and a status report on implementation of the marketing campaign and elements as planned.

Completed Tasks

1. Conducted primary and secondary research focused on the consumer and horsemen audience segments both in the state of CA and out-of-state.
2. Conducted a brand workshop to garner insight and feedback from the California Marketing Committee to help develop strategies for re-branding California Thoroughbred Racing.
3. Developed strategy documents to help formulate brand visual language and communication messaging
 - a. Brand Identity Model
 - i. Brand Essence
 - ii. Core & Extended Identity
 - iii. Value Proposition
 - iv. Customer Relationship
 - b. Brand Positioning Statement
 - c. Creative Brief
4. Created campaign platforms
 - a. Fun, Gaming, Live, California
5. Developed and presented Logo's & Taglines
6. Developed and presented campaign concepts

Timeline

1. Research: December 2010–April 2011
 - a. Methodology development, survey design, programming, data collection, tabulation and reporting, analysis
2. Brand Workshop: April 25, 2011 (12–4pm)
 - a. Personas, SWOT analysis, perceptual mapping, brand associations, brand identity planning model, press release visioning exercise
3. Development of brand strategy documents: 4/24–5/5/11
 - a. Brand identity model & positioning statement
 - b. Creative brief
4. Identity and campaign concepting 5/6 – 6/13/11

- Horse racing is both a gambling and sporting event
- Half would like to see additional entertainment components included
- They are moderately knowledgeable about the sport and betting practices and wager moderate to large amounts.

Infrequent Fringe:

- Members are oriented towards younger females
- Horse racing is a gambling, sporting, and social event.
- Their preference is to see more entertainment components
- They lack knowledge about the sport and betting practices and wager only moderate amounts.

Horse Lovers:

- Horse Lovers are dominated by young females who see horse racing as a gambling event
- They were significantly more likely to see it as a social event and attend to spend time with friends/family
- More than half would like other entertainment components added
- They lack knowledge about the sport and betting practices and wager low to moderate amounts.

Horsemen:

A total of 191 surveys were completed (of the 1,400 sent) through mailed & online surveys conducted in March 2011:

- CA Owners: 41
- CA Trainers: 42
- Non-CA Owners: 54
- Non-CA Trainers: 54

Although all parties had hoped for a higher response rate on surveys conducted within the horsemen community, our outside research consultants assure us these results maintain statistical accuracy and can be used as a platform for sound marketing strategies.

Horsemen research was focused on understanding motives for owners and trainers to race in CA. Detailed objectives of the study were related to preference of track surfaces, purse level distribution and advantages/disadvantages of racing in CA.

Overall cost issues to race in the state were the biggest deterrent along with small purse levels. The hypothesis that switching to synthetic surfaces impacted the decline of owners and trainers running in CA was not supported by the findings of the study.

Media Strategy

- Develop high reach using niche placements online and offline
- Utilize media that offers a platform for interactivity
- Target consumers in high-traffic areas when at work, school and play
- Flight advertising heavier when market tracks are racing
- Utilize a microsite as a campaign landing portal

Media Vehicles

- Online: 15 second pre-roll video custom network
- Online: Rich media in-banner video custom network
- Wild Posting Out Of Home campaign in the SD, LA, SF markets

Public Relations Vehicles

- Lifestyle events at each track
- What CA is doing to rejuvenate the sport
- Invite lifestyle media to attend live racing
- Major milestones or events in racing
- CA's leadership position in the industry
- Work with CA and regional tourism bureaus
- Develop statewide charitable program
- Fashion photo shoots
- HBO's 'Luck'

Social Media

- Digitally personify the brand
- Engage fans and build positive and fun dialogue re: horse racing
- Drive awareness to key events
- Highlight positive aspects of horse racing and increase positive perception
- Elements
 - Facebook
 - Twitter
 - Microsite
 - YouTube

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING
THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF
LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION
IN THE AMOUNT OF \$42,574 TO FOUR BENEFICIARIES

