CALIFORNIA HORSE RACING BOARD
1010 Hurley Way, Suite 300
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REGULAR MEETING

of the **California Horse Racing Board** will be held on **Thursday, June 21, 2018**, commencing at **10:00 a.m.,** at the **Alameda County Fairgrounds, in the Pleasanton Satellite Wagering Facility, 4501 Pleasanton Avenue, Pleasanton,** 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."

The meeting will commence at 10:00 a.m., after which the Board will recess for Closed Session. Public Session to reconvene at **11:15 a.m.,** or as soon after that as the conclusion of Closed Session permits.

AGENDA

1. **Closed Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by section 11126 of the Government Code.

   A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," and 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).

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

Action Items:

2. **Approval of the minutes of April 19, 2018.**

3. **Approval of the Minutes of May 24, 2018.**

4. **Executive Director's Report.**

5. **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.

6. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Del Mar Thoroughbred Club's 2017 summer race meeting in the amount of $48,234, to a beneficiary of this race meeting.**

7. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Del Mar Thoroughbred Club's 2017 fall race meeting in the amount of $12,329, to a beneficiary of this race meeting.**

8. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Del Mar Thoroughbred Club's 2017 Breeders' Cup Race Days in the amount of $35,254, to a beneficiary of this race meeting.**

9. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Pacific Racing Association dba Golden Gate Fields 2016/2017 race meetings in the amount of $52, 052, to eight beneficiaries.**

10. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Watchandwager.com, LLC 2016/2017 race meeting in the amount of $4,000, to five beneficiaries.**

11. Discussion and action by the Board on the **Application to Conduct a Horse Racing Meeting of the Sonoma County Fair (F) at Santa Rosa,** commencing August 1 2018 through August 14, 2018, inclusive.

12. 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 15, 2018 through August 28, 2018, inclusive.

13. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Pacific Racing Association II (T) at Golden Gate Fields,** commencing August 22, 2018 through October 2, 2018, inclusive.

14. Discussion and action by the Board on the **renewal Application for License to Operate a Minisatellite Wagering Facility by ORG LLC dba Original Roadhouse Grill, in Santa Maria, California,** for a period of up to five years.

15. Public hearing and action by the Board regarding the **proposed addition of CHRB Rules 1859.1, Out-of-Competition Testing Procedures and Requirements; and 1869, Prohibited Drug Substance in Out-of-Competition Testing, and the proposed amendment of CHRB Rules 1858, Test Sample Required; 1859, Taking, Testing and Reporting of Samples; 1859.25, Split Sample Testing; 1867, Prohibited Veterinary Practices,** to incorporate the Association of Racing Commissioners International (ARCI) model rule for out-of-competition testing into the CHRB's rules and regulations. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)

16. Discussion and action by the Board on the **approval of the Fiscal Year 2018/2019 Agreement providing funding support for the Board.**

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

Chuck Winner, Chairman
Madeline Auerbach, Vice Chairman
Jesse H. Choper, Member
Fredric Maas, Member
Araceli Ruano, Member
Alex Solis, Member
Rick Baedeker, Executive Director
Jacqueline Wagner, Assistant Executive Director

CALIFORNIA HORSE RACING BOARD

JUNE 21, 2018
REGULAR BOARD MEETING

There is no board package material for Item 1

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia,** California, on **April 19, 2018.**

Present: Madeline Auerbach, Vice-Chairman
Araceli Ruano, Member
Alex Solis, Member
Fredric Maas, Member
Rick Baedeker, Executive Director
Jacqueline Wagner, Assistant Executive Director
John McDonough, General Counsel

APPROVAL OF THE MINUTES OF FEBRUARY 22, 2018

Vice-Chairman Auerbach asked for approval of the minutes of the Regular Meeting of February 22, 2018. Commissioner Maas **motioned** to approve the minutes. Commissioner Ruano **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Maas, Auerbach, Solis, Ruano. Nay: None. Motion carried.

EXECUTIVE DIRECTOR'S REPORT.

Executive Director Rick Baedeker said he was pleased to welcome Robert Brodnik as the new CHRB Staff Counsel. Mr. Brodnik previously worked at the Solano County District Attorney's office, and had extensive experience prosecuting cases and working with peace officers. Executive Director Baedeker reported the Racing Commissioners International annual conference was held in Hot Springs, Arkansas. He said there were several panel presentations that included topics such as identifying risk factors in racing, bisphosphonates, when participants in racing should come under the purview of the regulator, and regulatory oversight of horses that were being presented for sale and would soon be racing. Executive Director Baedeker stated there was a question about the interaction between sports wagering and racing. A discussion was held regarding the

possibility of combining different parlay wagers with other sporting events, and then culminating with a major race at a racetrack; the question was who would regulate something like that? Executive Director Baedeker reported that San Luis Rey Downs (SLRD) recently reopened and the 412 horses that were stabled at Del Mar were relocated to SLRD. He stated the February 2018 financials were excellent. Daytime handle increased 16.6 percent, nighttime handle increased 8.2 percent, and overall handle increased 15.7 percent. March 2018 had one additional day of racing during the day and at night; 6.9 percent increase in daytime racing; 9.36 increase in nighttime racing, and overall gain of 7.18 percent. Year-to-date daytime handle increased 12.6 percent; nighttime handle increased 5.9 percent, with an overall increase of 11.85 percent.

PUBLIC COMMENT

There were no public comments.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB'S 2017 SUMMER RACE MEETING IN THE AMOUNT OF $105,656, TO NINE BENEFICIARIES.**

Vice-Chairman Auerbach stated she was a founder of California Retirement Management Account (CARMA), so it would be inappropriate for her to vote on agenda items four, five, and six. The items involved the distribution of race day charity proceeds, including a distribution to CARMA. Her recusal left only three Commissioners to vote on the items. The Commissioners would hear the three items and postpone the CARMA portion until the next Regular Board meeting. Craig Dado, Del Mar Thoroughbred Club (DMTC), said 100 percent of the proposed distributions of DMTC's 2017 summer race meeting were to equine related charities. The distribution without

CARMA would total $57,422. The fall 2017 DMTC total distribution without CARMA was $5,600. The 2017 DMTC Breeders' Cup total distribution without CARMA was $15,109. The total distribution without CARMA was $78,131. Commissioner Ruano **motioned** to approve the proposed distribution of DMTC race day charity proceeds, excluding CARMA, for agenda items four, five, and six. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Maas, Auerbach, Solis, Ruano. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB'S 2017 BREEDERS' CUP RACE DAYS IN THE AMOUNT OF $17,929, TO FOUR BENEFICIARIES.**

This item was combined and discussed with agenda item number 4.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB'S 2017 BREEDERS' CUP RACE DAYS IN THE AMOUNT OF $50,363, TO FOUR BENEFICIARIES.**

This item was combined and discussed with agenda item number 4.

DISCUSSION AND ACTION BY THE BOARD ON THE **REQUEST FROM THE CALIFORNIA AUTHORITY OF RACING FAIRS, (CARF) TO DESIGNATE THE FOLLOWING 2018 ALLOCATED RACE DATES AS A COMBINED FAIR HORSE RACING MEETING, PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19549.1:** OAK TREE AT PLEASANTON, JUNE 13, 2018 THROUGH JULY 10, 2018; CALIFORNIA EXPOSITION AND STATE FAIR, JULY 11, 2018 THROUGH JULY 31, 2018; HUMBOLDT COUNTY FAIR AT FERNDALE, AUGUST 15, 2018 THROUGH AUGUST 28, 2018; AND THE BIG FRESNO FAIR, OCTOBER 3, 2018 THROUGH OCTOBER 16, 2018.

Larry Swartzlander, California Authority of Racing Fairs (CARF), stated the request for a combined fair would allow wagers to be carried over from one fair to another. He said the

Pentafecta wager and the Pick 6 would have only one wager which generated a significant pool, however, because each fair was usually only two or three weeks in length, the pools would pay out and never build. A combined fair meet would allow CARF to carry the pools over, starting with Pleasanton, Sacramento, Humboldt and Fresno, which would generate large pools and increased handle. Eric Sindler, Stronach Group (SG), stated SG believed the request by CARF was not permitted by California Law. He said for a combined fair to occur, six elements had to be met; however, three of the six were not met and could never be met. The first element was the applicant. There could only be one entity applying for a license; however, the CARF request included four entities. The second element was that a combined fair could be only be for four weeks, while the CARF request would be for eleven weeks. Lastly, the combined fair could only take place when general fair activities were not occurring. CARF's request would run the meetings during general fair activities. Vice-Chair Auerbach asked if SG objected the last two years CARF had a combined fair meet. Mr. Sindler said objections were made. Executive Director Rick Baedeker stated the CARF request was solely for wagering purposes. The request was simply a continuation of CARF's ability to do what the Board had permitted it to do over the last two years. He said the Board could make it clear in its motion that the approval related solely to the conduct of wagering. Vice-Chairman Auerbach said she agreed; the CARF request was only for the purposes of carrying over the wagering pools. Vice-Chairman Auerbach **motioned** to approve the request by CARF to combine the currently allocated race dates of Pleasanton, Cal Expo, Humboldt, and Fresno as a combined fair horse meeting pursuant to California Professions Code 19549.1 for the express and sole purpose of allowing any wager to utilize carryovers. Commissioner Maas **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Maas, Auerbach, Solis, Ruano. Nay: None. Motion Carried.

DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE OAK TREE RACING ASSOCIATION AT THE ALAMEDA COUNTY FAIR (F), AT PLEASANTON, (RACE MEETING TO BE CALLED "OAK TREE AT PLEASANTON")** COMMENCING JUNE 13, 2018 THROUGH JULY 10, 2018, INCLUSIVE.

This item was moved to the May 2018 Regular Board Meeting Agenda.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE **PROPOSED AMENDMENT TO CHRB RULE 1588, HORSE INELIGIBLE TO START IN A RACE,** TO PROVIDE THAT A HORSE THAT RECEIVES AN INTRA-ARTICULAR INJECTION (GLUCOCORTICOSTEROID/CORTISONE) IS INELIGIBLE TO RACE FOR FIVE (5) DAYS (120 HOURS) AFTER THE TREATMENT AND THE **PROPOSED ADDITION OF CHRB RULE 1842.1, ADDITIONAL REPORT FOR INTRA-ARTICULAR TREATMENTS,** TO REQUIRE VETERINARIANS ADMINISTERING MEDICATION OR TREATMENT INTO AN ARTICULAR STRUCTURE OF A HORSE LOCATED WITHIN THE INCLOSURE TO PROVIDE AN INTRA-ARTICULAR TREATMENT RECORD TO THE TRAINER WHO SHALL MAINTAIN THE RECORDS FOR A PERIOD OF ONE YEAR, AND MAKE THE RECORDS AVAILABLE TO THE EXAMINING VETERINARIAN FOR THE PURPOSE OF ASSISTING WITH PRE-RACE VETERINARY EXAMINATIONS AND OTHER EXAMINATIONS AS REQUIRED BY THE BOARD.

This item was moved to the May 2018 Regular Board Meeting Agenda.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **PROPOSED AMENDMENT TO CHRB RULE 1865, ALTERING OF SEX OF HORSE,** TO REQUIRE THAT IF THE PUBLIC IS NOT NOTIFIED OF THE TRUE SEX OF THE HORSE PRIOR TO THE OPENING OF WAGERING, THE STEWARDS SHALL DECLARE THE HORSE FROM THE RACE.

Executive Director Rick Baedeker stated Rule 1865, Altering of Sex of Horse, was previously amended in 2017. However, the CHRB was subsequently notified by Chief Steward McHargue that a loophole needed to be closed. He said the proposed amendment would result in two significant changes to the rule. The first provided that if, after starting in any race, the sex of the horse had been altered and the public was not informed of the true sex, the horse would be scratched. The other change was the removal of the $1000 fine; the horse was going to be scratched

if the public was not aware, so there was no need for the specific $1,000 fine. The stewards still had the ability to fine per the circumstances. Tim Ritvo, Stronach Group , asked when the true sex of the horse had to be reported. Executive Director Baedeker said the true sex had to be reported prior to the opening of wagering on the race in which the horse was entered. Alan Balch, California Thoroughbred Trainers (CTT), said he was confused by the proposed language that stated "if after starting any race." Did that mean any race on the card? Executive Director Baedeker stated the proposed language was addressing a gelding that had never started that may be listed as a horse, but was in fact a gelding. Vice-Chairman Auerbach asked if Mr. Balch had any language he wanted to suggest. Mr. Balch said the proposed language made it sound like the sex of the horse had been altered after starting in a race. He suggested stating "If after having started in any race." Executive Director Baedeker stated the proposed amendment would be changed to read "If after having started in any race" and the rest of the language would remain the same. Commissioner Ruano **motioned** to direct staff to initiate a 45-day public comment period regarding the proposed amendment to Rule 1865, Altering of Sex of Horse. Commissioner Maas **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Maas, Auerbach, Solis, Ruano. Nay: None. Motion Carried.

REPORT FROM THE **MEDICATION, SAFETY AND WELFARE COMMITTEE.**

Vice-Chairman Auerbach stated the Medication, Safety and Welfare Committee meeting was held on April 18, 2018. She said Dr. Susan Stover gave a presentation on bisphosphonates and racehorses. She explained the need for horses to develop and maintain strong bones. Bisphosphonates potentially interfered with that process in horses and could also mask pain. Bisphosphonates were approved by the Food and Drug Administration to treat navicular disease

in horses over four years old. A continuing education model would be released soon regarding the risk of using bisphosphonates. The second item discussed were four special testing projects as reported by CHRB Equine Medical Director Dr. Rick Arthur. The first testing project was glyphosate which was used on crops for human and livestock consumption. He stated there was currently no scientific consensus regarding any risks glyphosate posed to animals, humans or the environment. Forty equine urine samples were tested. The samples had glyphosate present, with results in the expected range. Those who argued differently were encouraged to voice their concerns to the California Department of Food and Agriculture. Owners and trainers could buy feed from organic feed suppliers if they were concerned. The third item discussed was continuing education for trainers and assistant trainers for renewal of license. Alan Balch, California Thoroughbred Trainers (CTT), said CTT would like to be involved in deciding the content of a continuing education program. Vice-Chairman Auerbach asked for the creation of a qualified group to participate in determining content. Executive Director Rick Baedeker said the first step was creating a new rule that would require continuing education. The continuing education content could be decided later. Dr. Arthur said there would soon be two education models online. He stated the CTT should develop its own content, which would be subject to CHRB approval. The next item discussed was the proposed amendment to update the CHRB Classification of Drug Substance Listing. The format would be changed so it would be easier to read and understand. The next item discussed was a proposed rule, 1606.1, Delivery of Medical Records, to require the transfer of medical records of horses claimed in a claiming race. Dr. Arthur and Executive Director Baedeker were working with veterinarians and horsemen on the language for the proposed rule. Dr. Jeff Blea said the proposed regulation could have unintended consequences; the medical records did not include discussions between the veterinarian, owner, and trainer. The reason

behind the veterinary procedure or administration of a drug substance could be misunderstood and useful information would be missing. He also expressed concern about sharing confidential medical information. He advocated a separate process for a more controlled transfer of regulatory-approved electronic medication information, like a health passport. Vice-Chairman Auerbach suggested while waiting for the creation of a health passport the new trainers and owners of claimed horses needed information specifically about injections. If that information was easier to obtain for a claiming horse, it could lead to fewer injections and leave a much safer horse community.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **PROPOSED ADDITION OF CHRB RULE 1503.5, CONTINUING EDUCATION FOR TRAINERS AND ASSISTANT TRAINERS,** TO REQUIRE CONTINUING EDUCATION AS A CONDITION OF RENEWAL OF LICENSE FOR TRAINER OR ASSISTANT TRAINER.

Executive Director Rick Baedeker stated the proposed addition of Rule 1503.5, Continuing Education for Trainers and Assistant Trainers, would require 12 hours of approved continuing education over a three year period, or 4 hours per year. Vice-Chairman Auerbach said other professionals, such as doctors or lawyers, were required to partake in continuing education. She stated it was important to establish the professionalism of the training community. Commissioner Ruano said she wanted to ensure that people were able to participate and knew how to participate in the courses. Vice-Chairman Auerbach stated the proposed start date for the required continuing education was January 1, 2020, which would allow time for the process to be developed. Commissioner Ruano asked if the courses would be accessible in Spanish, and would there be a test at the end of a course. Dr. Rick Arthur, CHRB Equine Medical Director, said he would send Commissioner Ruano some online courses that had been developed. He stated the Spanish

language was an issue under discussion with the UC Davis Extension. He said there were different formats such as online or seminars; however, most would be online modules. The real issue was getting trainers accustomed to the fact that continuing education was part of their professional responsibility; it was a paradigm change. Commissioner Ruano asked how many videos were currently online for trainers to access. Dr. Arthur said about six. Commissioner Ruano asked if there would be enough time have the infrastructure in place by January 1, 2020. Dr. Arthur said implementation could be delayed but he was confident everything would be ready. Commissioner Ruano **motioned** to direct staff to initiate a 45-day public comment period regarding the proposed amendment to Rule 1503.5, Continuing Education for Trainers and Assistant Trainers. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Ruano, Solis, Auerbach, Mass. Nay: None. Motion Carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **PROPOSED ADDITION OF CHRB RULE 1660.1,** DELIVERY OF MEDICAL RECORDS, TO REQUIRE THE TRANSFER OF MEDICAL RECORDS OF HORSES CLAIMED IN A CLAIMING RACE.

Alan Balch, California Thoroughbred Trainers (CTT), said Dr. Blea attended the Medication, Safety, and Welfare Meeting held on April 18, 2018 and spoke at length regarding the proposed addition of Rule 1660.1, Delivery of Medical Records. He stated there was a great exchange of views with Dr. Rick Arthur, CHRB Equine Medical Director, and Executive Director Rick Baedeker regarding issues and concerns about veterinary practices, confidentiality, and the sharing of confidential veterinary information. The resolution was to form a small working group, or task force, to work with Dr. Arthur, Executive Director Baedeker, and others, to iron out the problems. He stated CTT would be participating, along with Thoroughbred Owners of California. Vice-Chairman Auerbach said the scope of the proposed rule was narrowed to develop a methodology

so that when a horse was claimed; the records of injections would follow the horse. A mechanism would be created to mandate a period of time, maybe 30 days, to determine what kind of injection the horse's previous veterinarian had administered in the last 30 days. Mr. Balch said he thought veterinary practitioners needed to be involved in the process because of the perspective they could provide. Vice-Chairman Auerbach stated she spoke about the proposal with several veterinarians, and it was her understanding that they saw no issue in making such specific information available without further study. Dr. Arthur said the point was to develop something that was simple and reasonable, and that provided information that protected the health and welfare of the horse. He stated two recent papers had shown there was a relationship between intra-articular medications and injuries to horses. He said the mechanism would probably involve a timeframe of 60 to 90 days and be limited to certain procedures. He added the method used to transmit the information would be important. The process had to be simple for all parties. Vice-Chairman Auerbach stated there was precedence for what the Board was trying to do, and it was important to remember the primary objective was the health and safety of the horse.

REPORT FROM THE **SPECIAL COMMITTEE ON NORTHERN CALIFORNIA RACING.**

Commissioner Maas stated a meeting of the Special Committee on Northern California Racing was held on March 22, 2018. He reported that Golden Gate Fields (GGF) would open for stabling and training for all 2018 Northern California racing fairs. Stabling and training schedules would be in accordance with past practices. GGF would receive two percent generated from handle for the Stabling and Vanning Fund during all 2018 Northern California racing fairs. All trainers stabled at GGF during the summer fair season would be required to make a least one start per stall, or the minimum start requirement. If the trainer did not make the minimum start requirement the

trainer would pay $5.00 per day for a stall. For example, if a trainer had ten stalls at GGF and the trainer had seven starts during 2018 Northern California racing fair season, the trainer would owe $5.00 per day for the three stalls. The Stabling and Vanning Committee would collect the stall rent, and the monies collected would go toward the California Authority of Racing Fairs purse overpayment. Commissioner Mass said GGF would open as a simulcast wagering facility during the 2018 racing fairs meet.

DISCUSSION REGARDING A **REPORT AND UPDATE FROM THE PACIFIC RACING ASSOCIATION (GOLDEN GATE FIELDS), THE THOROUGHBRED OWNERS OF CALIFORNIA, AND THE CALIFORNIA ASSOCIATION OF RACING FAIRS (CARF) ON ORGANIZATIONAL CHANGES TO NORTHERN CALIFORNIA OFF-TRACK WAGERING, INC. (NCOTWINC) AND PROJECTED CHANGES, IF ANY, TO THE OPERATION OF SATELLITE WAGERING IN NORTHERN CALIFORNIA.**

Eric Sindler, Stronach Group (SG) and Golden Gate Fields (GGF), stated at the end of its current race meet, GGF would no longer use Northern California Off-Track Wagering, Inc. (NCOTWINC) as its service provider for Off Track Betting (OTB). He said there were a variety of reasons. First, handle in Northern California's OTBs was declining while expenses were increasing. He said it cost the industry about $15 million to run the network. The expenses included the Advance Deposit Wagering override fee. GGF believed it could do better. GGF had reached out to Local 280, but heard very little from it, and could not force it to come to the negotiating table. GGF would continue to work with the Thoroughbred Owners of California (TOC) to develop a sustainable business model. Elizabeth Morey, TOC, said while TOC agreed with Mr. Sindler that there were flaws in the current system, TOC felt the issues could be dealt with within the existing framework of NCOTWINC. TOC would encourage SG to keep working with NCOTWINC. NCOTWINC contributed an enormous amount of money to the Northern California industry, to

track purses and a variety of industry organizations. Larry Swartzlander, California Authority of Racing Fairs (CARF), said CARF agreed with Ms. Morey on the restructure. He stated, speaking for CARF, TOC, and Sonoma, the parties felt that NCOTWINC was a viable organization and could continue. He said the current question was who was going to negotiate for the racing organizations in the State of California. Would it be Southern California Off-Track Wagering, Inc. (SCOTWINC), NCOTWINC, or a combination of both? Would Del Mar Thoroughbred Club go out on its own? Would CARF go out on its own? NCOTWINC, with GGF opting out as a voting member, was accepting financial responsibilities. He stated the issues of pensions and liability that NCOTWINC carried had to be addressed. Also, there was a current lawsuit that had to be resolved before there was a total separation of SG from NCOTWINC. He said from CARF's perspective, NCOTWINC had to continue in some capacity; CARF had to have an organization that orchestrated its OTB network. He stated the current challenge being faced was the pension liability; what was it and how to deal with it. He said the lawsuit could be dealt with. He stated the organization had to be restructured and CARF was working with SG and TOC to get there. There were some major challenges and CARF would support the TOC and work with SG to make it better. Jack Liebau, Los Alamitos Quarter Horse Racing Association (LAQHRA), said LAQHRA was very dependent upon the Northern California satellite network for the distributing its signal. He stated GGF terminating its signal through NCOTWINC was a huge problem. While it was not necessary for GGF to distribute its signal through NCOTWINC, there was a legal obligation to make its signal available for wagering to all the satellites in Northern California. He said he believed the Board needed to get involved in the issue. He stated he was worried that once the fairs were over there would be issues regarding how the signal would be distributed to the satellites, or if there would there be a move to try and close down the satellite facilities. LAQHRA

believed there was a lot at stake. He said the one distinction was that the night signal in Northern California was distributed by SCOTWINC; NCOTWINC had nothing to do with the night signal. John Valenzuela, Local 280, stated its collective bargaining agreement with the Federation of Racetracks would expire July 18, 2018. Local 280 wanted to negotiate fairly and bargain in good faith. He said GGF announced it wanted to negotiate separately from NCOTWINC. Local 280 believed such negotiations would be difficult and could possibly lead to a labor dispute. GGF's proposal was not good for the industry as a whole. He stated Local 280 was requesting the Board to encourage all parties to come together as one entity to negotiate with Local 280. Executive Director Baedeker asked if GGF proposed to negotiate independently of the other parties. Mr. Sindler stated "yes," GGF had informed Local 280 of the dates it was willing to negotiate in good faith, but had not received a response. Executive Director Baedeker said he did not believe the statute stipulated that the Board direct negotiations. Mr. Valenzuela stated the Board could encourage all parties to come together as one. Vice-Chairman Auerbach said it was important that everyone talk. Mr. Liebau stated he did not believe the Board had ever become involved in labor negotiations and did not think the Board would want to break that precedence. Vice-Chairman Auerbach stated she was not comfortable with the Board directing anything, and she did not believe there was anything else for the Board to do except listen. Commissioner Maas asked if GGF had the right to withdraw from NCOTWINC. Mr. Swartzlander said GGF did have the right to withdraw from NCOTWINC. Commissioner Maas stated there were two questions to ask. The first question was there a model that worked that could be to GGF's advantage so that it would remain a part of NCOTWINC. The second question was how NCOTWINC would operate without GGF. He asked Mr. Sindler if it had conversations with the members of NCOTWINC to figure out if there was in fact a model. Mr. Sindler stated there were conversations, but nothing had been

resolved. Commissioner Maas asked what would happen with the signal as it related to individual fairs; would there be separate negotiations? Mr. Sindler said that was still to be determined. Executive Director Baedeker said the race meet application for GGF would be heard at the June 2018 Regular Board Meeting. In its application GGF would stipulate to whom it was sending its signals. He stated that was probably the appropriate way for the Board to consider the issue, as that was part of its consideration of the individual race meet applications. Mr. Valenzuela said SG wanted to be in the negotiations for the south, but SG wanted to be separate from the NCOTWINC organization. He asked if SG was a part of the Federation. Executive Director Baedeker said the statutes provided for the organization of NCOTWINC and SCOTWINC. He stated he did not believe there was any reference in the statute about the Federation of Racetracks. He believed it was a private agreement that had been in place for decades. Vice-Chairman Auerbach said it was inappropriate for the Board to even comment on the issue. Executive Director Baedeker said when GGF came before the Board in June 2018, the Board would ask if it had negotiated an agreement and if so, was it before the Board for consideration. Mr. Swartzlander said NCOTWINC was comprised of CARF, TOC, and Santa Rosa. He stated SG said it did not want CARF involved in SG's negotiations with SEIU 280; SG would negotiate separately from NCOTWINC. Mr. Swartzlander said the question became who would negotiate with 280 now. Would it be NCOTWINC under the umbrella of Santa Rosa, TOC and CARF, or would CARF side with SCOTWINC. He stated he wanted to formally send a letter to SG requesting to negotiate with it. If SG said no, he would send a letter to SCOTWINC saying he would like to negotiate with it. If SCOTWINC said no, then CARF's only position was to negotiate on its own. Ms. Morey, TOC, said TOC definitely wanted to be involved in the negotiation process, along with CARF and anyone else that wanted to be involved. She stated there were issues that were specific to Northern

California that were not specific to Southern California and it may make sense to do separate negotiations. That was something that still needed to be decided. She wanted to clarify that while NCOTWINC did handle the distribution of the signal for Santa Rosa, Santa Rosa was not a part of NCOTWINC. Executive Director Baedeker encouraged the parties to communicate, wherever it may lead them. He said the negotiations were always difficult, but time was running out. Waiting for the industry to get together and negotiate as one, while desirable, may not be feasible. Vice-Chairman Auerbach said she knew that Mr. Valenzuela hoped the Board would intervene and direct the industry to negotiate as one body; however, that was not the Board's job. It was the mission of the parties to work out their own agreements.

MEETING ADJOURNED AT 11:35 A.M.

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

Chairman

Executive Director

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia,** California, on **May 24, 2018.**

Present: Chuck Winner, Chairman
Madeline Auerbach, Vice-Chairman
Alex Solis, Member
Fredric Maas, Member
Rick Baedeker, Executive Director
Jacqueline Wagner, Assistant Executive Director
John McDonough, General Counsel

APPROVAL OF THE MINUTES OF APRIL 19, 2018

This item was moved to the June 2018 Regular Board Meeting Agenda.

EXECUTIVE DIRECTOR'S REPORT.

Executive Director Rick Baedeker stated the microchip rules would become effective December 26, 2018, and would require that all horses be microchipped in order to start in California. He said the bulk of the microchipping work had been done at Golden Gate Fields and Santa Anita Park, with 100 horses per week being microchipped. He said there was a plan for Los Alamitos; there had been discussions with management there and San Luis Rey Downs, and he felt both locations would be in good shape by the deadline. He stated after the December 26, 2018 deadline, the program would consist of microchipping horses that were coming to the stable area for the first time. Executive Director Baedeker reported the CHRB filled several investigator positions primarily in the North. There was now a full complement of investigators at Los Alamitos and Golden Gate Fields. The CHRB was currently in the process of hiring an additional investigator for Santa Anita, and there was one opening remaining at Cal Expo. He stated the Welfare and Safety of the Race Horse Summit would be held on June 27, 2018 at Keeneland in Lexington,

Kentucky. He said the summit would bring together the racing, breeding, and veterinary communities to talk about a host of issues that focused on the welfare of the race horse. Executive Director Baedeker reported on the April 2018 financials. April 2018 had two fewer days of racing during the day and one less at night; a slight decrease in daytime racing, with a 6.5 decrease in nighttime racing. Year-to-date daytime handle increased 9.14 percent; nighttime handle increased 2.44 percent, with an overall increase of 8.3 percent.

PUBLIC COMMENT

Leo Vukmanovich, a concerned citizen, stated he wanted to comment on a non-disqualification that occurred at a recent race meeting. He said as someone who frequently places wagers, he was looking for objective decisions with a consistent outcome. He stated he believed it was hard for the CHRB Stewards to have an objective view. The stewards should be looking at high definition video, should not know the trainers or jockeys, and should be consistent with the rules in place. Chairman Winner stated as in any sport there would be subjective judgements. He said the question was whether one could somehow reduce the amount of subjectivity that was required of the stewards. He said the Board would look at rotating stewards. Darrel McHargue, CHRB Chief Steward, stated the role of the stewards was broad. The stewards had to possess the overall knowledge of the industry and know the CHRB rule book by heart. The stewards were entrusted with the oversight responsibilities over all licensees, while referring to the rules and strictly enforcing them. He said the stewards were also responsible to the Board for the conduct of the meet, were required to have knowledge of the American Association of Equine Practitioners guidelines to conduct hearings, and had to generate statements of decisions. While the most visible part of the stewards' jobs was the race, it was only one aspect. He stated being a steward was a

thankless job, and a lot of the time, no matter the decision, rulings would be second guessed. It took a dedicated and determined individual to be a steward, and the CHRB had some of the best stewards in the country. Mr. McHargue stated the licensees and the wagering public often believed the stewards let personalities be involved in their decisions, but in his 30 years as a steward, that was not the case. Chairman Winner said the Stewards Committee meeting was held at least twice a year; the Board was constantly looking for consistency, trying to improve the rules, and trying to reduce subjectivity as much as possible. However, horse racing was a sport and he could not think of any other sport where you had no subjectivity. He stated in any sport there would always be differences of opinion with respect to the referees or umpires, or any official who was making decisions. He said Mr. McHargue did an excellent job in his position. He had experience as a former jockey, and had worked as a steward for 30 years. When people said the Board should move stewards from the north to the south they do not realize how that would affect the stewards' lives. The stewards had families, and it was not that easy to just up and move from northern California to southern California. Commissioner Maas said he had the opportunity to sit in the stewards' box and experience what they go through. The stewards faced enormous pressure under very difficult circumstances and they did not get enough credit. He stated they were a terrific group of people, and while he did not always agree with them he wanted to thank them for all they did. He said the sport was imperfect. There were no lines as in football or track and field. The nature of the sport created circumstances that required judgement and would never be perfect. Executive Director Rick Baedeker stated the technology was quite advanced over what it used to be; the video was now all in HD. He said the stewards had six screens operating with different angles at all times. As the race was being run in real-time, one of the stewards was watching the monitors and could hit a button that marked a specific part of the race if they saw an incident. The

stewards could instantly look at that part of the race again. He stated the stewards were happy to talk with owners about decisions that were made. They welcomed the opportunity to explain their rationale, with the understanding that it did not mean opinions would change. Executive Director Baedeker encouraged anybody that had questions to seek the stewards out and learn why they made a particular decision. Vice-Chairman Auerbach thanked Mr. Vukmanovich for his approach. He was very professional and not accusatory. She said she sensed that the public believed the Board was always defending its stewards. It was true, the Board was defending the stewards because they had a difficult job. However, better results would be achieved through a combination of changing the way the rules were written, how staff interpreted the rules, and consistency. Bob Ike, concerned citizen, stated he had been professionally involved in Southern California racing for 33 years. He believed the non-call was the wrong call. However, the bigger issue was consistency, and the lack of consistency was costing California gambling revenue. He said he conducted a twitter poll informally through his twitter account, and about 500 people, or 91 percent disagreed with the call. He said as of the date of the non-call, he had stopped wagering on Southern California races, and he would continue to do so until he believed there was more consistent officiating. Nick Alexander, speaking as a private citizen, said he believed something had changed over the last year or so; the stewards' calls had become unpredictable and unreliable. He stated that race cost people a lot of money. The stewards had taken three times as long as they used to make a decision. Someone needed to be replaced because such officiating was costing Southern California a lot of money. Chairman Winner said the Board recognized the anger the call caused and the attention it brought to the process. He stated the Board was trying to make overall officiating better; not go back and rehash that particular race. The decision was made, good or bad, and the Board could not go back and undo that decision. He stated all the years he had been

around the industry, and on the Board, he believed the stewards always attempted to make the right decisions. He said the Board was looking at the rules and looking at staff rotations. Tim Ritvo, Stronach Group (SG), said he was glad customers cared enough to address the Board, because they were the economic engine of the sport. If racing fans did not have a fair shot, or felt they were misrepresented, a lot of business would be lost. The SG made up 40 percent of the industry; the industry was important to SG, as it should be to the horsemen, the trainers and the jockeys. He stated the integrity of the game was of the upmost importance, and the loss of market share in California over the past ten years should be looked at. He said losing customers who believed they had better opportunities to wager somewhere else because decisions were more fairly or correctly made in other jurisdictions was detrimental to California racing. Chairman Winner stated he invited anyone to offer suggestions on how stewards were recruited or hired to see if there was better way. Mr. Ritvo said he also wanted to suggest adding a camera inside the stewards office to allow full transparency to the public. The public could watch as they debated amongst themselves and viewed replays. Vice-Chairman Auerbach stated when you looked at stewards' rulings nationwide there was always a level of discontent with stewards' rulings. She said the discontent was understandable because everyone had a different perspective. Commissioner Solis stated the stewards used to go to the jockeys' room the next day to evaluate the race and discuss why they made a decision. He said he did not know if that still occurred but it would help to get everyone on the same page. Chairman Winner said he agreed that better communication between the jockeys and the stewards would be an improvement. John Valenzuela, Local 280, stated he wanted to report that Local 280 had begun negotiations with SCOTWINC, NCOTWINC, Santa Rosa, and Golden Gate Fields. Chairman Winner wished Local 280 good luck with its negotiations.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB'S 2017 SUMMER RACE MEETING IN THE AMOUNT OF $48,234, TO A BENEFICIARY OF THIS RACE MEETING.**

This item was moved to the June 2018 Regular Board Meeting Agenda.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB'S 2017 FALL RACE MEETING IN THE AMOUNT OF $12,329, TO A BENEFICIARY OF THIS RACE MEETING.**

This item was moved to the June 2018 Regular Board Meeting Agenda.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB'S 2017 BREEDERS' CUP RACE DAYS IN THE AMOUNT OF $35,254, TO A BENEFICIARY OF THIS RACE MEETING.**

This item was moved to the June 2018 Regular Board Meeting Agenda.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **IMPACT OF ROBOTIC WAGERING ON LATE ODDS CHANGES AS WELL AS THE PROBABLE COMPETITIVE DISADVANTAGE POSED TO THE BROADER WAGERING PUBLIC.**

Executive Director Rick Baedeker stated he had a lot of experience with the phenomenon of odds changing precipitously after the start of a race. The phenomena started in 2003 at Hollywood Park with the expansion of offshore wagering opportunities. Those wagers became more significant over time, and caused drops in the odds. The odds would change every 45 seconds in a race. In a six furlong race, the horses would get to the top of the stretch and all of a sudden, the odds would go from 9 to 2 to 9 to 5. There appeared to be a pattern, and once it was looked into, it was discovered that all of the wagers that had caused the drop came from offshore. The problem was

due to the involvement of multiple tote companies. Wagers were coming from far away, and then, bounced off multiple hubs, taking 45 second to get back to the host. The industry worked on reducing the delay, which was currently down to 11 seconds. He said there was another six second delay between the receipt of the information at the host and the transmission of that information to the television screen. The item was before the Board because there was still a public perception problem. Conversations with stakeholders revealed the consensus that everyone would like to have the problem solved. He had suggested a proposed rule that provided within five seconds of the close of wagering, final odds for all horses in the race shall be posted on the odds board, television monitors, and the simulcast audio-visual signal showing the race. The proposal was simply to give the industry a timeframe within which to get this almost fixed. One suggestion was to provide information in the race program regarding why the delay occurred, but it was probably better just to solve the problem. He stated computer assisted wagering was offered to certain customers based on their level of play. It would seem desirable that average players, who had the interest, would have the same access to tote connectivity as others. The difficult questions were how was it done, and how would it be made available on a daily basis to customers on track, and Advance Deposit Wagering customers. He stated the problem has been around for 15 years, and it was time to fix it. Chairman Winner stated he would create a special committee to work with the industry on the issue. The committee would consist of himself and Commissioner Maas.

DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE DEL MAR THOROUGHBRED CLUB (T) AT DEL MAR,** COMMENCING JULY 18, 2018 THROUGH SEPTEMBER 4, 2018, INCLUSIVE.

Joe Harper, Del Mar Thoroughbred Club (DMTC), stated during DMTC's 2017 summer meet the numbers were terrific and horse injuries were way down. The Breeders' Cup was the most

successful and profitable Breeders' Cup ever and brought in $100 million to the area. It was a big success and DMTC looked forward to hosting it again sometime in the future. Josh Rubenstein, DMTC, said DMTC was requesting the same calendar as 2017, with a seven-week season from July 18 through Labor Day, September 3, 2018. DMTC was requesting three new wagers; the Early Pick 4, Late Pick 5, and Win-Place-Show Parlays. DMTC would continue the Single Ticket Pick 6 jackpot. The Pick 6 jackpot started in 2017 and it showed a marked improvement to the Pick 6 pools. He stated the pick 6 pools on non-traditional carryover days were up 34 percent and a lot of that could be attributed to the pick 6 jackpot. DMTC also made some improvements with renovated boxes, upgraded restrooms, new furniture in luxury suites, and it modernized its paddock by installing rubber bricks, which looked better, and were also much safer. Tom Robbins, DMTC, said Dennis Moore, Track Superintendent of Santa Anita, came onboard early 2017. He stated Mr. Moore and Dr. Mick Peterson recognized that 80 percent of the horses at Santa Anita also raced at DMTC, so some modifications were made to the DMTC racetrack with the goal of making it similar to Santa Anita. He said Mr. Moore and Dr. Peterson would get the track ready for horses arriving on July 12, 2018. He stated the new safety protocols that were implemented in 2017 would continue in 2018. The number of horses on the property had been reduced, with a ten percent reduction starting in 2016. There would be works only during the first ten minutes after the first two renovation breaks, which would allow for a fresher track and less crowded conditions. DMTC would also employ additional veterinarians to increase supervision of certain horses throughout the meet. These were all changes DMTC believed contributed to an overall safer equine environment. Mr. Robbins said third-party Lasix administration started at Santa Anita on December 26, 2017, and would continue at DMTC with Santa Anita's current crew. The Ship and Win program was back and better than ever. The program was initiated in 2011, and was designed

to increase the Southern California horse population by offering a bonus. In 2016 the bonus was $1,000; in 2017 it was $1,500. For 2018, working with the Thoroughbred Owners of California, the bonus would be increased to $2,000. This was in addition to the 30 percent bump that qualified horses could make in their first start at Del Mar. He said DMTC tried to emphasize that local owners and trainers could benefit from the program. A horse that started anywhere outside of California, and that had not raced in California within the last year was eligible. He stated 65 to 75 percent of the participants were local owners. Ship and Win was a good program and allowed DMTC to maintain strong field sizes. Chairman Winner stated he wanted to thank DMTC for the work it had done on equine safety. David Jerkins, DMTC, said DMTC was trying to build off the momentum gained in 2017, so the race program would be similar and purse levels would remain the same. Craig Dado, DMTC, said DMTC had plans for 50 events in 36 days. There would be a one-day tournament on Pacific Classics for $500. DMTC expected several hundred players to participate, and hoped it would have a positive impact on on-track handle. DMTC would continue to promote Cal Racing Cares by playing videos and promoting the website through its social media. Finally, DMTC would be honoring the heroes related to the San Luis Rey fires, most likely on Pacific Classic Day. Vice-Chairman Auerbach wanted to congratulate DMTC on the job it did helping the San Luis Rey fire situation. She also wanted to report that CARMA had about 15 horses for which it was actively seeking homes. She also wanted to acknowledge that DMTC had a new board member, Bo Derek, who previously served on the CHRB. Chairman Winner stated he agreed; Ms. Derek was a wonderful person and great for racing. He also wanted to acknowledge the trainer Martine Bellocq and heroic actions during the San Luis Rey fire. Commissioner Maas **motioned** to approve the Del Mar Thoroughbred Club application to conduct a horse racing meeting commencing July 18, 2018 through September 4, 2018, contingent on the receipt of the

fire clearance. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Maas, Solis, Winner, Auerbach.

DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE OAK TREE RACING ASSOCIATION AT THE ALAMEDA COUNTY FAIR (F), AT PLEASANTON, (RACE MEETING TO BE CALLED "OAK TREE AT PLEASANTON")** COMMENCING JUNE 13, 2018 THROUGH JULY 10, 2018, INCLUSIVE.

Larry Swartzlander, Oak Tree Racing Association (OTRA), said the 2018 race meet would run 15 days compared to 12 days in 2017. He stated OTRA would hold three stakes races which included a $100,000 Cal-bred two-year-old filly race going five-and-a-half furlongs. The overnight purses would be the same as 2017. The incentive program would remain in place. Five starts would earn $500, and ten starts $1,000. OTRA raised payments for out-of-state recruitment from $450 to $600. Horses that came in from out of state would get $100 the first start, $200 the second start, and $300 for the third start. The third-party Lasix procedures in place at Golden Gate Fields would be put in place at the OTRA meeting. He said with regards to microchipping, at least one or two days would be dedicated to identifying and chipping horses that had not been chipped. OTRA had no injuries or fatalities in 2017. Angel Moore, Alameda County Fair, said the fair and OTRA had an integrated marketing plan. She stated OTRA's racing commercial focused on purse money and that admission to the race meeting was free with fair admission. OTRA made a robust TV, radio, print, and a big social media buy to ensure people heard about its race meet. OTRA also advertised with its ADW partners. Ms. Moore said OTRA was focused on putting on events to attract the millennial demographic by having live bands, craft beer and wine cocktail festivals. Sherwood Chillingworth stated OTRA enjoyed its experience with Pleasanton. The fair was a good partner and OTRA was happy to be returning in 2018. Vice-Chairman Auerbach **motioned** to approve

the OTRA application to conduct a horse racing meeting commencing June 13, 2018 through July 10, 2018. Commissioner Maas **seconded** the motion, which was **unanimously carried.** Roll Call Vote: Aye: Auerbach, Winner, Solis, Maas. Nay: None. Motion Carried.

DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE LOS ALAMITOS HORSE RACING ASSOCIATION (T) AT LOS ALAMITOS RACE COURSE,** COMMENCING JUNE 27, 2018 THROUGH JULY 17, 2018, INCLUSIVE.

Jack Liebau, Los Alamitos Racing Association (LARA), stated the LARA race meeting would run from June 27, 2018, to July 17, 2018, with 12 racing days. He said there was one correction to its race meet application; there would be no running at night. Orlando Gutierrez, LARA Marketing Director, stated LARA would have a traditional marketing plan that would include television advertising through Spectrum and Direct TV, as well as radio advertising through ESPN. LARA would hold two handicapping tournaments; one on Wednesday, July 4, 2018, and another one on July 14, 2018. Mr. Gutierrez said during LARA's winter meet LARA's marketing team visited six different satellites to hold smaller tournaments. The visits were extremely well received, and would be held again during the 2018 meet. The tournaments were a great way to reach out to simulcast players and to keep in touch with them. Some facility improvement were made at LARA, including new televisions throughout the facility; additionally, special lunch items and craft beers would be added to the Vessels Club menu. Commissioner Solis **motioned** to approve the LARA application to conduct a horse racing meeting commencing June 27, 2018 through July 17, 2018. Commissioner Maas **seconded** the motion, which was **unanimously carried.** Roll Call Vote: Aye: Auerbach, Winner, Solis, Maas. Nay: None. Motion Carried.

DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE CALIFORNIA EXPOSITION AND STATE FAIR (F) AT SACRAMENTO,** COMMENCING JULY 11, 2018 THROUGH JULY 31, 2018, INCLUSIVE.