Regular Board Meeting
July 21, 2011

BACKGROUND

Business and Professions Code section 19550 states the Board shall require each licensed racing association that conducts 14 or less weeks of racing to designate three racing days, and each licensed racing association that conducts more than 14 weeks of racing to designate five racing days during any one meeting, to be conducted as charity days by the licensee for the purpose of distribution of the net proceeds therefrom to beneficiaries through the distribution agent. No racing association shall be required to pay to a distributing agent for the purpose of distribution to beneficiaries more than an amount equal to two-tenths of one percent of the association's total on-track handle on live races conducted by the association at the meeting. Business and Professions Code Section 19556 (b) provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 20 percent of the distribution shall be made to charities associated with the horse racing industry. An additional five percent shall be paid to a welfare fund, and another five percent shall be paid to a non-profit corporation, the primary purpose of which is to assist horsemen and backstretch personnel who are being affected adversely as a result of alcohol or substance abuse. In addition to the above distributions, a separate 20 percent shall be made to a nonprofit corporation or trust, the directors or trustees of which shall serve without compensation except for reimbursement for reasonable expenses, and which has as its sole purpose the accumulation of endowment funds, the income on which shall be distributed to qualified disabled jockeys.

ANALYSIS

Los Alamitos Quarter Horse Racing Association (LAQHRA) is requesting approval from the Board to distribute race day charity proceeds from the 2010 race meeting that began on December 26, 2009, through December 19, 2010. LAQHRA is proposing to distribute \$42,574.00. The list of the nonprofit organizations selected and amounts to be distributed is attached.

RECOMMENDATION

This item is presented for Board discussion. Staff recommends the Board approve the charity race day distribution as presented.

CHRB ANALYSIS

Los Alamitos Quarter Horse Racing Association 2010 Charity Day Proceeds

Nonprofit Organization	Background	Amount	Proposed Disbursement Percentage	Percentage Required By Horse Racing Law (from the 2/10 of 1%)	Notes
Permanently Disabled Jockeys Fund	PDJF provides financial assistance to former jockeys who have suffered catastrophic on-track injuries. It works with industry and medical research groups to improve the safety of both the human and equine athlete.	8,520.00	20%	minimum of 20%	d
Quarter Horse Benevolent Charity Foundation	The organization provides welfare, charitable, and educational services to persons who have been or intend to breed, raise, train, ride or care for horses.	2,130.00	5%	minimum of 5%	b
Winners Foundation	The organization is a support and referral service for employees and family members of the industry whose lives are affected by alcohol, drugs, mental illness, and gambling related problems.	2,130.00	5%	minimum of 5%	c
Race Track Chaplaincy of America (Los Alamitos Council, Region 1)	RTCA ministers to the spiritual, emotional, physical, social, and educational needs of persons involved in all aspects of the horse racing industry.	29,794.00	70%	minimum of 20%	a
Total		42,574.00	100%	minimum of 50%	e
Notes:					
a		20% to charities associated with the horse racing industry (BP 19556 (b))			
b		5% to welfare fund for backstretch personnel (BP 19556 (b))			
c		5% to nonprofit organization to assist horsemen and backstretch personnel affected by alcohol and substance abuse(BP 19556 (b))			
d		20% to nonprofit organization that benefits qualified disabled jockeys (BP 19556 (c) (1))			
e		overall a minimum of 50% of the charity distribution should go to horse racing industry related nonprofit organizations.			

Source for Quarter Horse Benevolent Charity Foundation background

Registration of Charitable Trust, State of CA, Dept. of Justice
<http://rct.doj.ca.gov/MyLicenseVerification/SearchResults.aspx>

Source for Permanently Disabled Jockeys Fund (PDJF) background

www.pdjf.org

Source for Winners Foundation background

www.winnersfoundation.org

Race Track Chaplaincy of America (Los Alamitos Council, Region 1)

www.rtcnational.org



Los Alamitos

QUARTER HORSE RACING ASSOCIATION

July 6, 2011

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

Dear Mr. Breed:

The statutory charitable contribution from our 2010 race meet was \$42,574. Accordingly, we respectfully request CHRB approval at the July 21, 2011 regular meeting to make the following distributions:

Permanently Disabled Jockeys Fund	\$ 8,520
Quarter Horse Benevolent Charity Foundation	2,130
Winners Foundation	2,130
Race Track Chaplaincy (Los Alamitos)	<u>29,794</u>
Total	<u>\$42,574</u>

The Permanently Disabled Jockey's Fund provides financial assistance to former jockeys who have suffered catastrophic on-track injuries. It works with works with industry and medical research groups to improve the safety of both the human and equine athlete.

The Quarter Horse Benevolent Charity Foundation provides welfare, charitable, and educational services to persons who have been or intend to breed, raise, train, ride or care for horses.

The Winners Foundation is a support and referral service for employees and family members of the industry whose lives are affected by alcohol, drugs, mental illness, and gambling related problems.

The Race Track Chaplaincy of America (Los Alamitos Council, Region 1) ministers to the spiritual, emotional, physical, social, and educational needs of persons involved in all aspects of the horse racing industry.

All proposed beneficiaries are industry related charities. I would be pleased to discuss any questions or comments the Board may have.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard M. English".

Richard M. English

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL
OF THE 2011-12 AGREEMENT PROVIDING
FUNDING SUPPORT FOR THE BOARD

Regular Board Meeting
July 21, 2011

BACKGROUND

Business and Professions Code section 19616.51 (a) states that notwithstanding any other provision of law, and in lieu of any license fee payable to the state prescribed for or referred to in Section 19491, 19491.5, 19596.3, 19601, 19601.2, 19602, 19603, 19604, 19605.25, 19605.35, 19605.45, 19605.6, 19605.7, 19605.71, 19606.5, 19606.6, 19610.8, 19611, 19612, 19614, 19616, 19616.1, 19616.2, or 19641, any association or fair that conducts a racing meeting shall only pay a license fee to the state to fund the Board and the equine drug testing program as follows:

- (1) All racing associations and fairs including all breeds of racing shall participate in the funding of the Board in accordance with a formula devised by the Board in consultation with the industry.
- (2) The baseline funding for the Board and equine drug testing program in the first fiscal year after the enactment of this section shall be the amount approved in the 2008-09 Budget Act.
- (3) Adjustments to the funding in subsequent budget years may only be made by an act of the Legislature.

For the 2011-12 fiscal year, the CHRB's operating budget as determined by the Governor's Budget is \$11,716,000 and such amount shall be subject to change in future years.

ANALYSIS

The CHRB support formula was developed in consultation with the horse racing industry. As in prior years, the formula is based upon the license fees that would have been paid to the State of California had Senate Bill 16 (SB16) not been enacted. The following mechanism was used to develop the formula:

- The projected commingled handle was multiplied by the pre SB16 license fee rate for each host track to arrive at the estimated pre SB16 license fees for fiscal year 2011-2012.

- The CHRB support percentage was calculated by dividing the CHRB approved budget by the estimated pre SB16 license fees. The rate for the 2011-2012 fiscal year will be 57.83 percent.
- The same procedure was followed to calculate the Fairs and Exposition (F/E) recapture payments. The rate for the 2011-12 fiscal year will be 4.52 percent.

Fiscal year 2011-12 is the third year the CHRB support formula is in effect to provide for the CHRB support funding. Table 1 below shows the CHRB approved budgets and the CHRB support fee rates used to fund CHRB operations. As the overall handle decreases the license fee savings decreases as well and the CHRB support fee rate will increase due to the smaller industry license fee savings.