Larry Swartzlander, California Exposition and State Fair (Cal Expo), stated Cal Expo's race meet would run July 11, 2018 through July 31, 2018; essentially the same 11 day meet as 2017. Cal Expo would hold one stakes race, the Governor's Cup. Cal Expo would have the same incentive program and out of state program as 2017. Rick Pickering, Cal Expo, said Cal Expo's Blue Ribbon marketing campaign won the Sweepstake's Award at the International Association of Fairs and Expositions for the number one marketing and advertising fair program in the world. He stated Cal Expo had now won the award three years in a row. The State Fair and Cal Expo's websites were expanded to include nine foreign languages. He said in 2017 Cal Expo initiated more diversity outreach programs that would expand in 2018, such as the Out at the Fair program with the statewide LGBT community. He stated there were programs at the Del Mar Fair, the San Diego County Fair, Cal Expo State Fair, and the New Mexico State Fair. In continuing its Latino outreach, Cal Expo booked Mariachi Vargas, one of the premier mariachi groups in the world. The group would be flying in from Mexico to perform on July 22, 2018. Cal Expo was creating the first State of California Youth Mariachi Competition. He said Cal Expo had continued its expansion of marketing to the Hispanic community through Univision. Univision would be interviewing the youth mariachi teams in their home communities to help support the kids and promote the State Fair. He stated fair associations from around the country would be coming to Cal Expo, with Florida coming the weekend of the Mariachi Vargas performance. He said the Governor's Cup would be on July 21, 2018. There would be a tiny home exhibit of about eight homes set up adjacent to the grandstand. Tiny homes was a hot fad and should draw people to the grandstand. Steam Punk at the Track would be back; it began last year and was a media hit. He

said racing workshops would be offered, as well as $1.00 beer promotions. Cal Expo would be establishing cool spots around the fairgrounds, with misting stations and additional shade. Executive Director Rick Baedeker said Cal Expo did a terrific job last year working with safety steward Tom McCarthy to keep the horses cool in the hot weather. Mr. Swartzlander said the post time was moved to 2:15pm everyday so it was a little later in the day and cooler. Commissioner Solis **motioned** to approve the Cal Expo application to conduct a horse racing meeting commencing July 11, 2018 through July 31, 2018, contingent on the receipt of the fire clearance. Commissioner Maas **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Maas, Solis, Winner, Auerbach.

DISCUSSION AND ACTION BY THE BOARD ON THE **RENEWAL APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY AT THE TILTED KILT IN THOUSAND OAKS, CALIFORNIA,** FOR A PERIOD OF UP TO FIVE YEARS.

George Haines, Southern California Off-Track Wagering, Inc. (SCOTWINC), stated the Tilted Kilt minisatellite in Thousand Oaks was applying for renewal of its license for a period of up to five years. Tilted Kilt was a nice place to visit and spend the afternoon making wagers and enjoying the ambiance. Executive Director Rick Baedeker said the minisatellite facility was a great example of how terrific a minisatellite could be. It was a beautiful restaurant with great service and food. Vice-Chairman Auerbach **motioned** to approve the renewal application for license to operate a minisatellite wagering facility at Tilted Kilt for a period of five years. Chairman Winner **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Maas, Solis, Winner, Auerbach.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE **PROPOSED AMENDMENT TO CHRB RULE 1588, HORSE INELIGIBLE TO START IN A RACE,** TO PROVIDE (1) THAT A HORSE THAT HAS NOT RACED AT A RECOGNIZED RACE MEETING IN 120 OR MORE CONSECUTIVE DAYS, AND HAS NOT RACED IN CALIFORNIA SINCE THE CONCLUSION OF THAT ABSENSE IN ANY RACE, IS INELIGIBLE TO START IN A RACE UNTIL SUCH HORSE, PRIOR TO ENTRY, HAS UNDERGONE AN EXAMINATION BY THE OFFICIAL VETERINARIAN OR THE RACING VETERINARIAN, AND DECLARED RACEABLE SOUND AND IN FIT PHYSICAL CONDITION TO EXERT ITS BEST EFFORT IN A RACE, AND (2) THAT A HORSE THAT RECEIVES AN INTRA-ARTICULAR INJECTION (GLUCOCORTICOSTEROID/CORTISONE) IS INELIGIBLE TO RACE FOR FIVE (5) DAYS (120 HOURS) AFTER THE TREATMENT AND THE **PROPOSED ADDITION OF CHRB RULE 1842.1, ADDITIONAL REPORT FOR INTRA-ARTICULAR TREATMENTS,** TO REQUIRE VETERINARIANS ADMINISTERING MEDICATION OR TREATMENT INOT AN ARTICULAR STRUCTURE OF A HORSE LOCATED WITHIN THE INCLOSURE TO PROVED AN INTRA-ARTICULAR TREATMENT RECORD TO THE TRAINER WHO SHALL MAINTAIN THE RECORDS FOR A PERIOD OF ONE YEAR, AND MAKE THE RECORDS AVAILABLE TO THE EXAMINING VETERINARIAN FOR THE PURPOSE OF ASSISTING WITH PRE-RACE VETERINARY EXAMINATIONS AND OTHER EXAMINATIONS AS REQUIRED BY THE BOARD.

Robert Brodnick, CHRB Staff Counsel, stated the amendment to Rule 1588, Horse Ineligible to Start in a Race, would preclude certain horses from entering a race if certain conditions were not met. The rule would require that a horse be checked by the veterinarian if it had not raced in a recognized race meeting over 120 days, and has not raced in California since the conclusion of that absence, or that it had received an intra-articular injection within five days (120 hours). Staff had discussions with shareholders, in particular the Thoroughbred Owners of California (TOC). He said the goal of staff and the CHRB Equine Medical Director, Dr. Rick Arthur, was to ensure the safety of horses. In discussing TOC's concerns there was a simple amendment to subsection (m) of the rule to read "if such horse has not raced at any recognized race meeting in 120 or more consecutive days, and delete "and has not raced in California since the conclusion of that absence." Staff recognized there were races outside of California that the Board and Dr. Arthur would agree were appropriate races, such as the Kentucky Derby or the Triple Crown. He stated if horses raced at those races then came to California, they felt confident that the veterinarians at those races had examined the horses. Chairman Winner asked if the change to the proposed amendment would

require the rule to go out for another 45-day comment period. Mr. Brodnick said "yes." Dr. Arthur stated the genesis of the proposal began in 2017 when he was contacted by Del Mar Thoroughbred Club (DMTC) for help in identifying all issues that could be addressed to improve course safety during the DMTC meet. The necropsy reports from past years demonstrated that there were risks for horses that had been off for an extended period of time, and horses that had not been previously examined. The risk of a catastrophic injury for a horse that had been off for 120 days was three times higher than a horse who had not experienced a 120-day rest. Executive Director Rick Baedeker stated that since the program of examining such horses was implemented in 2017, there had been a 35 percent reduction in fatalities - which had continued into the first five months of 2018. Dr. Arthur said the program was similar to pre-race examinations; the horse would be jogged, examined, palpated and put back in the stall with the average pre-race examination lasting 60 to 90 seconds. The exams could be done routinely on 15 to 20 horses a morning. He stated a horse that received an intra-articular injection would be ineligible to race for five days after the treatment. In New York, horses could not race within seven days of an intra-articular injection, and internationally the waiting period was 14 days. The examining veterinarian would look for signs of inflammation such as heat, swelling, and pain. The proposed addition of Rule 1842.1, Additional Report for Intra-Articular Treatments, would allow the examining veterinarian to review the records that shall be maintained by the trainer. Nick Alexander, TOC, said he did not believe they were anticipating the volume of horses that would fall into the 120 day layoff category. TOC's concern was if examinations after a 120 day layoff were made mandatory, there would be not enough veterinarians and too many horses. He said the Board was trying to identify trainers who did not do a good job with their horses. He stated if he had a horse that had to come home, the veterinarian would look at the horse, and a plan would be established. He would follow

the clinic's and veterinarian's instructions. The process usually took longer than 120 days. He asked the Board to consider changing the timeframe from 120 day to six months. He also asked the Board to consider making it a right, but not mandatory to inspect a horse before a race. He said if there were 40 horses that needed to be inspected but only 10 could be completed then none of those horses would be prevented from racing. Dr. Arthur stated a horse could be examined any time during its 120 day layoff. The examination did not have to take place the day before the race; some of them could be done a month or two before the horse came back. He said a schedule could be set, which would make the workload quite manageable. The negative aspect of not having a horse examined was to have a horse that was potentially unsound. Chairman Winner stated there was some merit to what Mr. Alexander said regarding making examinations discretionary. Vice-Chairman Auerbach said she heard Mr. Alexander's concern regarding the potential for getting to the point where a horse would be entered to race and not having the opportunity to make sure the veterinarian saw the horse. She did not want a horse to miss the chance to race due to no fault of the trainer or owner. Executive Director Baedeker said a clause could be added to the language, something along the lines of "unless excused by the official veterinarian." Vice-Chairman Auerbach asked if the rules should go back to committee. Chairman Winner suggested that CHRB staff first work on the amended language, and then bring the item back to the Board. The amended regulation would have to go out for another 45-day comment period. He said if it went to committee another 30 days would pass. Dr. Arthur stated he was happy with trying to figure out different ways of doing things. There was a lot of success in the current program, and it was not necessarily the unsound horse that is caught, it was putting everyone on notice that attention was being paid to horses with soundness issues. Greg Avioli, TOC, said when TOC started looking at the rule it was not aware of how successful the voluntary program was. However, he had yet to

hear about any obstacles. He stated TOC did not understand the need for a rule. Was someone not allowing a test? Vice-Chairman Auerbach said without a regulation, programs would tend to backslide. Procedures would be followed one day but not the next because maybe those responsible did not feel like doing it, and that was the reason things needed to be codified. Executive Director Baedeker said he agreed. He stated the voluntary program worked and it was important enough. Everyone acknowledged the fact that the safety of the race horse should be the highest priority. Mr. Avioli said he did not believe there was a single instance where a trainer could say his horse could not be looked at. Dr. Arthur said the veterinarians received a list of horses that had not started in 120 days and the horses' last two works, so they tried to guess which horses were closest to racing. He stated he had seen fatalities involving horses that were on the list, and that were not examined. Chairman Winner asked why. Dr. Arthur said the veterinarians tried to prioritize the examinations based on which horses they expected to run. If they knew when a horse was going to race they would prioritize that horse. Executive Director Baedeker said the trainer would need to contact staff and state they were ready to enter their horse. Dr. Arthur stated everyone would be on the same page if trainers were involved and understood that horses with an extended layoff had to be examined. Chairman Winner asked if the burden was on the trainer to notify the veterinarian under the proposed rule. Dr. Arthur said if staff was not aware that a particular horse should be examined, the trainer needed to contact the veterinarians to say he would be running the horse in three weeks. Commissioner Mass stated there seemed to be a dispute on the amount of horses that died as a result of the 120-day layoff. Dr. Arthur's report said 21 percent, and TOC did not agree. Mr. Avioli said TOC did not see the correlation; TOC believed 1,700 horses would have to be tested in 2018. If you looked at the percentage of horses overall that had fatalities it was the same general percentage of the population. Dr. Arthur stated that claim had

been disputed by evidence that was analyzed at the Equine Injury Database (EID). Mr. Avioli said he would like to review the data. TOC had yet to be presented with the full exams, and that was one of the items TOC had requested. Executive Director Baedeker stated CHRB had the data, and he had reviewed most of it with Ms. Morey. Dr. Arthur recommended that Mr. Avioli review Dr. Parkin's presentations at the Jockey Club Welfare and Safety Summit from the analysis of the EID data; it was well documented and readily accessible. While it was national data, California was no different than other jurisdictions, or the national risk. Vice-Chairman Auerbach said she did not think anyone had a problem with the veterinarians examining the horses. The issue was who was responsible for making sure that the veterinarians looked at the horse. Whose responsibility was it? She stated she believed the objection was there were trainers that might be remiss in making sure their horses were inspected prior to the time that they needed to be entered. If it was left at the veterinarian's discretion to make sure it happened, she did not think the TOC would be complaining. Executive Director Baedeker said currently, the veterinarian's did it all; with the implementation of the rule a portion of the responsibility would shift. Commissioner Maas asked if the rule would save a horses life. How many would it save? If it would not save more lives, then should the Board be imposing more regulations. Executive Director Baedeker stated staff could come up with clearer data going forward; there was very little doubt the program saved lives. Chairman Winner motioned to direct staff to initiate a 45-day public comment period regarding the revised proposal to amendment to Rule 1588, Horse Ineligible to Start in a Race, and the addition of Rule 1842.1, Additional Report for Intra-Articular Treatments. Vice-Chairman Auerbach **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Maas, Solis, Winner, Auerbach. Nay: None. Motion Carried.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE **PROPOSED AMENDMENT TO CHRB RULE 2050, BENEFICIARIES, WELFARE PROGRAMS AND ACTIVITIES,** TO EXPAND ELIGIBILITY FOR HEALTHCARE SERVICES PROVIDED BY THE CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION (CTHF), AS PROVIDED FOR UNDER BUSINESS AND PROFESSIONS CODE SECTION 19641(B)(3).

Cliff Goodrich, California Thoroughbred Horsemen's Foundation (CTHF), stated CTHF provided primary medical and dental healthcare services for backstretch workers. He said there was room to serve additional patients, and CTHF was looking to create more awareness of its locations at the three racetracks it serviced. He stated he thought 20 percent of backstretch workers could not find its clinic. CTHF wanted to make its services available to a broader section of the racetrack; anyone with a CHRB license, any employee of a racing association, or any employee of a charitable foundation that directly or indirectly benefited backstretch workers. Commissioner Solis **motioned** to approve the amendment to Rule 2050. Vice-Chairman Auerbach **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Auerbach, Winner, Solis, Maas. Nay: None. Motion Carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **PROPOSED AMENDMENT TO CHRB RULE 1843.3, PENALTIES FOR MEDICATION VIOLATIONS,** TO CORRECT A DISCREPANCY IN THE PHENYLBUTAZONE LEVELS NOTED IN THE CATEGORY "C" PENALTY CHART IN RULE 1843.3.

Dr. Rick Arthur, CHRB Equine Medical Director, stated the amendment to Rule 1843.3, Penalties for Medication Violations, was to fix a minor discrepancy that occurred when the rule was previously amended in 2016. Vice-Chairman Auerbach **motioned** to approve the amendment to Rule 1843.3. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Maas, Solis, Winner, Auerbach. Nay: None. Motion Carried.

MEETING ADJOURNED AT 11:59 A.M.

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

Chairman

Executive Director

CALIFORNIA HORSE RACING BOARD

JUNE 21, 2018
REGULAR BOARD MEETING

There is no board package material for Item 4

CALIFORNIA HORSE RACING BOARD

JUNE 21, 2018
REGULAR BOARD MEETING

There is no board package material for Item 5

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB'S 2017 SUMMER RACE MEETING IN THE AMOUNT OF $48,234, TO A BENEFICIARY OF THIS RACE MEETING.

Regular Board Meeting
June 21, 2018

ISSUE

At the April 19, 2018, Regular Board meeting, the Del Mar Thoroughbred Club (DMTC) requested approval to distribute race day charity proceeds generated at its 2017 summer racing meet. DMTC proposed a total distribution of $105,656. The Board voted to approve the distribution of race day charity proceeds to all the beneficiaries listed, except for the distribution to the California Retirement Management Account (CARMA), as Commissioner Auerbach recused herself from voting on the distribution.

At the May 24, 2018, Regular Board meeting the DMTC resubmitted its request for approval to distribute race day charity proceeds to CARMA in the amount of $48,234. Chairman Winner moved the item to the Regular Board meeting scheduled for June 21, 2018, due to the Board not having a quorum to vote on the item. The organizations selected and amounts approved are listed on the attachment, including the outstanding beneficiary CARMA.

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 there from 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 19555 requires that proceeds are to be distributed to beneficiaries within 12 calendar months after the last day of the meet during which charity days were conducted. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 30 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.

RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board approve the distribution of race day charity proceeds to the beneficiary CARMA.

CHRB ANALYSIS

Del Mar Throughbred Club, 2017 Summer Meet Charity Day Proceeds

#	Nonprofit Organization	Amount	Proposed Disbursement Percentage	Percentage Required By Horse Racing Law (2/10 of 1% on-track, live, handle)	Notes
1	CARMA	48,234.00	46%		a
2	Permanently Disabled Jockeys' Fund	21,131.00	20%	minimum of 20%	d
3	Racing & Medication Consortium	10,225.00	10%		a
4	California Thoroughbred Horsemen's Foundation	5,283.00	5%	minimum of 5%	b
5	Winners Foundation	5,283.00	5%	minimum of 5%	c
6	Racetrack Chaplaincy of American (Southern Ca Council)	5,000.00	5%		a
7	Edwin J. Gregson Foundation	4,500.00	4%		a
8	California Center for Equine Health and Performance	4,000.00	4%		a
9	UC-Davis-J.D. Wheat Veterinary Research	2,000.00	2%		a
	Total Horse Related Charities	$ 105,656.00	100%	minimum of 60%	e
	Notes:				
	a	30% to charities associated with the horse racing industry (B&P 19556 (b))			
	b	5% to welfare fund for backstretch personnel (B&P 19641 (b))			
	c	5% to nonprofit organization to assist horsemen and backstretch personnel affected by alcohol and substance abuse (B&P 19556 (b))			
	d	20% to nonprofit organization that benefits qualified disabled jockeys (B&P 19556 (c)(1))			
	e	overall a minimum of 60% of the charity distribution should go to horse racing industry related nonprofit organizations.			

DEL MAR
THOROUGHBRED CLUB

Josh Rubinstein
President & COO

March 21, 2018

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

Dear Mr. Baedeker:

The Del Mar Thoroughbred Club Board of Directors has allocated charity day proceeds from our **2017 Summer Race Meet** as set forth below for the California Horse Racing Board's consideration and approval:

California Retirement Management Account (CARMA)*	$ 48,234
Permanently Disabled Jockeys Fund *	21,131
Racing & Medication Consortium*	10,225
California Thoroughbred Horsemen's Foundation*	5,283
Winners Foundation*	5,283
Race Track Chaplaincy/Southern California*	5,000
Edwin J. Gregson Foundation*	4,500
California Center for Equine Health and Performance*	4,000
UC Davis-J.D. Wheat Veterinary Research*	2,000
TOTALS:	$105,656

*Equine Related Charities	$105,656
Non - Equine Related	-0-
Percentage of Equine Related Charities	100%

Attached you will find a schedule describing the charitable organizations listed above. Thank you for your attention to this matter. If you need further information please contact me.

Very truly yours,

Josh Rubinstein
President and COO

cc: Jacqueline Wagner

2018 CHARITABLE ORGANIZATIONS

CARMA – CARMA is a charitable 501 (c) (3) organization that was created to raise money for retired California racehorses. It is dedicated to the goal of providing funding for their rehabilitation, retraining and/or retirement. CARMA collects funds from racehorse owners, racetracks and other racing groups and organizations, then redistributes the funds to those farms and facilities that prove themselves worthy and capable of fulfilling the group's goal. Madeline Auerbach is CARMA's Founders Chair, Howard Zucker, President, Candace Coder-Chew is Vice-President, and Billy Koch is the Board Secretary. (Contact phone: 626-574-6654; www.carma4horses.org)

Permanently Disabled Jockeys Fund – Founded in 2006, it is a collaborative effort of many leaders in the horse racing industry, including racetracks, jockeys, horsemen and many others who had a vision of a program that would bring much-needed financial assistance to a group of athletes who have given so much to the sport of horse racing. The PDJF is governed by an independent board comprised of stakeholders from a broad cross-section of the horse racing industry. The mission of PDJF is to promote financial support to permanently disabled jockeys living with a catastrophic on-track injury; provide financial support and assistance for permanently disabled jockeys; and to promote medical research dedicated to reducing catastrophic injuries within the horse racing industry. Nancy LaSala is the group's president. (Contact phone: 630-595-7660; www.pdjf.org/)

Racing Medication and Testing Consortium -- Founded in 2000 by a cross-section of racing leaders, the Racing Medication and Testing Consortium (RMTC) has a primary goal of developing and promoting uniform rules, policies and testing standards at the national level for racehorses. The tax-deductible organization strives to develop and promote uniform rules, policies and testing standards at the national level; coordinate research and educational programs that seek to ensure the integrity of racing and the health and welfare of racehorses and participants; and to protect the interest of the racing public. It is currently governed by a Board of Directors consisting of 23 racing industry stakeholders. RMTC Administrative Manager is Julie Sisoumankhara (Contact phone: 859-759-4081; www.rmtcnet.com/), Communications & Development Consultant is Hallie Roach-Lewis (Contact phone: 858-224-2848)

California Thoroughbred Horsemen's Foundation – The California Thoroughbred Horsemen's Foundation (CTHF) is a non-profit charitable foundation dedicated to improving the quality of life in the community of stable workers at California's racetracks and training centers. It was founded in 1983 and, among its other projects, currently conducts Monday through Friday medical and dental clinics in both Northern and Southern California that are free for stable workers and their families. Ken Smole is President and Chair of CTHF, Cliff Goodrich, Executive Director. (Contact phone: 626-446-0169; www.cthf.info/)

Winners Foundation – The Winners Foundation was established in 1984 as a non-profit organization to provide information, support and referral sources to employees and family members of the California horse racing community who are being adversely affected as a result of alcohol and/or substance abuse. There is no charge to anyone seeking aid through the group, which has aided and guided thousands of individuals since its inception. It is currently headed by Darin Scharer, Executive Director. (Contact phone: 626-574-6498; http://winnersfoundation.org/)

Race Track Chaplaincy/Southern California (RTCA/SC) – The RTCA/SC is a nonprofit organization that was established in 1971 and ministers to the spiritual, emotional, physical and social/educational needs of horse racing's workers. RTCA/SC is an affiliate of Race Track Chaplaincy of America, which has 77 chaplains serving over 117 race tracks throughout the United States and Canada. RTCA/SC provides services at Santa Anita, Los Alamitos and Del Mar. Nolton Patio, DVM, is its president. (Contact phone: 626-574-6438; http://rtcasc.com/)

Edwin J. Gregson Foundation – The foundation has a primary goal of benefitting and enhancing the quality of life of California's backstretch workers and their families. It was originally founded by the California Thoroughbred Trainers (CTT) in 1998 and renamed in memory of veteran trainer and past CTT president Edwin J. Gregson, who was the driving force behind its start. Notable among its benefits are the college scholarships it provides annually to family members of backstretch workers. Jenine Sahadi currently heads the foundation. (Contact phone: 626-447-2145; www.gregsonfoundation.com)

California Center for Equine Health and Performance – The Center for Equine Health (CEH) was established at University of California Davis School of Veterinary Medicine in 1973. The primary purpose of CEH is to serve as an administrative and academic umbrella for research into means and methods of improving equine health and performance. In conjunction with this, it produces a series of publications that disseminate its findings and pertinent information. Additionally, it serves as the West Coast's quarantine and treatment station for

the potentially devastating venereal disease contagious equine metritis. The center is headed by the renowned veterinarian Gregory L. Ferraro, current Director is Dr. Claudia Sonder, DVM, csonder@ucdavis.edu (Contact phone: 530-752-6433.

UC Davis - JD Wheat Veterinary Orthopedics Laboratory Research Laboratory, School of Veterinary Medicine – The JD Wheat Veterinary Orthopedics Laboratory at UC Davis has been in the forefront of the state's efforts to understand, treat and prevent musculoskeletal injuries in horses. Using research, education and a range of training tools and methods, the JD Wheat Laboratory has been a key cog in stemming catastrophic equine losses and providing means and methods to enhance safety on the racetrack. Contact: Rick M. Arthur, DVM, Equine Medical Director (626) 574-6351, rmarthur@ucdavis.edu.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB'S 2017 FALL RACE MEETING IN THE AMOUNT OF $12,239, TO A BENEFICIARY OF THIS RACE MEETING.

Regular Board Meeting
June 21, 2018

ISSUE

At the April 19, 2018, Regular Board meeting, the Del Mar Thoroughbred Club (DMTC) requested approval to distribute race day charity proceeds generated at its 2017 fall racing meet. DMTC proposed a total distribution of $17,929. The Board voted to approve the distribution of race day charity proceeds to all the beneficiaries listed, except for the distribution to the California Retirement Management Account (CARMA), as Commissioner Auerbach recused herself from voting on the distribution.

At the May 24, 2018, Regular Board meeting the DMTC resubmitted its request for approval to distribute race day charity proceeds to CARMA in the amount of $12,239. Chairman Winner moved the item to the upcoming Regular Board meeting scheduled for June 21, 2018, due to the Board not having a quorum to vote on the item. The organizations selected and amounts approved are listed on the attachment, including the outstanding beneficiary CARMA.

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 there from 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 19555 requires that proceeds are to be distributed to beneficiaries within 12 calendar months after the last day of the meet during which charity days were conducted. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 30 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.

RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board approve the distribution of race day charity proceeds to the beneficiary CARMA.

CHRB ANALYSIS

Del Mar Throughbred Club, 2017 Fall Meet Charity Day Proceeds

#	Nonprofit Organization	Amount	Proposed Disbursement Percentage	Percentage Required By Horse Racing Law (2/10 of 1% on-track, live, handle)	Notes
1	CARMA	12,329.00	69%		a
2	Permanently Disabled Jockeys' Fund	3,600.00	20%	minimum of 20%	d
3	California Thoroughbred Horsemen's Foundation	1,000.00	6%	minimum of 5%	b
4	Winners Foundation	1,000.00	6%	minimum of 5%	c
	Total Horse Related Charities	$ 17,929.00	100%	minimum of 60%	e
	Notes:				
	a	30% to charities associated with the horse racing industry (B&P 19556 (b))			
	b	5% to welfare fund for backstretch personnel (B&P 19641 (b))			
	c	5% to nonprofit organization to assist horsemen and backstretch personnel affected by alcohol and substance abuse (B&P 19556 (b))			
	d	20% to nonprofit organization that benefits qualified disabled jockeys (B&P 19556 (c)(1))			
	e	overall a minimum of 60% of the charity distribution should go to horse racing industry related nonprofit organizations.			

DEL MAR
THOROUGHBRED CLUB

Josh Rubinstein
President & COO

March 21, 2018

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

Dear Mr. Baedeker:

The Del Mar Thoroughbred Club Board of Directors has allocated charity day proceeds from our **2017 Fall Race Meet** as set forth below for the California Horse Racing Board's consideration and approval:

California Retirement Management Account (CARMA)*	**$ 12,329**
Permanently Disabled Jockeys Fund *	**3,600**
California Thoroughbred Horsemen's Foundation*	**1,000**
Winners Foundation*	**1,000**
TOTALS:	**$ 17,929**
*Equine Related Charities	$ 17,929
Non - Equine Related	-0-
Percentage of Equine Related Charities	**100%**

Attached you will find a schedule describing the charitable organizations listed above. Thank you for your attention to this matter. If you need further information please contact me.

Very truly yours,

Josh Rubinstein
President and COO

cc: Jacqueline Wagner

2018 CHARITABLE ORGANIZATIONS

CARMA – CARMA is a charitable 501 (c) (3) organization that was created to raise money for retired California racehorses. It is dedicated to the goal of providing funding for their rehabilitation, retraining and/or retirement. CARMA collects funds from racehorse owners, racetracks and other racing groups and organizations, then redistributes the funds to those farms and facilities that prove themselves worthy and capable of fulfilling the group's goal. Madeline Auerbach is CARMA's Founders Chair, Howard Zucker, President, Candace Coder-Chew is Vice-President, and Billy Koch is the Board Secretary. (Contact phone: 626-574-6654; www.carma4horses.org)

Permanently Disabled Jockeys Fund – Founded in 2006, it is a collaborative effort of many leaders in the horse racing industry, including racetracks, jockeys, horsemen and many others who had a vision of a program that would bring much-needed financial assistance to a group of athletes who have given so much to the sport of horse racing. The PDJF is governed by an independent board comprised of stakeholders from a broad cross-section of the horse racing industry. The mission of PDJF is to promote financial support to permanently disabled jockeys living with a catastrophic on-track injury; provide financial support and assistance for permanently disabled jockeys; and to promote medical research dedicated to reducing catastrophic injuries within the horse racing industry. Nancy LaSala is the group's president. (Contact phone: 630-595-7660; www.pdjf.org/)

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STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB'S 2017 BREEDERS' CUP RACE DAYS IN THE AMOUNT OF $35,254, TO A BENEFICIARY OF THIS RACE MEETING.

Regular Board Meeting
June 21, 2018

ISSUE

At the April 19, 2018, Regular Board meeting, the Del Mar Thoroughbred Club (DMTC) requested approval to distribute race day charity proceeds generated during its Breeders' Cup event, November 3, 2017 and November 4, 2017. DMTC proposed a total distribution of $50,363. The Board voted to approve the distribution of the race day charity proceeds to all the beneficiaries, except for the distribution to the California Retirement Management Account (CARMA), as Commissioner Auerbach recused herself from the voting on the distribution.

At the May 24, 2018, Regular Board meeting the DMTC resubmitted its request for approval to distribute race day charity proceeds to CARMA in the amount of $50,363. Chairman Winner moved the item to the Regular Board meeting scheduled for June 21, 2018, due to the Board not having a quorum to vote on the item. The organizations selected and amounts approved are listed on the attachment, including the outstanding beneficiary CARMA.

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 there from 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 19555 requires that proceeds are to be distributed to beneficiaries within 12 calendar months after the last day of the meet during which charity days were conducted. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 30 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.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB'S 2017 BREEDERS' CUP RACE DAYS IN THE AMOUNT OF $35,254, TO A BENEFICIARY OF THIS RACE MEETING.

Regular Board Meeting
June 21, 2018

ISSUE

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RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board approve the distribution of race day charity proceeds to the beneficiary CARMA.

CHRB ANALYSIS

Del Mar Throughbred Club, 2017 Breeders' Cup Charity Day Proceeds

#	Nonprofit Organization	Amount	Proposed Disbursement Percentage	Percentage Required By Horse Racing Law (2/10 of 1% on-track, live, handle)	Notes
1	CARMA	35,254.00	70%		a
2	Permanently Disabled Jockeys' Fund	10,073.00	20%	minimum of 20%	d
3	California Thoroughbred Horsemen's Foundation	2,518.00	5%	minimum of 5%	b
4	Winners Foundation	2,518.00	5%	minimum of 5%	c
	Total Horse Related Charities	$ 50,363.00	100%	minimum of 60%	e
	Notes:				
	a	30% to charities associated with the horse racing industry (B&P 19556 (b))			
	b	5% to welfare fund for backstretch personnel (B&P 19641 (b))			
	c	5% to nonprofit organization to assist horsemen and backstretch personnel affected by alcohol and substance abuse (B&P 19556 (b))			
	d	20% to nonprofit organization that benefits qualified disabled jockeys (B&P 19556 (c)(1))			
	e	overall a minimum of 60% of the charity distribution should go to horse racing industry related nonprofit organizations.			

DEL MAR
THOROUGHBRED CLUB

Josh Rubinstein
President & COO

March 21, 2018

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

Dear Mr. Baedeker:

The Del Mar Thoroughbred Club Board of Directors has allocated charity day proceeds from our **2017 Breeders' Cup Race Days** as set forth below for the California Horse Racing Board's consideration and approval:

California Retirement Management Account (CARMA)*	**$ 35,254**
Permanently Disabled Jockeys Fund *	**10,073**
California Thoroughbred Horsemen's Foundation*	**2,518**
Winners Foundation*	**2,518**
TOTALS:	**$ 50,363**
*Equine Related Charities	**$ 50,363**
Non - Equine Related	-0-
Percentage of Equine Related Charities	**100%**

Attached you will find a schedule describing the charitable organizations listed above. Thank you for your attention to this matter. If you need further information please contact me.

Very truly yours,

Josh Rubinstein
President and COO

cc: Jacqueline Wagner

2018 CHARITABLE ORGANIZATIONS

CARMA – CARMA is a charitable 501 (c) (3) organization that was created to raise money for retired California racehorses. It is dedicated to the goal of providing funding for their rehabilitation, retraining and/or retirement. CARMA collects funds from racehorse owners, racetracks and other racing groups and organizations, then redistributes the funds to those farms and facilities that prove themselves worthy and capable of fulfilling the group's goal. Madeline Auerbach is CARMA's Founders Chair, Howard Zucker, President, Candace Coder-Chew is Vice-President, and Billy Koch is the Board Secretary. (Contact phone: 626-574-6654; www.carma4horses.org)

Permanently Disabled Jockeys Fund – Founded in 2006, it is a collaborative effort of many leaders in the horse racing industry, including racetracks, jockeys, horsemen and many others who had a vision of a program that would bring much-needed financial assistance to a group of athletes who have given so much to the sport of horse racing. The PDJF is governed by an independent board comprised of stakeholders from a broad cross-section of the horse racing industry. The mission of PDJF is to promote financial support to permanently disabled jockeys living with a catastrophic on-track injury; provide financial support and assistance for permanently disabled jockeys; and to promote medical research dedicated to reducing catastrophic injuries within the horse racing industry. Nancy LaSala is the group's president. (Contact phone: 630-595-7660; www.pdjf.org/)

California Thoroughbred Horsemen's Foundation – The California Thoroughbred Horsemen's Foundation (CTHF) is a non-profit charitable foundation dedicated to improving the quality of life in the community of stable workers at California's racetracks and training centers. It was founded in 1983 and, among its other projects, currently conducts Monday through Friday medical and dental clinics in both Northern and Southern California that are free for stable workers and their families. Ken Smole is President and Chair of CTHF, Cliff Goodrich, Executive Director. (Contact phone: 626-446-0169; www.cthf.info/)

Winners Foundation – The Winners Foundation was established in 1984 as a non-profit organization to provide information, support and referral sources to employees and family members of the California horse racing community who are being adversely affected as a result of alcohol and/or substance abuse. There is no charge to anyone seeking aid through the group, which has aided and guided thousands of individuals since its inception. It is currently headed by Darin Scharer, Executive Director. (Contact phone: 626-574-6498; http://winnersfoundation.org/)

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE PACIFIC RACING ASSOCIATION DBA GOLDEN GATE FIELDS 2016/2017 RACE MEETINGS IN THE AMOUNT OF $52,052, TO EIGHT BENEFICIARIES

Regular Board Meeting
June 21, 2018

ISSUE

The Pacific Racing Association, doing business as Golden Gate Fields (GGF), is requesting approval to distribute race day charity proceeds generated at its live race meetings, for the period of August 17, 2016 to December 10, 2017. GGF is proposing a total distribution of $52,052. The organizations selected and amounts to be distributed are listed on the attachment. Staff notes that 100 percent of the proposed charity distributions are made to equine related charity organizations.

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 there from 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 19555 requires that proceeds are to be distributed to beneficiaries within 12 calendar months after the last day of the meet during which charity days were conducted. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 30 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.

RECOMMENDATION

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

CHRB ANALYSIS

Pacific Racing Association dba Golden Gate Fields, August 17, 2016 to December 10, 2017 Charity Day Proceeds

#	Nonprofit Organization	Amount	Proposed Disbursement Percentage	Percentage Required By Horse Racing Law (2/10 of 1% on-track, live, handle)	Notes
1	California Thoroughbred Foundation	2,000.00	4%		a
2	CARMA	9,000.00	17%		a
3	Edwin J. Gregson Foundation	11,200.00	22%		a
4	Neigh Sayers Foundation	2,000.00	4%		a
5	Racetrack Chaplaincy of American (Northern Ca Council)	3,300.00	6%		a
6	California Thoroughbred Horsemen's Foundation	4,600.00	9%	minimum of 5%	b
7	Winners Foundation	8,752.33	17%	minimum of 5%	c
8	Permanently Disabled Jockeys' Fund	11,200.00	22%	minimum of 20%	d
	Total Horse Related Charities	$ 52,052.33	100%	minimum of 60%	e
	Notes:				
	a	30% to charities associated with the horse racing industry (B&P 19556 (b))			
	b	5% to welfare fund for backstretch personnel (B&P 19641 (b))			
	c	5% to nonprofit organization to assist horsemen and backstretch personnel affected by alcohol and substance abuse (B&P 19556 (b))			
	d	20% to nonprofit organization that benefits qualified disabled jockeys (B&P 19556			
	e	overall a minimum of 60% of the charity distribution should go to horse racing industry			

GOLDEN GATE FIELDS
Pacific Racing Association, Inc.

Frank De Marco, Jr., Esq.
Vice President, Regulatory Affairs

May 30, 2018

California Horse Racing Board
Attention: Jackie Wagner
1010 Hurley Way, Suite 300
Sacramento, CA 95825

RE: Pacific Racing Association's Charity Day Proceeds

To Whom It May Concern:

Pacific Racing Association, doing business as "Golden Gate Fields," has determined the beneficiaries of proceeds from Charity Days races conducted at Golden Gate Fields during its live race meets from August 17, 2016 to December 10, 2017. The net proceeds from the "Charity Days" totaled $52,052.23.

Attached hereto is a list of the organizations selected to be the beneficiaries of the Charity Day proceeds, the amount to be distributed to each and a brief statement about each recipient and the official CHRIMS Report of Handle for the said race meet period upon which this distribution is based. Note that 100% of the distributions are to horse-related charities.

Please calendar this matter for discussion and action by the California Horse Racing Board. Distributions will be made upon approval of the proposed amounts by the Board.

Should you have any questions regarding the distributions or the matter set forth herein, do not hesitate to contact the undersigned.

Very truly yours,

Frank De Marco Jr.

Frank De Marco, Jr.

FDM:ms

GOLDEN GATE FIELDS
Pacific Racing Association, Inc.

Pacific Racing Association – Golden Gate Fields

Distribution of Charity Days Proceeds

Live Race Dates from 8/17/16-9/20/16; 10/19/16-12/20/16; 12/26/16-6/20/17; 8/23/17-9/19/17; 10/18/17-12/10/17

		Amounts	Subtotals
I.	Horse Related Charities – BP 19556(b) (20% minimum)		
	California Thoroughbred Foundation	$ 2,000.00	
	CARMA	$ 9,000.00	
	Edwin Gregson Foundation	$ 11,200.00	
	Neigh Sayers Foundation	$ 2,000.00	
	Race Track Chaplaincy of America - No. California Council	$ 3,300.00	
			$27,500.00
II.	Welfare Fund for Backside Personnel – BP 19641(b) (5% minimum)		
	California Thoroughbred Horsemen's Foundation	$ 4,600.00	$ 4,600.00
III.	Fund for Substance or Alcohol Abuse – BP 19556(b) (5% minimum)		
	Winners Foundation	$ 8,752.33	$ 8,752.33
IV.	Disabled Jockeys Fund – BP 19556© (20 % minimum)		
	Permanently Disables Jockeys' Fund	$ 11,200.00	$11,200.00
	Total Distribution		**$52,052.33**

PACIFIC RACING ASSOCIATION
Golden Gate Fields

I. Horse Related Charities – *California B&P Code Section 19556(b); 20% minimum distribution*

California Thoroughbred Foundation – CTF is a 503(c) (3) non-profit organization that provides multiple benefits to individuals involved in the Thoroughbred industry. These include scholarship programs for veterinary medicine students at US Davis and maintenance of the Carleton F. Burke Memorial Library.

CARMA – The California Retirement Management Account is organized to raise money for retired California race horses. Their mission statement provides that they assist thoroughbred retirement facilities that care for and retrain horses whose careers have ended after competing in California Thoroughbred races. Their services include tracking of retired California race horses and in working to find homes for retired equines. CARMS also manages a grant request process and distributes funds to qualified retirement facilities caring for such horses. CARMA is dedicated to the goal of providing funding for rehabilitation, retraining and/or retirement of Thoroughbred horses that have raced in California.

Edwin Gregson Foundation – A non-profit charitable foundation organized for the purpose of improving the lives of backstretch workers and their immediate family members at California race tracks. The organization provides backstretch workers with many educational programs, including "English as a second language," bible studies and provides numerous programs, including computer training programs at its recreation facility, computer games and various magazines in English and Spanish. It organizes family outings for the workers and their children, including trips to Magic Mountain, Raging Waters, soccer games, baseball games and other excursions. The organization also maintains a recreational hall at Santa Anita Park for the benefit of the backside workers and their children.

Neigh Savers Foundation – Neigh Savers creates new beginnings for retired racing Thoroughbreds by building relationships, both on and off the track, to help as many horses as possible. Through rescue, rehabilitation and retraining the organization provides the foundation needed for racing Thoroughbreds to successfully transition into new careers. Whether the horse is an Off-Track Thoroughbred (OTTB) ready to end its racing career or one that has been injured on the track or has found itself standing at an auction or on a feedlot with no other options, Neigh Savers strives to make a difference, one OTTN at a time.

Racetrack Chaplaincy of America – The stated mission of the organization is "The overall mission of RTCA, through its councils and chaplains, is to make disciples for Jesus Christ through teaching, preaching, and ministering to the spiritual, emotional, physical, social, and educational needs of those persons involved in all aspects of the horse racing industry."

II. Welfare Fund for Backside Personnel – *California B&P Code Section 19641(b) (5% minimum)*

California Thoroughbred Horsemen's Foundation - CTFG is a 501(c) (3) nonprofit foundation that provides assistance to the low income backstretch community occupied with the care of Thoroughbred race horses at California's major race tracks and fair circuits and California Horse Racing Board recognized off-track training centers. The organization maintains three clinics throughout the state which see over 10,000 people each year, including numerous children who are prepared medically to return to school each year.

III. Fund for Substance or Alcohol Abuse – *California B&P Code Section 19556(b) (5% minimum)*

Winners Foundation – The Winners Foundation provides confidential assistance on a one-to-one basis to employees and family members of California race tracks who are seeking help for alcohol, gambling and drug addiction. Each situation is geared to best support an individual's desire to change his or her life for the better. The Foundation has developed a large referral base and maintains close relationships with community based services such as anonymous 12 step groups, city and county assistance agencies, detox centers, halfway houses and out-patient and in-patient hospital treatment programs. This service is provided to any employee or family member of anyone involved in the California Thoroughbred horse racing community, free of charge. This includes backstretch workers, as well as all employees of Del Mar, Golden Gate Fields, Santa Anita and the California Association of Racing Fairs.

IV. Disabled Jockeys Fund – *B&P Code Section 19556(c) (20% minimum)*

Permanently Disabled Jockeys' Fund – This is a statutorily mandated distribution per Business and Professions Code Section 19556 (c). It provides support to disables jockeys, as its name implies.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE WATCHANDWAGER.COM, LLC IN THE AMOUNT OF $4,000 TO FIVE BENEFICIARIES

Regular Board Meeting
June 21, 2018

ISSUE

Watch and Wager LLC (Watch and Wager) is requesting approval to distribute race day charity proceeds generated at its 2016/2017 Race Meet (October 22, 2016 – May 7, 2017). Watch and Wager is proposing a total distribution of $4,000. The proposed distribution represents 25% more than the statute requires. The organizations selected, and amount to be distributed are listed on the attachment. Staff notes that 100 percent of the proposed charity distributions are made to equine related charity organizations.

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 there from 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 19555 requires that proceeds are to be distributed to beneficiaries within 12 calendar months after the last day of the meet during which charity days were conducted. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 30 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.

RECOMMENDATION

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

CHRB ANALYSIS

Watch and Wager Charity Day Proceeds (10/22/2016- 05/7/2017)

#	Nonprofit Organization	Amount	Proposed Disbursement Percentage	Percentage Required By Horse Racing Law (from the 2/10 of 1%)	Notes
1	Disabled Jockeys Fund	1,000.00	25%	minimum of 20%	d
2	Standardbred Retirement Foundation	1,700.00	43%		a
3	Sacramento Horsemen's Association	500.00	13%		a
4	Winners Foundation	500.00	13%	minimum of 5%	c
5	CA Harness Horsemen's Benevolent Foundation	300.00	8%	minimum of 5%	b
6		-			a
	Total Equine Related Charity	4,000.00	100%	minimum of 30%	a
	Notes:				
	a	30% to charities associated with the horse racing industry (B&P 19556 (b))			
	b	5% to welfare fund for backstretch personnel (B&P 19556 (b))			
	c	5% to nonprofit organization to assist alcohol abuse victims (B&P 19556 (b))			
	d	20% to nonprofit organization that benefits qualified disabled jockeys (B&P 19556 (c)(1))			
	e	overall a minimum of 50% should go to horse racing industry related nonprofit organizations.			
	Background information for each organization is attached.				

watch wager

Operating Harness Racing at Cal Expo

June 7, 2018

Ms. Jackie Wagner
Assistant Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Ms. Wagner:

Watchandwager.com, LLC has allocated charity day proceeds from our 2016/2017 Race Meet (10/22/2016 – 5/7/2017) as set forth below for the California Horse Racing Board's consideration and approval:

Sacramento Horsemen's Association (a)	$500.00
Standardbred Retirement Foundation (a)	$1,700.00
CA Harness Horsemen's Benevolent Foundation (b)	$300.00
Winners Foundation (c)	$500.00
Disabled Jockeys Fund (d)	$1,000.00
Total:	$4,000.00
Equine Related Charities	$4,000.00
Non-Equine Related Charities	$ 0.00
Percentage of Equine Related Charities	100%

Attached you will find a schedule describing the charitable organizations listed above. Thank you for your attention to this matter. If you need further information, please contact Kate Phariss or me.

Sincerely,

Benjamin Kenney
Watchandwager.com, LLC

25 Cadillac Drive, Suite 201, Sacramento, CA 95825 Tel: (916) 800-1395 Fax: (916) 760-7410

Sacramento Horsemen's Association: non-profit regional equestrian club established in 1942, hosts horse shows and provides boarding. (contact phone: 916-470-1337; http://www.sachorsemen.com)

Standardbred Retirement Foundation: non-profit, tax exempt organization created to care for, rehabilitate, and secure lifetime adoption of non-competitive Standardbred racehorses, to ensure their proper care with follow-up, and combine the needs of youth at risk with these horses in therapeutic equine programs to benefit both. (contact phone: 732-446-4422; http://www.adoptahorse.org)

CA Harness Horsemen's Benevolent Foundation: non-profit established by the CA Harness Horsemen's Association to provide funding and support for backstretch employees in need.
(contact phone: 916-263-7888)

Winners Foundation: established in 1984 as a non-profit organization to provide information, support and referral sources to employees and family members of the California horse racing community who are being adversely affected as a result of alcohol and/or substance abuse. There is no charge to anyone seeking aid through this group, which has aided and guided thousands of individuals. (Contact phone: 626-574-6498; http://winnersfoundation.org)

Permanently Disabled Jockeys Fund – Founded in 2006, it is a collaborative effort of many leaders in the horse racing industry, including racetracks, jockeys, horsemen and others. It is a public charity that currently provides financial assistance to approximately 60 former jockeys who have suffered catastrophic on-track injuries. It recently was the winner of the National Turf Writers and Broadcasters prestigious Joe Palmer Award for its exceptional work. Nancy LaSala is the group's president. (Contact phone: 630-595-7660; www.pdjf.org/)

STAFF ANALYSIS
June 21, 2018

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE SONOMA COUNTY FAIR AT SANTA ROSA AUGUST 1, 2018 THROUGH AUGUST 14, 2018

Sonoma County Fair filed its application to conduct a horse racing meeting at Santa Rosa:

- August 1 through August 14, 2018, or 8 days, three less days than 2017. Live racing will commence August 2, 2018 through August 12, 2018. Sonoma will be simulcasting only August 1 and 8, 2018. The fair proposes to race a total of 72 races. The Sonoma County Fair is not participating in the California Authority of Racing Fairs combined horse racing meeting.