Table 1. Historical Percent of License Fee Savings absorbed by CHRB budget

Fiscal Year	CHRB Approved Budget	CHRB Support Fee Rate
2009-2010	11,833,000	42.6%
2010-2011	11,734,000	48.8%
2011-2012	11,716,000	57.8%

The CHRB support fee rate is an estimate, and depending on handle activity there may be over/under payments made for CHRB support and F/E recapture payments. The CHRB and the horse racing industry recognize that a determination of over/under payment amounts will be necessary at the end of each fiscal year. In fiscal year 2010-11 handle was lower than anticipated which resulted in a \$369,114 underpayment to CHRB support (Excerpted as Attachment 1). The industry has agreed to fund underpayments within ten business days. For overpayments, the industry will get a credit towards amounts due in the following year.

The CHRB support funding and the F/E recapture payments have been memorialized in an agreement with the racing associations and fairs (Excerpted as Attachment 2). The agreement details the timing of payments due and the reconciliation taking place at fiscal year end.

RECOMENDATION

Staff recommends that the Board approve the funding formula for fiscal year 2011-12

Simplified version of the CHRB Support Formula

Source: Bernie Thurman

Board Support / F & E Recapture-Model for 7/1/2011 - 6/30/2012

Board Support and F & E recapture calculations based upon pre SB 16 commingled license fees.

Host Track	Prior year time comparative frame (Monday, 5/24/10 through Sunday, 5/22/11)					Projected 7/1/11 - 6/30/12 based on projected live race days and trend-adjusted prior year averages Assumes average daily handle decline of 10%						
	Notes	Live Days	Commingled Hosted Handle	Commingled Pre SB 16 License Fees	Commingled Pre SB 16 License Fee %	Notes	Live Days	Projected Commingled Handle	Projected Pre SB 16 License Fee %	Projected Pre SB 16 License Fees	Projected Board Support	Projected F/E
Alameda County Fair		15	34,462,805	222,148	0.64%		14	28,948,756	0.64%	186,605	107,921	8,444
Cal Expo Harness		129	99,561,328	267,700	0.27%		125	86,826,740	0.27%	233,459	135,019	10,564
California State Fair		10	19,122,174	126,164	0.66%		9	15,488,961	0.66%	102,193	59,103	4,624
Del Mar		37	417,134,649	4,147,982	0.99%		37	375,421,184	0.99%	3,733,184	2,159,057	168,926
Fairplex		15	70,798,793	396,769	0.56%		15	63,718,914	0.56%	357,092	206,521	16,158
Fresno District Fair		10	21,141,942	139,453	0.66%		9	17,124,973	0.66%	112,957	65,328	5,111
Golden Gate		169	495,609,490	3,176,896	0.64%		148	390,622,391	0.64%	2,503,920	1,448,122	113,302
Hollywood Park Fall	28 days + 1 day with 2 races	29	213,296,364	2,010,587	0.94%		24	158,869,016	0.94%	1,497,541	866,091	67,763
Hollywood Park Spring		54	483,232,312	4,471,072	0.93%		52	418,801,337	0.93%	3,874,929	2,241,034	175,340
Humboldt County Fair		8	10,801,138	70,819	0.66%		5	6,075,640	0.66%	39,836	23,039	1,803
Los Alamitos Quarters		148	261,796,261	819,680	0.31%		150	238,800,643	0.31%	747,681	432,415	33,832
Oak Tree/SA Fall	Moved to HP in 2010	22	150,407,654	1,394,591	0.93%		24	164,081,077	0.99%	1,626,578	940,718	73,602
San Joaquin Fair		5	8,634,225	55,745	0.65%		8	12,433,284	0.65%	80,273	46,425	3,632
Santa Anita		70	590,122,163	5,850,034	0.99%		66	500,760,807	0.99%	4,964,171	2,870,989	224,628
Sonoma County Fair		15	37,086,356	219,432	0.59%		15	33,377,720	0.59%	197,489	114,216	8,936
Total:		736	2,913,207,653	23,369,074	0.80%		701	2,511,351,443	0.81%	20,257,909	11,716,000	916,667
Percentages to be applied to Pre SB 16 License Fees for Board Support and F & E											57.83%	4.52%

The estimated license fee savings for 2011-12 fiscal year is \$7,625,240. The license fee savings are shared 48.5 percent for purses and track each and 3.0 percent for breeders.