- The proposed race dates are the approved dates allocated to the fair.

August - 2018						
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 Thursday through Sunday. 16 races per day on Thursdays and Fridays; 20 races per day on Saturdays and Sundays.

  - Racing concurrently with Del Mar Thoroughbred Club.

  - Number of horses available determines the number of daily races programmed by breed.

  - 2017 Race Meeting: Average number of runners per race (TB): 6.57
  - 2017 Race Meeting: Average number of runners per race (Arabian): 7.13
  - 2017 Race Meeting: Average number of runners per race (Quarter horse): 5.33
  - 2017 Race Meeting: Average number of runners per race (Mules): 6.17

- First post 1:15 p.m. Thursdays and Weekends; 2:15 p.m. Fridays.

- The Advance Deposit Wagering (ADW) providers are XpressBet, TVG, Watch and Wager, Lien Games and NYRA.

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

  Summary of B&P Code section 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.

The following ADW providers have submitted all documents required in compliance with Business and Professions Code section 19604 *to accept wagers on races **conducted in and outside of California** for a resident of California*, except the horsemen's approval.

- ODS Technologies, L.P. dba TVG Network.
- XpressBet LLC. dba XpressBet.com.
- NYRAbets, LLC
- Watch and Wager.com LLC
- Lien Games Racing, LLC

- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code section 19602; and with authorized locations throughout California.

- Wagering program will use CHRB and ARCI rules.
  - Early wagering will not be offered.
  - $1 Trifecta and $0.10 Superfecta when applicable.
  - $0.50 Pick 4 on first 4 races and last 4 races each day.
  - $0.50 Pick 5 on last 5 races each day, with 100% major pool paid for 5 of 5. If no 5 of 5, 75% carryover and 25% minor pool to most winners.
  - $1 Pick 6 on last 6 races each day, with 70% major pool paid or a carryover and 30% minor pool paid.
  - $0.50 Rolling Pentafecta (Super High 5) will be offered on all races with six (6) wagering interests when the pari-mutuel pools open. 100% payout of the net pool to the winners who select the top five finishers in exact order. No consolation or minor pool; 100% carryover if no ticket has five finishers in exact order. Mandatory payout on the final eligible race on Closing Day, August 12, 2018.

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

- Specific changes from the 2017 license application:
  - Fair Admission/Adults (13 & Older) from $13 to $15
  - Advanced Sale Tickets from $10 to $12
  - Fair Admission/Seniors from $13 to $15

- Fair Admission/Presale Discount from $10 to $12
- Season Admission Pass – Presale Price from $40 to $45
- Family Pack – Presale Price from $45 to $44
- New Parking (general) - $9
- New Parking (preferred) - $15
- New Preferred Grandstand seat - $5
- New Finish Line Seating (apron tables) - $10
- New Trackside Dining: $60 per table of 4, $15/seat. Reserved table for 4.
- New Paddock View Dining: $600 – Reserved seating section for up to 26. Includes fair admissions and racing programs for the entire group.

- Request Gary Greiner be appointed horse identifier pursuant to CHRB Rule 1525, Racing Officials Appointed by the Board.

- Inspection of backstretch worker housing has been requested and will be completed before the beginning of the race meet.

- A track safety inspection has been requested and will be completed before the beginning of the race meet.

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

1. Horsemen's approval of ADW agreements [TOC, Arabian, Mules, and Quarter].
2. Worker's Compensation [expires July 1, 2018].

RECOMMENDATION:

Staff recommends that the application not be heard at the June 21, 2018 Regular Board meeting.

STATE OF CALIFORNIA
CALIFORNIA HORSE RACING BOARD
APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF A CALIFORNIA FAIR
CHRB-18 (Rev. 1/16)

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 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:
Sonoma County Fair
1350 Bennett Valley Drive
Santa Rosa, CA 95404
(707) 545-4200, (707) 545-9342 Fax

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

C. Provide the name, telephone, and email address for the fair contact person:

Rebecca Bartling, CEO, 707-545-4200, bbartling@sonomacountyfair.com

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 allocated for race meeting: **Wednesday, August 1 – Tuesday, August 14, 2018**

B. Actual dates racing will be held: **Thursday, August 2 – Sunday, August 5 &Thursday, August 9 – Sunday, August 12**

C. Dates racing will NOT be held: **August 1, 6, 7, 8 and August 1 & 8 will be simulcast only days.**

D. Total number of racing days: **8**

E. Days of the week races will be held:
[X] Thurs - Sun [ ] Tues - Sat [ ] Other (specify)

3. RACING PROGRAM

A. Total number of races: **72**
Should the availability of racing participants exceed our expectations, we request approval to adjust the number of races scheduled.

B. Number of races by breed:

CHRB CERTIFICATION

Application received: 5/4/18
Reviewed: [illegible]

Hearing date: 6/21/18
Approved date:
License number:

SANTA ROSA
WINE COUNTRY RACING
WHERE HORSES MEET THE TURF!

June 4, 2018

Rick Baedeker
Executive Director
California Horse Racing Board
1010 Hurley Way
Sacramento, CA 95825

Dear Rick,

Currently outstanding from the Sonoma County Fair's 2018 Racing License Application are the following items:

Thoroughbred Owners of California Horsemen's Agreement
Horsemen's approval of ADW agreements (TOC, Arabian, Quarter Horse, Mule)

We expect the TOC agreement and ADW approval letters to be finalized and signed by the end of next week.

Additionally, it has been noted that our Worker's Compensation Certificate does expire on July 1, 2018. This policy will automatically renew through the County of Sonoma and the renewal certificate will be forwarded upon our receipt.

Sincerely,

Becky Bartling
Chief Executive Officer

1350 Bennett Valley Road, Santa Rosa, CA 95404
p: (707) 545-4200 · f: (707) 573-9342
sonomacountyfair.com

58	Thoroughbreds	3	Quarter Horses	0	Appaloosas
6	Arabians	0	Paints	5	Mules

C. Number of races daily:

	Wed	Thur 8/2 & 8/9	Fri 8/3 & 8/10	Sat ,8/4 & 8/11	Sun 8/5 & 8/12
Thoroughbred	0	6	6	8	9
Other Breeds	0	2	2	2	1
Total	0	16	16	20	20

D. Total number of stakes races by breed:

3	Thoroughbreds	2	Quarter Horses	0	Appaloosas
0	Arabians	0	Paints	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. **See attached Thoroughbred and Quarter Horse Stakes Information**

1. Attach a listing of all stakes races for the past two race meetings. The information provided must be for the same timeframe in which the association is applying. Include the date the stakes races were run, and the added money or guaranteed purse for each. Note the races that were designated for California-bred horses. **See Attached**

2. Identify the stakes races listed under item E that have been altered, added, or are new for the current race meeting. Provide details regarding any alterations to the identified stakes races. (e.g., changes in the age, sex, eligibility, purse or substantial calendar changes).

3. Identify the stakes races listed under item E1 that have been dropped or deleted, and the reasons the stakes were dropped or deleted. **Wine Country Debutante and Jess Jackson Juvenile Stakes have been dropped due to lack of field size, reduction in race days, and the need to balance purse overpayment status.**

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

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

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

Race Number	*Thursday*	*Fridays*	*Weekends*
Race # 1	1:15p.m.	2:15 p.m.	1:15 p.m.
Race # 2	1:45 p.m.	2:45 p.m.	1:45 p.m.
Race # 3	2:15 p.m.	3:15 p.m.	2:15 p.m.
Race # 4	2:45 p.m.	3:45 p.m.	2:45 p.m.
Race # 5	3:15 p.m.	4:15 p.m.	3:15 p.m.
Race # 6	3:45 p.m.	4:45 p.m.	3:45 p.m.
Race # 7	4:15 p.m.	5:15 p.m.	4:15 p.m.
Race # 8	4:45p.m.	5:45 p.m.	4:45 p.m.
Race # 9	5:15 p.m.	6:15 p.m.	5:15 p.m.
Race # 10			5:45 p.m.

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.

Section 3 RACING PROGRAM, Item E - 2016-2018 Sonoma County Fair Stakes Information

2018 Thoroughbred Stakes "Wine Country Stakes Series"

Wine Country Stakes
Dropped 2017
Note: fillies can run in Luther Burbank

Luther Burbank Handicap – 48th Running
$50,000 Added Overnight Hdcp
(Plus up to $15,000 to Cal-Breds)
Fillies and Mares Three-year olds and Upward
One and 1/16 Miles (Turf)
Saturday, Aug 4

Robert Dupret Derby – 7th Running
$50,000 Added Overnight Hdcp
(Plus up to $15,000 to Cal-Breds)
Three-year olds – One & 1/16 Miles (Turf)
Sunday, Aug 5

Joseph T. Grace Handicap – 47th Running
$50,000 Added Overnight Hdcp
(Plus up to $15,000 to Cal-Breds)
Three-year olds and Upward - One and 1/16 Miles (Turf)
Saturday, Aug 11

Wine Country Debutante
Dropped

Jess Jackson Owner's Hdcp
Dropped 2017

Jess Jackson Juvenile Stakes
Dropped

2017 Thoroughbred Stakes "Wine Country Stakes Series"

Wine Country Stakes
Dropped
Note: fillies can run in Luther Burbank

Luther Burbank Handicap – 47th Running
$50,000 Added Overnight Hdcp
(Plus up to $15,000 to Cal-Breds)
Fillies and Mares Three-year olds and Upward
One and 1/16 Miles (Turf)
Saturday, Aug 5

Robert Dupret Derby – 6th Running
$50,000 Added Overnight Hdcp
(Plus up to $15,000 to Cal-Breds)
Three-year olds – One & 1/16 Miles (Turf)
Sunday, Aug 6

Joseph T. Grace Handicap – 46th Running
$50,000 Added Overnight Hdcp
(Plus up to $15,000 to Cal-Breds)
Three-year olds and Upward - One and 1/16 Miles (Turf)
Saturday, Aug 12

Wine Country Debutante
$50,000 Added Overnight Stakes
(Plus up to $15,000 to Cal-Breds)
Two-year old Fillies – Six Furlongs
Sunday, Aug 13

Jess Jackson Owner's Hdcp
Dropped

Jess Jackson Juvenile Stakes – 50th Running
(formerly the Cavonnier)
$50,000 Guaranteed
(Plus up to $15,000 to Cal-Breds)
Two-year olds - Six Furlongs
Sunday, Aug 13

2016 Thoroughbred Stakes

Wine Country Stakes
$50,000 Added Overnight Stakes
(Plus up to $15,000 to Cal-Breds)
Three-year old Fillies – One and 1/16 Miles (Turf)
Saturday, Jul 30

Luther Burbank Handicap – 46th Running
$50,000 Added Overnight Hdcp
(Plus up to $15,000 to Cal-Breds)
Fillies and Mares Three-year olds and Upward
One and 1/16 Miles (Turf)
Sunday, Jul 31

Robert Dupret Derby – 5th Running
$50,000 Added Overnight Hdcp
(Plus up to $15,000 to Cal-Breds)
Three-year olds – One & 1/16 Miles (Turf)
Saturday, Aug 6

Joseph T. Grace Handicap – 45th Running
$50,000 Added Overnight Hdcp
(Plus up to $15,000 to Cal-Breds)
Three-year olds and Upward - One and 1/16 Miles (Turf)
Sunday, Aug 7

Wine Country Debutante
$50,000 Added Overnight Stakes
(Plus up to $15,000 to Cal-Breds)
Two-year old Fillies – Six Furlongs
Sunday, Aug 14 (moved from final Friday of meet)

Jess Jackson Owner's Hdcp – 5th Running
$50,000 Added Overnight Stakes
(Plus up to $15,000 to Cal-Breds)
Three-year olds and Upward – 5 Furlongs (Turf)
Saturday, Aug 13

Cavonnier Juvenile Overnight Stakes – 49th Running
$50,000 Guaranteed
(Plus up to $15,000 to Cal-Breds)
Two-year olds - Six Furlongs
Sunday, Aug 14

2018 Quarter Horse Stakes
PCQHRA Handicap
$8,000 Guaranteed
Three Year Olds and Upward – 350 Yards
TBD

Wine Country Derby
$8,000 Guaranteed
Three Year Olds & Upward – 440 Yards
TBD

2017 Quarter Horse Stakes
PCQHRA Handicap
$8,000 Guaranteed
Three Year Olds and Upward – 350 Yards
Thursday, Aug 10

Wine Country Derby
$8,000 Guaranteed
Three Year Olds & Upward – 440 Yards
Friday, Aug 11

2016 Quarter Horse Stakes
PCQHRA Handicap
$8,000 Guaranteed
Three Year Olds and Upward – 350 Yards
Thursday, Aug 4

Wine Country Derby
$8,000 Guaranteed
Three Year Olds & Upward – 440 Yards
Friday, Aug 12

4. FAIR ASSOCIATION

A. Names of the fair directors:

Doug Beretta	Lisa Carreño	Cindy Crane	Tony Giraldi
Marilyn Herzog	Bob Higham	Rob Muelrath	Ross Liscum
Teejay Lowe	Max Mickelsen	Marcia Mickelson	Annette O'Kelley
Bev Palm	Wanda Tapia	Lisa Wittke Schaffner	

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

Max Mickelsen	Rob Muelrath	Ross Liscum	Teejay Lowe
Lisa Wittke Schaffner			

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 12B, who will be listed in the official program:
Rebecca Bartling – CEO
Robert Moreno - Racing Secretary
Stacey Lapham - Director of Racing
Doug Gooby - Mutuel Manager
Michelle Mustard - Satellite Supervisor
Juan Meza - Race Track Superintendent
Michael Wrona - Track Announcer

D. Name and title of the person(s) authorized to receive notices on behalf of the fair association and the mailing and email address of such person(s).
Rebecca Bartling, CEO
1350 Bennett Valley Road
Santa Rosa, CA 95404
bbartling@sonomacountyfair.com

5. TAKE OUT PERCENTAGE

1. Will the percentage deducted for any type of wager be adjusted pursuant to Business and Professions Code section 19601.01? If no, proceed to subsection 6. If Yes, identify the wager and the proposed takeout percentage.

Yes [ ] No [x]

Wager(s) to be adjusted:_____ Proposed percentage: ____%

A. Attach copy of written notice requesting the proposed takeout adjustment, the proposed percentage and the wager(s) affected. The notice must include the written agreement of the fair association and the horsemen's organization for the meeting of the fair association accepting the wager.

NOTICE TO APPLICANT: Pursuant to Business and Professions Code section 19601.01 notwithstanding any other provision of law, a thoroughbred association or fair, upon the filing of a written notice with, and approval by, the board specifying the percentage to be deducted, may deduct from the total amount handled in the pari-mutuel pool for any type of wager an amount of not less than 10 percent nor more than 25 percent. The written notice shall include the written agreement of the thoroughbred association or fair and the horsemen's organization for the meeting of the thoroughbred association or fair accepting the wager. The established percentage to be

deducted shall remain in effect until the filing of a subsequent notice with, and approval by, the board, unless otherwise specified in the notice.

6. HANDLE HISTORY

1. Complete the table below providing the last five years of handle and attendance for the fair association. If your association has been operating for fewer than five years, provide information for the period of time it has been in operation.

Year	Handle	Attendance	Number of Racing Days
2017	$28,822,331	32,779	11 days
2016	$30,083,973	30,876	11 days
2015	$32,942,658	30,670	11 days
2014	$31,319,378	32,793	13 days
2013	$33,734,505	36,830	13 days

7. PURSE PROGRAM (Excluding supplements, nominations, sponsorships, and starter fees):

A. Purse distribution: **2018 (8 days) vs. 2017 (11 days)**

1. All races other than stakes:
   Current meet estimate: $781,667
   Prior meet actual: $1,131,360

   Average Daily Purse (7A1 ÷ number of days):
   Current meet estimate: $97,708
   Prior meet actual: $102,851

2. Overnight stakes:
   Current meet estimate: $216,000
   Prior meet actual: $265,300

   Average Daily Purse (7A2 ÷ number of days):
   Current meet estimate: $ 27,000
   Prior meet actual: $ 24,118

3. Non-overnight stakes:
   Current meet estimate: $-0-
   Prior meet actual: $-0-

   Average Daily Purse (7A3 ÷ number of days):
   Current meet estimate: $-0-
   Prior meet actual: $-0-

4. Total Purses: (7A1+-7A2+ 7A3)
   Current meet estimate: $997,667
   Prior meet actual: $1,396,660

B. Funds to be generated for all California-bred incentive awards (including breeder awards and owners premiums):

Current meet estimate: $124,708
Prior meet actual: $126,969

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

	Current meet estimate:	Prior meet actual:
CTT	$ 2,522	$ 3,650
TOC	$ 5,043	$ 7,299
NTRA	$ 1,543	$ 1,663
PCQHRA	$ 1,138	$ 1,647
CWAR	$ -0-	$ -0-
ARAC	$ 2,734	$ 3,957
AMRA	$ 1,265	$ 1,831
CHBPAPEN	$ 7,565	$10,949
CTHF	$ 7,565	$10,949
Total	$29,375	$41,945

D. Amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen (7A+7B+7C):
Current meet estimate: $1,151,750
Prior meet actual: $1,565,574

Average Daily Purse (7D ÷ number of days):
Current meet estimate: $ 143,968
Prior meet actual: $ 142,324

E. Purse funds to be generated from on-track handle and intrastate off-track handle (excluding carry-overs from prior race meet(s):
Current meet estimate: $ 794,344
Prior meet actual: $1,115,698

Average Daily Purse (7E ÷ number of days):
Current meet estimate: $ 99,293
Prior meet actual: $ 101,427

F. Purse funds to be generated from interstate handle:
Current meet estimate: $ 324,450
Prior meet actual: $ 455,708

Average Daily Purse (7F ÷ number of days):
Current meet estimate: $ 40,556
Prior meet actual: $ 41,428

G. Bank and account number for the Paymaster of Purses' purse account:
Exchange Bank, Sonoma County Fair: Account number on file with CHRB

H. Name, address, email and telephone number of the pari-mutuel audit firm engaged for the meeting:
Kevin Riley, CPA of Rossmann, MacDonald & Benetti, 3838 Watt Avenue, Suite E-500, Sacramento, CA 95821, kevin@rmb-cpa.com, (916) 488-8360

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 Business and Professions 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.

8. STABLE ACCOMMODATIONS

A. Number of usable stalls available for racehorses at the track where the meeting is held:
800

B. Minimum number of stalls believed necessary for the meeting:
760

C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers:
1,500

D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:
Golden Gate Fields – 1,500

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.
2018 Summer Northern California Stabling Agreement (On File).

Complete subsections F through H if the fair will request reimbursement for off-site stabling as provided by Business and Professions Code sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, proceed to section 9.

F. Total number of usable stalls made available on-site for the **1986** meeting, pursuant to Business and Professions Code section 19535(c).

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

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

9. EQUINE EMERGENCY SERVICES

A. Name and emergency telephone number of the racing veterinarian onsite during training hours, workouts and during racing for the association and auxiliary sites:
Dr. Forest Franklin - 916-585-2050
Dr. Sara Sporer - Examining / Track Veterinarian - 510-220-4860

1. Attach a schedule listing the dates and times that the racing veterinarian will be available onsite during training hours, workouts and during racing for the association and auxiliary sites. **See Attached**

10. PARI-MUTUEL WAGERING PROGRAM

A. Is the fair applicant a member of the California Authority of Racing Fairs (CARF)? If yes, attach a copy of the CARF recommended wagering format. Yes [ ] No [X]

B. Pursuant to Business and Professions 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. If applicant is a member of CARF, also indicate if wager is a part of the CARF recommended wagering formant:

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	CARF WAGERING FORMAT
Example Race	$1 E; $1 Double	CHRB #1959; RCI #VE	Yes [No]
Race #1	$2DD	CHRB 1957	
	$1E	CHRB 1959	
	$1PK3	CHRB 1977	
	$.50 PNP (Pick 4)	CHRB 1976.9	
	$1 Trifecta	CHRB 1979	
	$.10 Superfecta	CHRB 1979.1	
	$.50 Super High 5 (Pentafecta)	ARCI 004-105 T (4) (b) Method 2 Provision (C)*	
Race #2	$2DD	CHRB 1957	
	$1E	CHRB 1959	
	$1PK3	CHRB 1977	
	$1 Trifecta	CHRB 1979	
	$.10 Superfecta	CHRB 1979.1	
	$.50 Super High 5 (Pentafecta)	ARCI 004-105 T (4) (b) Method 2 Provision (C)*	
Race #3	$2DD	CHRB 1957	
	$1E	CHRB 1959	
	$1PK3	CHRB 1977	
	$1 PNP (Pick 6 when 8 races)	CHRB 1976.9	
	$1 Trifecta	CHRB 1979	
	$.10 Superfecta	CHRB 1979.1	
	$.50 Super High 5 (Pentafecta)	ARCI 004-105 T (4) (b) Method 2 Provision (C)*	
Race #4	$2DD	CHRB 1957	
	$1E	CHRB 1959	
	$1PK3	CHRB 1977	
	$.50 PNP (Pick 5 when 8 races)	CHRB 1976.9	
	$1 PNP (Pick 6 when 9 races)	CHRB 1976.9	
	$1 Trifecta	CHRB 1979	
	$.10 Superfecta	CHRB 1979.1	
	$.50 Super High 5 (Pentafecta)	ARCI 004-105 T (4) (b) Method 2 Provision (C)*	

SECTION 9.1 ATTACHMENT

EQUINE EMERGENCY SERVICES

VETERINARIAN	EMERGENCY CONTACT #
Dr. Ken Allison	650-642-4636
Dr. Steve Boyer	510-867-5872
Dr. Kim Khulman	510-867-5871
Dr. Jerry Parker	650-642-5610
Dr. Don Smith	510-812-9275

The veterinarians listed above have a rotation they use to cover Sonoma County Fair and Golden Gate Fields during training hours and races.

Horses wishing to work to become eligible to be removed from Veterinarian's List must make appointment through the Test Barn secretary.

Race #5	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PK3	CHRB 1977
	$.50 PNP (Pick 4 when 8 races)	CHRB 1976.9
	$.50 PNP (Pick 5 when 9 races)	CHRB 1976.9
	$1 PNP (Pick 6 when 10 races)	CHRB 1976.9
	$1 Trifecta	CHRB 1979
	$.10 Superfecta	CHRB 1979.1
	$.50 Super High 5 (Pentafecta)	ARCI 004-105 T (4) (b) Method 2 Provision (C)*
Race #6	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PK3 (when 8 races)	CHRB 1977
	$.50 PNP (Pick 4 when 9 races)	CHRB 1976.9
	$.50 PNP (Pick 5 when 10 races)	CHRB 1976.9
	$1 PNP (Pick 6 when 11 races)	CHRB 1976.9
	$1 Trifecta	CHRB 1979
	$.10 Superfecta	CHRB 1979.1
	$.50 Super High 5 (Pentafecta)	ARCI 004-105 T (4) (b) Method 2 Provision (C)*
Race #7	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PK3 (when 9 races)	CHRB 1977
	$.50 PNP (Pick 4 when 10 races)	CHRB 1976.9
	$.50 PNP (Pick 5 when 11 races)	CHRB 1976.9
	$1 PNP (Pick 6 when 12 races)	CHRB 1976.9
	$1 Trifecta	CHRB 1979
	$.10 Superfecta	CHRB 1979.1
	$.50 Super High 5 (Pentafecta)	ARCI 004-105 T (4) (b) Method 2 Provision (C)*
Race #8	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PK3 (when 10 races)	CHRB 1977
	$.50 PNP (Pick 4 when 11 races)	CHRB 1976.9
	$.50 PNP (Pick 5 when 12 races)	CHRB 1976.9
	$1 Trifecta	CHRB 1979
	$.10 Superfecta	CHRB 1979.1
	$.50 Super High 5 (Pentafecta)	ARCI 004-105 T (4) (b) Method 2 Provision (C)*
Race #9	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PK3 (when 11 races)	CHRB 1977
	$.50 PNP (Pick 4 when 12 races)	CHRB 1976.9
	$1 Trifecta	CHRB 1979
	$.10 Superfecta	CHRB 1979.1
	$.50 Super High 5 (Pentafecta)	ARCI 004-105 T (4) (b) Method 2 Provision (C)*
Race #10	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PK3	CHRB 1977
	$1 Trifecta	CHRB 1979
	$.10 Superfecta	CHRB 1979.1
	$.50 Super High 5 (Pentafecta)	ARCI 004-105 T (4) (b) Method 2 Provision (C)*
Race #11	2DD	CHRB 1957
	$1E	CHRB 1959
	$1 Trifecta	CHRB 1979
	$.10 Superfecta	CHRB 1979.1
	$.50 Super High 5 (Pentafecta)	ARCI 004-105 T (4) (b) Method 2 Provision (C)*

Race #12	**$1E**	**CHRB 1959**
	$1 Trifecta	**CHRB 1979**
	$.10 Superfecta	**CHRB 1979.1**
	$.50 Super High 5 (Pentafecta)	**ARCI 004-105 T (4) (b) Method 2 Provision (C)***

*** For closing day final race (mandatory payout): ARCI 004-105 T (4) (g) Method (7) (C)**

C. Identify any wagers noted in 10A (the current pari-mutuel wagering program) that were not in the prior year's pari-mutuel program, or that are not being carried forward from the previous year's pari-mutuel wagering program. **$.50 Rolling Pentafectas (Super High 5) will be offered on all races with a minimum of six (6) wagering interests when the pari-mutuel pools open.**

D Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **August 12, 2018 (Closing Day of Sonoma County Fair)**

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

E List any options requested with regard to exotic wagering:
$1 TRI and $.10 SF when applicable
$.50 PNP4 on the first four races and the last four races each day
$.50 PNP5 on the last five races each day, with 100% major pool paid for 5 of 5. If no 5 of 5, 75% carryover and 25% minor pool to most winners.
$1 PNP6 on the last six races each day, with 70% major pool paid or a carryover and a 30% minor pool paid.
$.50 Rolling Pentafectas (Super High 5) will be offered on all races with six (6) wagering interests when the pari-mutuel pools open. 100% payout of the net pool to the winners who select the top five finishers in exact order. No consolation or minor pool; 100% carryover if no ticket has five finishers in exact order. Mandatory payout on the final eligible race on Closing Day, August 12, 2018.

F Will "advance" or "early bird" wagering be offered? [ ] Yes [x] No

If yes, when will such wagering begin. Specify days and time for "early bird" wagering:

G 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:
Amtote (Dave Calendine)
Expiration Date: October 30, 2020
Equipment description on file with Board

H. List below the takeout percentage for each type of wager identified in 10B:
TAKEOUT PERCENTAGE
(Example) PNP5-14%

Race #1 Win, Place, Show – 16.77%; Exacta & Daily Double – 24.02%;
Pick 3, 4, Trifectas, Superfectas & Pentafectas – 25.02%
Race #2 Win, Place, Show – 16.77%; Exacta & Daily Double – 24.02%;
Pick 3, Trifectas, Superfectas & Pentafectas – 25.02%

Race #3 Win, Place, Show – 16.77%; Exacta & Daily Double – 24.02%;
Pick 3, 6, Trifectas, Superfectas & Pentafectas – 25.02%
Race #4 Win, Place, Show – 16.77%; Exacta & Daily Double – 24.02%;
Pick 3, 5, 6, Trifectas, Superfectas & Pentafectas – 25.02%
Race #5 Win, Place, Show – 16.77%; Exacta & Daily Double – 24.02%;
Pick 3, 4, 5, 6, Trifectas, Superfectas & Pentafectas – 25.02%
Race #6 Win, Place, Show – 16.77%; Exacta & Daily Double – 24.02%;
Pick 3, 4, 5, 6, Trifectas, Superfectas & Pentafectas – 25.02%
Race #7 Win, Place, Show – 16.77%; Exacta & Daily Double – 24.02%;
Pick 3, 4, 5, 6, Trifectas, Superfectas & Pentafectas – 25.02%
Race #8 Win, Place, Show – 16.77%; Exacta & Daily Double – 24.02%;
Pick 3, 4, 5, Trifectas, Superfectas & Pentafectas – 25.02%
Race #9 Win, Place, Show – 16.77%; Exacta & Daily Double – 24.02%;
Pick 3, 4, Trifectas, Superfectas & Pentafectas – 25.02%
Race #10 Win, Place, Show – 16.77%; Exacta & Daily Double – 24.02%;
Pick 3, Trifectas, Superfectas & Pentafectas – 25.02%
Race #11 Win, Place, Show – 16.77%; Exacta & Daily Double – 24.02%;
Trifectas, Superfectas & Pentafectas – 25.02%
Race #12 Win, Place, Show – 16.77%; Exacta – 24.02%;
Trifectas, Superfectas & Pentafectas – 25.02%

11. ADVANCE DEPOSIT WAGERING (ADW)

A. Identify the ADW provider(s) to be used by the fair for this race meeting:
Express Bet, T.V.G. (Television Games Network), WatchandWager, Bet America (Lien Games), NYRA Bets

B. Attach a copy of the agreement/contracts with each ADW provider to be used for this race meeting. **On File**

C. Have the contract/agreements been approved by the respective horsemen's groups?
Yes [X] No [ ]

If yes, attach a copy of the approval. – **Attached**
If no, explain the status of the approval.

NOTICE TO APPLICANT: Pursuant to Business and Professions Code section 19604, ADW providers may accept wagers on races conducted in California from a resident of California if: 1) the ADW provider is licensed by the Board; 2) a written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made;3) the agreement shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wager are made. ADW provides may accept wagers on races conducted outside of California from a resident of California if: 1) the ADW provider is licensed by the Board; 2) 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 wagers are placed and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conduced.

12. SIMULCAST WAGERING PROGRAM

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

B. Attach the agreement between the fair and simulcast organization permitting the organization to use the fair's live audiovisual signal for wagering purposes and providing access to its totalizator for the

purpose of combining on-track and off-track pari-mutuel pools.

The NCOTWINC agreement dated May 17, 2013 is still in effect and on file with Board.

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

NORTHERN CALIFORNIA

Alameda County Fair, Pleasanton
Big Fresno Fair, Fresno
California State Fair & Exposition, Sacramento
Club One, Fresno
Golden Gate Fields, Albany
Jockey Club at San Mateo, San Mateo
Monterey County Fair, Monterey
San Joaquin County Fair, Stockton
Santa Clara County Fair, San Jose
Solano County Fair, Vallejo
Sonoma County Fair, Santa Rosa

SOUTHERN CALIFORNIA

Cabazon Fantasy Springs Casino, Indio
Derby Club, Seaside Park, Ventura
Fairplex Park, Pomona
Hollywood Park Casino, Inglewood
Los Alamitos Race Course, Los Alamitos
Pechanga Resort & Casino, Temecula
Santa Anita Park, Arcadia
Sports Center, Nat'l Orange Show, San Bernardino
Sports Pavilion at The Farmers Fair, Lake Perris
Sports Pavilion, San Bernardino Cty. Fair, Victorville
Surfside Race Place at Del Mar, Del Mar
Viejas Casino & Turf Club, Alpine
Watch & Wager, Antelope Valley Fgds, Lancaster

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

2018 Sonoma County Fair Meet
Commingled Locations

AmWest Entertainment
AmWest Accounts
Greenbrier (WV)
Riders Up (SD)
Time Out Lounge (SD)
Triple Crown (SD)
Arapahoe-Mile High
Arima Race Club
Arlington I
Atlantic City Racecourse
Balmoral
Balmoral ADW (BETZOTIC)
Bangor Raceway
Batavia
Bettor Racing
Beulah Park
Birmingham
Bluffs Run Greyhound
Buffalo Raceway
Canterbury
Capital District OTB
Catskills OTB
Charles Town Race Course
Chester Downs & Marina LLC
Churchill Downs
Club Hipica in Turf
Coeur d' Alene Casino
Colonial Downs
Colonial Downs Phone Bet
Columbus Raceway
Connecticut OTB
Dover Downs
Dubuque Greyhound
Elite Turf Club (1 to 12)
Ellis Park
Emerald Downs
Evangeline Downs
Evangeline Downs AWA
Fair Grounds
Fair Grounds ADW
Fair Meadows
Favorites at Gloucester
Finger Lakes
Fonner
Freehold
Gillespie County Fair
Global Wagering Solutions
Bwin International Ltd.
Intl Betting Assoc. Ltd.
Magna Bet
Racebets
Greenetrack
Greyhound @ Post Falls
Gulf Greyhound
Gulfstream
Harrington Raceway
HarringtonBets (DE regional)
Hawthorne Race Course
Hawthorne ADW
Hazel Park
Hoosier Park
Horsemen's Park
Maronas (South America)
Maryland Jockey Club
Maywood
Meadowlands
The Meadows
The Meadows (ADW)–PAReg
Millers OTB
Mobile Greyhound
Monmouth Park
Montana OTB
Monticello
Mountaineer Park
Mt. Pleasant Meadows
Nassau Regional OTB
New Jersey Casino Assoc.
Nevada Pari-Mutuel Assoc.
Newport Jai Alai
NJ Mobile
Northfield
Cedar Downs OTB
Northville
NYRA
NYRA Account Wagering
Oaklawn
Ocean Downs
Panama
PARX
PARX Phone Bet
Penn National
Penn National Telebet
Peru
Saratoga Harness Raceway
SaratogaBets
Scarborough
Scioto Downs
Seabrook Greyhound
Social Gaming
Sol Mutuel
Southland Greyhound
Sports Creek Raceway
State Fair (Lincoln, NE)
Suffolk District OTB
Suffolk Downs
Sunland Park
SunRay Park & Casino
Tampa Bay Downs
Taunton Acct Wagering
Taunton Dog Track Inc.
The Downs at Albuquerque
Thistledown
Tioga Downs
Tri-State GH (Madi Gras)
Turf Paradise
Turfway Park
TVG Chester
TVG Network
TVG Prairie
Twin River Greyhound
TwinSpires
TwinSpires High Volume
Velocity Wagering Ltd.
Venezuela OTB

Bradley Teletheater, Bristol
New Britain, Norwalk, Milford
East Haven, Hartford, Putnam
Shoreline Star, Sports Haven
Torrington, Waterbury
Manchester, New London
Willimantic, Sanford OTB
John Martin's Manor Restaurant
Connecticut OTB ADW
Coushatta Casino
Paragon Casino
Ho-Chunk Casino & Racebook
Mohegan Sun Casino
Oneida Bingo & Casino
Pony Bar Simulcast Center
Tote Investment Racing
Randall James Racetrack
Millennium Racing
Royal Beach Casino
Divi Carina Bay Casino
Fair Chance, Winner's Circle
Camouflage Gaming
Corpus Christi Greyhound
Delaware
Delta Downs
Derby Jackpot
Idabet
Indiana Downs
Clarksville/EvansvilleOTB
Intermountain Racing
Keeneland
Keeneland Select ADW
Kentucky Downs
Kentucky OTB
Lebanon
Les Bois (Treasure Valley)
Lewiston OTB's
Lien Games
Chips Lounge and Casino
Howard Johnson's OTB
Rumors OTB
Skydancer Casino OTB
Lien Games ADW
BetAmerica and Offtrackbetting
Lone Star
Louisiana Downs
LVDC
Atlantis Paradise Casino
Avatar Ventures
Buffalo Thunder Resort
Foxwoods Resort Casino
Meskwaki Bingo & Casino
Plainridge Race Course
Plainridge Telephone Wagering
Player Mgmt Group
Pocono Account Wagering
Pocono Downs & OTB
Portland Meadows
Potawatomi Casino/ OTB
Prairie Meadows
Premier Turf Club
Presque Isle Downs
Raceway Park
Racing2Day LLC
Racing2Day Intl.(Stan James)
Remington Park
Remington OTB Network
Retama
Racing & Gaming Services
Rillito Park
River Downs
Rockingham Park
Rockingham Acct Wagering
Ruidoso Downs
Running Acres Harness Park
Saddle Brook Park
Sam Houston
Valley Greyhound Park
Vernon Downs
WatchandWager
Western OTB
Wheeling Downs
Will Rogers Downs
Wyoming OTB
XpressBet
Younkers Raceway
Yonkers ADW
Youbet Group 1
Zia Park
123Gaming

Separate Pool Locations

Camarero (Puerto Rico)
Caymanas (Jamaica)
Codere (Mexico/Spain)
MIR Books (Caliente)
NDS Books (Nevada)

Canadian Locations

Alberta Downs, Assiniboia, Barrie, Charlottetown, Clinton Teletheatre, Dresden, Elmira Raceway, Evergreen Park, Exhibition Park, Flamboro Downs, Fraser Downs, Fort Erie, Frederiction Raceway, Georgian Downs, Grand River, Hanover Raceway, Hastings Park, Hiawatha, Hipodrome de Quebec, Inverness Raceway,Kawartha Downs, Marquis Downs, Mohawk, New Brunswick, Northlands, Northside Downs, Picov Downs, Quinte Raceway, Rideau Carlton, Rocky Mountain Turf Club, Royal Britiana Hub, St. Johns, Sudbury Downs, Summerside, TBC Sandown, TBC Teletheaters, Truro Raceway, Western Fair, Windsor, Woodbine

E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair: **See Listing Above**

F. California mini-simulcast facilities the fair proposes to offer its live audiovisual signal: **Commerce Casino, Commerce; OC Tavern & Sports Bar, San Clemente; 58 Flat Sports Bar & Casino, Bonita; Ocean's 11, Oceanside; Original Roadhouse Grill, Santa Maria; Sammy's Restaurant & Bar, Mission Viejo; Santa Clarita Lanes, Santa Clarita; Firehouse Bar & Grill, Bakersfield; Striders, San Diego; Tilted Kilt, Thousand Oaks; Lake Elsinore Hotel & Casino, Lake Elsinore**

G. 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":

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Arlington Park	**8/2 – 8/12**	**Selected Feature and/or stakes races**

Canterbury Park	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Charles Town	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Delaware	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Ellis Park	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Emerald Downs	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Evangeline Downs	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Fingerlakes	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Gulfstream	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Indiana Downs	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Louisiana Downs	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Monmouth	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Mountaineer	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Penn National	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Philadelphia Park/Parx	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Prairie Meadows	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Presque Isle Downs	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Ruidoso	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Saratoga	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Suffolk Downs	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Thistledown	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Assiniboia	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Australian Racing	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Fort Erie	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Hastings	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Northlands Park	**8/2 – 8/12**	**Selected Feature and/or stakes races**
South American Racing	**8/2 – 8/12**	**Selected Feature and/or stakes races**
United Kingdom	**8/2 – 8/12**	**Selected Feature and/or stakes races**
Woodbine	**8/2 – 8/12**	**Selected Feature and/or stakes races**

NOTICE TO APPLICANT: Business and Professions 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 50 imported thoroughbred races statewide. The limitation of 50 imported thoroughbred races per day statewide does not apply to those races specified in Business and Professions 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

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

N/A

I. If any out-of-state or out-of-country races will commence outside of the time constraints set forth in Business and Professions Code sections 19596.2 and 19596.3, attach a copy showing agreement by the appropriate racing association(s). **N/A**

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

Every fair shall pay to the simulcast organization within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and vanning deductions. Every fair shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 7.)

13. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:
Association Veterinarian(s) – **Sarah Sporer, D.V.M.**
Clerk of Scales – **Kenneth Sjordal**
Clerk of the Course – **Tina Walker-Bryant**
Film Specialist – **Danny Winick**
Horse Identifier – **Gary Greiner**
Horseshoe Inspector – **Jackie Payton**
Paddock Judge – **Danny Winick**
Patrol Judges – **Myra Truitt & Lisa Jones**
Placing Judges – **Steve Martinelli & Jon Leon**
Starter – **Todd Stephens**
Timer – **Melody Truitt**

B. Management officials in the racing department:
Director of Racing – **Stacey Lapham**
Racing Secretary – **Robert Moreno**
Assistant Racing Secretary – **Linda Anderson**
Paymaster of Purses – **Victoria Layne**
Others (identify by name and title)

C. Name, address, email and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
Niccoli Reporting; 619 Pilgrim Drive, Foster City, CA 94404; pdqcsr@comcast.net; (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 Corporation USA – Bill O'Brien (Expires 8/30/19)

E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
Pegasus Communication, Inc. – Jim Porep (Expires 4/30/2019)
Equipment description on file with Board: 5 Cameras – (3 Tower, 1 Pan, 1-Hand Held)

F. Type of electronic timing device to be used for the timing of all races, name of the person supplying

the service, and expiration date of the service contract:
Dedicated PC with connectivity to a hard wired electronic system surrounding the racetrack with infrared sensors at each 1/16th pole and both chutes. Pegasus Communication, Inc. – Jim Porep - Contract Expires: 4/30/2019

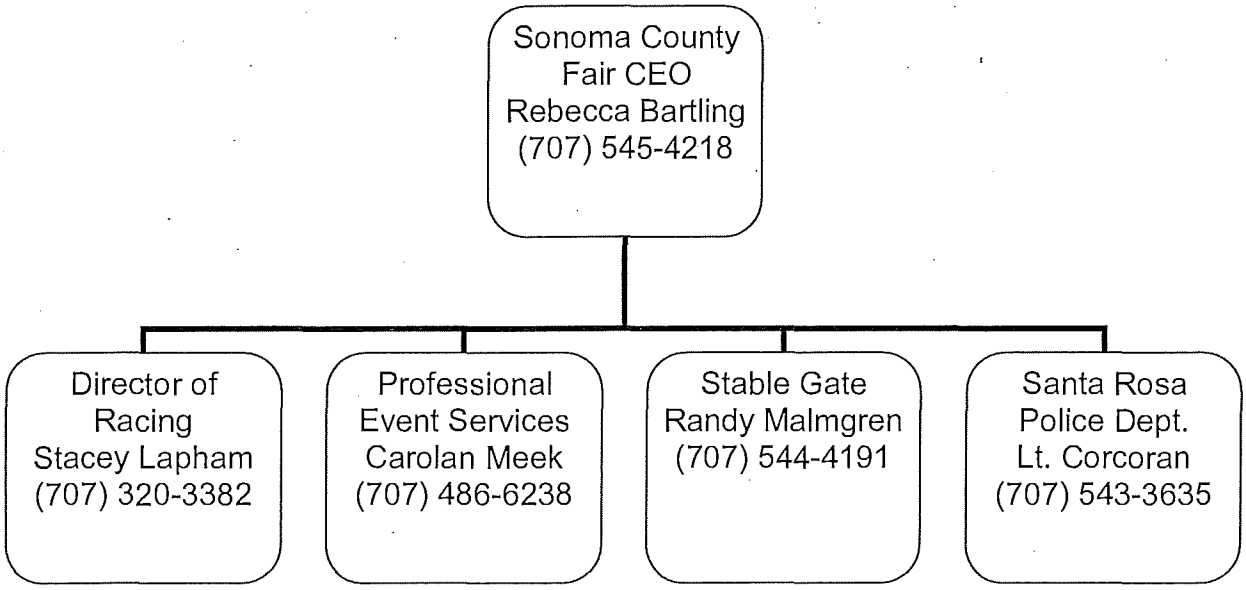
14. SECURITY CONTROLS

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.
Rebecca Bartling, CEO (707) 545-4218

Lt. Ryan Corcoran, Santa Rosa Police Department, currently in overall charge of sworn officers at the Fair.
Police are dispatched from (707) 528-5222. Each day a different Sergeant will be on grounds for supervision of patrolmen. A list of these supervisors will be made available to CHRB Staff when supplied by SRPD. They are all dispatched from the same (707) 528-5222 number.

Private security supplied by Professional Events Services:
Carolan Meek: (707) 463-1733 office; (707) 486-6238 cell

Randy Malmgren, Stable Manager: (707) 544-4191
Stable Gate: (707) 544-4191



B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
7 uniform guards, 8 gatemen – 1 night patrolman – 2 uniform police.
Barn Area: 5 Security Officers, 2 Security Rovers, 3 Licensed Gatemen based on 8/hour shifts.

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

2. Detention Stalls:
   No Graded Stakes
   A. Attach a plan for use of graded stakes or overnight races.
      N/A
   B. Number of security guards in the detention stall area during a 24-hour period.
      N/A
   C. Describe number and location of surveillance cameras in detention stall 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 comply with and follow CHRB directives.
   B. Plan for enhanced surveillance for trainers with high-test results.
      Will comply with and follow CHRB directives.
   C. Plan for detention stalls for repeat offenders.
      Will comply with and follow CHRB directives.
   D. Number of security personnel assigned to the TCO2 program.
      As directed by CHRB

C. Describe the electronic security system.
   1. Location and number of video surveillance cameras for the detention stall and stable gate.
      Pegasus Communications provides and installs mobile surveillance equipment.
      4 surveillance cameras monitoring this area

15. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and during racing:
American Medical Response/Sonoma Life Support; 930 South A Street, Santa Rosa, CA 95404; (707) 576-1365

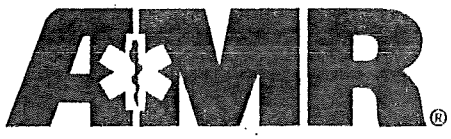
1. Attach a certification from the Ambulance Company(s) listed in 15 A, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
See Attached

B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
Golden Gate Fields
Turf Rescue LLC
4470 Hillsborough Drive
Castro Valley, CA 94546
(510) 581-8470

1. Attach a certification from the Ambulance Company(s) listed in 15 B, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
Attached. The ambulance at GGF has 1 EMT and one Paramedic.

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

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



Dean B. Anderson, AMR Regional Director
Sonoma County

May 1, 2018

Becky Bartling, CEO
Sonoma County Fairgrounds
1350 Bennett Valley Road
Santa Rosa, CA 95404

Ms. Bartling,

Pursuant to your request for information about certification and licensure of our personnel, this letter is submitted as my certification that each of our Emergency Medical Technicians and Paramedics maintain the licenses required by the State of California and the Coastal Valleys EMS Agency.

All of our paramedics maintain current licensure by the State of California EMS Authority and are accredited by the Coastal Valleys EMS Agency to practice as paramedics in Sonoma County. Emergency Medical Technicians are certified by the Coastal Valleys EMS Agency or another local EMS agency whose certification is recognized statewide as prescribed in California Health & Safety Code, Division 2.5.

A sample of the state license for paramedics is attached. Photocopies of each paramedic's license are maintained in our files.

Please don't hesitate to contact me if further information is needed.

Sincerely,

Dean B. Anderson
Regional Director

Signature

Certificate Holder: The law requires that you notify the EMS Authority of a name or address change within 30 days.

Employers: Always verify current license status through the California EMT Registry.

California Emergency Medical Services Authority
10901 Gold Center Drive, 4th Floor
Rancho Cordova, CA 95670-6073

California EMT Registry: www.centralregistry.ca.gov

TURF RESCUE, LLC
4470 Hillsborough Drive
Castro Valley, CA 94546
510-581-8470

August 16, 2017

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

Re: Turf Rescue, LLC licensed personnel in 2018

To Whom It May Concern:

This is to inform you that Turf Rescue, LLC operations and procedures are well within the standard care Operating Procedures set forth by Alameda County E.M.S.

Turf Rescue, LLC employs only licensed Paramedics and Emergency Medical Technicians that meet and follow the licensing requirements for Alameda County E.M.S.

If you have any further questions please feel free to contact me.

Sincerely,

Brad Winding, Owner
Turf Rescue, LLC

SECTION 15.C ATTACHMENT

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

Sonoma County Fair Emergency Care and Medical Facilities

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

On-Track Staffing

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

Jockey Quarters Staffing

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

Grandstands First Aid Staffing

As a back-up to any medical emergencies that happen on the track or backstretch or to any fans; the Fair also has a fully equipped First Aid Station located on the lower level of the Racing Grandstands. This location is staffed daily from 10:30 a.m. to 11:00 p.m. The contractor must provide at a minimum one person certified in ALS (Advanced Life Support) and one EMT; and there is an ambulance also located near this First Aid Station that is equipped with the same equipment as listed on the Ambulance inventory included in this application for the track ambulance.

Location of nearest Emergency Room Facility (Hospital) and Fire Department

Both the Emergency Room at Santa Rosa Memorial Hospital and Santa Rosa Fire Department are located less than 3 miles away from the Fairgrounds.

Physical Resources

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.

Ambulance

See the following List of Supplies and Equipment

Equine First Aid

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

Joan Kazmar (707) 490-8918

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:
Santa Rosa Memorial Hospital – 1165 Montgomery Drive, Santa Rosa, CA 95405
Emergency Room (707) 525-5207

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

G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to Business and Professions Code section 19481.3(d):
Stacey Lapham – Director of Racing
Clifford Sanders, Superintendent, Sonoma County Fairgrounds

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

I. Name of the workers' compensation insurance carrier for the fair and the number of the insurance policy (if self-insured, provide details): **Self Insured – See Attached**

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 fair for payment of workers' compensation.
See Attached

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall pursuant to Business and Professions Code section 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.

16. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

CONCESSION/SERVICE	COMPANY	OWNER	ADDRESS
Alcoholic Beverages	Spectra (formerly Ovations)	Nick Nicora	4501 Pleasanton Avenue Pleasanton, CA 94566
Food& Non-Alcoholic Beverages	Extreme Foods Five Star Catering	Phillip Delahoyde Don Delahoyde	585 North State Street Ukiah, CA 95482 585 North State Street Ukiah, CA 95482
Programs	Delmar Graphics	Del Scott	7806 Honors Court Pleasanton, CA 95466

SECTION 15.F ATTACHMENT

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:

(English) Sonoma 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 Gate to secure the area to allow swift and secure exit by the ambulance and prevent visitation from bystanders to the accident area.

3. A member of the track security staff shall be responsible for escorting emergency vehicles.

4. The security staff shall be responsible for all "crowd control" activities.

Racing Staff / Track Veterinarian

1. Upon arrival at the scene, the Outrider should hold the injured horse in order to prevent further harm to people, horses and property.

2. Horses with severe injuries should be transported off the track via the horse ambulance whenever it is practical to do so.

3. The Track Veterinarian shall make the decision as to the necessity of euthanasia on the track.

4. The screen blocking the public's view of the injured horse shall be set-up prior to the euthanasia procedure.

5. Outriders are responsible for the removal of any debris from the racetrack following the removal of the injured person and/or horse from the track

Fair Association Staff

1. The Horse Ambulance shall travel immediately to the scene of an accident whenever it appears that a horse will require transport.

2. Members of the Fair Association staff who are near the accident site shall assist in screening the accident scene from the public view and shall take direction from the EMT that is responsible for the management of the accident scene.

Announcer

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

Senior Management

1. A senior management representative should quickly proceed to the location on the racetrack where the accident has occurred. The manager should report to other members of the management team as to the accident status.

2. An additional member of the management team should report to the video department in order to monitor the scene and access the extent of video coverage to be transmitted to the public.

3. A member of the management team should provide input as to announcements to be made by the track announcer.

4. A member of the senior management team should be responsible for seeing that information regarding the accident is communicated to family member of the injured. Efforts need to be made to escort family members to the hospital, if necessary. In this regard, a current compilation as to who should be notified in the case of an injured jockey is kept on file.

5. All public address announcements and responses to press inquiries are within the sole purview of the senior member of the management team then available.

All Department Heads

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

SECTION 15.F ATTACHMENT

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 (Spanish):

Procedimiento en caso de Accidente en Sonoma County Fair

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

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

Seguridad

1. Tan pronto como sea possible, un miembro de seguridad del hipodromo debera reportarse al lugar del accidente y desde ahi recibir las instrucciones del Paramedico responsable del lugar del accidente. El miembro de seguridad sera responsable de mantener a los transeuntes fuera del lugar del accidente.

2. Un miembro del departamento de seguridad del hipodromo se acercara a la puerta designada para ambulancia easguarar el area para que la ambulancia salga a la escenda del accidente y prevenir que transeuntes y personas ajenas se acerquen.

3. Un miembro de seguridad del hipodromo sera responsable de escoltar a los vehiculos de emergencia.

4. Los miembros de seguridad seran responsable de controlar a la multitud.

Personal de Carreras / Veterinario del Hipodromo

1. Una vez en el lugar del accidente, el Outrider/escolta debera sujetar al caballo herido para evitar que lastime a la gente, a otros caballos o a la propiedad.

2. Los caballos muy mal heridos deberan ser sacados de la pista con la ambulancia para caballos, siempre que sea possible hacerlo de esa manera.

3. El Veterinario del Hipodromo debera decider si se sacrifica al caballo en la pista.

4. Sea possible hacerlo, se debe colocar la pantalla/screen para tapa la vista al publico, antes de iniciar el procedimiento de sacrificio del animal.

5. Los Outriders son responsables de remover cualquier desecho en la pista despues de que la persona o caballo accidentado haya sido trasladado del lugar.

Personal de la Feria / Fair Association Staff

1. La Ambulancia de Caballos debera trasladarse inmediatamente al lugar del accidente siempre que un caballo este severamente lesionado y necesite transporte.

2. Los miembros del departamento de la feria que esten cerca del accidente deberan ayudar a tapar el lugar para que el publico no pueda ver lo que sucede, ademas deberan recibir instrucciones del Paramedico responsable del lugar del accidente.

Locutor

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

Gerencia

1. Un representante de la gerencia se apersonara rapidamente al lugar del accidente en el hipodromo. El gerente informara a los otros gerente sobre las lesiones sufridas.

2. Otro representante de la gerencia debera informar al departamento de video para monitorear la escena y ver la cobertura de video que sera transmitida al publico.

3. Un miembro de la gerencia debera aportar con informacion sobre los anuncios que debera hacer el locutor.

4. Un miembro de la gerencia sera responsable de ver que la informacion con respecto al accidente sea dada a los familiars de los heridos. Se debe hacer lo necesario para 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 realiza unicamente el funcionario de gerencia de alto nivel que se encurentre disponible en ese momento.

Todos los Jefes de Departamento

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

City of
Santa Rosa

May 17, 2018

Becky Bartling, CEO
Sonoma County Fairgrounds
1350 Bennett Valley Road
Santa Rosa, CA 95404

FIRE DEPARTMENT CLEARANCE - 1350 BENNETT VALLEY ROAD

As required by California Code of Regulations, Title 4, California Horse Racing Board (CHRB) Regulation #1927, the Santa Rosa Fire Department grants fire safety clearance for the Grandstand and Stable areas.

In accordance with the June 23, 1993, letter from CHRB Assistant Secretary Harold L. Diaz, the automatic fire alarms are not required to be installed as specified in CHRB Regulation #1927.

This clearance letter addresses the requirements of the CHRB "Reasonable Standard of Fire Safety" with exception to the automatic fire alarms. Our follow-up to the pre-inspections will continue as a part of our pre-Fair activities. Please complete any items identified in your quarterly and annual inspections prior to the commencement of the CHRB sponsored events.

If you should have any questions please contact me at (707)543-3542 or by e-mail to plowenthal@srcity.org

PAUL LOWENTHAL
Assistant Fire Marshal

c: Cliff Sanders, So. Co. Fair

Fire Department
2373 Circadian Way • Santa Rosa, CA 95407
Phone: (707) 543-3500 • Fax: (707) 543-3520
www.srcity.org

11-34

Fiscal Year 17/18	**CERTIFICATE OF SELF-INSURANCE**	Issue Date 04302018

COVERED ENTITIES:

County of Sonoma
Sonoma County Agriculture Preservation and Open Space District
Sonoma County Community Development Commission
Sonoma County Fair and Exposition, Inc.
Sonoma County Water Agency

575 ADMINISTRATION DR., 116-C
SANTA ROSA, CA 5403-2881

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BELOW. THIS CERTIFICATE OF COVERAGE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE COVERED ENTITIES AND THE CERTIFICATE HOLDER.

COVERAGE	EFFECTIVE DATE	EXPIRATION DATE	LIMITS
General Liability	July 1, 2017	July 1, 2018	$1,000,000 per occurrence, no aggregate; self-insured
Automobile Liability	July 1, 2017	July 1, 2018	$1,000,000 per occurrence; self-insured
Workers' Compensation	July 1, 2017	July 1, 2018	Statutory Limits: $300,000 permissibly self-insured; excess coverage through California State Association of Counties Excess Insurance Authority
Public Officials Errors and Omissions Liability	July 1, 2017	July 1, 2018	$1,000,000 per wrongful act; no aggregate; self-insured
Property	March 31, 2018	March 31, 2019	Replacement cost value

Description of Operations/Locations/Vehicles/Special Items:

As Respects 2018 Sonoma County Fair Horse Racing August 2 - August 12, 2018

The Certificate Holder is an additional covered party to the extent required by the indemnification provisions of the above referenced contract. This shall apply to claims, costs, injuries or damages but only in proportion to and to the extent such claims, costs, injuries or damages are caused by or result from the negligent acts or omissions of the Covered Entities shown on this certificate.

The Covered Entities agree to waive recovery rights against the Certificate Holder with respect to the above referenced contract if required in writing in the contract.

Certificate Holder

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

AUTHORIZED REPRESENTATIVE

M. Chaelbourne

County of Sonoma Risk Manager
575 Administration Drive, Suite 116C
Santa Rosa, CA 95403

Winners Circle Photographs	Vassar Photography	Bill Vassar	5075 Double Point Way, Discovery Bay, CA 94514
Jockey Laundry Service	Bailey Mobile	Lorene Dutton	3263 Vineyard Venue, #35, Pleasanton, CA 94566
Starting Gate	United/Puett Start Gate	Chris Costello	1 Soundview Loop, S. Salem, N.Y. 10590
Sound System	Speedasound	Mike/Larry King	4740 N. Sonora Fresno, CA 93722
Armored Car Service	NCOTWINC		11875 Dublin Blvd., #D275, Dublin, CA 94568

B. Does the fair plan to provide its own concessions? Yes [ ] No [X]

17. ON- TRACK ATTENDANCE/FAN DEVELOPMENT

A. Attach a copy of the promotional and marketing plans for the race meeting:
See Attached

B. Promotional/ Marketing budget for this race meeting: **Exceeds $330,000**

Promotional/Marketing budget for prior race meeting: **Exceeded $330,000**

C. Number of hosts and hostesses employed for meeting: **N/A**
Upstairs Grandstand Upper Level Guest Information Booth; wait service in Trackside Dining areas.
In addition: 25 Ushers, 6 Guest Service Attendants and 5 Self-Service Betting Machine Attendants.

D. Describe facilities set aside for new fans:
See Attached

E. Describe any improvements to the physical facility in advance of the meeting that directly benefits: **See Attached**

1. Horsemen
2. Fans
3. Facilities in the restricted areas

18. SCHEDULE OF CHARGES

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

General Admission/Grand Stand	Free with Fair Admission
Fair Admission/Adults (13 & older)	$ 15.00
Advanced Sale Tickets (before 8/1)	$ 12.00
Fair Admission/Children (7-12)	$ 7.00
Fair Admission/Seniors	$ 15.00 *Free on Fridays*
Fair Admission/Presale Discount	$ 12.00
Admission (clubhouse)	$ N/A
Reserved Seating (general)	$ 3.00
Reserved Seating (clubhouse)	$ N/A
Upper Reserved Box Seats	$ 5.00
Parking (General)	$ 9.00
Parking (Preferred)	$ 15.00

SECTION 17.A ATTACHMENT

Promotional and marketing plans for the race meeting:

The total advertising, publicity and promotions budget for the 2018 Fair and Race Meet exceeds $330,000. Although these funds are used to promote all aspects of the Fair via traditional advertising, digital advertising, social media marketing, grassroots marketing, publicity, sponsorships/partnerships, box seat sales, educational programs, non-profit outreach, and promotions; 90% of these efforts involve promotion of the two week live racing product.

Specific Wine County Racing Promotions:

- Emailing campaign (Constant Contact) focused on impulse messages to get people to the races. We currently have over 60,000 constant contact subscribers and send several targeted eblasts promoting our live race meet.
- On-line discounted group ticket sales.
- Our Racing Grandstand Promotion Team improves the quality of our product and keeps race fans entertained during our meet by holding interactive drawings and contests between races to keep race fans at the races.
- On track souvenir giveaways during the meet.
- Promotion associates in the Grandstands assisting fans and first time bettors, including incentives/training for use of betting machines.
- Free daily racing seminars, including giveaways, geared at educating the new race fan.
- Signage promoting reserved seats, free daily racing seminars, daily contests/giveaways, and wagering information to assist new bettors.
- Specific Facebook, Twitter and Instagram posts that promote Wine Country Racing at the Sonoma County Fair. Interactive social media campaigns.
- "Company Picnic" VIP experience offered to businesses or companies with over 50 guests. Includes tented hospitality area, meal and beverage service.
- Trackside & Paddock View Dining Experiences are available in the grandstand and offer both group and single table options to our patrons. The Paddock View experience can include table side beverage service. The Trackside area includes tables of four with table side beverage service.

  There are two Paddock View sections that are designed to accommodate groups of up to 26 patrons each. Both venues have been very popular and continue to bring new racing fans to Wine Country Racing.
- Wine Country Hat Day at the Races – To be held on the final Saturday this year, the Wine Country Hat Day ticket includes gate admission, grandstand seating, race program, hat competition, and refreshments with a named race and group photo taken in the Paddock. Proceeds benefit a non-profit.
- Back by popular demand, our Derby Dog Dash will be offered on all three Sundays. This encourages fairgoers who may not have considered going to the races to be in the grandstands and experience the racing program.
- Giveaways of box seat tickets & Fair admission throughout the year to increase fair base.

- Owner-for-a-Day/Paddock Tour program where fans sign up for a private paddock tour and get their picture taken with the winning horse.
- TVG Coverage of early and late Pick 4's.
- Sliders Sports Bar is the place to be on the Fairgrounds featuring our local beverage purveyors. There is a full bar, craft beers on tap, and local wine available to both fair and racing patrons. With tote machines and live video feed, even a non-racing fan will be enticed to bet a race or two. We also offer live music at the conclusion of each race day.
- This year the opening day of the Fair is the same as opening day at the Races!

SECTION 17.D ATTACHMENT

Describe facilities set aside for new fans:

- Admission gate promotion of race coupons, vouchers, and other Wine Country Racing souvenirs to encourage fairgoer to go to the races during their fair visit.
- Promotion associates in the Grandstands assisting fans and first time bettors, including incentives/training for use of betting machines.
- "Company Picnic" VIP experience offered to businesses or companies with over 50 guests. Includes tented hospitality area, meal and beverage service.
- Free daily racing seminar each fair day (more than 20 years continuously running). The Seminar is hosted by industry professionals and features daily high profile guests. Prizes and tips are given throughout the one hour seminar.
- Returning promotions and information services area providing novice fan information and wagering assistance. A $2 betting voucher is offered to first time bettors making their bets in this area.
- Wine Country Hat Day at the Races – To be held on the final Saturday this year, the Wine Country Hat Day ticket includes gate admission, grandstand seating, race program, hat competition, and refreshments with a named race and group photo taken in the Paddock. We also have a hat competition for all racing fans and not just those attending the luncheon. Proceeds benefit a non-profit.
- Derby Dog Dash Derby will be offered on Sundays. This encourages fairgoers who may not have considered going to the races to be in the grandstands and experience the racing program.
- Sliders Sports Bar is the place to be on the Fairgrounds featuring our local beverage purveyors. There is a full bar, craft beers on tap, and local wine available to both fair and racing patrons. With tote machines and live video feed, even a non-racing fan will be enticed to bet a race or two. Live music is offered at the conclusion of each race day.
- Our Honky Tonk Bar is back and located outside of the Slider's Sports Bar on the fair side of the southern entrance to the grandstand. This large bar and country music area links the fair patrons to the grandstand area.
- Trackside & Paddock View Dining Experiences are available in the grandstand and offer both group and single table options to our patrons. Trackside dining may be purchased in tables of four and is located on the North side of the grandstand box seat area. There are two Paddock View sections that are designed to accommodate groups of up to 26 patrons each. Both venues have been very popular and continue to bring new racing fans to Wine Country Racing.
- On August 4th, the first Saturday of the Sonoma County Fair and Wine Country Racing, the 2nd annual NorCal Brew Fest will be taking place next to the north end of the grandstand. Last year we had a new fan education booth close to the entrance to assist new fans with betting education and assistance. Staff also was able to direct the flow of interested patrons to the grandstand as they left the Brew Fest. This was very successful and we will continue to cross promote this year.

SECTION 17.D ATTACHMENT

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

1. **Horsemen**
   - Continued improvements have been added to the horsemen's trailer park.
   - Ongoing annual maintenance of all barns.
   - Trees in all racing areas of fairgrounds have been trimmed and manicured for safety purposes.

2. **Fans**
   - Ongoing enhancements to the Winners' Circle and finish line will continue to be implemented.
   - ADA compliant wagering areas are offered throughout the grandstand for self service terminals and teller counters.
   - All grandstand restrooms have been upgraded to meet ADA standards.
   - Enhancements to grandstand designated box areas for trackside and paddock dining experiences.
   - Added new HD/flatscreen television monitors to all bar areas in grandstand and box seat areas.
   - New table seating area on apron in front of grandstand.
   - New seating areas in downstairs bar areas.

3. **Facilities in the restricted areas**
   - Continue to extend the fairgrounds recycling program into the restricted racing areas.
   - Ongoing maintenance and improvements in the barn/restricted area including new electrical wiring and repairs to roadways, barns, and gutters.

Parking (valet)	**$ N/A**
Programs/on track	**$ 2.50**
Programs/off track	**$ 2.50**

B. Describe any "Season Boxes" or other special accommodation fees:
Lower box seats $135/seat season, Upper box seats $105/seat season.
Daily sales of box seats: Upper seats $3.00 per seat and Lower seats $5.00 per seat
Preferred Grandstand Seat: $5.00
Finish Line Seating (apron tables): $10.00
Trackside Dining: $60 per table of 4, $15/seat. Reserved table for 4.
Paddock View Dining: $600 – Reserved seating section for up to 26. Includes fair admissions and racing programs for the entire group.

C. Describe any "package" plans such as combined parking, admission and program:
Season Admission Pass – Pre-sale Price $45 for all 11 days of fair admission ($165 value)
Family Pack–Pre-sale Price $44, Includes: 3 General Admissions, 2 Kids Admissions, 1 Parking

19. JOCKEYS' QUARTERS

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

[X] Corners (lockers and cubicles) How many [40]

[X] Showers [X] Steam room, sauna or steam cabinets [X] Lounge area

[X] Masseur [X] Food/beverage service [X] Certified platform scale

B. Describe the quarters to be used for female jockeys:
Separate area containing a dressing room, lounge area, sauna, showers, restroom, lockers, & bunks.

20. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing has been requested and will be completed prior to the beginning of the race meet.

B. Number of rooms used for housing on the backstretch of the racetrack: **114**

C. Number of restrooms available on the backstretch of the racetrack:
Total of 14 urinals, 20 toilets, 20 sinks and 27 showers.

D. Estimated ratio of restrooms to the number of backstretch personnel: **1 to 25**

21. TRACK SAFETY

A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: [5,143.9] feet.

B. Describe the type of track surface at the facility, including the specific track surface composition:
Dirt Track: 6% organic; 16% silt & clay – Turf Course: Tall Fescue

C. The percent of cross slope in the straight-aways is: **3% Main Track; 2% Turf Course**
The percent of cross slope in the center of the turns is: **5 ½ % Main Track; 6% Turf Course**

D. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
Inner rail is aluminum wrap gooseneck posts covered by rubber and thermoplastic; Outer rail is steel posts and steel rail. Approximate height is 40 inches. Turf Track – Inner rail is aluminum wrap, moveable rail on gooseneck posts. Outer rail is aluminum rail on gooseneck posts permanently mounted.

E. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Stacey Lapham**

F. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On file**

G. 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**

22. 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.
AMRA, ARAC, PCQHRA, & CTT – attached; TOC - in progress

C. Attach an agreement to provide for race-day furosemide administration pursuant to CHRB Rule 1845. **In process**

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 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.

23. 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.

Rebecca Bartling
Print Name

Signature

Sonoma County Fair CEO
Print Title

May 2, 2018
Date

STAFF ANALYSIS
June 21, 2018

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE HUMBOLDT COUNTY FAIR AT FERNDALE AUGUST 15, 2018 THROUGH AUGUST 28, 2018

Humboldt County Fair (HCF) filed its application to conduct a horse racing meeting at Ferndale as part of the 2018 combined fair horse racing meeting:

- August 15, 2018 through August 28, 2018, or 7 days, the same as 2017. The fair proposes to race a total of approximately 80 races, 4 less than 2017. Live racing will commence August 16, 2018 through August 26, 2018. HCF is a participant in the 2018 combined fair horse racing meeting.

- At the April 19, 2018 regular meeting, the Board heard and approved a request from the California Authority of Racing Fairs (CARF) to designate the 2018 allocated race dates of the Alameda County Fair (6/13/18 - 7/10/18), Cal-Expo State Fair (7/11/18 – 7/31/18), Humboldt County Fair (8/15/18 - 8/28/18), and the Big Fresno Fair (10/3/18 – 10/16/18) as a combined fair horse racing meeting.

- The proposed race dates are the approved dates allocated to HCF which are now part of the 2018 combined fair racing meeting.

August - 2018						
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 Thursday, Fridays, Saturdays, and Sundays. Eight races on Thursday, and Twelve races on Fridays, Saturdays, and Sundays.

- Racing concurrently with the Del Mar Thoroughbred Club and Golden Gate Fields.

  - 2017 Race Meeting: Average number of runners per race (TB): 5.74
  - 2017 Race Meeting: Average number of runners per race (Arabian): 5.33
  - 2017 Race Meeting: Average number of runners per race (Mules): 5.11

- First post 3:07 p.m. on Thursday and Fridays and 2:07 p.m. Saturdays and Sundays.

  - HCF respectfully requests to adjust the post time schedule submitted, to complement the Del Mar Thoroughbred Club and Golden Gate Fields post times.

Wagering program will use CHRB and ARCI rules.

- The distribution of the carryover pool will be October 14, 2018 (Closing Day of the Big Fresno Fair).
- $1 Place Pick when applicable; $1 Trifecta and $0.10 Superfecta when applicable.
- $0.50 Pick (n) Pool 4 on first 4 races and last 4 thoroughbred races each day.
- $0.50 Pick (n) Pool 5 on last 5 thoroughbred races each day with 100% major pool paid for 5 of 5. If no 5 of 5, 75% carryover and 25% minor pool to most winners.
- $0.20 Pick (n) Pool 6 on the last 6 thoroughbred races each day. 100% pool paid and any prior carryovers for unique ticket selecting 6 winners. If no unique ticket selects 6 winners then the 40% minor pool that day is paid to the tickets selecting the most winners and the 60% major pool will be added to the carryover.
- $0.20 Pentafecta (Super High 5) selecting first 5 finishers in same race. 100% pool paid and any prior carryovers paid for a unique ticket selecting the first five finishers. If no unique ticket selects the first five finishers then 40% minor pool paid to tickets selecting the first 5 finishers and 60% of major pool added to the carryover. If no ticket selects the first 5 finishers 100% of the pool will be added to the carryover. Super High-5 will be carded on the last race day.
- Early wagering will not be offered.

- Specific changes from the 2017 license application:
  - Reserved seating (box seat) $50.00 per day (new).

- The Advance Deposit Wagering (ADW) providers are XpressBet, TVG, and Bet America.

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

  Summary of Business and Professions Code section 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 section 19604:

- ODS Technologies, L.P. dba TVG Network has submitted all documents required in compliance with Business and Professions Code section 19604.

- XpressBet LLC. dba XpressBet.com has submitted all documents required in compliance with Business and Professions Code section 19604.
- BetAmerica has submitted all documents required allowing it to accept ADW wagers on races conducted outside of California from a resident of California. To date, BetAmerica has not submitted the required documentation to allow it to accept wagers on races conducted in California from a resident of California.

- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code section 19602; and with authorized locations throughout California.

- Request Gary Greiner be appointed horse identifier pursuant to CHRB Rule 1525, Racing Officials Appointed by the Board.

- Inspection of backstretch worker housing has been requested and will be completed before the beginning of the race meet.

- A track safety inspection has been requested and will be completed before the beginning of the race meet.

RECOMMENDATION:

Staff recommends the Board approve the application.

STATE OF CALIFORNIA
124 CALIFORNIA HORSE RACING BOARD
APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF A CALIFORNIA FAIR
CHRB-18 (Rev.01/16)

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 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:
Humboldt County Fair, 1250 5th Street, Ferndale, CA 95536 (707)786-9511

B. Fair association is a: [ ] District Fair [X] County Fair [ ] Citrus Fruit Fair

[ ] California Exposition and State Fair [ ] Other qualified fair

C. Provide the name, telephone, and email address for the fair contact person:

Richard Conway, General Manager, 707-786-5515, humcofair@frontiernet.net

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 allocated for race meeting: **August 15 – August 28, 2018**

B. Actual dates racing will be held: **August 16, 17, 18, 19 & August 24, 25 & 26**

C. Dates racing will NOT be held: **August 15, 20, 21, 22, 27 & 28 will be simulcast only days.**

D. Total number of racing days: **7**

E. Days of the week races will be held:
[ ] Fri - Sun [ ] Tues - Sat [X] Other (Thu – Sun 1st week & Fri – Sun 2nd week)

3. RACING PROGRAM

A. Total number of races: 80

B. Number of races by breed:

54	Thoroughbreds	4	Quarter Horses	0	Appaloosas
6	Arabians	0	Paints	16	Mules

CHRB CERTIFICATION

Application received: 5/17/18
Reviewed: NB

Hearing date: 6/21/18
Approved date:
License number:

C. Number of races daily:

	Thu, Aug 16	Fri, Aug 17 & 24	Sat, Aug 18 & 25	Sun, Aug 19 & 26
Thoroughbred	6	8	8	8
Other Breeds	2	4	4	4
Total	8	12	12	12

D. Total number of stakes races by breed:

1	Thoroughbreds	0	Quarter Horses	0	Appaloosas
0	Arabians	0	Paints	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.

1. Attach a listing of all stakes races for the past two race meetings. The information provided must be for the same timeframe in which the association is applying. Include the date the stakes races were run, and the added money or guaranteed purse for each. Note the races that were designated for California-bred horses.

2. Identify the stakes races listed under item E that have been altered, added, or are new for the current race meeting. Provide details regarding any alterations to the identified stakes races. (e.g., changes in the age, sex, eligibility, purse or substantial calendar changes). N/A

3. Identify the stakes races listed under item E1 that have been dropped or deleted, and the reasons the stakes were dropped or deleted. N/A

2018	2017	2016
C.J. Hindley Humboldt County Marathon Hdcp	C.J. Hindley Humboldt County Marathon Hdcp	C.J. Hindley Humboldt County Marathon Hdcp
$20,000 Guaranteed	$20,000 Guaranteed	$20,000 Guaranteed
Three-year-olds & Upward, 1 Mile & 5 Furlong	Three-year-olds & Upward, 1 Mile & 5 Furlongs	Three-year-olds & Upward, 1 Mile & 5 furlongs
Sun, Aug 26	Mon, Sep 4	Sun, Aug 28

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

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

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

** As much as possible, we intend to align our post times to compliment the Del Mar GGFs post times*

Race Number	Thu/Fri	Sat & Sun
Race #1	3:07	2:07
Race #2	3:37	2:37
Race #3	4:07	3:07
Race #4	4:37	3:37
Race #5	5:07	4:07
Race #6	5:37	4:37
Race #7	6:07	5:07
Race #8	6:37	5:37

Race #9	**7:07**	**6:07**
Race #10	**7:37**	**6:37**
Race #11	**8:07**	**7:07**
Race #12	**8:37**	**7:37**

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: **Mel Berti, Clarence Bugenig, Lawrence Dwight, Jeff Farley, Sandy Hanks, Darren Hansen, Travis Low, Jack Macdonald, Duane Martin, Mandy Marquez, Dave Mogni, Cindy Olsen, Robert Prior, Tim Renner, Johanna Rodoni, Andy Titus, Fred VanVleck and Wayne Wilson.**

B. Names of the directors serving on the Racing Committee or otherwise responsible for the conduct of the racing program: **Mel Berti, Travis Low**
Jack MacDonald, Cindy Olsen, Dave Mogni and Wayne Wilson

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 12B, who will be listed in the official program:
Richard Conway – General Manager, Sandra Rios – Stall Manager

D. Name and title of the person(s) authorized to receive notices on behalf of the fair association and the mailing and email address of such person(s).
Richard Conway
General Manager
1250 5th Street
Ferndale, Ca 95536
humcofair@frontiernet.net

5. TAKE OUT PERCENTAGE

1. Will the percentage deducted for any type of wager be adjusted pursuant to Business and Professions Code section 19601.01? If no, proceed to subsection 6. If yes, identify the wager and the proposed takeout percentage.

Yes [ ] No [X]

Wager(s) to be adjusted:_____ Proposed percentage: ____%

A. Attach copy of written notice requesting the proposed takeout adjustment, the proposed percentage and the wager(s) affected. The notice must include the written agreement of the fair association and the horsemen's organization for the meeting of the fair association accepting the wager.

NOTICE TO APPLICANT: Pursuant to Business and Professions Code section 19601.01 notwithstanding any other provision of law, a thoroughbred association or fair, upon the filing of a written notice with, and approval by, the board specifying the percentage to be deducted, may deduct from the total amount handled in the pari-mutuel pool for any type of wager an amount of not less than 10 percent nor more than 25 percent. The written notice shall include the written agreement of the thoroughbred association or fair and the horsemen's organization for the meeting of the thoroughbred association or fair accepting the wager. The established percentage to be deducted shall remain in effect until the filing of a subsequent notice with, and approval by, the board, unless otherwise specified in the notice.

6. HANDLE HISTORY

1. Complete the table below providing the last five years of handle and attendance for the fair association. If your association has been operating for fewer than five years, provide information for the period of time it has been in operation.

Year	Handle	Attendance	Number of Racing Days
2017	$4,528,957	31,421	7 days
2016	$4,705,809	28,263	6 days
2015	$6,546,701	35,539	6 days
2014	$6,131,632	34,136	6 days
2013	$5,355,525	34,289	8 days

7. PURSE PROGRAM (Excluding supplements, nominations, sponsorships, and starter fees):

A. Purse distribution:

1. All races other than stakes:
   Current meet estimate: $346,624
   Prior meet actual: $285,520

   Average Daily Purse (7A1 ÷ number of days):
   Current meet estimate: $49,518
   Prior meet actual: $40,788

2. Overnight stakes:
   Current meet estimate: $20,000
   Prior meet actual: $20,000

   Average Daily Purse (7A2 ÷ number of days):
   Current meet estimate: $2,857
   Prior meet actual: $2,857

3. Non-overnight stakes:
   Current meet estimate: 0
   Prior meet actual: 0

   Average Daily Purse (7A3 ÷ number of days):
   Current meet estimate: 0
   Prior meet actual: 0

4. Total Purses: (7A1+-7A2+ 7A3)
   Current meet estimate: $366,624
   Prior meet actual $305,520

B. Funds to be generated for all California-bred incentive awards (including breeder awards and

owners premiums):
Current meet estimate: $17,077
Prior meet actual: $14,407

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

	Current meet estimate:	Prior meet actual:
CTT	$ 605	$ 504
TOC	$ 1208	$ 1007
NTRA	$ 0	$ 0
PCQHRA	$ -0-	$ -0-
CWAR	$ -0-	$ -0-
ARAC	$ 358	$ 298
AMRA	$ 558	$ 465
CHBPAPEN	$ 1,813	$ 1,511
CTHF	$ 1,813	$ 1,511
Total	$6,355	$ 5,296

D. Amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen (7A+7B+7C):
Current meet estimate: $390,056
Prior meet actual: $325,223

Average Daily Purse (7D ÷ number of days):
Current meet estimate: $55,722
Prior meet actual: $46,460

E. Purse funds to be generated from on-track handle and intrastate off-track handle (excluding carry-overs from prior race meet(s):
Current meet estimate: $413,163
Prior meet actual: $203,165

Average Daily Purse (7E ÷ number of days):
Current meet estimate: $59,023
Prior meet actual: $29,024

F. Purse funds to be generated from interstate handle:
Current meet estimate: $61,676
Prior meet actual: $7,995

Average Daily Purse (7F ÷ number of days):
Current meet estimate: $8,810
Prior meet actual: $1,142

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

H. Name, address, email and telephone number of the pari-mutuel audit firm engaged for the meeting:
Disher Accountancy Corporation, 1816 Maryal Drive, Sacramento, CA. 95864, (916) 482-4224

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

8. STABLE ACCOMMODATIONS

A. Number of usable stalls available for racehorses at the track where the meeting is held:
250 permanent 200 portables

B. Minimum number of stalls believed necessary for the meeting:
350-370

C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers:
None

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

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.
n/a

Complete subsections F through H if the fair will request reimbursement for off-site stabling as provided by Business and Professions Code sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, proceed to section 9.

F. Total number of usable stalls made available on-site for the **1986** meeting, pursuant to Business and Professions Code section 19535(c).
458

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

H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for Vanning per-horse: **-0-**

9. EQUINE EMERGENCY SERVICES

A. Name and emergency telephone number of the racing veterinarian onsite during training hours, workouts and during racing for the association and auxiliary sites:
Dr. Connelly – 925-323-9681. No Auxiliary sites are available. Dr. Connelly will be available onsite during training hours, workouts and during racing for the association and no auxiliary sites will be

used.

1. Attach a schedule listing the dates and times that the racing veterinarian will be available onsite during training hours, workouts and during racing for the association and auxiliary sites. 24/7

10. PARI-MUTUEL WAGERING PROGRAM

A. Is the fair applicant a member of the California Authority of Racing Fairs (CARF)? If yes, attach a copy of the CARF recommended wagering format. Yes [X] No [ ]

B. Pursuant to Business and Professions 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. If applicant is a member of CARF, also indicate if wager is a part of the CARF recommended wagering formant:

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), SF for superfecta, TRI for trifecta, and US for unlimited sweepstakes (pick 9).

	TYPE OF WAGERS	APPLICABLE RULES	CARF WAGERING FORMAT
Example Race	$1 E; $1 Double	CHRB #1959; RCI #VE	Yes X
Race #1	$1E, $1PK3, $1TRI, $2DD, $.10SF $.50PNP4	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1 CHRB #1976.9	
Race #2	$1E, $1PK3, $1TRI, $2DD, $.10SF	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1	
Race #3	$1E, $1PK3, $1TRI, $2DD, $.10SF $.20PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1 ARCI 004-105 G. (g) Method 7	
Race #4	$1E, $1PK3, $1TRI, $2DD, $.10SF, $.50PNP5, $.20PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1 CHRB#1976.9, ARCI 004-105 G. (g) Method 7	
Race #5	$1E, $1PK3, $1TRI, $2DD, $.10SF, $.50PNP4, $.50PNP5, $.20PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1, CHRB #1976.9 CHRB #1976.9, ARCI 004-105 G. (g) Method 7	
Race #6	$1E, $1PK3, $1TRI, $2DD, $.10SF, $.50PNP4 $.50PNP5, $.20PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1, CHRB #1976.9 CHRB #1976.9, ARCI 004-105 G. (g) Method 7	
Race #7	$1E, $1PK3, $1TRI, $2DD, $.10SF, $.50 PNP4 $.50PNP5, $.20PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1, CHRB #1976.9 CHRB 1976.9, ARCI 004-105 G. (g) Method 7	
Race #8	$1E, $1PK3, $1TRI,	CHRB #1959, CHRB #1977, CHRB #1979,	

April 25, 2018

California Horse Racing Board
Attn: Jackie Wagner
Assistant Executive Director

To Whom It May Concern:

The following information is provided for you in response to the 2018 Race Meet Application Review of the Oak Tree at Pleasanton Race Meet:

The following is the CARF wagering format:

Example Race	TYPE OF WAGERS $1 E; $1 Double	APPLICABLE RULES CHRB #1959; RCI #VE
Race #1	$1E, $1PK3, $1TRI, $2DD, $.10SF $.50PNP4	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1 CHRB #1976.9
Race #2	$1E, $1PK3, $1TRI, $2DD, $.10SF	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1
Race #3	$1E, $1PK3, $1TRI, $2DD, $.10SF $.20PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1 ARCI 004-105 G. (g) Method 7
Race #4	$1E, $1PK3, $1TRI, $2DD, $.10SF, $.50PNP5 $.20PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1, CHRB 1976.9 ARCI 004-105 G. (g) Method 7
Race #5	$1E, $1PK3, $1TRI, $2DD, $.10SF, $.50PNP4, $.50PNP5, $.20PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1, CHRB #1976.9 CHRB 1976.9, ARCI 004-105 G. (g) Method 7
Race #6	$1E, $1PK3, $1TRI, $2DD, $.10SF, $.50PNP4, $.50PNP5, $.20PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1, CHRB #1976.9 CHRB 1976.9, ARCI 004-105 G. (g) Method 7
Race #7	$1E, $1PK3, $1TRI, $2DD, $.10SF, $.50PNP4, $.50PNP5, $.20PNP6	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1, CHRB 1976.9 CHRB 1976.9, ARCI 004-105 G. (g) Method 7
Race #8	$1E, $1PK3, $1TRI, $2DD, $.10SF, $.50PNP4, $.50PNP5, $.20 SUPER HIGH 5	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1, CHRB #1976.9 CHRB #1976.9, ARCI 004-105 X-Pentafecta (5) Option 4
Race #9	$1E, $1PK3, $1TRI, $2DD, $.10SF, $.50PNP4, $.20 SUPER HIGH 5	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1 CHRB #1976.9, ARCI 004-105 X-Pentafecta (5) Option 4

Race #10	$1E, $1PK3, $1TRI, $2DD, $.10SF, $.20 SUPER HIGH 5	CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1 ARCI 004-105 X-Pentafecta (5) Option 4
Race #11	$1E, $1TRI, $2DD, $.10SF, $.20 SUPER HIGH 5	CHRB #1959, CHRB #1979, CHRB #1957, CHRB #1979.1 ARCI 004-105 X-Pentafecta (5) Option 4
Race #12	$1E, $1TRI, $.10SF, $.20 SUPER HIGH 5	CHRB #1959, CHRB #1979, CHRB #1979.1 ARCI 004-105 X-Pentafecta (5) Option 4

This format will be use at the following fairs: Alameda County Fair, The California State Fair, Humboldt County Fair and the Big Fresno Fair. The Alameda County Fair will have a $30,000 Guaranteed pool on Saturdays, Sundays and Wednesday, July 4. No guarantees will be used at any other CARF fair. The 2005 NCOTWINC Agreement maintained on file at CRRB is still valid. The NCOTWINC audio visual agreement on file dated January 2005 is still valid.

Respectfully Yours,

Larry A. Swartzlander
Executive Director

$.20 PNP6 on the last six races each day. 100% major pool paid and any prior carryovers for unique serial number wager selecting all six winners. If no unique ticket selects six winners then the 40% minor pool that day is paid to the tickets selecting the most winners and the 60% major pool will be added to the carryover.
$0.50 PNP5 on the last five races each day, with 100% major pool paid for 5 of 5. If no 5 of 5, 75% carryover and 25% minor pool to most winners.
$0.20 Pentafecta (Super High 5) selecting the first five finishers in the same race. 100% pool paid and any prior carryovers paid for a unique serial number wager selecting the first five finishers in exact order. If no unique serial number wager selects the first five finishers then 40% minor pool paid to tickets selecting the first five finishers in exact order and 60% of major pool will be added to the carryover. If no wager selects the first five finishers in exact order, then 100% of the pool will be added to the carryover. Super High-5 will be carded on the last race of the day.
The aforementioned Pari-Mutuel Carryover Pools can be carried over from CARF Meet to CARF Meet and run as 1 (one) continuous meet. There will be a Mandatory Payout Date of Sunday, October 14, 2018, which is the Closing Day of The Big Fresno Fair.

	$2DD, $.10SF, $.50PNP4, $.50PNP5, $.20 SUPER HIGH 5	**CHRB #1957, CHRB #1979.1, CHRB #1976.9 CHRB 1976.9, ARCI 004-105 X-Pentafecta (5) Option 4**
Race #9	**$1E, $1PK3, $1TRI $2DD, $.10SF, $.50PNP4 $.20 SUPER HIGH 5**	**CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1, CHRB #1976.9 ARCI 004-105 X-Pentafecta (5) Option 4**
Race #10	**$1E, $1PK3, $1TRI, $2DD, $.10SF, $.20 SUPER HIGH 5**	**CHRB #1959, CHRB #1977, CHRB #1979, CHRB #1957, CHRB #1979.1 ARCI 004-105 X-Pentafecta (5) Option 4**
Race #11	**$1E, $1TRI, $2DD $.10SF, $.20 SUPER HIGH 5**	**CHRB #1959, CHRB #1979, CHRB #1957, CHRB #1979.1 ARCI 004-105 X-Pentafecta (5) Option 4**
Race #12	**$1E, $1TRI, $.10SF $.20 SUPER HIGH 5**	**CHRB #1959, CHRB #1979, CHRB #1979.1 ARCI 004-105 X-Pentafecta (5) Option 4**

C. Identify any wagers noted in 10A (the current pari-mutuel wagering program) that were not in the prior year's pari-mutuel program, or that are not being carried forward from the previous year's par-mutuel wagering program. **None.**

D. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **October 14, 2018 (Closing Day of The Big Fresno Fair).**

E. List any options requested with regard to exotic wagering:
$1 PPN when applicable; $1 TRI and $0.10 SF when applicable
$0.50 PNP4 on the first four races and the last four thoroughbred races each day
$0.50 PNP5 on the last five thoroughbred races each day, with 100% major pool paid for 5 of 5. If no 5 of 5, 75% carryover and 25% minor pool to most winners.
$.20 PNP6 on the last six thoroughbred races each day. 100% pool paid and any prior carryovers for unique ticket selecting six winners. If no unique ticket selects six winners then the 40% minor pool that day is paid to the tickets selecting the most winners and the 60% major pool will be added to the carryover.
$0.20 Pentafecta (Super High 5) selecting the first five finishers in the same race. 100% pool paid and any prior carryovers paid for a unique ticket selecting the first five finishers. If no unique ticket selects the first five finishers then 40% minor pool paid to tickets selecting the first five finishers and 60% of major pool will be added to the carryover. If no ticket selects the first five finishers 100% of the pool will be added to the carryover. Super High-5 will be carded on the last race of the day.

F. Will "advance" or "early bird" wagering be offered? [ ] Yes [X] No

If yes, when will such wagering begin? Specify days and time for "early bird" wagering:

G. 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:
Amtote (David Calendine) Expiration: September 30, 2020. 443-895-8417
Equipment description on file with Board.

H. List below the takeout percentage for each type of wager identified in 10B.

TAKEOUT PERCENTAGE
Win, Place, Show – 16.77%; Exacta & Daily Double – 24.02%
Pick 3, 4, 5, 6 & all Trifectas, Superfectas & Super High Five – 25.02%

11. ADVANCE DEPOIST WAGERING (ADW)

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

B. Attach a copy of the agreement/contracts with each ADW provider to be used for this race meeting. **On file with CHRB.**

C. Have the contract/agreements been approved by the respective horsemen's groups?
Yes [X] No [ ]

If yes, attach a copy of the approval.
If no, explain the status of the approval.