Reconciliation for Fiscal Year 2010-11

Racing Association	CHRB Support Fees	% of Shortfall	Underpayment Due
Alameda County Fair	109,857	0.97%	3,568
Cal Expo Harness	131,498	1.16%	4,271
California State Fair	61,567	0.54%	2,000
Del Mar Thoroughbred Club	2,024,215	17.81%	65,743
Fairplex	193,623	1.70%	6,289
Fresno District Fair	68,053	0.60%	2,210
Golden Gate	1,536,399	13.52%	49,900
Hollywood Park Fall	981,167	8.63%	31,867
Hollywood Park Spring	2,153,224	18.95%	69,933
Humboldt County Fair	34,559	0.30%	1,122
Los Alamitos Quarters	401,347	3.53%	13,035
Oak Tree	680,561	5.99%	22,104
San Joaquin County Fair	26,918	0.24%	874
Santa Anita	2,854,816	25.12%	92,720
Sonoma County Fair	107,082	0.94%	3,478
Total	11,364,886	100%	369,114

Total CHRB Support Fees generated	<u>11,364,886</u>
CHRB 2010-11 Budget	<u>11,734,000</u>
Over/(under) Payments	(369,114)

Source: CHRIMS

Agreement for Fairs & Exposition Fund and CHRB Support & Funding

This will serve to memorialize agreement among the undersigned with respect to funding of the California Horse Racing Board, ("CHRB") and payments to Fairs and Expositions. The undersigned hereby agree among themselves that each will make the following payments:

1. Section 19616.51 of the Business and Professions Code was amended by ABX4 12, and now stipulates:

(a) Notwithstanding any other law, and in lieu of any license fee payable to the state prescribed for or referred to in Section 19491, 19491.5, 19596.3, 19601, 19601.2, 19602, 19603, 19604, 19605.25, 19605.35, 19605.45, 19605.6, 19605.7, 19605.71, 19606.5, 19606.6, 19610.8, 19611, 19612, 19614, 19616, 19616.1, 19616.2, or 19641, any association or fair that conducts a racing meeting shall only pay its proportional amount, as determined by the formula devised pursuant to paragraph (1), as a license fee to the state, to be deposited into the Horse Racing Fund, which is hereby established, to fund the board and the equine drug testing program as follows:

(1) All racing associations and fairs including all breeds of racing shall participate in the funding of the board in accordance with a formula devised by the board in consultation with the industry.

For the 2011-2012 fiscal year, the CHRB's operating budget has been determined by Section 19616.51 to be \$11,716,000 and such amount shall be subject to change in future fiscal years. The undersigned are responsible for the funding of the CHRB's annual operating budget by paying to the California State Treasury for the benefit of Horse Racing Fund. The amount to be so deposited by each of the undersigned shall be a percentage of the License Fee that would have otherwise been payable by the undersigned in the absence of the enactment of SB 16XXX and for each fiscal year a determination shall be made as to the percentage necessary to generate the amount for the funding of the CHRB operating budget. For the 2011-2012 fiscal year such percentage shall be 57.83%. Thus, during the 2011-2012 fiscal year, the undersigned shall each pay 57.83% of the License Fee that would have otherwise been payable by each if SB 16 XXX had not been enacted.

The undersigned shall remit the respective amounts they owe no later than Friday for amounts generated during the prior week (Monday through Sunday) for wagers placed at brick and mortar sites within California. For amounts generated by wagering outside the State of California on races conducted in California ("export wagering") including wagers placed through ADW providers, the undersigned will remit the respective amounts they owe within ten business days of the receipt of host fees generated from export wagering.

It is recognized that a determination of true-up amounts will be necessary at the end of each fiscal year. Excesses and shortfalls in funding shall be determined after the end of the fiscal year. Should a shortfall occur, the payments required by the undersigned shall be determined by calculating the percentage of each entity's contribution to the total funding generated and then applying such percentage to the shortfall. The CHRB will notify the undersigned of their shortfall amounts, and the undersigned will remit payments within ten business days of such notification. Should an excess occur, an amount equaling the percentage of each association's contribution to the total funding generated in the current fiscal year shall be applied to the total excess generated in the current fiscal year, and that amount shall be deducted from each entity's CHRB support payments made in the following fiscal year.