NOTICE TO APPLICANT: Pursuant to Business and Professions Code section 19604, ADW providers may accept wagers on races conducted in California from a resident of California if: 1) the ADW provider is licensed by the Board; 2) a written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made;3) the agreement shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wager are made. ADW provides may accept wagers on races conducted outside of California from a resident of California if: 1) the ADW provider is licensed by the Board; 2) 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 wagers are placed and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conduced.

12. SIMULCAST WAGERING PROGRAM

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

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

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

Golden Gate Fields, Albany
*Humboldt County Fair, Ferndale
Jockey Club at San Mateo, San Mateo
Monterey County Fair, Monterey
San Joaquin County Fair, Stockton
Santa Clara County Fair, San Jose
Fairplex Park, Pomona
Fantasy Springs Casino, Indio
Los Alamitos Race Course, Los Alamitos
Mermaid Tavern, Thousand Oaks
OC Tavern & Sports Bar, San Clemente
Roadhouse Grill, Santa Maria
Sammy's Restaurant & Bar, Lake Forrest
Santa Anita Park, Arcadia
Santa Clarita Lanes, Santa Clarita
Shalimar Sports Center, Indio
Sports Center, San Bernardino
Sports Pavillion at The Farmers Fair, Lake Perris

April 10, 2018

Executive Director
CARF
1776 Tribute Road, Suite 205
Sacramento, Ca 95815

RE: 2017 California Authority of Racing Fairs ADW Approvals

Dear Larry,

This is to confirm that the Arabian Racing Association of California (ARAC) authorizes and agrees that during the Calif
Authority of Racing Fairs (CARF) 2018 racing season, commencing June 13, 2018 and continuing through October 16,
2018, California-licensed ADW providers Bet America, TVG, Xpressbet, TwinSpires and NYRA may accept wagers from
California residents on races conducted at CARF and races conducted at tracks located outside of California.

It is ARAC's understanding that the compensation rates and fees for this wagering activity are those specified in the
Letter Agreement dated April 10, 2018.

Please feel free to contact me if you have any questions.

Sincerely,

Cory Sattau

Chairperson

April 10, 2018

Executive Director
CARF
1776 Tribute Road, Suite 205
Sacramento, Ca 95815

RE: 2018 California Authority of Racing Fairs ADW Approvals

Dear Larry,

This is to confirm that the American Mule Racing Association (AMRA) authorizes and agrees that during the California Authority of Racing Fairs (CARF) 2018 racing season, commencing June 13, 2018 and continuing through October 16, 2018, California-licensed ADW providers Bet America, TVG, Xpressbet, TwinSpires and NYRA may accept wagers from California residents on races conducted at CARF and races conducted at tracks located outside of California.

It is AMRA's understanding that the compensation rates and fees for this wagering activity are those specified in the TOC Letter Agreement date April 10, 2018.

Please feel free to contact me if you have any questions.

Sincerely,

Don Jacklin

President

Pacific Coast Quarter Horse Racing Association

April 10, 2018

Executive Director
CARF
1776 Tribute Road, Suite 205
Sacramento, Ca 95815

RE: 2016 California Authority of Racing Fairs ADW Approvals

Dear Larry,

This is to confirm that the Pacific Coast Quarter Horse Racing Association (PCQHRA) authorizes and agrees that during the California Authority of Racing Fairs (CARF) 2018 racing season, commencing June 13, 2018 and continuing through October 16, 2018, California-licensed ADW providers Bet America, TVG, Xpressbet, TwinSpires and NYRA may accept wagers from California residents on races conducted at CARF and races conducted at tracks located outside of California.

It is PCQHRA's understanding that the compensation rates and fees for this wagering activity are those specified in the TOC Letter Agreement date April 10, 2018.

Please feel free to contact me if you have any questions.

Sincerely,

Dominic Alessio
President

P.O. Box 1655 Alamitos, CA 90720 • phone (714) 236-1755 • fax (714) 236-1761 • e-mail: office@PCQHRA.com • www.pcqhra.org

Shasta District Fair, Anderson
Solano County Fair, Vallejo
Sonoma County Fair, Santa Rosa
Stanislaus County Fair, Turlock

Sports Pavillion, San Bernardino Cty. Fair, Victorville
Surfside Race Place at Del Mar, Del Mar

Viejas Casino & Turf Club, Alpine
Watch & Wager, Antelope Valley Fgds, Lancaster

*Open only during Humboldt/Ferndale Fair Racing

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

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

2018 IMPORT TRACKS	
ARLINGTON	8/15-8/26
BELMONT	8/15-8/26
ASSINIBOIA	8/15-8/26
AUSTRAILIAN RACING	8/15-8/26
BEULAH	8/15-8/26
CALDER RACECOURSE	8/15-8/26
CANTERBURY DOWNS	8/15-8/26
CHARLES TOWN	8/15-8/26
CHURCHILL DOWNS	8/15-8/26
DELAWARE	8/15-8/26
DOWNS AT ALBUQUERQUE	8/15-8/26
ELLIS PARK	8/15-8/26
EMERALD DOWNS	8/15-8/26
EVANGELINE DOWNS	8/15-8/26
FORT ERIE	8/15-8/26
GULFSTREAM	8/15-8/26
HASTINGS PARK	8/15-8/26
HAWTHORNE	8/15-8/26
INDIANA DOWNS	8/15-8/26
KEENLAND	8/15-8/26
KENTUCKY DOWNS	8/15-8/26
LAUREL	8/15-8/26
LONE STAR	8/15-8/26
LOUISIAN DOWNS	8/15-8/26
MONMOTH	8/15-8/26
MOUNTAINEER PARK	8/15-8/26
NYRA-AQUEDUCT	8/15-8/26
NYRA-BELMONT	8/15-8/26
NYRA-SARATOGA	8/15-8/26
PENN NATIONAL	8/15-8/26
PHILADELPHIA PARK (PARX)	8/15-8/26
PIMLICO	8/15-8/26
PRAIRIE MEADOWS	8/15-8/26
PRESQUE ISLE	8/15-8/26
RIVER DOWNS	8/15-8/26
SOUTH AMERICAN RACING	8/15-8/26
SUFFOLK DOWNS	8/15-8/26
SUNLAND PARK	8/15-8/26
SUNRAY PARK	8/15-8/26
TAMPA BAY	8/15-8/26
THISTLEDOWN	8/15-8/26
TURFWAY PARK	8/15-8/26
TURF PARADISE	8/15-8/26
UNITED KINGDOM	8/15-8/26
WOODBINE	8/15-8/26

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

:ARF 2018 Meets
:ommingled Locations

mWest Entertainment
Amwest Accounts
Greenbrier (WV)
Riders Up (SD)
Time Out Lounge (SD)
Triple Crown (SD)
rapahoe-Mile High
rima Race Club
rlington I
tlantic City Racecourse
tokad
almoral
almoral ADW (BETZOTIC)
angor Raceway
atavia
ettor Racing
eulah Park
irmingham
luffs Run Greyhound
uffalo Raceway
alder Racecourse
anterbury Park
apital District OTB
atskills OTB
harles Town Race Course
hester Downs & Marina LLC
hurchill Downs
lub Hipica InTurf
oeur d' Alene Casino
olonial Downs
olonial Downs Phone Bet
olumbus Raceway
onnecticut OTB
Bradley Teletheater, Bristol
New Britain, Norwalk, Milford
East Haven, Hartford, Putnam
Shoreline Star, Sports Haven
Torrington, Waterbury
Manchester, New London
Willimantic
John Martin's Manor Restaurant
Connecticut OTB ADW
Coushatta Casino
Paragon Casino
Ho-Chunk Casino and Racebook
Mohegan Sun Casino
Oneida Bingo and Casino
Pony Bar Simulcast Center
Tote Investment Racing
Delta Downs
Dover Downs
Ebet
Elite Turf Club (1 to 10)
Ellis Park
Emerald Downs
Euro Off Track
Evangeline Downs
Evangeline Downs AWA
Fair Grounds
Fair Grounds ADW
Fair Meadows
Finger Lakes
Fonner
Freehold
Gillespie County Fair
Global Wagering Solutions
Bwin International Ltd.
Intl Betting Assoc. Ltd
Magna Bet
Racebets
Greenetrack
Greyhound @ Post Falls
Gulf Greyhound
Gulfstream
Harrington Raceway
Hawthorne Race Course
Hawthorne ADW
Hazel Park
Hoosier Park
Horseman's Park
Indiana Downs
Evansville OTB
Clarkesville OTB
Intermountain Racing
IP Tote (Venezuela)
Keeneland
Keeneland Select ADW
Kentucky Downs
Kentucky OTB
Lebanon
Les Bois (Treasure Valley)
Lewiston OTB's
Lien Games
Chips Lounge and Casino
Howard Johnsons OTB
Rumors OTB
Skydancer Casino OTB
Lien Games ADW
Lone Star
Louisiana Downs
LVDC
Atlantis Paradise Casino
Avatar Ventures
Buffalo Thunder Resort
Foxwoods Resort Casino
Meskwaki Bingo & Casino
Maronas (South America)
Maryland Jockey Club
Maywood
Meadowlands
Meadows The
Meadows The (ADW) - PA regional
Mobile Greyhound
Monmouth Park
Montana OTB
Monticello
Mountaineer Park
Mt. Pleasant Meadows
Nassau Regional OTB
New Jersey Casino Assoc.
Nevada Pari-Mutuel Assoc.
Newport Jai Alai
NJ Mobile
Northfield
Cedar Downs OTB
Northville
NYRA
NYRA Account Wagering
Oaklawn
Ocean Downs
Panama
Penn National
Penn National Telebet
Peru
Philadelphia Park
Philly Park Phone Bet
Plainridge Race Course
Plainridge Telephone Wagering
Player Management Group
Pocono Account Wagering
Pocono Downs and OTB
Portland Meadows
Potawatomi Casino/ OTB
Prairie Meadows
Premier Gateway (Phumelela)
Premier Turf Club
Presque Isle Downs
Running Aces Harness Park
Saddle Brook Park
Sam Houston
Valley Greyhound Pa
Saratoga Harness Raceway
Saratoga Bets (ADW
Scarborough
Scioto Downs
Seabrook Greyhound
Social Gaming
Sol Mutuel
Southland Greyhound
Sports Creek Raceway
State Fair (Lincoln, NE)
Suffolk District OTB
Suffolk Downs
Pat's Pizz
Sunland Park
SunRay Park & Casino
Tampa Bay Downs
Taunton Acct Wagering
Taunton Dog Track Inc.
The Downs at Albuquerque
Thistledown
Tioga Downs
Tri-State GH (Mardi Gras)
Turf Paradise
Turfway Park
TVG Chester
TVG Network
TVG Prairie
Twin River Greyhound
TwinSpires
TwinSpires High Volume
Velocity Wagering Ltd.
Venezuela OTB
Vernon Downs
WatchandWager
Western OTB
Wheeling Downs
Will Rogers Downs
Wyoming
XpressBet
Yonkers Raceway
Youbet Group 1
Zia Park

Randall James Racetrack
Millenium Racing
Royal Beach Casino
Divi Carina Bay Casino
Fair Chance
Winner's Circle
orpus Christi Greyhound
elaware

BetAmerica
BestFastNow
OnlineRacing.TV
BetTheRacesOnline.com
BigJackpotBetting.com
Hometownbets.com
RaceplayWin.com
VIPHorsePlayer.com
TrackInfo.com
Offtrackbetting.com

Raceway Park
Racing2Day LLC
Racing2Day Intl. (Stan James)
Remington Park
Remington OTB Network
Retama
Racing & Gaming Services
River Downs
Rockingham Park
Rockingham Account Wagering
Ruidoso Downs

Separate Pool Locations
Camarero (Puerto Rico)
Caymanas (Jamaica)
MIR Books (Caliente)
NDS Books (Nevada)

anadian Locations

ssiniboia, Barrie, Charlottetown, Clinton Teletheatre, Dresden, Elmira Raceway, Evergreen Park, Exhibition Park, Flamboro Downs,
raser Downs, Fort Erie, Frederiction Raceway, Georgian Downs, Grand River, Hanover Raceway, Hastings Park, Hiawatha, Hipodrome de Quebec, Inverness Racewa
awartha Downs, Marquis Downs, Mohawk, New Brunswick, Northlands, Northside Downs, Picov Downs, Quinte Raceway, Rideau Carlton,
ocky Mountain Turf Club, Royal Britiana Hub, St. Johns, Sudbury Downs, Summerside, TBC Sandown, TBC Teletheaters
ruro Raceway, Western Fair, Windsor, Woodbine, Woodstock/Ontario

F. California mini-simulcast facilities the fair proposes to offer its live audiovisual signal:
OC Tavern & Sports Bar, San Clemente; Commerce Club, City of Commerce; Fresno Club One, Fresno, Firehouse Restaurant, Bakersfield, Ocean's Eleven, Oceanside, Original Road House Grill, Santa Maria, Santa Clarita Lanes, Santa Clarita, Sammy's Restaurant & Bar, Mission Viejo, Tilted Kilt, Thousand Oak, Striders, San Diego

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

NOTICE TO APPLICANT: Business and Professions 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 50 imported thoroughbred races statewide. The limitation of 50 imported thoroughbred races per day statewide does not apply to those races specified in Business and Professions 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 12D above.	**TBD**	

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
N/A			

I. If any out-of-state or out-of-country races will commence outside of the time constraints set forth in Business and Professions Code sections 19596.2 and 19596.3, attach a copy showing agreement by the appropriate racing association(s).
N/A

NOTICE TO APPLICANT: All interstate wagering to be conducted by a fair is subject to the provisions of Title 15, United States Codes, which require specific written approval of the CHRB and of the racing commission having jurisdiction in the out-of-state venue. All international wagering to be conducted by a fair is subject to the provisions of Business and Professions Code sections 19596, 19596.1,

19596.2, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

Every fair shall pay to the simulcast organization within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and vanning deductions. Every fair shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 7.)

13. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:
Association Veterinarian(s) – **Dr. Audrey Clifton, D.V.M.**
Clerk of Scales –**Kenny Fowler**
Clerk of the Course – **Myra Truitt**
Film Specialist – **Myra Truitt**
Horse Identifier – **Gary Greiner**
Horseshoe Inspector – **Jackie Payton**
Paddock Judge – **Gary Greiner**
Patrol Judges – **Lisa Jones & Myra Truitt**
Placing Judges – **Stewards**
Starter – **Bob Mooneyhan**
Timer – **Melody Truitt**

B. Management officials in the racing department:
Director of Racing – **Richard Conway**
Racing Secretary – **Tom Doutrich**
Assistant Racing Secretary – **Lisa Jones**
Paymaster of Purses – **Victoria Layne (C.A.R.F.)**
Others (identify by name and title)
Mutual Manager – **Doug Gooby**

C. Name, address, email and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: **KCW Court Reporters, 1018 2nd Street, Eureka, Ca, 707-443-7067.**

D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
Plusmic Corporation USA – Bill O'Brien (Expires 12/7/18)

E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
Pegasus Communication, Inc. – Jim Porep) Contract Expires: April 30, 2021
Equipment description on file with the Board: 5 Cameras – (3 Tower, 1 Pan, 1-Hand Held)

F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:
Pegasus Communication, Inc. – Jim Porep - Contract Expires April 30, 2021

14. 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. **See attached organizational chart.**
Pacific Coast Security, Gene Bass, Owner (707)-786-9511

B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
1-2 Guards in grandstands
2-3 Rovers
3 Licensed gatemen on 8-hour shifts

1. Attach a written plan for enhanced security for graded stakes races, and races of $100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention stalls.
   N/A
2. Detention Stalls:
   (The Fair is not running graded stakes)
   A. Attach a plan for use of graded stakes or overnight races.
   N/A
   B. Number of security guards in the detention stall area during a 24-hour period.
   N/A
   C. Describe number and location of surveillance cameras in detention stall area.
   N/A
3. TCO2 Testing:

   A. Number of races to be tested, and number of horses entered in each race to be tested.
   All horses in thoroughbred races where the number is determined by a random algorithm generator.
   B. Plan for enhanced surveillance for trainers with high-test results.
   Trainer with high test results will be moved to the detention area.
   C. Plan for detention stalls for repeat offenders.
   Ten (10) stalls adjacent to Test Barn, which are under 24-hour video surveillance
   D. Number of security personnel assigned to the TCO2 program.
   One (1) 24-hour security guard when detention stalls are occupied.

C. Describe the electronic security system.
C.A.R.F. surveillance equipment and program that travels between racing Fairs.
1. Location and number of video surveillance cameras for the detention stall and stable gate.
   4 surveillance cameras monitoring this area.

15. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races: **City Ambulance of Eureka, 135 7th Street, Eureka, Ca 95501 (707) 445-4907**

1. Attach a certification from the Ambulance Company(s) listed in 14A, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
Attached.

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

1. Attach a certification from the Ambulance Company(s) listed in 14B, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
N/A

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

D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
Physicians rotate on a daily basis from Redwood Memorial Hospital. 707-725-7328

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:
Redwood Memorial Hospital, 3300 Renner Drive, Fortuna, Ca (707) 725-7328

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

G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to Business and Professions Code section 19481.3(d):
Richard Conway, General Manager and Lisa Hindley, Assistant General Manager.

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

I. Name of the workers' compensation insurance carrier for the fair and the number of the insurance policy (if self-insured, provide details):
Sent via separate mail.

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 fair for payment of workers' compensation.
Sent via separate mail.

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall pursuant to Business and Professions Code section 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

City
Ambulance of
Eureka · Fortuna · Garberville
135 West. Seventh St. Eureka, CA 95501 707.445.4907

May 16, 2018

Richard Conway
Humboldt County Fair

Mr. Conway,

City Ambulance of Eureka, Inc. of Eureka, California operates emergency and non-emergency ambulance transportation in Humboldt County. All of our paramedic staff are licensed with the California Emergency Medical Services Authority, in addition to being accredited by the LEMSA (local emergency medical services agency) in the area in which they are practicing. The current status of any paramedic license can be verified by CA EMSA on their web site: www.centralregistry.ca.gov.

Please feel free to contact me if you require further information.

Sincerely,

Jaison Chand, EMT-P, RN, BSN
Chief Operating Officer

12C First aid and Medical Staffing

The Humboldt County Fair provides emergency care which supports comprehensive 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.

Two Emergency Medical Technicians from City Ambulance of Eureka staff are located in an on-track ambulance, which is located at a location with ease of access to the track during each day of training and racing. This ambulance and crew are present whenever horses are on the track (during both racing and training hours, and are responsible for initiating basic life support measures, including immediate medical stabilization, care and evacuation to medical care facilities.

Licensed Physicians are on-duty at Redwood Memorial Hospital and are responsible for ongoing care for jockeys, track staff and allied personnel requiring emergency medical care.

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

Redundant communication 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 card personnel also carry cell phones and each is provided a lamented card containing all contact numbers. The fair also has an emergency response cell which responds to all emergencies, both medical as well as non-medical.

12F Medical Protocols and Procedures: English

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

Track Ambulance

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

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 management of the accident scene. The track security representative shall be responsible for keeping bystanders away from the accident scene.
2. A member of the track security staff shall proceed to the Jockey's Room to secure the ambulance transfer area, as well as prevent visitation from bystanders from entering 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 or 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. A 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 that is responsible for the management of the accident scene.

Announcer

1. 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 the 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 members 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.

12F Medical Protocols and Procedures: Spanish

Procedimiento en caso de Accidente en Humboldt County Fair

De ocurir un accidente en el hopodromo, se debe hacer lo siguiente:

El personal de la Ambulancia

El personal de la ambulancia trasladarse inmediatamente al lugar del accidente siumpre que lo necesario para tartar a la(s) victim(s).

Sequridad

1. **Tan pronto como sea possible, unmiembro de seguridad del hipodromo debera reportarse al lugar del accidente y desde ahi recibir las instrucciones del Paramedico responsible del lugar del accidente. El miembro desguridad sera responsible de mantener a los transeuntes fuera del lugar del accidente.**
2. **U miembro del departamento de seguridad del hipodromo se acercara al cuart del jockey para asquarar el area donde la amulancia estara y prevenir que transeuntes y personas ajenas se acerquen.**
3. **Un miembrwo de sequridad del hipodrmomo sera responsible de escoltar a los vehiclulos de emergencia.**
4. **Los miembros de sequridad seran responsible de controlar a la multitude.**

Personal de Carreras/Vetennano del hipodromo

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

Personal de Planta/Plant Staff

1. **La Ambulancia de Caballos debera trasladarse inmediatamente al lugar del addidente 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 debran recibir intrucciones del Paramedico responsible del lugar del accidente.**

Locutor

El locator debera informar a los jinetes accerca de los detalles de la situcion)como la ubicacion del caballo suelto, la necesidad de adelantar, etc.) para que puedan hacer lo necessario y mitigar otros problemas.

Gerencia

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

Todos los Jefes de Departamento

Todos los Jefes de Departamento deb en 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.

FERNDALE VOLUNTEER FIRE DEPARTMENT

P.O. BOX 485 - FERNDALE, CA 95536

THE MOST WESTERLY FIRE DEPARTMENT IN THE UNITED STATES

May 15, 2018

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

To Whom It May Concern:
Please accept this letter as confirming my inspection of the horse barn facilities at the Humboldt County Fair Association, 1250 5th Street, in Ferndale.

The permanent stalls in Ferndale contain fire sprinklers, all of which are in working order.

Our department conducts annual training sessions on the property of the Humboldt County Fairgrounds. We are familiar with the general character of the facilities, as it relates to our responsibility to respond to any emergency that may arise during the annual event.

In addition to the permanent barns, the portable barns utilized by the Association are located in close to fire hydrants, so that an appropriate response is possible if needed.

Sincerely,

Daniel DelBiaggio
Fire Chief
Ferndale Volunteer Fire Department
P.O. Box 485
Ferndale, CA 95536
(707) 786-9909
chief@ferndalefire.org

CALIFORNIA
FAIR SERVICES
AUTHORITY

June 1, 2018

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

Re: Humboldt County Fair
1250 5th Street
Ferndale, CA 95536

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

I. GENERAL LIABILITY PROGRAM

A.	Primary Coverage	$100,000 self-insured retention California Fair Services Authority (includes liquor liability) Coverage continuous until cancelled
B.	Excess Coverage	$24,900,000 in excess of $100,000 (includes Liquor Liability) Coverage provided by CSAC Excess Insurance Authority Term: 1/1/18 to 7/1/19

II. WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY PROGRAM

A.	Primary Coverage	$500,000 self-insured retention California Fair Services Authority Coverage continuous until cancelled
B.	Excess Coverage	(a) Workers' Compensation: Statutory Limit in excess of $500,000 (b) Employers' Liability: $4,500,000 in excess of $500,000 Coverage provided by CSAC Excess Insurance Authority Term: 7/01/2017 to 7/01/2019

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

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

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

Sincerely,

Lianne Lewellen

Lianne Lewellen
Risk Analyst

1776 TRIBUTE ROAD, SUITE 100
SACRAMENTO, CA 95815
PHONE: (916) 921-2213 | FAX: (916) 646-1238
WWW.CFSA.ORG

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.

16. CONCESSIONAIRES AND SERVICE CONTRACTORS

A. 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:
Food & Non-Alcoholic Beverages

Winner's Circle Photo
Vassar Photography, 5075 Double Point Way, Discovery Bay, CA 94514
Racing Grandstand Sound System
Universal Balance, 2163 Park Avenue, McKinleyville, CA 95519
Armored Car Services
NOTWINC, 11875 Dublin Blvd. Dublin, CA 94568
Portable Stalls
Stall West, Inc. 4149 Burnett Road, Lincoln, Ca 95684. 916-645-5475, fax 916-645-6095.

B. Does the fair plan to provide its own concessions? Yes [ ] No [X]

17. ON- TRACK ATTENDANCE/FAN DEVELOPMENT

A. Attach a copy of the promotional and marketing plans for the race meeting:
Ticket give-away already underway, using HCF Facebook; discounted ticket sales, beginning July 1; placement of old Starting Gate in surrounding communities 60 days prior to Fair and near entrance to town during fair; Participation in local parades and events prior to fair; Pre-fair media dinner; golf tournament on dark Wednesday; Horsemen's Fish Fry on dark Tuesday. Appearances on local ESPN radio station; Live remote, local ESPN radio, opening day of racing; Television and radio spots.

B. Promotional/ Marketing budget for this race meeting:
$60,000
Promotional/Marketing budget for prior race meeting:
$60,000

C. Number of hosts and hostesses employed for meeting:
10

D. Describe facilities set aside for new fans:
First come, first served

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

1. Horsemen: We are installing new roofs on Arlington barns and tack room renovations will include new floors and ceilings.
2. Fans: We are expanding our Turf Room to increase the capacity and accommodate more of our

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2018 HUMBOLDT COUNTY FAIR AND RACE MEET
MARKETING PLAN

16A. The Board of Directors and Staff are enthusiastic and ready for the 122nd edition of the Humboldt County Fair in Ferndale, home to California's smallest, yet most unique racing venue. Here's a summary of some of the things what we plan to do to meet the challenge:

- *RACE DAY SCHEDULE:* In order to provide for the greatest success for everyone involved, Humboldt will continue to modify is schedule when live racing will occur. Those modifications include racing on a Thursday -Friday-Saturday-Sunday the first week and Friday-Saturday-Sunday the second week. Dark days will include Monday August, 20 through Thursday August, 23 of the Humboldt County Fair. This change is designed to benefit the myriad of participants from the racing industry, along with the thousands of loyal fans who travel to Ferndale to support us.
- *ADVERTISING BUDGET:* Our 2018 advertising budget is $60,000.
- *Sponsorships:* We are continuing to expand our sponsorship program in 2012 $80,000, 2013 $160,000, 2014 is $200,000, 2015 is $203,000, 2016 $217,500 and in 2017 was $250,000.
- *Fundraiser:* We are planning a fundraiser for August 26th where we hope to raise $50,000
- *PROMOTIONS:* In addition to reaching out to more businesses to sponsor our racing program, we will again be joining the list of racing entities that have used Lady's Hat Day at the Races promotion. A huge part of Del Mar's traditional opening day festivities, we will be conducting the promotion on Saturday, August 25, sponsored by the Ferndale Jockey Club. The HCFA will be adding to the 2018 meet a daily losing ticket "Second Chance" drawing for each race held that day.
- *POST RACE PROMOTIONS:* Unique to Ferndale is the nightly recap of racing activities, with a live broadcast of our local ESPN radio station, KEKA 1340. Owners, trainers, jockeys and fans are among the many guests to appear on the program, which takes place live on Main Street Ferndale, in front of one of the many local bars, taverns and restaurants that embrace horse racing each August. Post-race promotions extend to the local NBC affiliate, New Channel 3 in Eureka, an important outlet which is provided footage for the races each day to broadcast on its 6:00 and 11:00 sports programs.

VIP patrons. Including a patio area adjacent to the paddock, installation of new fencing between the paddock and the VIP area.

3. Facilities in the restricted areas: **N/A**

18. SCHEDULE OF CHARGES

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

Proposed charges, note any changes from previous year:

Admission (general)	**$8.00**
Admission (racing)	**$3.00**
Reserved seating (general)	
Reserved seating (clubhouse)	**$50.00 per day**
Parking (general)	**$5.00 per day**
Parking (preferred)	**$10.00 per day**
Parking (valet)	
Programs (on-track)	**$2.50**
(off-track)	**$2.50**

B. Describe any "Season Boxes" or other special accommodation fees: **$225 for box seats.**

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

19. JOCKEYS' QUARTERS

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

- [x] Corners (lockers and cubicles) How many 18
- [x] Showers
- [x] Steam room, sauna or steam cabinets
- [x] Lounge area
- [ ] Masseur
- [ ] Food/beverage service
- [x] Certified platform scale

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

20. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing has been requested and will be completed prior to the beginning of the race meet.

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

C. Number of restrooms available on the backstretch of the racetrack: **Six (6)**

D. Estimated ratio of restrooms to the number of backstretch personnel: **10 to 1.**

21. TRACK SAFETY

A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: **2,640** feet.

B. Describe the type of track surface at the facility, including the specific track surface composition: **Organic dirt, silt, clay, sand, and Fir bark**

C. The percent of cross slope in the straight-aways is: **5.3% - 5.4%**
The percent of cross slope in the center of the turns is: **5.6%**

D. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
Outer rail comprised of 3" aluminum railing on top of posts, 40" in height. Fontana inner rail, made of offset galvanized posts, with extended aluminum railing on top of gooseneck posts, 42" in height, with average overhang of 24".

E. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Steve Wood, Track Master**

F. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On file.**

G. 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.

22. DECLARATIONS

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

B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
Horsemen's Agreement on file with CHRB.

C. Attach an agreement to provide for race-day furosemide administration pursuant to CHRB Rule 1845.

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 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

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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.

23. 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.

Richard Conway Print Name	Richard Conway Signature
General Manager Print Title	5/15/18 Date

11A. Security Controls

Richard Conway
General Manager/Director of Racing
Office: 707-786-5515
Cell: 707-497-4400

Lisa Hindley
Business Assistant
Office: 707-786-5512

Kevin Morehead
Maintenance Supervisor
Office: 707-786-5516

Ferndale Police Dept.
Office: 707-786-4025

Gene Bass
Pacific Coast Security
Office: 707-786-9511

STAFF ANALYSIS
June 21, 2018

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION II AT GOLDEN GATE FIELDS AUGUST 22, 2018 THROUGH OCTOBER 2, 2018

Pacific Racing Association II (PRA II) filed its application to conduct a thoroughbred horse racing meeting at Golden Gate Fields (GGF) August 22, 2018, through October 2, 2018 or 24 days; eight more days than 2017. PRA II proposes to race a total of 194 to 242 races, or 8.1 to 10.1 races per day. Live racing will commence August 23, 2018 through September 30, 2018. In 2017, PRA II ran 8.38 races per day with an average of 6.80 runners per race. The average daily purse for the 2017 race meeting was $145,460. The (estimated) average daily purse for this meet is $145,173.

August - 2018						
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 – 2018						
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						

- Racing Thursday through Sunday with the exception of Monday, September 3, 2018 and Thursday, September 6, 2018.

- 7 to 9 races on weekdays, 9 to 11 races on weekends and Monday, September 3, 2018.

- First post 1:45 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.
  - $2 - Rolling Daily Double on all eligible races - 20% takeout.
  - $1 - Pick 3; $.50 Trifecta on eligible races; $.10 Superfecta on all eligible races; $1 Exacta on all eligible races.
  - $.50 - Pick 4 on races 2-5 and last 4 races. No consolation; 100% carryover; Alternate runner provision.
  - $.50 – Early Pick 5 on first five races and will be offered with 100% payout to all tickets selecting five winners. No consolation; 100% carryover to next day's Early Pick 5 if no ticket has five winners; Alternate runner provision. 14% takeout.
  - $.50 – Late Pick 5 on last five races; 100% payout to all tickets selecting five winners; No consolation; 100% carryover to next day's Late Pick 5 if no ticket has five winners; Alternate runner provision.
  - $1- Pentafecta (Super High 5) on all eligible races; 100% payout on all tickets selecting five winners; No consolation; 100% carryover to next race (including to the next race day, if applicable).

- $.20 – Pick 6 on the last six races each day. If no unique ticket, 70% will be paid to the minor pool and the 30% will be added to the major pool carryover.

- Specific changes from the 2017 license application:
  Previously bundled Admission prices included a free program.

- Business and Professions Code section 19464(b) specifies no application for license to conduct a horse racing meeting shall be granted unless the applicant has deposited with the Board a surety bond in the amount of $100,000, or a greater amount, as determined by the Board, which is sufficient to ensure payment of employees wages and benefits including, but not limited to, health, welfare and pension plans. The surety bond shall be maintained during the period of the meeting that all payments are made. In the event of a dispute over the amount owed, the dispute shall be resolved through the grievance procedures set forth in the labor agreement of the union representing the class of employees affected.

  This subdivision does not apply to any person or association licensed to operate a horse race meeting prior to January 1, 2001, which has conducted a race meeting in each of the immediate three previous consecutive calendar years.

  PRA II initial race meeting was conducted after 2001. Therefore, it is subject to the provisions of the Business and Professions Code section 19464(b).

  Pursuant to Business and Profession Code 19464(b) PRA II is required to submit a $100,000 surety bond payable to the Treasurer of the State of California to ensure payment of employee wages and benefits. The PRA II $100,000 surety bond currently on file is valid through August 17, 2019.

- The Advance Deposit Wagering (ADW) providers are Xpressbet, TVG, TwinSpires, Bet America, and NYRA.

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

  Summary of Business and Profession Code section 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.

The following ADW providers have submitted all documents required in compliance with Business and Professions Code section 19604 *to accept wagers on races* ***conducted in and outside of California*** *for a resident of California,* except for the horsemen's approval.

- ODS Technologies, L.P. dba TVG Network.
- XpressBet LLC. dba XpressBet.com.
- NYRAbets, LLC.

- Request Darrell Sparks be appointed horse identifier pursuant to CHRB Rule 1525, Racing Officials Appointed by the Board.

- 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.

- Simulcasting in Southern California only.

  Pacific Racing Association II (PRA II) application indicates that it will be conducting simulcast wagering with southern California satellites only. In the application submitted by PRA II for same time period in 2017, all licensed satellite wagering facilities were listed. The present application, as submitted, envisions the elimination of satellite wagering opportunities at all northern locations. Each of these locations are in northern California, meaning that the PRA II application intends for there to be no satellite wagering in northern California during their race meet.

  Staff views this portion of the application to be impermissible based on applicable laws and regulations.

  Specifically, California Business and Professions Code section 19608 requires an association which makes more than 1.5 million in daily average handle, to make its audiovisual signal available to authorized satellite wagering facilities. Section 19619.6 requires that every association that provides its live audiovisual signal also accept wagers from the satellite wagering facilities. Moreover, CHRB Rule 2058(e) which addresses the duties of a racing association offering simulcast wagering, states that all wagers made available by a host association shall be made available to all simulcast facilities.

  As stated, Staff views PRA II's application requesting to offer simulcast wagering to southern California satellites only, to be in conflict with the provisions mentioned above.

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

1. Thoroughbred Owners of California agreement.
2. California Thoroughbred Trainers agreement.
3. Workers' Compensation Insurance Policy [expires June 30, 2018].
4. Pertinent 2018 contract and/or agreements required pursuant to Business and Professions Code section 19604 that allows Pacific Racing Association II designated Advance

Deposit Wagering providers [Churchill Downs Technology Initiatives Company, dba Twinspires and dba BetAmerica] to accept wagers on races conducted in and outside of California for the applied license term.

5. NYRAbets Advance Deposit Wagering agreement [expires June 30, 2018].
6. Horsemen approval of Advance Deposit Wagering.
7. Agreements with all licensed northern California satellites.

RECOMMENDATION:

Staff recommends that the Board take action on the application at the June 21, 2018 Regular Board meeting.

STATE OF CALIFORNIA
CALIFORNIA HORSE RACING BOARD
APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING
CHRB-17 (Rev 1/16)

13-5

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 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, fax numbers, and the email address for associations contact person: **Pacific Racing Association II**
1100 Eastshore Highway
Berkeley, CA 94710
Phone (510) 559-7300 Fax (510) 527-5622
david.duggan@goldengatefields.com

B. Breed of horse: TB [X] 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 Business and Professions Code section 19490. **N/A**

E. Was the association licensed to operate a race meeting prior to January 1, 2001?

Yes [ ] No [X]

If no, attach a surety bond in the amount of one hundred thousand dollars. **Attached; valid August 17, 2018 through August 17, 2019.**

NOTICE TO APPLICANT: No application for a license to conduct a race meeting shall be granted unless the applicant has deposited with the Board a surety bond in the amount of one hundred thousand dollars ($100,000), or a greater amount, as determined by the Board, which is sufficient to ensure payment of employee wages and benefits including, but not limited to, health, welfare, and pension plans. The surety bond shall be maintained during the period of the meeting and for an additional period, as determined by the Board, sufficient to assure that all payments are made. This subdivision does not apply to any person or association licensed to operate a horse race meeting prior to January 1, 2001, which has conducted a race meeting in each of the immediate three previous consecutive calendar years. The $100,000 surety bond amount may be increased to an amount determined by the Board at the time the application is scheduled for hearing pursuant to Business and Professions Code section 19464(b).

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 allocated for the entire meeting: **August 22, 2018 through October 2, 2018**

B. Actual dates racing will be held: **August 23-26, 30-31; September 1-2, 3, 7-9, 13-16, 20-23, and 27-30.**

C. Total number of days or nights of racing: **24 days**

CHRB CERTIFICATION

Application received: 5/23/18
Deposit received: on file
Reviewed: [illegible]

Hearing date: 6/21/18
Approved date:
License number:

D. Days or nights of the week races will be held:
[ ] Wed - Sun [ ] Tues - Sat [x] Other (specify)

E. Number of days or nights of racing per week: **4 days per week**
Racing Thursdays through Sundays
Exceptions:
Racing on Monday 9/3/18
Dark day: Thursday 9/6/18

3. RACING PROGRAM

A. Total number of races: **194 - 242**

B. Number of races for each day or night:
- **7 – 9 races on weekdays**
- **9 – 11 races on weekends/holiday**

C. Total number of stakes races: **1**

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. **Attached**

1. Attach a listing of all stakes races for the past two race meetings. The information provided must be for the same timeframe in which the association is applying. Include the date the stakes races were run, and the added money or guaranteed purse for each. Note the races that were designated for California-bred horses. **Attached**

2. Identify the stakes races listed under item D. that have been altered, added, or are new for the current race meeting. Provide details regarding any alterations to the identified stakes races. (e.g., changes in the age, sex, eligibility, purse or substantial calendar changes). **None**

3. Identify the stakes races listed under item D.1. that have been dropped or deleted, and the reasons the stakes were dropped or deleted. **None**

E. Will provisions be made for owners and trainers to use their own registered colors?
[x] Yes [ ] No If no, what racing colors are to be used:

A II /GGF SUMMER 2018
ıgust 22 – October 2, 2018)
AKES SCHEDULE
TACHMENT 3D

)LLING GREEN
),000 Added (Plus $15,000 to Cal-Breds)
ernight Stakes
ree Years Old and Upward
/16 Turf
ɔnday, September 3, 2018

PRA II /GGF SUMMER 2017
(August 23 – September 19, 2017)
STAKES SCHEDULE
ATTACHMENT 3D

ROLLING GREEN
$50,000 Added (Plus $15,000 to Cal-Breds)
Overnight Stakes
Three Years Old and Upward
1 1/16 Turf
Sunday, September 17, 2017

PRA II /GGF SUMMER 2016
(August 19 – September 18, 2016)
STAKES SCHEDULE
ATTACHMENT 3D

ROLLING GREEN
$50,000 Added (Plus $15,000 to Cal-Breds)
Overnight Stakes
Three Years Old and Upward
1 1/16 Turf
Monday, September 6, 2016

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

Race Number	Post Time Daily
1st	1:45 p.m.
2nd	2:15 p.m.
3rd	2:45 p.m.
4th	3:15 p.m.
5th	3:45 p.m.
6th	4:15 p.m.
7th	4:45 p.m.
8th	5:15 p.m.
9th	5:45 p.m.
10th when applicable	6:15 p.m.
11th when applicable	6:45 p.m.

*** Post times may change 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 Business and Professions Code section 19568(b).

4. RACING ASSOCIATION

A. Association is a:
- [X] 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. **Addendum on file with the Board**

C. CORPORATION

1. Registered name of the corporation: **Pacific Racing Association II**
2. State where incorporated: **California**
3. Registry or file number for the corporation: **3481225**
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:

Tim Ritvo, President (Officer), 0 Shares
Mike Rogers, Vice President, Operations (Officer/Director), 0 Shares
Frank DeMarco, Jr., VP Regulatory Affairs and Secretary (Officer), 0 Shares
Rebecca Neimark, CFO (Officer), 0 Shares
David Duggan, Vice President & General Manager (Officer), 0 Shares
Scott Daruty, Senior Vice-President (Officer/Director), 0 Shares
Ed Hannah, Assistant Secretary (Officer), 0 Shares

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: **TSG Developments Investments Inc., 100 Shares**
6. Number of outstanding shares in the corporation: **100 Shares**
7. Are the shares listed for public trading? [ ] Yes [x] 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: **Share register is with Laura Proniuk in corporate office (Canada); Email: Laura.Proniuk@stronachgroup.com**
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:
   TSG Development Investments Inc.
   A. Is parent and/or paired corporation or entity a publically traded or privately held company that guarantees the obligation of the applicant? If no, proceed to section F.
   If yes, answer questions 10-17. Yes [ ] No [x]
10. Registered name of the corporation: **Not applicable**
11. State where incorporated: **Not applicable**
12. Registry or file number for the corporation: **Not applicable**
13. Names of all officers and directors, titles, and the number of shares of the corporation held by each: **Not applicable**
14. 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: **On file with the Board.**
15. Number of outstanding shares in the corporation: **Not applicable**
16. Are the shares listed for public trading? Yes [ ] No [x]
    If yes, on what exchange and how is the stock listed:
17. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: **Not applicable**

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. Attach a list of the names of all members (including individuals (true names), corporations, other LLCs and or foreign entities), titles, and the number of shares of the LLC held by each: **Not applicable**
5. Are the shares listed for public trading? Yes [ ] No [x]
   If yes, on what exchange and how the stock is listed:
6. 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
   A. Is parent and/or paired entity either a publically traded or privately held company that guarantees the obligation of the applicant? If no, proceed to section F. If yes, answer questions 7-12. Yes [ ] No [x]
7. Registered name of the LLC/Corporation: **Not applicable**
8. State where articles of organization are filed: **Not applicable**
9. Registry or file number for the LLC: **Not applicable**
10. Attach a list of the names (true names) of all members (members may include individuals, corporations other LLCs and foreign entities), titles, and the number of shares of the LLC held by each: **Not applicable**

11. Are the shares listed for public trading? Yes [ ] No [X]
12. If yes, on what exchange and how the stock is listed: **Not applicable**

E. OTHER

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

F. FINANCIAL INFORMATION *

1. Attach the most recent audited annual financial statement or financial report for the applicant. The financial statement or financial report shall include all relevant financial information specific to the applicant including: **On file with the board.**

- Statement of Financial Position: also referred to as a balance sheet. Statement should report on applicant's assets, liabilities, contingent liabilities and ownership equity as of the date of the prepared statement.
- Statement of Comprehensive Income: also referred to as Profit and Loss ("P&L") Statement. Statement should include report on applicant's income, expenses, and profits.
- Profit and Loss statement for prior two years race meeting and Profit and Loss statement for projected year race meeting.
- Statement of Changes in Equity: to include the changes of the applicants' equity through the reporting period.
- Statement of Cash Flows: to include a report of the applicant's cash flow activity, particularly its operating investing and financing activities during the reporting period.
- 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.

*NOTICE TO APPLICANT: The financial information provided pursuant to subsection (F) above is exempt from disclosure pursuant to Government Code section 6254(k) and non-disclosable to the public.

G. 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 13B, who will be listed in the official program:

Tim Ritvo, President
Scott Daruty, Senior Vice President
Mike Rogers, Vice President, Operations
Frank DeMarco, Jr., Vice President, Regulatory Affairs and Secretary
Ed Hannah, Assistant Secretary
Rebecca Neimark, Chief Financial Officer
David Duggan, Vice President & General Manager
Arous Mouradian, Controller
Merry Scalzo, Director of Administration
Mark Ventresca, Director of Hospitality and Sales
Doug Gooby, Mutuel Manager
Bob Hemmer, Director of Operations
Dan Cirimele, Senior Director of Marketing

Ryan Hilton, Marketing/Publicity Manager
Marciano "Rocky" Alado, Public Safety Director
Matt Dinerman, Announcer
Juan Meza, Track Superintendent
Steve Martinelli, 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 and email address of such person(s).
David Duggan
Vice President and General Manager
1100 Eastshore Hwy
Berkeley, CA 94710
david.duggan@goldengatefields.com

5. TAKE OUT PERCENTAGE

1. If this is a thoroughbred race meeting, will the percentage deducted for any type of wager be adjusted pursuant to Business and Professions Code section 19601.01? If no, proceed to subsection 6. If yes, identify the wager and the proposed takeout percentage.

Yes [X] No [ ]

Wager(s) to be adjusted: **Pick 5** Proposed percentage: **14%**
Daily Double **20%**

A. Attach copy of written notice requesting the proposed takeout adjustment, the proposed percentage and the wager(s) affected. The notice must include the written agreement of the thoroughbred association and the horsemen's organization for the meeting of the thoroughbred association accepting the wager. **Attached**

NOTICE TO APPLICANT: Pursuant to Business and Professions Code section 19601.01, notwithstanding any other provision of law, a thoroughbred association or fair, upon the filing of a written notice with, and approval by, the Board specifying the percentage to be deducted, may deduct from the total amount handled in the pari-mutuel pool for any type of wager an amount of not less than 10 percent nor more than 25 percent. The written notice shall include the written agreement of the thoroughbred association or fair and the horsemen's organization for the meeting of the thoroughbred association or fair accepting the wager. The established percentage to be deducted shall remain in effect until the filing of a subsequent notice with, and approval by, the Board, unless otherwise specified in the notice.

6. HANDLE HISTORY

1. Complete the table below providing the last five years of handle and attendance for your racing association. If your association has been operating for fewer than five years, provide information for the period of time it has been in operation. If the racing association has changed ownership include the handle information for the previous racing association.

Year	Handle	Attendance
2017 (8/24 – 9/17/17)	$ 5,167,568.00	28,433 (16 live race days)
2016 (8/19 – 9/18/16)	$ 6,000.287.10	33,827 (19 live race days)
2015 (8/21 – 10/4/15) split	$ 6,757,788.70	36,786 (19 live race days)
2014 (8/15 – 9/14/14)	$ 6,468,446.20	36,407 (19 live race days)
2013 (8/16 – 9/15/13)	$ 6,720,615.20	48,770 (19 live race days)

13-12

Golden Gate Fields

April 21, 2018

Rick Baedeker
Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 200
Sacramento, CA 95825

Dear Rick:

Pursuant to California Business and Professions Code section 19601.01, Pacific Racing Association II (PRA II), after consultation with the Thoroughbred Owners of California (TOC), is hereby requesting takeout as set forth below to be offered during the PRA II summer race meet, August 22 through October 2, 2018 all inclusive.

- **Pick 5** – a $.50 minimum wager on the first five (5) races on each day's card subject to a **takeout rate of 14%**.
- **Rolling Daily Double** - $2.00 minimum wager offered every race on each day's card subject to a **takeout rate of 20%.**

For reference, the Pick 5 and Rolling Daily Doubles are noted on PRA II's license application in Section 5A.

Please feel free to contact me with any questions or concerns.

Sincerely,

David Duggan
Vice President & General Manager

May 17, 2018

Ms. Jackie Wagner
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

RE: Golden Gate Fields (PRA II) 2018 Summer Race Meet

Dear Ms. Wagner,

Golden Gate Fields has contacted the Thoroughbred Owners of California (TOC) regarding the conducting of the "Players Pick-5" on the first five (5) races of the day subject to a 14% takeout during their Summer race meet, August 23 – October 2, 2018. The TOC agrees to such a wager based upon the same terms and conditions as it was offered at Golden Gate Fields' previous meet.

Please feel free to contact me with any questions.

Sincerely,

Greg Avioli
President & CEO

cc: Mary Scalzo

285 W. Huntington Dr., Arcadia, CA 91007 (626) 574-6620
Chairman: Nick Alexander
President & CEO: Greg Avioli
Executive Director: Mary Forney
Director of Racing & No. Calif. Operations: Elizabeth Morey
Administrative Assistant: Elsa Peron

13-14

May 17, 2018

Ms. Jackie Wagner
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

RE: Golden Gate Fields (PRA II) 2018 Summer Race Meet

Dear Ms. Wagner,

Golden Gate Fields has contacted the Thoroughbred Owners of California ("TOC") regarding the conducting of "Rolling Doubles" wagers, subject to a 20% takeout, on each racing day of its Summer meet from August 23 – October 2, 2018. The TOC agrees to such a wager based upon the same terms and conditions as it was offered at Golden Gate Fields' previous meet.

Please feel free to contact me with any questions.

Sincerely,

Greg Avioli
President & CEO

cc: Merry Scalzo, GGF

285 W. Huntington Dr., Arcadia, CA 91007 (626) 574-6620
Chairman: Nick Alexander
President & CEO: Greg Avioli
Executive Director: Mary Forney
Director of Racing & No. Calif. Operations: Elizabeth Morey
Administrative Assistant: Elsa Peron

7. PURSE PROGRAM (excluding supplements, nominations, sponsorships and starter fees):

A. Purse distribution: ***Prior meet represents August 22, 2017 through September 19, 2017 (16 race days:***

1. All races other than stakes:
   Current meet estimate: **$ 3,087,480.00**
   Prior meet actual: **$ 2,034,971.55**

   Average Daily Purse (7 A1 ÷ number of days):
   Current meet estimate: **$ 128,645.00**
   Prior meet actual: **$ 127,185.72**

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

   Average Daily Purse (7 A2 ÷ number of days):
   Current meet estimate: **$ 2,083.33**
   Prior meet actual: **$ 3,125.00**

3. Non-overnight stakes: **$ 0.00**
   Prior meet actual: **$ 0.00**

   Average Daily Purse (7 A3 ÷ number of days):
   Current meet estimate: **$ 0.00**
   Prior meet actual: **$ 0.00**

4. Total Purses: (7A1+7A2+ 7A3)

   Current meet estimate: **$ 3,137,480.00**
   Prior meet actual: **$ 2,084,971.55**

B. California-bred Stakes Races:

1. 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 (7 B1 ÷ number of days):
   Current meet estimate: **0%**
   Prior meet actual: **0%**

C. Funds to be generated for all California-bred incentive awards (including breeder awards and owners premiums):
Current meet estimate: **$ 237,092.00**
Prior meet actual: **$ 165,772.00**

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)	**$ 45,123.00**	**TOC (NTRA contribution)**	**$ 31,552.12**
TOC	**$ 25,784.00**	**TOC**	**$ 18,029.78**
CTT (Administration)	**$ 12,892.00**	**CTT (Administration)**	**$ 9,014.89**
CTT (Pension)	**$ 25,784.00**	**CTT (Pension)**	**$ 18,029.78**
Total	**$109,583.00**	**Total**	**$ 76,626.57**

E. Amount from all sources to be distributed in the form of purses or other benefits to horsemen (7 A+7 C+7 D):
Current meet estimate: **$ 3,484,155.00**
Prior meet actual: **$ 2,327,370.12**

Average Daily Purse (7 E ÷ number of days):
Current meet estimate: **$ 145,173.13**
Prior meet actual: **$ 145,460.63**

F. Purse funds to be generated from on-track handle and intrastate off-track handle (excluding carry-overs from prior race meet(s):
Current meet estimate: **$ 2,102,940.00**
Prior meet actual: **$ 1,488,705.00**

Average Daily Purse (7 F ÷ number of days):
Current meet estimate: **$ 87,622.50**
Prior meet actual: **$ 93,044.06**

G. Purse funds to be generated from interstate handle:
Current meet estimate: **$ 819,132.00**
Prior meet actual: **$ 549,187.03**

Average Daily Purse (7 G ÷ number of days):
Current meet estimate: **$ 34,130.50**
Prior meet actual: **$ 34,324.19**

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

I. Name, address, email 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; email: craigbmiller@verizon.net**

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 Business and Professions 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.

8. STABLE ACCOMMODATIONS

A. Number of usable stalls available for racehorses at the track where the meeting is held: **1,500**

B. Minimum number of stalls believed necessary for the meeting: **1,500**

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

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

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. **N/A**

Complete subsections F. through H. if the association will request reimbursement for off-site stabling as provided by Business and Professions Code sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, proceed to section 9.

F. Total number of usable stalls made available on-site for the **1986** meeting, pursuant to Business and Professions Code section 19535(c): **1,405**

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

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

9. EQUINE EMERGENCY SERVICES

A. Name and emergency telephone number of the racing veterinarian onsite during training hours, workouts and during racing for the association and auxiliary sites: **Attached**

1. Attach a schedule listing the dates and times that the racing veterinarian will be available onsite during training hours, workouts and during racing for the association and auxiliary sites. **Attached**

PRA II/GOLDEN GATE FIELDS
EQUINE EMERGENCY SERVICES

Attachment to PRA II/Golden Gate Fields License Application
Section 9A (1)

A.

VETERINARIAN	EMERGENCY CONTACT #
Dr. Ken Allison	650-642-4636
Dr. Steve Boyer	510-867-5872
Dr. William Grantham *	415-860-8113
Dr. Diane Isbell	925-980-1801
Dr. Kim Kuhlmann	510-867-5871
Dr. Steve Matuszak	415-860-3001
Dr. Jerry Parker	650-642-5610
Dr. Raina Petrov	650-642-5609
Dr. Don Smith	510-812-9275
Dr. Sara Sporer	510-220-4860
Dr. Ashton Cloninger *	415-264-1630

* Race day Lasix veterinarian

1.

GOLDEN GATE FIELDS VETERINARIAN SCHEDULE	
Mondays:	Closed
Tuesdays:	AM Only – TBD
Wednesdays:	AM Only – TBD
Thursdays:	AM - Dr. Diane Isbell
	PM - Dr. Sara Sporer
Fridays	AM - Dr. Diane Isbell
	PM - Dr. Sara Sporer
Saturdays:	AM - Dr. Diane Isbell
	PM - Dr. Sara Sporer
Sunday:	AM – Dr. Diane Isbell
	PM – Dr. Sara Sporer

TBD – Rotating schedule amongst list from exhibit A

10. PARI-MUTUEL WAGERING PROGRAM

A. Pursuant to Business and Professions 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

See Attached for wagering menu, bet minimum, rules, and additional wagering information

B. Identify any wagers noted in 10.A. (the current pari-mutuel wagering program) that were not in the prior year's pari-mutuel program, or that are not being carried forward from the previous year's pari-mutuel wagering program. **None**

C. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: **September 30, 2018 for the period of August 23, 2018 through September 30, 2018**

D. List any options requested with regard to exotic wagering: **2 Tier – 70%30% split**

E. Will "advance" or "early bird" wagering be offered? Yes [ ] No [X]
If yes, when will such wagering begin? Specify days and time for "early bird" wagering:

F. 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: **AmTote effective October 26, 2015 with expiration date of October 2020 with option to extend contract to October 2025**

G. List below the takeout percentage for each type of wager identified in 10.A.:

TAKEOUT PERCENTAGE
(Example) PNP5-14%

See Attached for wagering menu, bet minimum, rules, and additional wagering information

11. ADVANCE DEPOSIT WAGERING (ADW)

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

Xpressbet
TwinSpires* (BetAmerica is not included)
TVG
NYRABets
BetAmerica*

***Contract negotiation on going.**

Golden Gate Fields Wagering Menu and Information

	W/P/S	Exacta	Trifecta	Superfecta	DD	Pick 3	PNP 4	E PNP 5	L PNP 5	PNP 6	Pentafecta
1	X	X	X	X	X	X		X			X
2	X	X	X	X	X	X	X			*	X
3	X	X	X	X	X	X			*	*	X
4	X	X	X	X	X	X	*		*	*	X
5	X	X	X	X	X	X	*		*	*	X
6	X	X	X	X	X	*	*		*	*	X
7	X	X	X	X	*	*	*		*	*	X
8	X	X	X	X	*	*	*		*		X
9	X	X	X	X	*	*	*				X
10	X	X	X	X	*	*					X
11	X	X	X	X	*						X
12	X	X	X	X							X

*When applicable

Wager	Rule	Takeout	Minimum Wager Amount and other Information
Exacta	CHRB 1959	22.68%	$1 Exacta on all eligible races.
Trifecta	CHRB 1979	23.68%	$.50 Trifecta on all eligible races.
Superfecta	CHRB 1979.1	23.68%	$.10 Superfecta on all eligible races.
Daily Double (DD)	CHRB 1957	20.00%	$2 Daily Double.
Pick 3	CHRB 1977	23.68%	$1 Pick 3.
PNP4 (Pick 4)	CHRB 1976.9	23.68%	$.50 Pick 4 on races 2-5 and last four races; No consolation; 100% payout; Alternate runner provision.
Early PNP5 (Early Pick 5)	CHRB 1976.9	14.00%	$.50 Pick 5 on first five races; 100% payout to all tickets selecting five winners; No consolation; 100% carryover to next day's Early Pick 5 if no ticket has five winners; Alternate runner provision.
Late PNP5 (Late Pick 5)	CHRB 1976.9	23.68%	$.50 Pick 5 on last five races; 100% payout to all tickets selecting five winners; No consolation; 100% carryover to next day's Late Pick 5 if no ticket has five winners; Alternate runner provision.
PNP 6 (Pick 6)	ARCI 004-105(G)(2)(g)[1]; ARCI 004-105(G)(16)(b)(ii)[2]	23.68%	$.20 Pick 6 on the last six races each day; If no unique ticket, 70% will be paid to the minor pool and the 30% will be added to the major pool carryover.
Pentafecta (Super High 5)	ARCI 004-105(X)(4)	23.68%	$1 Super High 5 on all eligible races; 100% payout on all tickets selecting five winners; No consolation; 100% carryover to next race (including to the next race day, if applicable).

[1] We request that Commission allow patrons to select an alternate wagering interest in any of the Pick (n) contests in the event their selected wagering interest is scratched.

[2] Only if the request made in the letter dated May 23, 2018 is denied.

GOLDEN GATE FIELDS

May 23, 2018

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

Re: Rainbow Pick 6 and Mandatory Payout Day

Rick,

This letter is in regards to Pacific Racing Associations II's ("PRA") "Application for License to Conduct a Horse Racing Meeting" for the time period of August 22, 2018 through October 2, 2018 (the "Race Meet Application").

As specified in the Race Meet Application, PRA wishes to use ARCI 004-105(G)(2)(g) to govern the payout of our Pick 6.

Definition of Unique

Additionally, pursuant to ARCI 004-105(G)(2)(g), PRA is required to identify which definition under ARCI 004-105(G)(16)(b) PRA will use to identify a unique ticket. PRA requests that a combination of the two definitions to define unique be used. Specifically, PRA wishes "unique" to be defined as:

"1) The total amount wagered on one and only one winning combination selecting the first-place finisher in each of the Pick (n) contests, based up on the official order of finish, is equal to the minimum allowable wager, 2) there is more than one combination selecting the first-place finisher in each of the Pick (n) equal to the minimum allowable wager and all such winning combinations are on one ticket that has a unique serial number assigned by the tote company that issued the ticket and the multiple winning combinations is solely a result of a wagering interest being scratched and replaced with the post time favorite; 3) there is more than one combination selecting the first-place finisher in each of the Pick (n) equal to the minimum allowable wager and all such winning combinations are on one ticket that has a unique serial number assigned by the tote company that issued the ticket and the multiple winning combinations is solely a result of a dead heat; or 4) there is more than one combination selecting the first-place finisher in each of the Pick (n) equal to the minimum allowable wager and all such winning combinations are on one ticket that has a unique serial number assigned by the tote company that issued the ticket and the multiple winning combinations is solely a result of a combination of a wagering interest being scratched and replaced with the post time favorite and a dead heat."

If our proposed definition of unique is not approved, we will use ARCI 004-105(G)(16)(b)(ii) to define "unique."

Each day that there is no unique ticket, 70% will be paid out as the minor share to ticketholders which correctly selected the most first place finishers in the Pick(n) contests and 30% will be carried over to the major share (i.e. unique share).

Late Surface Change

Pursuant to ARCI 004-105(G)(6)-(7), on any day in which there is a surface change after the Pick 6 pool closes, "the net pool shall be distributed as a single price pool to those whose selection finished first in the greatest number of Pick (n) contests for that performance. Such distribution shall include the portion ordinarily retained for the Pick (n) carryover but not the carryover from previous performances."

PRA requests that on any day in which there is a surface change after the Pick 6 pool has closed, with respect to the race(s) with a changed surface, the changed leg(s), i.e. the race(s) that had the surface change, are declared a "Win All," not a "no contest."

PRA also requests that on any day in which there is a surface change after the Pick 6 pool has closed, the following payout distribution method be used: the payout distribution method as provided for in ARCI 004-105(G)(2)(g) if there is a unique ticket and if there is not a unique ticket, the entire day's net pool be paid to ticketholders which correctly selected the most first place finishers in the Pick(n) contests. In other words, LATC is requesting that on any day in which there is a surface change after the Pick 6 pool has closed, the payout will be treated the same way it is on all other days during the license period if there is a unique winning ticket. If there is no unique winning ticket, the day's major share (unique share) will be added to day's minor share. On days in which there is a surface change after the Pick 6 pool has closed, the unique jackpot carryover can be paid out, however, it cannot grow.

If there is a surface change after the Pick 6 pool closes on a mandatory payout date, the day's net pool and any carryover will be divided among the ticket holders that correctly selected the greatest number of first-place finishers.

PRA requests these modifications be approved as part of its license application.

Sincerely,

Eric Sindler

Eric Sindler

cc: Jackie Wagner
John McDonough
Tim Ritvo
Scott Daruty

B. Attach a copy of the agreement/contracts with each ADW provider to be used for this race meeting. **On file with the Board**

C. Have the contract/agreements been approved by the respective horsemen's groups?

Yes [ ] No [x]

If yes, attach a copy of the approval.
If no, explain the status of the approval. **Forwarded to Board upon receipt**

NOTICE TO APPLICANT: Pursuant to Business and Professions Code section 19604, ADW providers may accept wagers on races conducted in California from a resident of California if : 1) the ADW provider is licensed by the Board; 2) a written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made; 3) 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. ADW providers may accept wagers on races conducted outside of California from a resident of California if: 1) the ADW provider is licensed by the Board; 2) 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 wagers are placed and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

12. SIMULCAST WAGERING PROGRAM

A. Simulcast organization engaged by the association to conduct simulcast wagering: **N/A**

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. **N/A**

C. California simulcast facilities the association proposes to offer its live audiovisual signal: **Attached (Southern California only)**

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

2018 IMPORT TRACKS

Track	Full or Partial Cards and Stakes
Arlington	Full or Partial Cards
Assiniboia (International)	Full or Partial Cards
Australia Racing (International)	Full or Partial Cards
Belterra Park	Full or Partial Cards
Canterbury	Full or Partial Cards
Charles Town	Full or Partial Cards
Churchill Downs	Full or Partial Cards
Delaware Park	Full or Partial Cards
Downs at Albuquerque	Full or Partial Cards
Ellis Park	Full or Partial Cards
Emerald	Full or Partial Cards
Evangeline	Full or Partial Cards
Fort Erie (International)	Full or Partial Cards
Gulfstream Park	Full or Partial Cards
Gulfstream Park West	Full or Partial Cards
Hastings Park (International)	Full or Partial Cards
Hawthorne	Full or Partial Cards
Indiana Downs	Full or Partial Cards
Kentucky Downs	Full or Partial Cards
Laurel	Full or Partial Cards
Lone Star	Full or Partial Cards

Pari-Mutuel Satellite Supervisor Contact List - Day Meets

Southern California Locations:

Location	**Bakersfield-Firehouse**
Address	7701 White Lane
City	Bakersfield, CA 93307

Location	**Bonita-58 Flat**
Address	4110 Bonita Road
City	Bonita, CA 91902

Location	**Cabazon-Fantasy Springs Casino**
Address	84-245 Indio Springs Drive
City	Indio, CA 92201

Location	**Commerce Casino Racebook**
Address	6131 East Telegraph Road
City	Commerce, CA 90040

Location	**Fairplex Park**
Address	2201 North White Avenue
City	Pomona, CA 91768

Location	**Hollywood Park**
Address	3383 W. Century Blvd.
City	Inglewood, CA 90303

Location	**Lake Elsinore Hotel & Casino**
Address	20930 Malaga Road
City	Lake Elsinore, CA 92530

Location	**Lake Perris-Sports Pavillion at The Farmer's Fair**
Address	18700 Lake Perris Drive
City	Perris, CA 92571

Location	**Lancaster-Watch and Wager, Antelope Valley Fair**
Address	2551 West Avenue - H
City	Lancaster, CA 93536

Location	**Los Alamitos**
Address	4961 Katella Avenue
City	Los Alamitos, CA 90720

Location	**National Orange Show-Sports Show**
Address	930 South Arrowhead Avenue
City	San Bernardino, CA 92408

Location	**Ocean's 11**
Address	121 Brooks Street
City	Oceanside, CA 92054

Location	**OC Tavern Sports Bar and Grill**
Address	2369 S. El Camino Real
City	San Clemente, CA 92672

Location	**Original Roadhouse Grill / Santa Maria**
Address	1423 S. Bradley Road
City	Santa Maria, CA 93454

Location	**Sammy's Original**
Address	23221 Lake Center Drive
City	Lake Forest, CA 92630

Location	**Santa Anita**
Address	285 W. Huntington Drive
City	Arcadia, CA 91007

Location	**Santa Clarita**
Address	21615 W. Soledad Canyon Road
City	Saugus, CA 91350

Location	**Striders**
Address	100 Harbor Drive, Suite 100
City	San Diego, CA 92101

Location	**Surfside Race Place at Del Mar**
Address	2260 Jimmy Durante Blvd
City	Del Mar, CA 92014

Location	**Thousand Oaks -Tilted Kilt**
Address	1345 E. Thousand Oaks Blvd.
City	Thousand Oaks, CA 91360

Location	**Ventura-The Derby Club**
Address	10 West Harbor Blvd.
City	Ventura, CA 93001

Location	**Victorville-San Bernardino Fair Sports Pavilion**
Address	14800 7th Street
City	Victorville, CA 92395

Location	**Viejas Casino & Turf Club**
Address	5000 Willows Road
City	Alpine, CA 91901

Location	**Pechanga Resort and Casino**
Address	45000 Pechanga Pkwy
City	Temecula, CA 92592

Louisiana Downs	Full or Partial Cards
Mahoning Valley	Full or Partial Cards
Monmouth	Full or Partial Cards
Mountaineer Park	Full or Partial Cards
Northlands (International)	Full or Partial Cards
NYRA - Aqueduct, Belmont	Full or Partial Cards
Oaklawn Park	Full or Partial Cards
Penn National	Full or Partial Cards
Philadelphia Park (Parx)	Full or Partial Cards
Prairie Meadows	Full or Partial Cards
Presque Isle	Full or Partial Cards
South America Racing (International)	Full or Partial Cards
Suffolk Downs	Full or Partial Cards
Sunland Park	Full or Partial Cards
Sunray Park	Full or Partial Cards
Tampa Bay	Full or Partial Cards
Thistledown	Full or Partial Cards
Turfway Park	Full or Partial Cards
Turf Paradise	Full or Partial Cards
Woodbine (International)	Full or Partial Cards

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

F. California mini-simulcast facilities the association proposes to offer its live audiovisual signal:
Attached

G. 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": **See 11D above. Full/partial card TBD**

NOTICE TO APPLICANT: Business and Professions 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 50 imported thoroughbred races statewide. The limitation of 50 imported thoroughbred races per day statewide does not apply to those races specified in Business and Professions 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

H. 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**

I. For **STANDARDBRED** 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":

2018 Golden Gate (PRA & PRA II) Commingled Locations

AmWest Entertainment
- Amwest Accounts
- Greenbrier (WV)
- Riders Up (SD)
- Time Out Lounge (SD)
- Triple Crown (SD)

Arapahoe-Mile High
Arima Race Club
Arlington I
Atlantic City Racecourse
Balmoral
Balmoral ADW (BETZOTIC)
Bangor Raceway
Batavia
Bettor Racing
Beulah Park
Birmingham
Bluffs Run Greyhound
Buffalo Raceway
Canterbury
Capital District OTB
Catskills OTB
Charles Town Race Course
Chester Downs & Marina LLC
Churchill Downs
Club Hipica InTurf
Coeur d' Alene Casino
Colonial Downs
Colonial Downs Phone Bet
Columbus Raceway
Connecticut OTB
- Bradley Teletheater, Bristol
- New Britain, Norwalk, Milford
- East Haven, Hartford, Putnam
- Shoreline Star, Sports Haven
- Torrington, Waterbury
- Manchester, New London
- Willimantic, Sanford OTB
- John Martin's Manor Restaurant
- Connecticut OTB ADW
- Coushatta Casino
- Paragon Casino
- Ho-Chunk Casino and Racebook
- Mohegan Sun Casino
- Oneida Bingo and Casino
- Pony Bar Simulcast Center
- Tote Investment Racing
- Randall James Racetrack
- Millenium Racing
- Royal Beach Casino
- Divi Carina Bay Casino
- Fair Chance, Winner's Circle
- Camouflage Gaming

Corpus Christi Greyhound
Delaware
Delta Downs
Derby Jackpot
Dover Downs
Dubuque Greyhound
Elite Turf Club (1 to 12)
Ellis Park
Emerald Downs
Evangeline Downs
Evangeline Downs AWA
Fair Grounds
Fair Grounds ADW
Fair Meadows
Favorites at Gloucester
Finger Lakes
Fonner
Freehold
Gillespie County Fair
Global Wagering Solutions
- Bwin International Ltd.
- Intl Betting Assoc. Ltd
- Magna Bet
- Racebets

Greenetrack
Greyhound @ Post Falls
Gulf Greyhound
Gulfstream
Harrington Raceway
HarringtonBets (DE regional)
Hawthorne Race Course
Hawthorne ADW
Hazel Park
Hoosier Park
Horseman's Park
Idabet
Indiana Downs
- Clarksville/Evansville OTB

Intermountain Racing
Keeneland
Keeneland Select ADW
Kentuck Downs
Kentucky OTB
Lebanon
Les Bois (Treasure Valley)
Lewiston OTB's
Lien Games
- Chips Lounge and Casino
- Howard Johnsons OTB
- Rumors OTB
- Skydancer Casino OTB
- Lien Games ADW

BetAmerica and Offtrackbetting
Lone Star
Louisiana Downs
LVDC
- Atlantis Paradise Casino
- Avatar Ventures
- Buffalo Thunder Resort
- Foxwoods Resort Casino
- Meskwaki Bingo & Casino

Maronas (South America)
Maryland Jockey Club
Maywood
Meadowlands
Meadows The
Meadows The (ADW) - PA regional
Millers OTB
Mobile Greyhound
Monmouth Park
Montana OTB
Monticello
Mountaineer Park
Mt. Pleasant Meadows
Nassau Regional OTB
New Jersey Casino Assoc.
Nevada Pari-Mutuel Assoc.
Newport Jai Alai
NJ Mobile
Northfield
- Cedar Downs OTB

Northville
NYRA
NYRA Account Wagering
Oaklawn
Ocean Downs
Panama
PARX
PARX Phone Bet
Penn National
Penn National Telebet
Peru
Plainridge Race Course
Plainridge Telephone Wagering
Player Management Group
Pocono Account Wagering
Pocono Downs and OTB
Portland Meadows
Potawatomi Casino/ OTB
Prairie Meadows
Premier Turf Club
Presque Isle Downs
Raceway Park
Racing2Day LLC
Racing2Day Intl. (Stan James)
Remington Park
- Remington OTB Network

Retama
Racing & Gaming Services
Rillito Park
River Downs
Rockingham Park
Rockingham Account Wagering
Ruidoso Downs
Running Aces Harness Park
Saddle Brook Park
Sam Houston
- Valley Greyhound Park

Saratoga Harness Raceway
- Saratoga Bets (ADW)

Scarborough
Scioto Downs
Seabrook Greyhound
Social Gaming
Sol Mutuel
Southland Greyhound
Sports Creek Raceway
State Fair (Lincoln, NE)
Suffolk District OTB
Suffolk Downs
Sunland Park
SunRay Park & Casino
Tampa Bay Downs
Taunton Acct Wagering
Taunton Dog Track Inc.
The Downs at Albuquerque
Thistledown
Tioga Downs
Tri-State GH (Mardi Gras)
Turf Paradise
Turfway Park
TVG Chester
TVG Network
TVG Prairie
Twin River Greyhound
TwinSpires
TwinSpires High Volume
Velocity Wagering Ltd.
Venezuela OTB
Vernon Downs
WatchandWager
Western OTB
Wheeling Downs
Will Rogers Downs
Wyoming OTB
Wyoming Downs
XpressBet
Yonkers Raceway
Yonkers ADW
Youbet Group 1
Zia Park
123Gaming

Separate Pool Locations
Camarero (Puerto Rico)
Caymanas (Jamaica)
Codere (Mexico/Spain)
MIR Books (Caliente)
NDS Books (Nevada)
Tabcorp (Australia)
Tattsbet (Australia)
New Zealand Racing Board

Canadian Locations

Alberta Downs,Assiniboia, Barrie, Charlottetown, Clinton Teletheatre, Dresden, Elmira Raceway, Evergreen Park, Exhibition Park, Flamboro Downs, Fraser Downs, Fort Erie, Fredericton Raceway, Georgian Downs, Grand River, Hanover Raceway, Hastings Park, Hiawatha, Hipodrome de Quebec, Inverness Raceway Kawartha Downs, Marquis Downs, Mohawk, New Brunswick, Northlands, Northside Downs, Picov Downs, Quinte Raceway, Rideau Carlton, Rocky Mountain Turf Club, Royal Britiana Hub, St. Johns, Sudbury Downs, Summerside, TBC Sandown, TBC Teletheaters Truro Raceway, Western Fair, Woodbine,

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**

J. 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			

K. For ALL racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in Business and Professions 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 Business and Professions 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 7.)

13. CHARITY RACING DAYS

A. A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association: **Pacific Racing Association II, 1100 Eastshore Hwy, Berkeley, CA 94710 is agent for distribution**

B. Names and addresses of the trustees or directors of the distributing agent: **Pacific Racing Association II, 1100 Eastshore Hwy, Berkeley, CA 94710 will act as its own distributing agent**

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 [X]

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 Business and Professions 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 50% of the distribution shall be made to charities associated with the horse racing industry in accordance with the provisions of Business and Professions Code section 19556(b) and (c).

14. 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 Sjordal**
Assistant Clerk of Scales	**Ross Allardyce**
Clerk of the Course	**Tina Walker-Bryant**
Placing Judge/Stakes Coordinator	**Lisa Jones**
Horse Identifier	**Darrell Sparks**
Horseshoe Inspector	**Agustin Rayas**
Paddock Judge	**Linda Anderson**
Patrol Judge/Steward's Aide	**Tammy McDuffie-Morris**
Placing Judge/Film Analyst	**Morgann Schlesser**
Patrol Judge/Placing Judge	**John Leon**
Starter	**Todd Stephens**
Timer	**Jelina Pike**

B. Management officials in the racing department:

Director of Racing	**Patrick Mackey**
Racing Secretary	**Patrick Mackey**
Assistant Racing Secretary	**Steve Martinelli & Linda Anderson**
Paymaster of Purses	**Austin Rainey**

Others (identify by name and title)

Main Track Superintendent	**Juan Meza**
Turf Track Superintendent	**Bob Hemmer**
Price Maker	**Steve Martinelli**
Stable Superintendent	**Carrie Fawcett**
Steward's Secretary/Horsemen Liaison	**Marci Knight**

C. Name, address, email 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, 2019.**

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, broadcasting in High Definition (HD) on March 17, 2016; Equipment contract expires June 2021.**

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: **GPS timing system; Axcis Information Network, Inc., dba TrackMaster, an Equibase Company (effective 3-1-18). Contract expires 12/31/18.**

Attachment to PRA II / Golden Gate Fields License Application 14 (E):

Track Camera Equipment:

There are a total of ten (10) high definition (HD) cameras placed at the following strategic locations around the race track:

7/8 Pole
3/8 Pole
1/4 Pole
Paddock
Paddock (Gliding)
(2) Pan Cameras on Roof
Jib camera in Paddock
Starting Gate (Robo)
Parking Lot (Robo-scenic)

15. 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.
Marciano "Rocky" Alado, Public Safety Director is responsible for security on-site
Security Department organizational attached
Security Department phone number (510) 559-7370
Stable Security phone number (510) 542-4235 or (510) 559-7525
Marciano "Rocky" Alado cell phone number (510) 499-9364

B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: **34**

1 – Public Safety Director
2 – Security Lieutenant
4 – Security Sergeants
1 – Stable Security Sergeant
1 – Fire Guard Lieutenant
7 – Security Corporals/Guards
8 – Stable Security Officers
5 – Stable Gate Personnel
5 – Fire 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 stalls. **Attached**

2. Detention Stalls:

A. Attach a plan for use of graded stakes or overnight races.
6 hour surveillance prior to race in Graded Stakes with purses of $100,000 or over
24 hour surveillance in detention barn for Trainers with high-test results and repeat offenders

B. Number of security guards in the detention stall area during a 24-hour period.
Four Security Guards

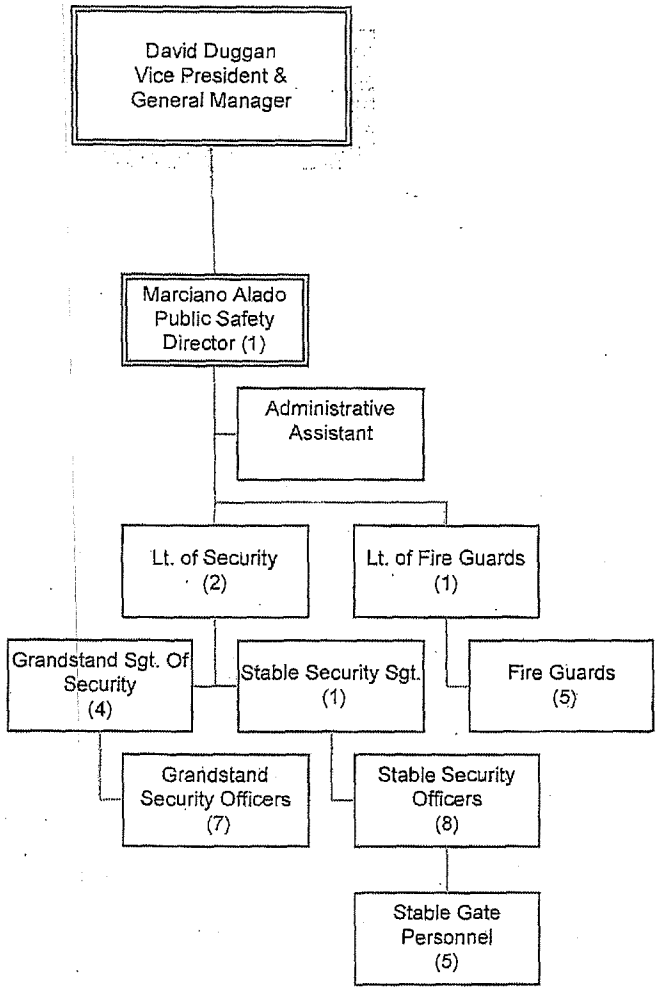
C. Describe number and location of surveillance cameras in detention stall area.
Barn #44 contains 27 stalls and is utilized as our Transit and Detention Barn. The surveillance system contains cameras strategically placed to monitor entrances and exits of the barn area along with a camera monitoring each designated detention stall within the barn. Detention stall camera locations: There are a total of 16 surveillance cameras within stalls 4, 5, 6 ,7, 8, 9, 10, 11, and 12 on the west side of barn #44 and within stalls 13, 14, 15, 16, 17, 18, and 19 on the east side of the barn. The camera equipment is connected to a digital recording system which is kept in a secured area with a power back-up in place

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

PACIFIC RACING ASSN II / GOLDEN GATE FIELDS
SECURITY DEPARTMENT ORGANIZATIONAL CHART
ATTACHMENT 15A



Attachment to PRA / Golden Gate Fields License Application
15B (1) and 15B (2):

SECURITY CONTROLS

Graded Stakes and Races of $100,000 or more

The following procedures have been put in place at Los Angeles Turf Club / Golden Gate Fields to ensure that proper security surveillance guidelines for races of $100,000 or more are followed:

- Carrie Fawcett, Stable Superintendent, provides a list of starters to Marciano "Rocky" Alado, Public Safety Director which includes the following information:
    1. Name of horse
    2. Name of trainer
    3. Barn number
    4. Stall number
- Supplemental security staff, provided by a licensed security contractor and licensed by the CHRB, are called in the morning of the race to meet with the Director of Security for the following instruction:
    A. An overview of the race track operating procedures
    B. A briefing of their duties throughout the day
    C. All guards are asked to sign out for their specific video camera
    D. A form is provided by the CHRB to each guard which is to be signed by the attending veterinarian when administering medication to bleeders.
    E. Each guard is given a video camera to record ALL activities involving individuals entering and exiting their assigned stall. Instruction is given to first record the posted number on the stall to confirm that the camera is directed at the assigned horse.
    F. Instruction is given to monitor any and all suspicious activity and to contact the Director of Security if and when suspicious activity occurs.
    G. Guards are instructed to position themselves as close to the horse's stall without jeopardizing safety.
    H. The horse and handler will be followed on foot by each guard to the receiving barn before the race.
    I. After all horses are safely in the receiving barn, the guards are instructed to meet in the Security office with the Director of Security. The guards sign that they have returned their video camera and participate in a discussion of the day's surveillance activities.

- Surveillance videotapes are saved until all test results have received a negative result.
- There are 2 armed Security Guards on duty per 8 hour shift in the barn area within a 24 hour period and 2 additional armed Security Guards during live racing hours in the barn area which includes coverage for stakes races of $100,000 or more.

Attachment to 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.

C. Plan for detention stalls 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 stall and stable gate.
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, Stable Security Office &Parking Lot Surveillance: Three (3) cameras are strategically placed to monitor all activities at the Main Stable Gate and in the barn area, one (1) camera located on roof of Stable Security Office looking out into barn area, one (1) camera placed at the CTT office to monitor Stable Gate entrance, one (1) camera placed to monitor the Stable Gate exit; one (1) camera in O/T parking lot which is a PTZ camera that overlooks not only the Owner/Trainer parking lot but the parking lot at the top of the hill and Gilman street alongside the bay, one (1) 360° fish-eye in the Receiving Barn, and three (3) cameras installed at the horsemen walk-in gate providing 24/7 surveillance.

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

16. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and during racing:
Brad Winding Turf Rescue, LLC, 19615 Barclay Road, Castro Valley, CA 94546, (510) 581-8470

1. Attach a certification from the ambulance service(s) listed in 16.A., certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
Certification documentation attached – 1 Paramedic and 1 EMT (1A) ambulance staff

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

1. Attach a certification from the ambulance service (s) listed in 16.B, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
N/A

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 sees 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,

TURF RESCUE, LLC
4470 Hillsborough Drive
Castro Valley, CA 94546
510-581-8470

August 16, 2017

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

Re: Turf Rescue, LLC licensed personnel in 2018

To Whom It May Concern:

This is to inform you that Turf Rescue, LLC operations and procedures are well within the standard care Operating Procedures set forth by Alameda County E.M.S.

Turf Rescue, LLC employs only licensed Paramedics and Emergency Medical Technicians that meet and follow the licensing requirements for Alameda County E.M.S.

If you have any further questions please feel free to contact me.

Sincerely,

Brad Winding, Owner
Turf Rescue, LLC

pursuant to Business and Professions Code section 19481.3(a): **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 Ave., Berkeley, CA 94705, (510) 204-4444 or Alameda County Medical Center (Highland Hospital Trauma Center), 1411 East 31st Street, Oakland, CA 94602 (510) 437-4865

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 Business and Professions Code section 19481.3(d):
Roy Roenbeck, Director of Environmental, Health & Safety
Bob Hemmer, Director of Operations serves as Assistant Safety Manager

H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Albany fire clearance letter attached valid through December 31, 2018
Berkeley fire clearance letter attached valid through May 28, 2018; Berkeley Fire Dept. annual inspection held on 5-7-18; will forward the fire clearance to Board upon receipt

I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **Liberty Mutual Fire Insurance Co. WA2-B7D-170912-017 (policy no.)**

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.
Current Workers' Compensation COI is valid through June 30, 2018; will forward new COI to Board upon issuance.

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall, pursuant to Business and Professions Code section 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.

17. 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 **West Coast Wheelie's, 4811 Versailles Rd, Lexington, KY 40510**

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.

GOLDEN GATE FIELDS

EMERGENCY MEDICAL PROCEDURES
-LIVE RACING-

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 contracted medical personnel) 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.

"POST INJURY ACTIVITIES"

- The incident must be reported immediately to the appropriate CHSA representative;
- In consultation with the Track Physician, an "Accident/Injury Investigation Report" must be completed by track management following completion of the above-noted procedures.

Should the GGF Human Ambulance need to leave the track premises, for whatever reason(s), racing must be delayed until a city-chartered or other substitute ambulance is on-site and available for on-track medical service.

GOLDEN GATE FIELDS

PROCEDIMIENTOS MÉDICOS DE EMERGENCIA -DURANTE LAS CARRERAS-

PARA HERIDAS A JINETES EN LA PISTA

"PRIMEROS AUXILIOS"

- En caso de accidente, los comisarios de carreras y/o los paradores deberán contactarse de inmediato con el médico de la pista (por "jinete caído") a través del canal de radio n.° 7 *(o tal vez el médico de la pista presencia el accidente directamente)*;
- La Ambulancia para pacientes humanos del Golden Gate Fields (GGF) que se encuentra en la pista (con personal médico contratado del GGF) y el médico de la pista (que se trasladará en el camión escolta o veterinario del GGF) deberán atender al jinete de inmediato en el lugar del accidente;
- Los profesionales médicos que asistan deberán contar con conocimientos en soporte vital cardiovascular avanzado (SVCA) y demás equipos y suministros necesarios de tratamiento médico inmediato;
- El médico de la pista llevará a cabo una "evaluación en el lugar" de las heridas del jinete.

"EVALUACIÓN EN EL LUGAR"

- De acuerdo con la evaluación de las heridas que realice el médico en la pista, se tomará una decisión acerca de tratar al jinete herido en dicho lugar o bien solicitar un transporte médico para emergencias para llevar a cabo un tratamiento en un centro de traumatología;
  - Si se considera suficiente el tratamiento en el lugar, la Ambulancia del GGF deberá trasladar al jinete herido directamente a la Clínica Médica del GGF o
  - Si es necesario un tratamiento fuera del predio, se deberá utilizar el "911" para llamar una ambulancia del Departamento de Bomberos de la ciudad de Albany *(también podrá actuar un camión del Departamento de Bomberos)*.

"TRATAMIENTO DE HERIDAS"

- Si el jinete herido recibe tratamiento en la Clínica Médica del GGF, el médico de la pista deberá ser el que provea asistencia primaria a menos que (o hasta que) derive al paciente de acuerdo con su criterio médico;
- Si se llama la ambulancia del Departamento de Bomberos de la cuidad de Albany para brindar atención, se deberá trasladar al jinete herido en dicha ambulancia *(acompañado por el médico de la pista)* hasta una de las siguientes ubicaciones para trasladarlo a un hospital local;
  - Si las heridas se consideran poco graves, se trasladará al jinete en la Ambulancia del GGF fuera de la pista para que lo recoja la ambulancia del Departamento de Bomberos de la cuidad de Albany o
  - Si las heridas se consideran graves y no se puede movilizar al jinete, el personal de seguridad del GGF escoltará la ambulancia del Departamento de Bomberos de la ciudad de Albany directamente hacia la pista para que recoja al paciente.

"ACTIVIDADES POSTERIORES A LAS HERIDAS"

- Se debe informar el incidente de inmediato al representante correspondiente de la Asociación de jinetes de California (CSHA, por su sigla en inglés);

Con el asesoramiento del médico de la pista, la gerencia debe completar un "Informe de investigación de accidentes/ heridas" luego de que se completen los procedimientos que se apuntaron anteriormente.

Si la Ambulancia del GGF debe retirarse del predio, por cualquier motivo, se debe demorar la carrera hasta que una ambulancia de la ciudad u otra de reemplazo se encuentre en el lugar y disponible para brindar servicio médico en la pista.

GOLDEN GATE FIELDS

EMERGENCY MEDICAL PROCEDURES
-MORNING TRAINING-

FOR ON-TRACK INJURY TO JOCKEYS OR EXERCISE RIDERS

"FIRST RESPONSE"

- In the event of an accident, the Outriders shall immediately contact the on-track GGF Human Ambulance using Radio Channel #1 ("Rider Down"); *(or the accident may very well be witnessed directly by the Ambulance Crew)*;
- The on-track GGF Human Ambulance (manned by GGF-contracted medical personnel) shall respond immediately to the site of the accident;
- The attending contracted medical personnel 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) or exercise rider(s) shall be made by the attending contracted medical personnel.

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"ON-SITE EVALUATION"

- Based on the attending contracted medical personnel "on-site evaluation" of injuries, a decision shall be made to either treat the injured jockey(s) or exercise rider(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 provide the injured jockey(s) or exercise rider(s) with appropriate medical treatment; 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 an injured jockey(s) is treated on-site:
  - the attending contracted medical personnel shall provide medical treatment until surrendering custody of the patient based on his/her medical judgment;
  - the Track Physician of the GGF Medical Clinic shall likewise be notified either via telephone or when arriving on-site (live race days only).
- If an exercise rider(s) is treated on-site:
  - the attending contracted medical personnel shall provide medical treatment until surrendering 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) or exercise rider(s) shall be transferred to this ambulance at either of the two following locations for transport to a local hospital;
  - If the injuries are deemed less severe, the jockey(s) or exercise rider(s) 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) or exercise rider(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.

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"POST INJURY ACTIVITIES"

- The incident must be reported immediately to the appropriate CHSA representative;
- In consultation with the attending contracted medical personnel, an "Accident/Injury Investigation Report" must be completed by track management following completion of the above-noted procedures.

Should the GGF Human Ambulance need to leave the track premises, for whatever reason(s), all morning training must be delayed until a city-chartered or other substitute ambulance is on-site and available for on-track medical service.

GOLDEN GATE FIELDS

PROCEDIMIENTOS MÉDICOS DE EMERGENCIA -ENTRENAMIENTO MATUTINO-

PARA HERIDAS A JINETES O JINETES DE EJERCICIO EN LA PISTA

"PRIMEROS AUXILIOS"

- En caso de accidente, los paradores deberán contactarse de inmediato con la Ambulancia para pacientes humanos del Golden Gate Fields (GGF) a través del canal de radio n.° 1 (por "jinete caído") *(o tal vez el equipo de la ambulancia presencia el accidente directamente)*;
- La Ambulancia del GGF (con personal médico contratado del GGF) deberá actuar de inmediato en el lugar del accidente;
- El personal médico contratado que asista deberá contar con conocimientos en soporte vital cardiovascular avanzado (SVCA) y demás equipos y suministros necesarios de tratamiento médico inmediato;
- Dicho personal llevará a cabo una "evaluación en el lugar" de las heridas del jinete o del jinete de ejercicio.

"EVALUACIÓN EN EL LUGAR"

- De acuerdo con la evaluación de las heridas que realice el personal médico contratado en el lugar, se tomará una decisión acerca de tratar al jinete o jinete de ejercicio herido en dicho lugar o bien solicitar un transporte médico para emergencias para llevar a cabo un tratamiento en un centro de traumatología;
  - Si se considera suficiente el tratamiento en el lugar, la Ambulancia del GGF deberá proporcionar el tratamiento médico correspondiente al jinete o jinete de ejercicio herido o
  - Si es necesario un tratamiento fuera del predio, se deberá utilizar el "911" para llamar una ambulancia del Departamento de Bomberos de la ciudad de Albany *(también podrá actuar un camión del Departamento de Bomberos)*.