2. Section 19616.52 of the Business and Professions Code was added by ABX4 12, and stipulates:

19616.52. Notwithstanding Section 19616.51, in lieu of all amounts payable prior to July 1, 2009, pursuant to Section 19616.51, as that section existed prior to July 1, 2009, from amounts generated by parimutuel wagering on horse races, the sum of five million five hundred thousand dollars (\$5,500,000) shall be paid by racing associations and fairs from the amount available for commissions, purses, and breeder awards, as determined by the board, into the State Treasury to the credit of the Fair and Exposition Fund over a period of six years. Commencing with the 2009-10 fiscal year, one-sixth of the sum shall be payable equally for six successive fiscal years. The proportionate share to be paid by each racing association and fair and the method of payment shall be determined by a formula approved by the board in consultation with the industry.

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As a result of the enactment of Section 19616.52, racing associations and fairs commencing with the fiscal year ended June 30, 2010 are collectively to pay \$5,500,000 to the California State Treasury for the benefit of the Fair and Exposition Fund, such amount to be paid in the amount of \$916,667 per year for six years beginning on fiscal year 2009-10. The amount to be paid by each of the undersigned shall be a percentage of the License Fee that would have otherwise been payable by a racing association or fair in the absence of the enactment of SB 16XXX in order to generate the required \$916,667. In each of the six years, an estimate shall be made as to the percentage necessary to generate the \$916,667. For the 2011-2012 fiscal year, such percentage shall be 4.52%. Thus, during the 2011-2012 fiscal year, each of the undersigned shall pay to the California State Treasury for the benefit of the Fairs and Exposition Fund 4.52% of the License Fee that would have otherwise been payable by each if SB 16XXX had not been enacted. It is recognized that a determination of true-up amounts will be necessary at the end of each fiscal year.

3. The CHRB is a third party beneficiary of the payments to be made by the undersigned pursuant to paragraph 1 hereof and the Department of Fairs and Exposition ("F&E") is a third party beneficiary of the payments to be made by undersigned pursuant to paragraph 2 hereof and, therefore, the CHRB has a right to bring an action against any of the undersigned who fail to make the prescribed payments in paragraph 1 hereof and F&E has the same right with respect to the payments to be made by the undersigned under paragraph 2. Payments to be made by the undersigned are the sole responsibility of that entity; therefore, there is no joint and several liability among the undersigned for the failure of anyone to make the prescribed payments.

4. This Agreement may be signed in counterparts.

5. California Horse Racing Industry Organizations which have agreed to participate in the funding described above include: California Authority of Racing Fairs, California Exposition & State Fair, Del Mar Thoroughbred Club, Los Angeles County Fair Association, Hollywood Park Racing Association, Los Alamitos Quarter Horse Racing Association, Los Angeles Turf Club, Pacific Racing Association, California Harness Horsemen's Association, California Thoroughbred Breeders Association, Pacific Coast Quarter Horse Racing Association, Thoroughbred Owners of California

Agreement for Fairs & Exposition Fund and CHRB Support and Funding
Fiscal Year 2011-2012

California Authority of Racing Fairs

California Exposition & State Fair

By _____

By _____

Del Mar Thoroughbred Club

Los Angeles County Fair Association

By _____

By _____

Hollywood Park Racing Association

Los Alamitos Quarter Horse Racing Association

By _____

By _____

Los Angeles Turf Club

Pacific Racing Association

By _____

By _____

Thoroughbred Owners of California

California Harness Horsemen's Association

By _____

By _____

California Thoroughbred Breeders Association

Pacific Coast Quarter Horse Racing Association

By _____

By _____

Agreed and Accepted:

California Horse Racing Board

By _____