"TRATAMIENTO DE HERIDAS"

- Si se trata un jinete herido en el lugar:
  - el personal médico contratado que asista deberá proveer tratamiento médico hasta que derive al paciente de acuerdo con su criterio médico;
  - también se deberá notificar al médico de la pista de la Clínica Médica del GGF ya sea por vía telefónica o cuando llegue al lugar (únicamente los días de carreras).
- Si se trata un jinete de ejercicio en el lugar:
  - el personal médico contratado que asista deberá proveer tratamiento médico hasta derivar al paciente de acuerdo con su criterio médico;
- Si se llama a la ambulancia del Departamento de Bomberos de la ciudad de Albany para brindar atención, se trasladará al jinete o jinete de ejercicio herido en dicha ambulancia hasta una de las siguientes ubicaciones para trasladarlo a un hospital local;
  - Si las heridas se consideran poco graves, se trasladará al jinete o jinete de ejercicio en la Ambulancia del GGF fuera de la pista para que lo recoja la ambulancia del Departamento de Bomberos de la cuidad de Albany o
  - Si las heridas se consideran graves y no se pueden movilizar al jinete o jinete de ejercicio, el personal de seguridad del GGF escoltará la ambulancia del Departamento de Bomberos de la ciudad de Albany directamente hacia la pista para que recoja al paciente.

"ACTIVIDADES POSTERIORES A LAS HERIDAS"

- Se debe informar el incidente de inmediato al representante correspondiente de la Asociación de jinetes de California (CSHA, por su sigla en inglés);
- Con el asesoramiento del personal médico contratado que asista, la gerencia debe completar un "Informe de investigación de accidentes/ heridas" luego de que se completen los procedimientos que se apuntaron anteriormente.

Si la Ambulancia del GGF debe retirarse del predio, por cualquier motivo, se deben demorar todos los entrenamientos matutinos hasta que una ambulancia de la ciudad u otra de reemplazo se encuentre en el lugar y disponible para brindar servicio médico en la pista.

13-42

Urban Village by the Bay

ALBANY CALIFORNIA

CITY OF ALBANY

FIRE DEPARTMENT
1000 SAN PABLO AVENUE
ALBANY, CA 94706
510 528-5770

WWW.AlbanyCA.org/fire

Roy Roenbeck
Environmental Health & Safety Director
Pacific Racing Association/Golden Gate Fields
1100 Eastshore Highway
Albany California' 94706

December 18, 2017

Mr. Roenbeck,

Fire Inspectors from the Albany Fire Department together with members of Golden Gate Fields Security/ Fire Watch conducted a Fire and Life Safety inspection on December 07, 2017. Public Areas within the Grandstand and the associated facilities were evaluated for preparation of the 2018 Racing Season. Clearance for the facility is granted for all aspects of your operations.

Whereas last year's clearance letter specified a term ending on December 31st of this year, our intent is to provide a seamless transition into 2018 and continue through the entire season.

It is important to note that operations beyond the scope of normal racetrack activities may require additional inspections as needed, such as temporary tent structures in the North Parking Lot, etc.

Please contact our office with any questions.

James S Jorgensen
Fire Inspector
Albany Fire Department
(510) 528-5775

Department of Fire and Emergency Services
Division of Fire Prevention

May 29, 2018

Roy Roenbeck
Environmental Health & Safety Director
Pacific Racing Association/Golden Gate Fields
1100 Eastshore Highway
Berkeley, CA 94710
Phone (510) 559-7300 (main office)
Fax (510) 559-7465

Subject: Fire & Life Safety Inspection of Golden Gate Fields in Berkeley, CA

Dear Mr. Roenbeck:

On Monday, May 7, 2018, the City of Berkeley Fire Prevention Division conducted an annual inspection of the horse stables and buildings located on the Berkeley, CA, portion of Golden Gate Fields. Some fire code violations were found. A re-inspection was completed on Thursday, May 24, 2018. Upon re-inspection of the violations, it was found that there were no outstanding violations or corrections needed.

These facilities are considered to be compliant with the fire code until the next scheduled inspection unless and until we receive information to the contrary. Should you have any questions or concerns regarding the annual inspection, then please contact me at 510-981-5582 or dtieu@cityofberkeley.info.

Thank you and Camillo Lopez's security team with maintaining the fire & life safety of the horse stables and associated buildings fire code compliant. I have seen a noticeable improvement over the past two years.

Sincerely,

Dori Tieu
Fire Prevention Inspector, City of Berkeley Fire Department

MARSH

Certificate of Insurance

No.: 2017-38-PACIF

Dated: June 30, 2017

This document supersedes any certificate previously issued under this number

This is to certify that the Policy(ies) of insurance listed below ("Policy" or "Policies") have been issued to the Named Insured identified below for the policy period(s) indicated. This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder named below other than those provided by the Policy(ies).

Notwithstanding any requirement, term, or condition of any contract or any other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the Policy(ies) is subject to all the terms, conditions, and exclusions of such Policy(ies). This certificate does not amend, extend, or alter the coverage afforded by the Policy(ies). Limits shown are intended to address contractual obligations of the Named Insured.

Limits may have been reduced since Policy effective date(s) as a result of a claim or claims.

Certificate Holder:

California Horse Racing Board
1010 Hurley Way
Sacramento, CA 95825

Attn.: Insurance Department

Named Insured and Address:

445327 Ontario Limited D/B/A The Stronach Group and their subsidiaries
455 Magna Drive
Aurora, ON L4G 7A9

Subsidiary/Divisions:
Pacific Racing Association
1100 Eastshore Highway
Albany, CA 94706

and

Pacific Racing Association II
dba Golden Gate Fields
1100 Eastshore Highway
Albany, CA 94706

This certificate is issued regarding:
Evidence of Insurance

Type(s) of Insurance	Insurer(s)	Policy Number(s)	Effective/ Expiry Dates	Sums Insured Or Limits of Liability	
COMMERCIAL GENERAL LIABILITY • Non-Owned Automobile	Zurich American Insurance Company	GLO 9302183-15	Jun 30, 2017 to Jun 30, 2018	Each Occurrence	USD 2,000,000
				Products-Completed Operations Aggregate	USD 2,000,000
				General Aggregate	USD 2,000,000
WORKERS' COMPENSATION & EMPLOYERS' LIAB	LIBERTY MUTUAL FIRE INSURANCE CO	WA2-B7D-170912-017	Jun 30, 2017 to Jun 30, 2018	Workers' Compensation	Statutory
				Employers' Liability Each Accident	USD 1,000,000 Bodily Injury by Accident
				Employers' Liability Each Employee	USD 1,000,000 Bodily Injury by Disease
				Employers' Liability Policy Limit	USD 1,000,000 Bodily Injury by Disease

Additional Information:
The Commercial General Liability Policy, placement was made by Marsh Commercial Business Center, a Service of Marsh USA Inc. Marsh Canada Limited has only acted in the role of a consultant to the client with respect to this placement, which is indicated here for your convenience.

The Workers' Compensation and Employers' Liability Policy, placement was made by Marsh USA Inc. Marsh Canada Limited has only acted in the role of a consultant to the client with respect to this placement, which is indicated here for your convenience.

Notice of cancellation:
The insurer(s) affording coverage under the policies described herein will not notify the certificate holder named herein of the cancellation of such coverage.

Marsh Canada Limited
120 Bremner Boulevard
Suite 800
Toronto, ON M5J 0A8
Telephone: 1-844-990-2378
Fax: -
Certs.Stronach@marsh.com

Marsh Canada Limited

By: Matthew Warnholtz

Armored Car	**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	**Wesco Graphics Inc., 410 East Grant Line Rd, Tracy, CA 95376**
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**

Does the association provide its own concessions? Yes [X] No [ ]

18. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Attach a copy of the promotional and marketing plans for the race meeting: **On file with the board**

B. Promotional/ Marketing budget for this race meeting: **On file with the board**

Promotional/Marketing budget for prior race meeting: **On file with the board**

C. Number of hosts and hostesses employed for meeting:
1 Customer Service Representative
5 Group Sales Representatives

D. Describe facilities set aside for new fans:

<u>Customer Service</u> – Our customer service center is open year round with a trained customer service representative to assist fans with general racing information, maintain our frequent fan club known as the THOROUGHBREDS, and assist with XpressBet sign ups and account maintenance

<u>Xpressbet Customer Service</u> – An Xpressbet ambassador is open year round with a trained service representative to assist fans in joining a new program "XB Rewards Club." This new program provides fans with admission discounts and wagering points to be accumulated for designated rewards

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

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

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

1. Horsemen
   - **Added new horse scale in the Receiving Barn**
   - **Added televisions in horsemen Club House box seat area**
   - **In preparation to reconfigure Winners Circle**
   - **In preparation to conduct capital barn improvements during upcoming ITW season in the barn area**
   - **Added 69 stalls (5 new barns) complete with sprinklers and alarms, 12 tack rooms**

to barn area, and nine (9) new hay storage sheds
- Upgraded entire fire alarm system in the barn area
- Installed new gate on turf gate to allow easy accessibility for 5/8 races.
- Purchased new BLS (basic life support) ambulance for racing and morning training
- Adding surveillance cameras in the barn area and Receiving Barn
- Purchased new turf course vacuum and mower to enhance yearly renovations
- Renovated Barn 63 and Barn 53 in their entirety including carpentry, new roofs, etc.
- Added storage room to the Recreation Hall for CTT usage
- Added AED unit to backside Security office
- Replaced old tubes on turf course to allow easier movability
- Ordered new barn area parking lot signage
- Installed new light pole/lights in Groom's parking lot
- Continuation of laundry service for the Jockey's Room by GGF
- Added new televisions with upgraded digital signal to the Steward's booth for viewing the races
- Adhered to the yearly Tapeta® maintenance schedule of 5x per year in January, April, June, September and December 2018
- Continual roadway, horse paths, and barn repairs

2. Fans
   - Initiation of the new Xpressbet Rewards Club which gives fans admission discounts and opportunity to earn wagering points redeemable for rewards
   - XBTV will broadcast designated Golden Gate Fields large stakes races
   - Heavy GGF Social Media presence in the Bay Area
   - Replaced chair inventory in the Grandstand area with 300 new chairs
   - Pegasus Communication high definition (HD) conversion; on-site and off-site HD Broadcast
   - Replaced carpet in Trackside Court group sales area
   - Renovated the Turf Club buffet stand
   - Added over 90 televisions throughout the facility
   - Jib camera in Paddock will be used for Winners' Circle, Paddock, crowd, and beauty shots
   - New carpet in designated Turf Club areas
   - New flooring in Grandstand on A Deck and B Deck (mezzanine)
   - Replacement of old highway sign with new LED components for clearer display
   - Replaced all Top of the Stretch table top televisions (~150) with flat screen LED TV's
   - Replaced all Turf Club table top televisions (~282) with LED TVs
   - Supplemented Club House television inventory by adding 12-55" LED TVs
   - Continual parking lot and roadway repairs

3. Facilities in the restricted areas **Equine Hospital**

19. SCHEDULE OF CHARGES

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

Admission (general)	**$6.00**
	$6.00 (previously bundled price included free program
Admission (club house)	**$10.00**
	$10.00 (previously bundled price included free program
Admission (turf club)	**$12.00 Weekdays**
	$12.00 (previously bundled price included free program
Admission (turf club)	**$15.00 Weekends/Holidays**
	$15.00 (previously bundled price included free program
Reserved seating (general)	**N/A**
Reserved seating (clubhouse)	**$ 5.00 (Free with TB card)**
Parking (general)	**$ 5.00**
Parking (preferred)	**$10.00**
Parking (valet)	**$10.00**
Programs (on-track)	**$ 2.50**
(off-track)	**$ 2.50**

Thoroughbred Club Members

Bundled Pricing includes free program

General Admission:		**Club House Admission:**	
1-10 Visits	**$5.00**	**1-10 Visits**	**$8.00**
11-20 Visits	**$4.00**	**11-20 Visits**	**$7.00**
21-30 Visits	**$3.00**	**21-30 Visits**	**$6.00**
31-40 Visits	**$2.00**	**31-40 Visits**	**$5.00**
Over 40 Visits	**$1.00**	**Over 40 Visits**	**$4.00**
		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
Horsemen Free

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:
None

20. JOCKEYS/DRIVERS' QUARTERS

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

[X] Corners (lockers and cubicles) How many [23]

[X] Showers [X] Steam room, sauna or steam cabinets [X] Lounge area

[X] Masseur [X] Food/beverage service [X] 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 attached shower room, sink, and toilet.**

21. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing has been requested and will be completed prior to the beginning of the race meet.

B. Number of rooms used for housing on the backstretch of the racetrack: **140**

C. Number of restrooms available on the backstretch of the racetrack: **18 with showers, 7 in office areas**

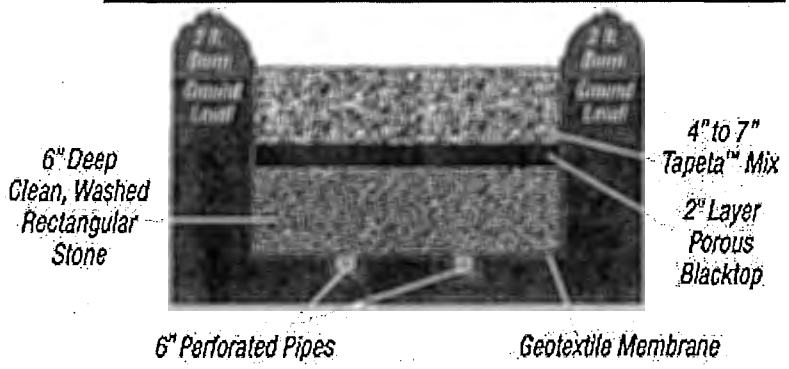
D. Estimated ratio of restroom facilities to the number of backstretch personnel:
1 restroom for every 12 people

22. TRACK SAFETY

A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: [5,280] feet.

B. Describe the type of track surface at the facility, including the specific track surface composition:

Tapeta ® Footings Synthetic Track Surface



C. The percent of cross slope in the straight-aways is: **1.5%**
The percent of cross slope in the center of the turns is: **4%**

D. 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.
Main Track: 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.
Turf Course: Inner and outer railings are metal gooseneck by Fontana Safety Rail. Approximate height of the top of the inner railing is 42 inches.

E. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Juan Meza**

F. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On file**

G. 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**

23. 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.
TOC agreement forwarded to Board upon receipt
CTT agreement forwarded to Board upon receipt

C. Attach an agreement to provide for race-day furosemide administration pursuant to CHRB Rule 1845. **On file with the board**

D. 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). **On file with the board**

E. 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**

F. 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**

24. 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.

Tim Ritvo
Print Name

Signature

President
Print Title

5-23-18
Date

STAFF ANALYSIS
June 21, 2018

Issue: RENEWAL APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY BY THE ORG RESTAURANTS, LLC, DBA ORIGINAL ROADHOUSE GRILL, SANTA MARIA.

ORG Restaurants, LLC, DBA Original Roadhouse Grill, filed an application for renewal of its license to operate a minisatellite wagering site at the Original Roadhouse Grill restaurant in Santa Maria. ORG's minisatellite application proposes to operate August 26, 2018 through August 25, 2023, for a period of up to five years. Southern California Off-Track Wagering, Inc. (SCOTWINC) has acted as the coordinator during the renewal process. ORG is currently licensed through August 25, 2018, as a minisatellite wagering facility.

- The Original Roadhouse Grill is a restaurant located in Santa Maria, California. The wagering site is located in the Southern zone.

Business and Professions Code section 19605.25 (a) (1) provides no minisatellite may be within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. If the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the Board.

- SCOTWINC has provided there is no racetrack(s), satellite wagering facility or tribal casino that has a satellite wagering facility located within 20 radius miles of the applicant.

- ORG Restaurant, LLC has contracts/agreement with the following racing associations:

  California Authority of Racing Fairs/CARF
  Del Mar Thoroughbred Club
  Los Alamitos Racing Association
  Los Alamitos Quarter Horse Racing Association
  Los Angeles County Fair Association
  Los Angeles Turf Club
  Pacific Racing Association
  Sonoma County Fair & Exposition, Inc.
  Watch and Wager.com, LLC

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

- Applicant proposes to operate minisatellite wagering site 10:30 a.m. - 11:00 p.m. when California thoroughbred tracks and racing fairs conduct racing until the last California race; dark day simulcasting when feasible. Earlier start times for special racing days such as the Triple Crown, Breeders' Cup, etc.

- Estimated number of pari-mutuel terminals machines available is 8. Seating Capacity is

220; the number of tables in the minisatellite wagering area is 12. Twenty-six high definition LCD monitors varying in size from 55" to 32".

- Staffing: The host track pari-mutuel manager will determine the number of mutual employees based upon projected handle and attendance. On most day, one teller will be assigned, with more as needed. At least one security officer will be present at all times.

Specific information still needed to complete this application include:

1. Fire clearance.
2. Workers' compensation [expires June 30, 2018].

RECOMMENDATION:

If the application is considered for approval, staff recommends a contingent approval upon the submission of outstanding items.

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB–228 (New 11/08)

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

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

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

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

PART I
MINISATELLITE WAGERING APPLICANT INFORMATION

APPLICANT INFORMATION

Name of applicant: ORG Restaurants, LLC The applicant is: ☐ Racing Association ☐ Fair ☐ Federally Recognized Indian Tribe	☐ Card Room/Gambling Establishment ☒ Restaurant/Bar ☐ Other Business Entity	
Facility street address: 1423 South Bradley Road, Santa Maria, CA 93454		
Mailing address (if different from above):		
E-mail address: lbryant@originalroadhousegrill.com		
City: Santa Maria	State: CA	Zip Code: 93454
Phone: (805) 614-0586	Fax: (805) 614-4246	Website: www.originalroadhousegrill.com
County: Santa Barbara	Zone Location: North ☐ South ☐ Central ☐ (To be completed by CHRB staff)	

CONTACT PERSON
(Authorized Representative)

Name and title of the contact person: Linda Bryant, Vice President, Operations		
Business street address: 3061 Riverside Drive		
Mailing address (if different from above):		
City: Los Angeles County: Los Angeles	State: CA	Zip Code: 90039
Phone: (323) 674-0203 #141	E-mail: lbryant@originalroadhousegrill.com	Fax: (323) 674-0212

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

8/26/2018 through 8/25/2023

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

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

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

If yes to either question above, provide the following:

Valid licensure period: Begin Date: 8/26/2013 End Date: 8/25/2018

Facility name and address: Original Roadhouse Grill, 1423 South Bradley Road

City: Santa Maria	State: CA	Zip Code: 93454

County: Santa Barbara

	Zone Location: North ☐ South ☐ Central ☐ (To be completed by CHRB staff)

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

If yes, provide the following if different from above:

Facility name and address:

City:	State:	Zip Code:

Racing Jurisdiction:

BUSINESS STRUCTURE

☐ Corporation ☐ Public ☐ Private ☐ Sub-S ☐ Sub-C ☐ Limited Partnership ☒ Limited Liability Company	☐ Partnership & Joint Venture ☐ Sole Proprietorship	☐ Other If you have listed your company as other please identify your company structure:

Registered Business Name: ORG Restaurants, LLC

Fictitious Business Name: Original Roadhouse Grill

Address: 3061 Riverside Drive

E-mail Address: lbryant@originalroadhousegrill.com

City: Los Angeles	State: CA	Zip Code: 90039

Phone: (323) 674-0203	Fax: (323) 674-0212
State where registered or Articles of Organization are filed: California	Registry or File number: 200225210046

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

Entity/Individual Name and Title	Entity's Business Address/ Individual's Address of Record	Ownership% (if any)	Compensation Agreement
Lawrence P. Cimmarusti, Manager	3061 Riverside Dr., Los Angeles, CA 90039	50%	
Ralph J. Cimmarusti, Manager	3061 Riverside Dr., Los Angeles, CA 90039	50%	

Are shares listed for public trade? Yes☐ No☒	If yes on what stock exchange?

If more than 50 percent of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity.
All entities that own 5 percent or more must fulfill the instructions for Full Disclosure Statement.

Attach the most recent annual financial statement for the applicant, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission.

MANAGEMENT AND STAFF
(Minisatellite Wagering Facility)

Name and title of the managing officer(s) and/or general manager(s) of the business.

Name	Title
Linda Bryant	Vice President, Operations

ASSOCIATION CONTRACT/AGREEMENT

Name(s) of racing association(s) with whom you intend to have a contract or agreement:
Exhibit A

Addresses of racing association(s):
Exhibit A

Racing association(s) phone numbers:
Exhibit A

Proposed contract dates: From: 8/26/2018 To: 8/25/2023 (inclusive).

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State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB–228 (New 11/08)

Attach a certified check payable to the Treasurer of the State of California in the amount of $500 for the nonrefundable minisatellite application fee.

CHRB CERTIFICATION

Application filed on: 5/25/18	30-day Notice Letter: 5/30/18
Fee received by: 5/29/18	Approved on:
Reviewed by: [illegible]	License number issued:

CERTIFICATION BY APPLICANT

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

Name LINDA BRYANT	Signature of Applicant Representative [signature]
Title VICE PRESIDENT, OPERATIONS	Date: 5/24/2018

INSTRUCTION SHEET FOR FULL DISCLOSURE STATEMENT

Background Information and Ownership

By authority of Chapter 4, Division 8, sections 19420 and 19440 of the California Business and Professions Code; and to allow an evaluation of the competence, integrity, and character of potential licensees, all applicants for license as contractors, sub-contractors and all concessionaires applying for Board approval, including any person, corporation, trust, association, partnership or joint venture which submits an application for license or approval shall comply with the provisions set forth below. Please use a separate sheet of paper to supply the requested information.

I. BACKGROUND INFORMATION

(A) PERSONAL INFORMATION - Application documents must include for each individual who is a director, officer, or partner in the application, or an owner of an interest in the applicant of 5 percent or more:

(1) The individual's full name and any previous names or aliases;
(2) the individual's date of birth;
(3) a physical description of the individual;
(4) the individual's business addresses and telephone numbers and
(5) a disclosure of employment, educational and military history for the past 20 years or since the age of 18 years.

(A1) PERSONAL HISTORY - Application documents must include a completed Personal History Record, CHRB-25A, for each individual named in subsection (A) who is a director, officer, or partner in the application or an owner of an interest in the applicant of 5 percent or more.

(B) RELATIONSHIP - The application documents must state, for each individual providing information under subsection (A) of this section, whether the individual is related to a member of the California Horse Racing Board or an employee of the Board. A half-relationship or step-relationship is considered to be a familial relationship for purposes of this section.

(C) CORPORATIONS - If the applicant is a corporation, the application documents must state:

(1) The state in which the applicant is incorporated and
(2) the name and address of the applicant's agent for service of process in California.

(D) INDICTMENTS OR CONVICTIONS

If the applicant is a corporation, the application documents must include a statement disclosing whether the corporation is presently or has ever been indicted or convicted of a criminal offense, e.g., felony or misdemeanor.

II. OWNERSHIP

(A) IDENTIFICATION AND LOCATION - The application documents must include:

(1) A list of all names used by the applicant; and
(2) the name of the agent and the address and telephone number of the office of the applicant for service of process in California.

(B) BUSINESS STRUCTURE - The application documents must describe the applicant's business structure and include an organizational chart.

(C) ORGANIZERS - If the applicant is not an individual and was organized less than five years before the date on which the application documents are submitted to the Board, the application documents must state:

(1) The name of each individual who was an organizer or promoter of the applicant;
(2) the nature and amount of assets, services, or other consideration contributed to the applicant by an organizer or promoter of the applicant; and
(3) the nature and amount of anything of value given by the applicant to an organizer or promoter of the applicant.

(D) ORGANIZATIONAL DOCUMENTS

(1) If the applicant is a corporation, the application documents must include:

(a) A statement of when and in what state the corporation was organized;
(b) a certified copy of the articles of incorporation and by-laws of the applicant;
(c) a statement and documentation of whether the corporation has been reorganized or reincorporated during the five year period preceding the date on which the application documents are submitted to the Board; and
(d) a statement and documentation of whether the corporation has filed restated articles of incorporation.

(2) If the applicant is an unincorporated business association, the application documents must include:

(a) A certified copy of each organizational document for the applicant, including any partnership agreement; and
(b) a description of any oral agreements involving the organization of the partnership.

(E) CAPITAL STOCK

(1) If the applicant is authorized to issue capital stock, the application documents must include the information required by this section.

(2) The applicant must state the classes of stock authorized and the total shares of each class authorized. The applicant must state, for each class of stock:

(a) The par value, if any;
(b) the voting rights;
(c) the current rate of dividend; and
(d) the number of shares outstanding and the market value of each share.

(3) The application documents must list the name and address of each person who owns, of record or beneficially, at least 5 percent of stock. For each person listed under this subsection, the application documents must describe the nature of the person's ownership interest and the person's percentage of the total ownership interest.

(4) The application documents must include a certified copy of each voting trust or voting agreement in which at least 5 percent of the capital stock is held and must state:

(a) The name and address of each stockholder participating in the trust or agreement;
(b) the class of stock involved; and
(c) the total number of shares held by the trust or agreement.

(F) DIRECTORS, OFFICERS, AND PARTNERS

(1) If the applicant is not an individual, the application documents must include a list of the individuals who are serving or who are designated to serve, during the first year after the date the application documents are submitted to the Board, as a director, officer, or partner of the applicant.

(2) The list must state, for each individual listed under subsection (1) of this section:

(a) The individual's name and business address;
(b) each position or office of the applicant held by the individual;
(c) the individual's principal occupation during the five-year period preceding the date on which the application documents are submitted to the Board; and
(d) the nature and extent of any ownership interest that the individual has in the applicant.

(3) Application documents must include a completed Personal History Record, CHRB-25A, for each individual named under subsection (1) of this section.

(G) CONTROLLING ENTITY

(1) The application documents must state whether another entity exercises or is in a position to exercise control in the management or financial affairs of the applicant. The documents must describe the nature of the relationship between the entity and the applicant and the extent of control exercised by the entity.

(2) If a non-individual entity owns an interest of 5 percent or more in the applicant, the application documents must include the information required by subsection (1) of this section as it relates to the non-individual entity.

(3) The application documents must include information required by subsection (2) of this section for each non-individual entity identified in the application documents to the extent necessary to determine the identity of each individual who is an indirect holder of an ownership interest in the applicant.

(H) OUTSIDE INTERESTS AND LICENSE HISTORY

(1) The application must state whether the applicant or a director, officer, or partner of the applicant;

(a) Has ever held an ownership interest in a licensee of the Board; or
(b) is currently engaged in the business of racing in another state.

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May 24, 2018

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility

RE: Full Disclosure Statement

In regard to the full disclosure statement requested as supplement to the Application referenced above – all background and ownership information is currently on file with the Racing Board.

Linda Bryant, Minisatellite Facility Representative

O.R.G. RESTAURANTS, LLC
3061 Riverside Dr. • Los Angeles, CA 90039 • (323) 674-0203 • Fax: (323) 674-0212

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

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

California Authority of Racing Fairs
1776 Tribute Road, Sacramento, CA 95815

Telephone:	Fax number:
(916) 927-7223	(916) 263-3341

Racetrack name:
Ferndale, Fresno, Pleasanton, and Sacramento

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Larry Swartzlander	Larry A. Swartzlander
Title Executive Director	Date: 4/29/2018

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

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Del Mar Thoroughbred Club
2260 Jimmy Durante Blvd, Del Mar, CA 92014

Telephone:	Fax number:
(858) 755-1141	(858) 794-1007

Racetrack name:
Del Mar

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Josh Rubinstein	
Title	Date:
COO	5/17/13

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

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Alamitos Racing Association
4961 Katella Avenue, Los Alamitos, CA 90720

Telephone:
(714) 820-2800

Fax number:

Racetrack name:
Los Alamitos

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
F. JACK LIEBAU	F. Jack Liebau
Title	Date: 5/21/18

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

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Alamitos Quarter Horse Racing Association
4961 Katella Avenue, Los Alamitos, CA 90720

Telephone: (714) 820-2800

Fax number:

Racetrack name:
Los Alamitos

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
F. JACK LIEBAU	J. Jack Liebau
Title	Date: 5/21/18

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

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Angeles County Fair Association
1101 W. McKinley Avenue, Pomona, CA 91768

Telephone:	Fax number:
(909) 865-4203	(909) 865-2481

Racetrack name:
Los Angeles County Fair, racing at Los Alamitos Race Course

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
~~Kim Lloyd~~ F. Jack Liebau	F. Jack Liebau
Title	Date: 5/21/18

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

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Angeles Turf Club, Inc.
285 W. Huntington Drive, Arcadia, CA 91007

Telephone:	Fax number:
(626) 574-7223	(626) 821-1514

Racetrack name:
Santa Anita Park

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
FRANK DEMARCO, JR.	Frank DeMarco Jr.
Title: VP - Regulatory Affairs	Date: 5-25-18

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

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Pacific Racing Association
1100 Eastshore Highway, Albany, CA 94706

Telephone:	Fax number:
(510) 559-7300	(510) 559-7465

Racetrack name:
Golden Gate Fields

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
FRANK DEMARCO, JR.	Frank DeMarco Jr.
Title	Date:
VP- Regulatory Affairs	5-25-18

14-18

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

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Sonoma County Fair & Exposition, Inc.
1350 Bennett Valley Road, Santa Rosa, CA 95404

Telephone:	Fax number:
(707) 545-4200	(707) 573-9342

Racetrack name:
Santa Rosa Racetrack - Sonoma County Fair

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Rebecca Bartling	
Title	**Date:**
CEO	5/21/18

Original Roadhouse Grill

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

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Watch and Wager.com LLC
20 California Street, 7th Floor, San Francisco, CA 94111

Telephone:	Fax number:
(916) 800-1390	(916) 800-1395

Racetrack name:
California State Fair & Exposition - Cal Expo Harness

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Ben Kenney	
Title	Date:
CFO	4-30-10

PART III
SIMULCAST ORGANIZATION INFORMATION

To be completed by approved simulcast organization that has executed an agreement approved by the CHRB with the association conducting a racing meeting with the minisatellite wagering facility pursuant to Business and Professions Code sections 19605.25 and 19605.3.

I. OPERATION OF THE MINISATELLITE WAGERING FACILITY

Simulcast organization engaged by the association to conduct simulcast wagering: SCOTWINC

Attach the agreement between the association and simulcast organization permitting the minisatellite wagering facility to use the association's live audiovisual signal for wagering purposes and providing access to it's totalizator for the purpose of combining on-track and off-track pari-mutuel pools. On file

Submit a copy of each horsemen's written approvals. Attached

Hours for operation of the facility: 11 am to 10 pm Monday through Thursday, 11:00 am to 11 pm Friday through Sunday, or as needed to accommodate minisatellite operations.

Hours for operation of the minisatellite wagering site: Generally open 10:30 am on days when California thoroughbred tracks and racing fairs conduct racing until the last California race; dark day simulcasting when feasible. Earlier start times for special racing days such as Triple Crown, Breeders' Cup, etc. - closes at 11:00 pm

Time periods during the calendar year the facility **will not** be utilized as a minisatellite wagering facility (explain why): None

If approved, wagering will be offered on live race meetings being held or conducted by the following California racing association(s): See Exhibit A

List the host track from which the minisatellite wagering facility proposes to import out-of-state and/or out-of-country races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": See Exhibit A

Estimated number of pari-mutuel terminals machines available: 8

Attach a proposed staffing plan for the facility and/or minisatellite wagering site, to include the number of security personnel and the number of pari-mutuel clerks pursuant to Business and Professions Code section 19605.25 (5)(b). The host track pari-mutuel manager will determine the number of mutuel employees based upon projected handle and attendance. On most days, one teller will be assigned, with more as needed. At least one security officer will be present at all times.

II. SUPERVISION, SECURITY AND FIRE PREVENTION

Changes to management personnel and minisatellite manager(s) must be immediately reported to the Board.

Name of the individual(s) responsible for the day-to-day operation of the minisatellite facility:

Name and Title	CHRB License No. and Expiration Date
George Haines, General Manager of SCOTWINC	068136 – 6/2020

Date: May 1, 2018

Ms. Nicole Lopes-Gravely
Regulations Analyst
California Horse Racing Board
1010 Hurley Way, Suite #300
Sacramento, CA 95825

RE: Original Roadhouse Grill Minisatellite Facility Renewal

Dear Ms. Lopes-Gravely,

The California Harness Horsemen's Association approves the renewal of licensing by the California Horse Racing Board of the Original Roadhouse Grill minisatellite located in Santa Maria.

Sincerely,

David Neumeister
President

xc: Rick Baedeker, CHRB Executive Director
George Haines, SCOTWINC General Manager

14-22

Pacific Coast Quarter Horse Racing Association

Date: May 17, 2018

Ms. Nicole Lopes-Gravely
Regulations Analyst
California Horse Racing Board
1010 Hurley Way, Suite #300
Sacramento, CA 95825

RE: Original Roadhouse Grill Minisatellite Facility Renewal

Dear Ms. Lopes-Gravely,

The Pacific Coast Quarter Horse Racing Association approves the renewal of licensing by the California Horse Racing Board of the Original Roadhouse Grill minisatellite located in Santa Maria.

Sincerely,

Dominic Alessio
President

xc: Rick Baedeker, CHRB Executive Director
George Haines, SCOTWINC General Manager

P.O. Box 919, Los Alamitos, CA 90720 • phone (714) 236-1755 • fax (714) 236-1761 • e-mail: office@PCQHRA.com • www.pcqhra.org

May 17, 2018

Ms. Nicole Lopes-Gravely
Regulations Analyst
California Horse Racing Board
1010 Hurley Way, Suite #300
Sacramento, CA 95825

RE: Original Roadhouse Grill Minisatellite Facility Renewal

Dear Ms. Lopes-Gravely,

The Thoroughbred Owners of California approves the renewal of licensing by the California Horse Racing Board of the Original Roadhouse Grill minisatellite in Santa Maria.

Sincerely,

Greg Avioli
President & CEO

xc: Rick Baedeker, CHRB Executive Director
George Haines, SCOTWINC General Manager

285 W. HUNTINGTON DR., ARCADIA, CA 91007 (626) 574-6620
CHAIRMAN: NICK ALEXANDER
PRESIDENT & CEO: GREG AVIOLI
EXECUTIVE DIRECTOR: MARY FORNEY
DIRECTOR OF RACING & NO. CALIF. OPERATIONS: ELIZABETH MOREY
ADMINISTRATIVE ASSISTANT: ELSA PERON

Attach a certificate of insurance for workers' compensation coverage including carrier and the policy number securing the applicant's liability for payment of workers' compensation is (if self-insured, provide details): Attached

Attach a fire clearance from the fire authority having jurisdiction. Attached

Attach a security plan to include: the name, title and phone number of the person having responsibility for security controls, the number of security officers and/or guards and the police or sheriff's department having jurisdiction for criminal law enforcement over the premises of the facility. The General Manager, Patrick Gorman, has responsibility for security controls. He can be reached at (805) 614-4246. The Santa Maria Police Department has jurisdiction for criminal law enforcement over the premises of the facility. A minimum of one uniformed security guard will be deployed on days when the minisatellite wagering facility is open. Security monitors are in place throughout the facility.

Is there a backup emergency plan for power failure? Yes ☐ No ☒

If yes, describe.

III. MINISATELLITE WAGERING SITE

Attach a detailed scale plan of the facility indicating all points of access to facility, emergency exits, placement of offices, and food and beverage service location and detailing the location of the proposed minisatellite wagering site. Identify how the designated minisatellite wagering area will be restricted to patrons 21 years and over. Attach photos of the minisatellite wagering site.

Scale plan is on file with the CHRB.
A uniformed security guard will be deployed at the entrance to the minisatellite to ensure age compliance. Photos are on file with the CHRB.

NOTICE TO APPLICANT. Pursuant to Business and Professions Code section 19605.25(a) (4) wagers placed at a minisatellite site must be in an area that is restricted to those who are 21 years of age or older.

IV. FACILITY DESCRIPTION

Describe the food and beverage services to be offered (full meals served; cafeteria-style full meals; short-order counter service; pre-ordered prepared sandwiches and fast foods available; full bar services; or other description as appropriate): Dining room and full bar with wait service.

The seating capacity in the minisatellite wagering facility is: 220	The number of tables in the minisatellite wagering area is: 12

Overall square footage in the minisatellite wagering area is: 1,100 square feet for the wagering area within the facility which has total square footage of 7,070.

Attach a photograph of the minisatellite wagering area. On file with CHRB

Describe occupancy restrictions, if any, imposed by the fire authority having jurisdiction: None

The total number of parking spaces available in the parking areas can accommodate (number of standard sized automobiles): 152

Describe any other activities to be scheduled on or near the facility premises that may have a negative impact on available parking: None

CALIOFF-02 PRZEMIELEWSKIS

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 5/22/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0E67768
IOA Insurance Services
3875 Hopyard Road
Suite 240
Pleasanton, CA 94588

CONTACT NAME: Sara Przemielewski
PHONE (A/C, No, Ext): (925) 660-3531 FAX (A/C, No):
E-MAIL ADDRESS: Sara.Przemielewski@ioausa.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : California Insurance Company	38865
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
California Off Track Wagering, Inc.
C/O DMTC
P.O. BOX 700
Del Mar, CA 92014

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	CLAIMS-MADE / OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY / PRO-JECT / LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			828576870101	06/30/2017	06/30/2018	X PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N N	N/A					E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Southern California Off Track Wagering / Northern California Off Track Wagering
Original Roadhouse Grill
1423 South Bradley Road
Santa Maria, CA 93454
PROOF OF COVERAGE

CERTIFICATE HOLDER

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

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
John Patrick Unruh

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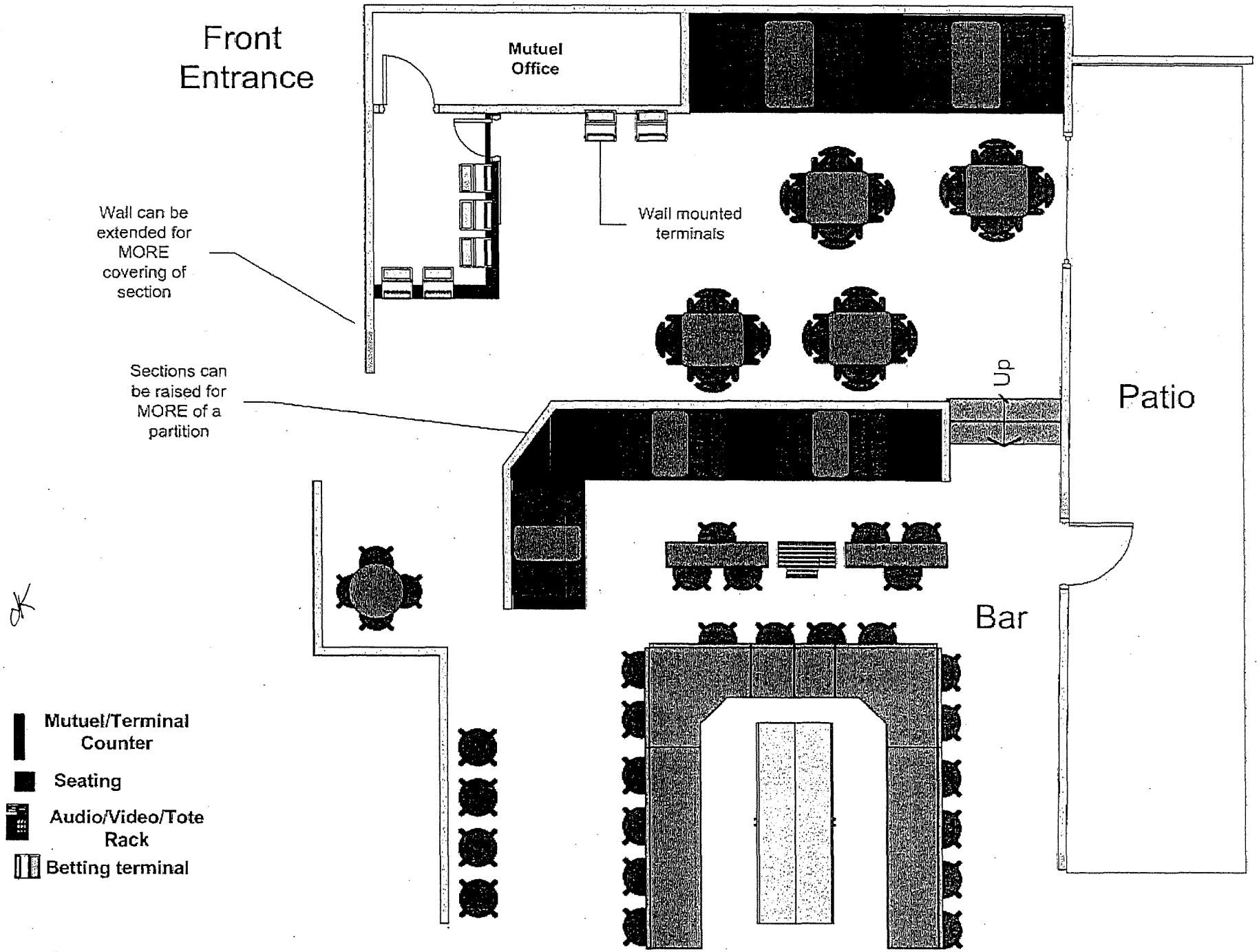

legend	description	customer / project		
Sportech	Mini Satellite-bar/restaurant	**Roadhouse** [Santa Maria]		*Concept 3 Layout v1*
		author: ku	date revised: May 12, 2011	page 1 of 6

14-26

LAKERS
BUD LIGHT

GUARANTEE

ORIGINAL
ROADHOUSE GRILL
UNDER $10

HOURS
SUNDAY - THUR
FRIDAY - SATU

V. EQUIPMENT PROVIDED BY THE MINISATILLITE WAGERING FACILITY

Describe the television equipment (satellite receivers, decoders, controls, monitors, etc.) to be utilized at the facility: Twenty-six high definition LCD monitors varying in size from 55" to 32". Roberts Communication Network is the vendor providing satellite signal reception equipment.

Describe the public address equipment (controls, microphones, speakers, etc.) to be utilized at the facility: Sound controller/switcher located in the mutuel department with speakers located in the main wagering area and in the outdoor patio area.

VI. ADVERTISING AND PATRON DEVELOPMENT

Describe any advertising or promotional plans: ORG advertises in the local papers in English and Spanish. ORG also has an email marketing list of over 12,000 addresses that receive promotional material.

Describe any improvements to the facility that will directly benefit minisatellite wagering:
None at this time

NOTICE TO APPLICANT: Pursuant to Board Rule 2066 all advertisement shall contain a statement that persons under 21 are not allowed to participate in minisatellite wagering. All advertisement shall contain contact information for a recognized problem-gambling support organization.

VII. ADMISSIONS, CHARGES AND SERVICE FEES

Complete if applicable and note N/A if not

Admissions charges, if any, are:	None
Parking charges, if any, are:	None
Program charges, if any, are:	Retail price set by host track
Seating charges, if any, are:	None

VIII. RENEWAL

Complete this section only if renewing your license.

Is this a renewal application: Yes ☒ No ☐

Have there been any changes since the submission of your last application for authorization to operate a minisatellite wagering facility? Yes ☐ No ☒

Have any changes occurred affecting ownership or controlling interest in your business structure or establishment since your last application? Yes ☐ No ☒

If you have answered, "Yes", to any of the questions above please attach a detailed statement describing the change.

How many years have you been an approved minisatellite wagering facility? Originally licensed on August 25, 2011. Opened for business on October 16, 2011.

AGREEMENTS

Attach copies of **all applicable county, city or agency agreements** that may affect the minisatellite wagering facility.

NOTICES TO APPLICANT

Notice is given to the applicant that its application, if approved by the Board, authorizes the applicant to offer pari-mutuel wagering at its minisatellite wagering facility for a period of two years per Business and Professions Code section 19605.25(h). Notice is given that retention of and control over all moneys generated from pari-mutuel wagering held or conducted at the facility is the responsibility of the simulcast organization(s) which contract(s) to provide the pari-mutuel equipment and pari-mutuel employees; and that such organization(s) is (are) responsible for its proper distribution in accordance with the law and the rules and regulations of the Board.

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-228 (New 11/08)

Notice is given that CHRB Rules 1870 and 1871 require that the Board be given 15 days notice in writing of any intention to terminate operations, engagements, or services by any licensee, or approved contractor.

DECLARATIONS

All labor agreements, concession contracts, service contracts, horsemen's agreements, lease agreements, agreements with the simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility, lease or rental agreement with the facility landlord and all applicable county, city or agency agreements that may affect the minisatellite wagering facility have been finalized except as follows (If there are no exceptions, so state): No exceptions

All service contractors and concessionaires have valid State, County or City licenses authorizing each to engage in the type of service to be provided and have valid labor agreements (when applicable) which remain in effect for the entire term of the license except as follows (If there are no exceptions, so state): No exceptions

Absent natural disasters or causes beyond the control of the applicant, its service contractors, concessionaires or employees engaged at the facility, no reasons are believed to exist that may result in a stoppage to the conduct of pari-mutuel wagering at the facility or the withholding of any vital service to the applicant except as follows (If there are no exceptions, so state): No exceptions

By authority of Article 9.2, Chapter 4, of the Business and Professions Code; and the Federal Indian Gaming Act; to allow an evaluation of the competence, integrity, and character of potential simulcast facility operators, any person, corporation, trust association, partnership, joint venture, or management firm who submits an application for such license or who is named in such application and who is not a State or County entity, or has not previously completed such disclosure when filing for a horseracing application pursuant to Article 4, section 19480 of the Business and Professions Code shall be required to complete and submit a full disclosure statement.

CERTIFICATION BY APPLICANT

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

Print name of minisatellite facility applicant representative: Linda Bryant	Date:
Signature of minisatellite facility representative:	Date: 5/25/18
Print name of association representative: Josh Rubinstein	Date:
Signature of association representative:	Date: 5/25/18
Print name of simulcast organization representative: George Haines	Date:
Signature of simulcast organization representative:	Date: 5/25/18

Exhibit A
Original Roadhouse Grill Minisatellite Wagering Renewal Application

Part 1 – Minisatellite Wagering Applicant Information

Association Contract/Agreement:
Name(s) of racing associations(s) with a contract or agreement:

California Authority of Racing Fairs
1776 Tribute Road, Suite 205
Sacramento, CA 95812

Phone: (916) 927-7223
Fax: (916) 263-3341

Del Mar Thoroughbred Club
2260 Jimmy Durante Blvd
Del Mar, CA 92014

Phone: (858) 755-1141
Fax: (858) 794-1007

Los Angeles County Fair
1101 W. McKinley Avenue
Pomona, CA 91768

Phone: (909) 865-4093
Fax: (909 622-5652

Los Angeles Turf Club
285 W. Huntington Drive
Arcadia, CA 91007

Phone: (626) 574-7223
Fax: (626) 821-1514

Los Alamitos Racing Association (Thoroughbred) & Los Alamitos Quarter Horse Racing Association
4961 Katella Avenue
Los Alamitos, CA 90720

Phone: (714) 820-2760
Fax: (714) 820-2813

Pacific Racing Association
1100 Eastshore Highway
Berkeley, CA 94710

Phone: (510) 559-7300
Fax: (510) 559-7464

Exhibit A
Original Roadhouse Grill Minisatellite Wagering Renewal Application Page 2

Association Contract/Agreement:
Name(s) of racing associations(s) intended to have a contract or agreement:

Sonoma County Fair
1350 Bennett Valley Drive
Santa Rosa, CA 95404

Phone: (707) 545-4200
Fax: (707) 545-9342

Watch & Wager.com, LLC
1600 Exposition Road
Sacramento, CA 95815

Phone: (916) 263-3000
Fax: (916) 800-1395

Part III – Simulcast Organization Information

I Operation of the Minisatellite Wagering Facility:

Parimutuel wagering will be offered on live race meetings conducted by:

Del Mar Thoroughbred Club, Los Angeles Turf Club, Los Angeles County Fair, Los Alamitos Racing Association, Los Alamitos Quarter Horse Racing Association, Watch and Wager.com, LLC, Pacific Racing Association, race meets conducted by CARF, and the Sonoma County Fair

Wagering will be offered on the same imports from out of state and international tracks as the California host tracks offer on days when the minisatellite wagering facility is open.

STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED ADDITION OF RULE 1859.1, OUT-OF-COMPETITION TESTING PROCEDURES AND REQUIREMENTS RULE 1869, PROHIBITED DRUG SUBSTANCES IN OUT-OF-COMPETITION TESTING AND THE AMENDMENT OF RULE 1858, TEST SAMPLE REQUIRED RULE 1859, TAKING, TESTING AND REPORTING OF SAMPLES RULE 1859.25, SPLIT SAMPLE TESTING RULE 1867, PROHIBITED VETERINARY PRACTICES

Regular Board Meeting
June 21, 2018

ISSUE

Currently, the California Horse Racing Board's (CHRB/Board) drug enforcement efforts focus almost exclusively on testing for and restricting substances that are physically detectable in a horse immediately after a race. Although this has effectively curtailed the use of performance enhancing/altering substances immediately prior to a race, it does little to address the issue of substances that enhance performance long after they have been eliminated from the horse's body. While the CHRB regularly tests horses that are out-of-competition, it presently has no recourse when a known performance enhancing substance is detected. To allow the CHRB to affirmatively test for and restrict certain medications and drug substances in race horses that are intended to compete but not currently entered for a specific race, the Board has proposed the addition of Rule 1859.1, Out-of-Competition Testing Procedures and Requirements, and Rule 1869, Prohibited Drug Substances in Out-of-Competition Testing. In addition, the Board has proposed the amendment of the following rules: 1858, Test Sample Required; 1859, Taking, Testing and Reporting of Samples; 1859.25, Split Sample Testing; and 1867, Prohibited Veterinary Practices.

ANALYSIS

The proposed amendment/addition of the out-of-competition regulations was noticed for a 45-day public comment period on March 23, 2018. During the public notice period comments were received from the California Thoroughbred Trainers (CTT), Thoroughbred Owners of California (TOC), North American Association of Racetrack Veterinarians (NAARV) and from Donald C. Smith II, D.V.M. The hearing for adoption of the proposed regulations, which was to be held at the May 24, 2018 Regular Board Meeting, was postponed.

The proposed addition of Rule 1859.1, Out-of-Competition Testing Procedures and Requirements, will establish procedures by which the Board will collect out-of-competition test samples, as well as penalties for non-compliance. Specifically, out-of-competition test samples will be collected at the direction of the official veterinarian, the Equine Medical Director, or his/her designee at any time and in any location. Trainers, owners, and their designees are required to disclose the location of all of their horses that are eligible for out-of-competition testing; however, any party may request that their horse be tested in an alternative location. Additionally, trainers, owners, their designee(s), and racing association employees are required to cooperate with persons collecting

out-of-competition test samples. Licensees who willfully fail to make a horse available for out-of-competition testing, or who cause interference or obstruction to the sampling process will receive a minimum one-year license suspension, and horses not made available for out-of-competition testing will be placed on the Steward's List for a minimum of 180 days.

The proposed addition of Rule 1869, Prohibited Drug Substances in Out-of-Competition Testing, will list all medications, drugs, and other substances that are prohibited from being present in an out-of-competition test sample. Additionally, the proposed rule will describe exceptions for certain therapeutic medications in cases where specific procedural and reporting requirements are followed by the trainer and/or their veterinarian. Finally, the rule will describe the liability and rights of trainers, owners, and other licensees who have the care and custody of a horse that tests positive for a prohibited substance in an out-of-competition test sample. Following the end of the 45-day public comment period, Dr. Rick Arthur, CHRB Equine Medical Director, has submitted a modification to the text of Rule 1869. The modification will add text to subparagraph 1867(a)(5). Any change to the text will require an additional public notification period. (See double underlined text in subparagraph 1869(a)(5).)

The proposed amendment of Rule 1858, Test Sample Required, will clarify the Board's authority to collect official blood, urine, and other biological test samples, as well as describe specifically which horses are eligible for out-of-competition testing. Additionally, the proposed amendment will make it a condition of trainers' and owners' licenses that the Board be given consent to collect out-of-competition test samples at any location where an eligible horse is present.

The proposed amendment of Rule 1859, Taking, Testing and Reporting of Samples, will make minor technical changes to existing language that ensures out-of-competition testing procedures do not conflict with existing official test sample collection requirements.

The proposed amendment of Rule 1859.25, Split Sample Testing, will extend the same split sample process and rights currently in place for post-race testing to licensees who have a horse in their custody that test positive for a prohibited substance in an out-of-competition test sample.

The proposed amendment of Rule 1867, Prohibited Veterinary Practices, will add a number of medications and drug substances to the current prohibited list, and extend the regulation's application to substances detected in out-of-competition test samples. Following the end of the 45-day public comment period, Dr. Rick Arthur, CHRB Equine Medical Director, has submitted a modification to the text of Rule 1867. The modification will add text to subparagraph 1867(a)(4) regarding growth hormone releasing factors. Any change to the text will require an additional public notification period. (See double underlined text in subparagraph 1867(a)(4).)

BACKGROUND

Business and Professions Code section 19401(a) explains that it is the intent of the Horse Racing Law to allow pari-mutuel wagering on horse races while assuring protection of the public. Business and Professions Code section 19420 states that the Board has jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and

Professions Code section 19440 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 19583 states that every veterinarian who treats a horse within the inclosure shall report the details of such treatment to the official veterinarian in writing.

RECOMMENDATION

This item is presented for Board discussion and action. The proposed changes to the texts of Rule 1867 and 1869 will require an additional public notice period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1858. TEST SAMPLE REQUIRED.

Regular Board Meeting
June 21, 2018

1858. Test Sample Required.

(a) Blood and urine test samples shall be taken daily from the winner of every race, from horses finishing second and third in any stakes race with a gross purse of $75,000 or more, and from not less than six other horses designated for testing by the Equine Medical Director, the stewards or the official veterinarian.

(b) The Board may at any time on any date take official blood, urine or other biological samples, in accordance with Rules 1859 and 1859.1, from a horse to enhance the ability of the Board to enforce its medication and anti-doping rules.

(~~b~~c) Every horse within the inclosure, every horse registered to race at an inclosure, every horse under the care or control of a licensed trainer, or owned by a licensed owner, or nominated, pre-entered or entered in any race that will be held within a licensed inclosure is subject to pre-race, post-race, and out-of-competition testing by the Board. ~~and n~~No owner, trainer or other person having the care of a horse shall refuse to submit it for testing when directed by the Equine Medical Director, the Executive Director, the stewards or the official veterinarian.

(1) For the purposes of this regulation, a horse is "registered to race at an inclosure" when the horse's registration papers are on file with a racing association under the jurisdiction of the Board,~~.~~ and/or the horse has raced at a licensed inclosure within the previous twelve (12) months.

(2) A horse is "out-of-competition" when it is not entered in a race as defined in this Article. This regulation does not permit out-of-competition testing outside of a licensed inclosure on

weanlings, yearlings, or any horse proven to be no longer engaged in horse racing unless such horse is entered in a horse sale authorized by the Board pursuant to Rule 1807. For purposes of this regulation, the following criteria may be used to prove that a horse is no longer engaged in horse racing:

(i) it is registered as retired with one of the breed registry organizations identified in Rule 1402;

(ii) it is not a breed of horse that races in California;

(iii) it becomes breeding stock;

(iv) it has suffered an injury, or been subject to a procedure, that renders the horse permanently unfit to participate in a race as determined by the Official Veterinarian or Equine Medical Director; or

(v) any other evidence is provided that proves the horse will no longer engage in racing in California as decided by the Equine Medical Director, the Executive Director, the stewards, or the official veterinarian.

(3) Persons who apply for and are granted a trainer or owner license shall be deemed to have given their consent, as a condition of licensure, for the Board and its representatives to access any location, whether inside or outside of a licensed inclosure, where a horse eligible for testing may be found for the purpose of collecting official out-of-competition test samples. Such consent, however, does not permit the Board or its representatives to search the premises when collecting a test sample from a horse not within a licensed inclosure. Licensees shall take any steps necessary to authorize access by Board representatives to any location where a horse eligible for testing is present, and no person shall knowingly interfere with or obstruct the collection of an official test sample.

Authority: Sections 19440, 19562 and 19580, Business and Professions Code.

Reference: Section 19580(b), Business and Professions Code; and Sections 337f, 337g and 337h, Penal Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1859. TAKING, TESTING AND REPORTING OF SAMPLES.

Regular Board Meeting
June 21, 2018

1859. Taking, Testing and Reporting of Samples.

(a) Urine, blood or other biological official test samples shall be taken under the direction of the official veterinarian, the Equine Medical Director or a person designated by the official veterinarian. All samples shall be taken in a detention area approved by the Board, unless it is an official out-of-competition test sample taken in accordance with Rule 1859.1, or the official veterinarian or the Equine Medical Director approves otherwise. The taking of any test sample shall be witnessed, confirmed or acknowledged by the owner or trainer of the horse being tested or his or her agent or employee, and may be witnessed by the owner, trainer or other person designated by them. All official test samples shall be sent to the official laboratory approved and designated by the Board, in such manner as the Board may direct. All required samples shall be in the custody of the official veterinarian, his or her assistants or other persons approved by the official veterinarian, from the time they are taken until they are delivered to the custody of the official laboratory.

(b) The Executive Director and the Equine Medical Director shall immediately be notified by the official laboratory of each finding that an official test sample contains a prohibited drug substance, as defined in this article. The official laboratory shall further provide all information and data on which the finding is based to the Equine Medical Director, and shall transmit its official report of the finding to the Executive Director within five working days after the initial notification is made.

(c) The Board has the authority to direct the official laboratory to retain and preserve by freezing samples for future analysis.

(d) The fact that purse money has been distributed prior to the issuance of a laboratory report shall not be deemed a finding that no drug substance prohibited by this article has been administered, in violation of these rules, to the horse earning such purse money.

Authority: Sections 19420, 19440, 19562 and 19577, Business and Professions Code.

Reference: Sections 19401, 19440 and 19577, Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED ADDITION OF
RULE 1859.1. OUT-OF-COMPETITION TESTING PROCEDURES AND REQUIREMENTS.

Regular Board Meeting
June 21, 2018

1859.1. Out-of-Competition Testing Procedures and Requirements

(a) Official out-of-competition test samples shall be collected under the supervision and direction of the official veterinarian, the Equine Medical Director, or a person designated by the official veterinarian or Equine Medical Director. All blood samples shall be collected by a veterinarian licensed by the Board, or by a veterinary technician licensed by the Board who is acting under the supervision of the official veterinarian or Equine Medical Director.

(b) Upon request of the Equine Medical Director, the Executive Director, the stewards or the official veterinarian, the trainer, owner, or their specified designee shall disclose the location of their horses eligible for out-of-competition testing as described in Rule 1858.

(c) The Board need not provide advance notice to the trainer or owner before arriving at any location, whether or not the location is within a licensed inclosure, to collect official out-of-competition test samples. However, if the trainer, owner, or their specified designee requests that the sample be collected in an alternative location, the Board may, in its sole discretion, collect the sample at an alternative time and location designated by the Board.

(d) The trainer, owner, or their specified designee shall cooperate with the person who collects official out-of-competition test samples on behalf of the Board, which shall include without limitation:

(1) Assisting in the immediate location and identification of the horse;

(2) Making the horse available as soon as practical upon arrival of the person who is responsible for collecting the samples;

(3) Providing a stall or other safe location to collect the samples;

(4) Assisting the person who is collecting samples in controlling the horse; and

(5) Witnessing the taking of samples, including sealing of sample collection containers.

(e) The management and employees of a licensed racetrack or training facility where a horse is located shall cooperate fully with any person collecting official out-of-competition test samples on behalf of the Board. The person who collects samples for the Board may require that the collection be done at a specified location on such premises.

(f) The Board may arrange to have test samples collected from a horse that is physically located outside of California, but otherwise subject to out-of-competition testing pursuant to Rule 1858. Such test samples may be collected by the racing commission or racing authority that regulates the jurisdiction in which the horse is physically located, or by any other person that the Board designates. Such racing commission or other designated person shall follow the collection procedures described in this regulation in order for the sample to be designated an official out-of-competition test sample, except they are not required to comply with the CHRB license and identification requirements described in subsections (a) and (g).

(1) The test results of an official out-of-competition test sample collected outside of California may be made available, at the discretion of the Board, to each racing commission that participates in the process of collecting the sample.

(2) The Board, if requested and in its sole discretion, may permit the trainer, owner or their designee to transport their horse into California for out-of-competition testing at a time and place designated by the Board instead of having the horse tested outside of California.

(g) The person who collects official out-of-competition test samples for the Board shall, at the time of sample collection, provide their CHRB identification and disclose to the owner and/or trainer of the horse that the purpose of the sampling is for out-of-competition testing.

(h) If the trainer or any other person having care and custody of a horse selected for out-of-competition testing refuses or declines to make the horse available for test sample collection, the Board shall attempt to notify the owner and give them the opportunity to make the horse available for immediate testing.

(i) All available records demonstrating the chain of custody for an official out-of-competition test sample shall be made available to the trainer, owner, or their designee, at their request, when a complaint results from an out-of-competition test.

(j) Any licensee who willfully fails to make a horse available for out-of-competition testing, or commits other willfully deceptive acts in connection with out-of-competition testing, or causes interference or obstruction to the sampling process, shall receive a minimum penalty of a one-year license suspension.

(k) A horse that is not made available for out-of-competition testing when requested by the Board in accordance with this regulation shall be placed on the Steward's List for a minimum of 180 days. If the trainer, owner, or their designee refuses to submit their horse for out-of-competition testing based on their assertion that the horse is no longer engaged in horse racing activities, the horse shall be placed on the Steward's List for a minimum of 180 days.

Authority: Sections 19420, 19440, 19562, and 19580, Business and Professions Code.

Reference: Sections 19401, 19440, 19580, and 19583, Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1859.25. SPLIT SAMPLE TESTING.

Regular Board Meeting
June 21, 2018

1859.25. Split Sample Testing.

(a) In addition to the blood, ~~and~~ urine, and other biological official test samples transmitted to the official laboratory for testing as provided in Rules 1859 and 1859.1 of this Article, the Board shall maintain a portion of the official test sample for each horse tested if sufficient sample is available after the official test samples are taken. That portion shall be designated the split sample. The Board makes no guarantee as to the amount of sample which will be available for the split sample. All samples taken by representatives of the Board are under the jurisdiction of and shall remain the property of the Board at all times. The Board shall ensure the security and storage of the split sample.

(b) When the Executive Director or the Executive Director's designee is notified of a finding by the official laboratory that a test sample from a horse ~~participating in any race~~ contained a prohibited drug substance as defined in this Article, the Executive Director, after consulting with the Equine Medical Director or the Equine Medical Director's designee as to the presence of the prohibited drug substance shall notify a Supervising Investigator. The owner and the trainer shall be confidentially notified of the finding by a Supervising Investigator or his/her designee and the owner and trainer shall each have 72 hours from the date he or she is notified to request that the split sample of the official test sample that was found to contain the prohibited drug substance(s) be tested by an independent Board-approved laboratory.

(c) If the owner or trainer wishes to have the split sample tested, he or she shall comply

with the following procedures:

(1) The request shall be made on CHRB-56, (Rev. 5/97), Request to Release Evidence, which is hereby incorporated by reference. CHRB-56 shall be made available at all CHRB offices.

(2) The owner or trainer requesting to have the split sample tested shall be responsible for all charges and costs incurred in transporting and testing the split sample. By signing CHRB-56, the owner or trainer certifies he or she has made arrangements for payment to the designated Board-approved laboratory for laboratory testing services.

(3) Verification of payment for costs incurred in transporting and testing the split sample must be received by the CHRB within five (5) working days from the CHRB receipt of CHRB-56. If such verification of payment is not received, the split sample will not be released or shipped to the Board-approved laboratory designated by the owner or trainer to test the split sample and the owner and trainer will have relinquished his/her right to have the split sample tested. If a complaint issues, the only test results that will be considered will be the results from the Board's official laboratory.

(d) Upon approval by the Executive Director or the Executive Director's designated representative of a valid request on CHRB-56, CHRB-29 (Rev. 5/97), Authorization to Release Split Sample Urine Evidence, or CHRB-29A (Rev. 5/97), Authorization to Release Split Sample Blood Evidence, which are hereby incorporated by reference, shall be completed and the Board shall ensure that the split sample is sent to the designated laboratory for testing.

(1) If the findings by the independent Board-approved laboratory fail to confirm the findings of the prohibited drug substance as reported by the official laboratory, it shall be presumed that the prohibited drug substance was not present in the official sample.

(2) If the findings by the independent Board-approved laboratory confirm the findings of

the prohibited drug substance as reported by the official laboratory, the Executive Director shall report these findings to the Board within 24 hours after receiving confirmation of the prohibited drug substance in the split sample.

(e) If the owner or trainer fails to request the testing of the split sample in accordance with the procedures specified in this rule, they shall be deemed to have waived their rights to have the split sample tested.

(f) Results of the official test sample and the split sample shall be, and shall remain, confidential and shall be provided only to the Executive Director or the Executive Director's designee, the Board, the Equine Medical Director or the Equine Medical Director's designee, and to the owner and trainer, unless or until the Board files an official complaint or accusation.

Authority: Sections 19420, 19440 and 19577, Business and Professions Code.

Reference: Sections 19420, 19440 and 19577, Business and Professions Code; and Section 603, Evidence Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1867. PROHIBITED VETERINARY PRACTICES.

Regular Board Meeting
June 21, 2018

1867. Prohibited Veterinary Practices.

For purposes of this division, prohibited veterinary practices means:

(a) The possession and/or use on the premises of a facility under the jurisdiction of the Board of any drug, substance, doping agent, or medication specified below for which a recognized analytical method has not been developed to detect and confirm its administration; or the use of which may endanger the health and welfare of the horse, or the safety of the rider or driver, or alter equine performance.

(1) Erythropoietin (EPO) and analogs;

(2) Darbepoietin and analogs;

(3) Venoms or derivatives thereof~~Snake venom;~~

~~(4) Snail venom;~~

(4~~5~~) Growth hormone and analogs and growth hormone releasing factory including growth hormone releasing hormone GHRH, and its analogs, except platelet rich plasma and autologous conditioned plasma are permitted provided such treatment is pursuant to a valid veterinary prescription made in accordance with all rules and regulations in this division, and the treatment is reported to the Official Veterinarian on form CHRB-60 (Rev. 7/15) (Trainer Medication Report), regardless of whether or not the horse is treated within or outside of a licensed inclosure;

(5~~6~~) Ractopamine and ractopamine metabolites or analogs;~~,~~

(6~~7~~) Zilpaterol and zilpaterol metabolites or analogs;

(7) Aminoimidazole carboxamide ribonucleotide (AICAR);

(8) Hemopure;

(9) Myo-Inositol Trispyprophosphate (ITPP);

(10) Oxyglobin;

(11) Thymosin beta;

(b) The possession and/or use on the premises of a facility under the jurisdiction of the Board of any drug, substance or medication that has not been approved by the United States Food and Drug Administration (FDA) for use in the United States.

(c) The presence of any drug, substance or medication described in subsections (a)(1) through (a)(~~5~~13), and subsection (b) of this regulation in any test sample obtained consistent with Rules 1858, 1859, 1859.1, and 1859.25 of this article, and the provisions of this article, shall apply to such sample in the same manner as if the horse were entered to race (See Title 4, California Code of Regulations, section 1843.3). The Board may grant an exception to this subsection if the person or persons seeking the exemption submits written documentation that demonstrates an FDA exemption has been obtained pursuant to Guide 1240.3025 of the FDA Center for Veterinary Medicine (CVM) Program Policy and Procedures Manual, which is hereby incorporated by reference. Guide 1240.3025 of the FDA CVM Program Policy and Procedures Manual may be obtained at the California Horse Racing Board's headquarters office.

Authority: Sections 19440, 19562, 19580, and 19582, Business and Professions Code.

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

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED ADDITION OF
RULE 1869. PROHIBITED DRUG SUBSTANCES IN OUT-OF-COMPETITION TESTING.

Regular Board Meeting
June 21, 2018

1869. Prohibited Drug Substances in Out-of-Competition Testing

(a) In addition to those drugs, substances, doping agents, and medications described in Rule 1867(a), the following substances are prohibited from being present in any official out-of-competition test sample collected in accordance with Rules 1859, 1859.1, and 1859.25:

(1) Anabolic androgenic steroids and their metabolites and isomers, except naturally occurring endogenous anabolic steroids as authorized in Rule 1844;

(A) Notwithstanding the foregoing, anabolic androgenic steroids may be used in a horse that is out-of-competition, provided that:

(i) The anabolic agent has been approved by the United States Food and Drug Administration (FDA) for use in the United States;

(ii) The administration is pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division;

(iii) The administration is reported to an Official Veterinarian within seventy-two (72) hours by the trainer or owner on form CHRB-60 (Rev. 7/15) (Trainer Medication Report), which is hereby incorporated by reference, regardless of whether or not the horse is treated within or outside of a licensed inclosure;

(iv) The horse remains on the Veterinarian's List for a minimum of six months following

the administration of the anabolic androgenic steroids, and shall be removed from the list only after the horse demonstrates, to the satisfaction of the official veterinarian or the racing veterinarian, that it is raceably sound and in fit physical condition to exert its best effort in a race by performing satisfactorily in a workout or qualifying race. Additionally, a blood, urine and/or other biological test sample taken after such workout or qualifying race shall be free of all prohibited substances described in Rule 1843 before the horse can be removed from the Veterinarian's List.

(2) The following anabolic agents: selective androgen receptor modulators, tibolone, and zeranol;

(3) Erythropoietin-Receptor agonists;

(4) Hypoxia-inducible factor stabilizers, except out-of-competition blood samples may contain cobalt in an amount that does not exceed 50 nanograms per milliliter;

(5) Chorionic Gonadotropin and Luteinizing Hormone and their releasing factors in males;

(6) Corticotrophins and their releasing factors;

(A) Notwithstanding the foregoing, adrenocorticotropic hormone (ACTH) may be used in a horse that is out-of-competition, provided that:

(i) The substance has been approved by the FDA for use in the United States;

(ii) The administration is pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division;

(iii) The administration is reported to an Official Veterinarian within seventy-two (72) hours by the trainer or owner on form CHRB-60 (Rev. 7/15) (Trainer Medication Report), regardless of whether or not the horse is treated within or outside of a licensed inclosure.

(7) Beta-2 agonists, including all optical isomers;

(A) Notwithstanding the foregoing, clenbuterol and albuterol may be used in a horse that is out-of-competition, provided that the administration is pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division.

(8) The following aromatase inhibitors: aminoglutethimide, anastrozole, androsta-1,4,6-triene-3,17-dione (androstatrienedione), 4-androstene-3,6,17 trione (6-oxo), exemestane, formestane, letrozole, testolactone;

(9) The following selective estrogen receptor modulators: raloxifene, tamoxifen, toremifene;

(10) The following anti-estrogenic substances: clomiphene, cyclofenil, fulvestrant;

(11) The following agents modifying myostatin function(s): myostatin inhibitors;

(12) The following metabolic modulators: activators of the AMP-activated protein kinase, Peroxisome Proliferator Activated Receptor δ (PPARδ) agonists, insulins, trimetazidine, Thyroxine, and thyroid modulators/hormones containing T4 (tetraiodothyronine/thyroxine), T3 (triiodothyronine), or combinations thereof.

(A) Notwithstanding the foregoing, Thyroxine (T4) shall not be considered a prohibited substance provided that such treatment is made pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division.

(B) Additionally, notwithstanding the foregoing, altrenogest shall not be considered a prohibited substance in fillies and mares, provided that such treatment is made pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance

with all rules and regulations in this division.

(13) The following diuretics and masking agents: desmopressin, furosemide , plasma expanders, probenecid, torsemide, acetazolamide, amiloride, bumetanide, canrenone, chlorthalidone, etacrynic acid, indapamide, metolazone, spironolactone, thiazides, triamterene, trichlormethiazide, vasopressin receptor antagonists, and vaptans.

(A) Notwithstanding the foregoing, furosemide and trichlormethiazide may be used in a horse that is out-of-competition, provided that the administration is pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division.

(B) Additionally, notwithstanding the foregoing, the above diuretics may be administered in an emergency situation in order to safeguard the health of the horse, provided that such treatment is:

(i) Made pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division, and

(ii) The administration is reported to the Official Veterinarian on either form CHRB-60 (Rev. 7/15) (Trainer Medication Report) by the trainer, or on form CHRB-24 (Rev. 7/15) (Veterinarian Report), which is hereby incorporated by reference, by the treating veterinarian within twenty-four (24) hours.

(b) Therapeutic substances that are not otherwise prohibited pursuant to this regulation are permitted for use when a horse is out-of-competition, provided such substances have been approved by the FDA for use in the United States, and are prescribed and administered in accordance with all applicable federal and state laws and regulations, including all CHRB rules and regulations.

(c) A finding by the official laboratory that an official out-of-competition test sample taken from a horse contains a drug substance or its metabolites or analogues which is prohibited under this regulation shall be prima facie evidence that the trainer and/or any other licensee responsible for the care of the horse has/have been negligent in the care of the horse and is prima facie evidence that the drug substance has been administered to the horse. In such an event, the trainer, owner, foreman in charge of the horse, groom, and/or any other person shown to have had the care or attendance of the horse may be fined, and/or have his/her license suspended or revoked.

(1) The trainer is the absolute insurer of and responsible for the condition of the horses under his/her care while such horses are physically located within a licensed inclosure, regardless of the acts of third parties, except as otherwise provided in this article.

(2) The owner of a horse that is not physically located within a licensed inclosure and is not under the care and custody of another person licensed by the Board shall be the absolute insurer of and responsible for the condition of the horse, regardless of the acts of third parties.

(3) The defenses described in Rule 1888 shall be available to any person charged with a violation of this regulation.

(c) The Board, the board of stewards, the hearing officer, or the administrative law judge shall assess a penalty for violation of this section based upon the classifications and penalties set forth in Rules 1843.2 and 1843.3.

(d) A race day prohibition or restriction of a substance under this Article is not applicable to an out-of-competition test unless otherwise stated.

Authority: Sections 19420, 19440, 19562, and 19580, Business and Professions Code.

Reference: Sections 19440, 19580 and 19583, Business and Professions Code.

April 26, 2018

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

RE: Notice of Proposal to Add CHRB Rule 1859.1 and Rule 1869 and to Amend Rule 1858, Rule 1859, Rule 1859.25 and Rule 1867.

Dear Mr. Baedeker,

We are in receipt of a copy of the letter dated April 26, 2018 from Yoka & Smith, who have been retained to represent CTT in connection with the above referenced proposed rule changes.

The Thoroughbred Owners of California (TOC) is in agreement with the CTT that there are compelling legal and scientific reasons why these rules should be sent back to committee and revised. Given the importance of the issues, we support CTT's request for adequate time to comment on them at the CHRB's May 24 board meeting.

Sincerely,

Greg Avioli
President & CEO

cc: John McDonough, CHRB Chief Counsel
Harold Coburn, CHRB Legislative Analyst
Alan Balch, CTT

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ADMINISTRATIVE ASSISTANT: ELSA PERON

Donald C. Smith II, D.V.M.
1952 Wright Avenue
Richmond, CA 94804

May 7, 2018

To: Harold Coburn, Regulation Analyst, CHRB
Haroldc@chrb.ca.gov

Re: Proposed changes to CHRB 1859.1, 1868, 1858, 1859, 1859.25, 1867.

Greetings,

As horse owner, I am concerned that the CHRB proposes to hold me responsibility for the actions of individuals over whom I have no control. Indeed I would have no familiarity at all with many of the individuals who would be caring for my horses on a daily basis. Not only would I be responsible for the possibly good intentioned but ignorant or poorly informed caregivers, but for agents administered by individuals with malicious intent. This makes me easily susceptible to foul play by anyone who wishes to harm me.

As a veterinarian with a large practice beyond the confines of CHRB Enclosures I am disturbed by the attempt of the CHRB to regulate and dictate my practice of medicine beyond the horse racing arena. I have been practicing for over 40 years and I am diligent in my efforts to remain abreast of current medical techniques and medications. I am the physician at the side of the sick patient and I am the one who is best qualified to decide what is appropriate therapy. It is nonsense to burden the practicing veterinarian with the restrictions on medications and therapies which have not been shown to affect athletic performance at some indeterminate event in the future. It is difficult enough for the CHRB to supervise the care and management of horses within the confines of CHRB supervised enclosures. Attempting to extend supervision across the entire country (there is actually a provision in the new regulations authorizing testing outside of California) will place a burden on CHRB resources which will detract significantly from the ability of the CHRB to enforce effective and appropriate regulations already in place.

Before seriously considering such a dramatic and far reaching extension of the regulatory authority and liability of the CHRB I urge the commissioners to question the necessity. Has there been any evidence presented that administration of the agents listed in these regulations can distort performance in distant athletic endeavors? Is there evidence that restricting the use of all of these medications will enhance the health and welfare of the horse and not, in fact, detract from the health and welfare of the horse? These are serious questions and I do not feel that they have been adequately answered.

I hope that the CHRB will be patient and cautious in implementing these new regulations.

DC Smith II DVM

Donald Smith, D.V.M.

NAARV
NORTH AMERICAN ASSOCIATION
OF RACETRACK VETERINARIANS
P.O. BOX 55168 | LEXINGTON, KY 40555 | TEL: (859) 429-0652 | FAX: (859) 813-5249

May 7, 2018

TO: Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
haroldc@chrb.ca.gov

Written Comments to CHRB re Proposed New Rules and Rule Changes

The California members of NAARV have great concerns about the California Horse Racing Board's Proposal to Add Rule 1859.1, Out-of-Competition Testing Procedures and Requirements; Rule 1869, Prohibited Drug Substances in Out-of-Competition Testing; and to amend Rule 1858, Test Sample Required; Rule 1859, Taking, Testing and Reporting of Samples; Rule 1859.25, Split Sample Testing; and Rule 1867, Prohibited Veterinary Practices.

As the gatekeeper for the health and welfare of the racehorse, the veterinary practitioners are responsible for the frontline care of the horses. We are concerned that the proposed Out of Competition regulations ***contains unreasonable, unenforceable and overbroad language*** which is more likely to detract from a necessary program of targeting the serious offenses of blood doping and gene doping than to add programs to bolster integrity in horse racing. Further, ***the restrictions on legally compounded medications and on legal off-label use of medications that cannot possibly influence a race when used out of competition threaten the appropriate care of horses that are on layup.*** There is great support for out of competition testing among our members, but the proposed regulations do not fulfill the goals of this testing nor do they safeguard the health and welfare of the horse.

Here are our specific comments:

Other Biological Samples

The term "Other biological test sample" is overbroad and vague. This could include biopsies, tooth filings, hoof trimmings, and any number of unspecified biological specimens. Any "biological sample" should be specifically defined. It is clear that this regulation means hair testing, and if so, it should specify hair testing. Further, hair sampling may identify substances for up to a year, and may even result in a positive test when only the hair and not the horse is exposed to the banned substance. This proposed regulation already holds both the owner and trainer as responsible for a positive OOCT, but now it also includes hair testing. Hair testing has not yet been established as a legitimate matrix.

Doping Agent

This new regulation revises section 1867 to include the prohibition of any "doping agent" which is not further defined. The inclusion of such a term without attendant definition could be interpreted to include any number of substances. Some media outlets even label Lasix, an approved diuretic for the purpose of mitigating pulmonary bleeding, as a doping agent. Doping agent, if included here should be specifically defined as a substance that may influence the outcome of a race that cannot be identified in a post-race test.

Reporting requirement of Platelet rich plasma or Autologous Conditioned Plasma

These products have no possible impact on a racing contest when used out of competition. Further, no testing in or out of competition can identify the use of these appropriate products. Such use is already included in the veterinary reporting requirement for CHRB licensed veterinarians, and no veterinarian who is not CHRB licensed is likely to report such use. This additional requirement places an unrealistic burden on the owner of the horse to be responsible for a procedure that they may know nothing about.

Prohibition of all non-FDA Approved drugs

Many therapeutic medications in current use by practitioners are not FDA approved but are legally used. There are three major groups, (1) the Drug Efficacy Study Implementation program drugs, such as lidocaine and guaifenesin, (2) legally compounded drugs, such as those which have been discontinued or on backorder, and (3) all medications undergoing FDA approval are used in clinical trials in horses out of competition. Important FDA approved medications, such as Gastrogard, Marquis and Surpass, were approved in clinical trials that included use in racehorses out of competition. This regulation poses great threat to the health and welfare of racehorses because it limits the use of important therapeutic medications for use in these horses when they are not competing. Such regulation is overreaching and adversely impact the health of the animal that the regulation is purported to protect.

The Prohibited List of Drugs

This list is clearly cut and pasted from the WADA list of prohibited substances, with little regard to the specific requirements of horses and horse racing. Rather than detail the substances line by line, we will provide an overview. In human sports, anything that could be administered that would improve the quality or length of time required for healing is considered to be taking an unfair advantage. Regenerative therapies are a burgeoning science in equine medicine, and rather than taking an unfair advantage, it is our obligation as the caretaker of the animals to provide the best possible opportunity to heal.

Additionally, We geld our athletes. There is no corollary in human sports. Anabolic steroids have a number of therapeutic effects in debilitated animals and geldings. Anabolic steroids are associated with greater bone density, improved wound healing and repair, fracture and tendon/ligament repair. Anabolic steroids are commonly used in severe illness, such as colic and pleuropneumonia to convince a struggling animal to eat. A restriction of six months would prevent most horses in need of this therapeutic medication from receiving it, whereas a restriction of four months would likely allow most horses to receive this treatment.

In human athletics, drug testing is almost exclusively in urine. This proposed out of competition regulation includes a laundry list of diuretics and probenecid as banned substances. This is absurd and reflects the lack of careful thought that went into this proposed regulation. Diuretics are considered masking agents in human sports because of the dilution of the urine, which then dilutes the presence of any substances in the urine. In horses, almost all of the testing is performed in blood, and there is one diuretic already permitted, furosemide (Lasix). There is no additional need to restrict other diuretics. Such diuretics may be used rarely in horses because of special effects (such as where horses may be sensitive to furosemide, or have specific electrolyte abnormalities), and there is no additional benefit to the integrity of horse racing to restrict these substances.

In conclusion, the proposed regulation seeks to identify and penalize the use of substances in horses which pose a threat to equine health and welfare and/or the integrity of racing, but cannot be regulated through a post-race sample. However it fails on every point. It vainly attempts to penalize licensed horsemen for the actions of unlicensed horsemen, to expand testing to undefined biological samples, and to restrict the use of medically necessary therapeutic substances. It usurps the authority of the California Veterinary Medical Licensing Board by regulating the practice of Veterinary Medicine by veterinarians who are not under the authority of the CHRB. The proposed rules fails to achieve their lofty goals, while diluting efforts which could be better utilized to expand the number of horses tested for blood and gene doping agents, which pose the greatest threat to the integrity of racing.

The goal of all stakeholders is to keep racing clean and fair. These new regulations fail to enhance that goal in any way. The current proposal confusingly and clumsily overreaches the mandate of the CHRB, it micromanages the appropriate care of the horses by the practitioners, and it places owners in the dubious position of responsibility for the actions of non-licensed persons. The major issue with drug testing in our industry is the shortfall of funding for appropriate testing. This proposed regulation only dilutes the dollars available for testing without improving integrity, health or welfare. Funding should be directed to programs which can effectively and efficiently enhance the integrity and security of horseracing, and can demonstrably assure the safety and welfare of the horse.

We urge the CHRB to withdraw these proposals and to redraft them in a more practical and acceptable form. Considering the dramatic expansion of CHRB authority and liability which these rules define, the CHRB would best serve horseracing by including representatives of all stakeholders (owners, trainers, ranch operators, practicing veterinarians, etc) in the drafting of these groundbreaking rules. Our organization would be very willing to provide input into the process.

D C Smith II DVM

Donald Smith, D.V.M.,

Vice President, North American Association of Racetrack Veterinarians

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May 7, 2018

VIA HAND DELIVERY

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Re: Proposal to Add Rule 1859.1 and Rule 1869 and to Amend Rules 1858, 1859, 1859.25 and 1867

To the CHRB Commissioners and Staff:

We have been retained to represent the interests of the California Thoroughbred Trainers ("CTT") and Thoroughbred Owners of California ("TOC") in connection with the California Horse Racing Board's[1] Proposal to Add Rule 1859.1, Out-of-Competition Testing Procedures and Requirements; Rule 1869, Prohibited Drug Substances in Out-of-Competition Testing; and to amend Rule 1585, Test Sample Required; Rule 1859, Taking, Testing and Reporting of Samples; Rule 1859.25, Split Sample Testing; and Rule 1867, Prohibited Veterinary Practices ("the Proposed Rules") (See Exh. 1.) As these new rules and amendments to existing rules will have a significant impact upon CTT and TOC, we take this opportunity to provide our

[1] Referred to herein as "CHRB" or "the Board."

comprehensive analysis in the hope this will help the CHRB in reaching a fair resolution of these important issues.

I. Introduction.

As the representatives of major stakeholders in the horse racing industry, CTT and TOC agree that detection and deterrence of doping – that is, administering prohibited substances to horses that can enhance their performance during a race – is critical. Further, CTT and TOC also join the CHRB in its advocacy for the health and welfare of the horse.

As such, CTT and TOC believe that *appropriately tailored* out-of-competition testing rules would be a useful tool to detect and deter doping. However, CTT and TOC respectfully submit that the Proposed Rules, as drafted, fail to accomplish this worthy goal. As will be demonstrated herein, the Board has made no showing of any need for this wholesale expansion of its jurisdiction over licensees. Although the Board has been conducting out-of-competition testing within the racing enclosure for some time, it cites no evidence gained from that testing (or from anywhere else) that would support the conclusion that horsemen are using substances that cannot be detected in a post-entry or post-race sample that can have performance enhancing effects during a race. Nevertheless, the Board proposes to expand out-of-competition testing so far as to effectively chill valid therapeutic treatment of racehorses in layup, and seeks to impose strict liability for medication violations to owners of horses outside the racing enclosure. Such restrictions on valid therapeutic treatments would adversely impact the health and welfare of the horses, in direct conflict with the stated purpose of the regulations. The Board also apparently seeks to conduct hair testing, without overtly saying so, but has presented no evidence of the efficacy or reliability of that testing, raising legitimate fears of violations of licensee's due process rights, arbitrary disciplinary proceedings, and an unwarranted chilling effect on horse ownership.

We are not alone in these concerns. Look no further than the Medication, Safety and Welfare Committee Chairwoman, who openly acknowledged that the regulations were difficult to understand (CHRB 2.22.17 Med. Committee Trans. at 82-83, Exh. 2); likewise, the Equine Medical Director candidly stated he had "never heard of" many of the substances the CHRB is proposing to ban. (*Id.* at 103.) Perhaps most significantly, the Executive Director stated the regulations were designed to address problems in the northeast, where a significant amount of training takes place outside the racing enclosure. The Executive Director stated that "almost never happens here," and for that reason the regulations "probably will not affect California licensee[s]", further demonstrating that CHRB cannot point to substantial evidence of the necessity of the regulations as currently drafted, as required under California law. (*Id.* at 97.) There is no evidence of an emergency that would justify rushing to adopt these regulations as currently drafted, but plenty of evidence supporting the need to consider the valid concerns of industry stakeholders and regulators to revise and clarify them, and ample time to do so.

Development of appropriate parameters for out-of-competition is critical for all involved. Clear, appropriate and fair rules will benefit everyone. CTT and TOC believe that the Proposed Rules can be revised to address the horsemen's concerns, while still achieving the Board's goals of detecting and deterring cheating, and protecting horses. CTT and TOC respectfully request that the Board form a working group of industry stakeholders and regulators who can propose appropriate revisions to the proposed regulations to be submitted to the Medication, Safety and Welfare Committee so that fair and appropriate out-of-competition testing can move forward.

II. The Proposed Regulations and Initial Statement of Reasons do not Comply With APA Rulemaking Requirements.

By these Proposed Rules, the CHRB seeks a massive expansion of its ability to conduct out of competition testing. The Board seeks the ability to collect test samples from horses owned by licensees "at any time and in any location." (ISOR, Exh. 1 at p. 10.) The Board also proposes to ban or severely restrict the use of, not only known doping agents that should never be present in a horse, but also legal and therapeutic substances in widespread use in the veterinary community, even while a horse is laid up and recovering from an injury or illness at a farm and not in active training. Further, the Board seeks to expand the reach of the trainer-insurer rule to potentially hold owners liable for out of competition positives occurring outside the racing enclosure, even those arising from the legitimate use of therapeutic substances while a horse is laid up. The Board also apparently seeks to utilize hair testing as a basis for license disciplinary proceedings, despite the fact that hair testing has not been validated as a sufficiently reliable technique to support such prosecutions, raising a legitimate prospect of arbitrary and unfair proceedings which may prove prohibitively expensive for many licensees to defend against.

As we will demonstrate, the Proposed Rules as currently drafted violate the APA's rulemaking requirements, and, if adopted, would be subject to legal challenge in court.

A. The APA Rules Exist to Permit Industry Stakeholders Meaningful Participation in the Rulemaking Process.

The Administrative Procedures Act ("APA") establishes the procedures by which state agencies may adopt regulations. As stated by the California Supreme Court in *Tidewater Marine Western, Inc. v. Bradshaw* (1996) 14 Cal.4th 557, 568-69:

> One purpose of the APA is to ensure that those persons or entities whom a regulation will affect have a voice in its creation. . . , as well as notice of the law's requirements so that they can conform their conduct accordingly. . . The Legislature wisely perceived that the party subject to regulation is often in the best position, and has the greatest incentive, to inform the agency about **possible unintended consequences** of a proposed regulation. Moreover, public

> participation in the regulatory process directs the attention of agency policymakers to the public they serve, thus providing some security against bureaucratic tyranny.

(Internal citations omitted; emphasis added.)

As the Chair of the Board's Medication, Safety and Welfare Committee and the Equine Medical Director have acknowledged, the proposed rules are extremely complex and in some places nearly incomprehensible, even to highly involved regulators with substantial expertise. (Exh. 2, pp. 82-83, 103.) It is critical that the Board act judiciously in adopting these rules, so that they are best tailored to detect and deter doping, while not unfairly punishing the valid use of established modes of therapy, or subjecting licensees to an unprecedented expansion of strict liability. As presently drafted, the Proposed Rules are grossly overbroad, leaving massive potential for unfair and arbitrary disciplinary actions against licensees.

Government Code section 11346.5(a) provides that when proposed regulations "involve complex proposals or a large number of proposals that cannot easily be reviewed during the comment period," it shall "involve parties who would be subject to the proposed regulations in public discussions regarding those proposed regulations" prior to publication of the notice required by Govt. Code section 11346.5. CTT acknowledges that it has participated in some discussions at committee and full board meetings, but respectfully submits that it has not yet been afforded a full opportunity to address the potential avoidable and unfair adverse impact on licensees – and on the health and welfare of horses in layup – that would result from the rules in their current form.

B. The Board Has Failed to Provide Substantial Evidence of Necessity for the Proposed Rule Changes.

Each of the proposed regulations must satisfy the APA's Necessity standard. The APA definitions state that

> "Necessity" means the record of the rulemaking proceeding demonstrates **by substantial evidence** the need for a regulation to effectuate the purpose of the statute, court decision, or other provision of law that the regulation implements, interprets, or makes specific, taking into account **the totality of the record.** For purposes of this standard, evidence includes, but is not limited to, **facts, studies, and expert opinion.**

Cal. Govt. Code §11349(a) (emphasis added). The APA also provides that no regulation is valid or effective unless "reasonably necessary to effectuate the purpose of the statute." Govt. Code §11342.2.

The California Office of Administrative Law has explained what constitutes substantial evidence of necessity by citing from the APA's legislative history. Although lengthy, the explanation is worth quoting in full because it demonstrates that, while deference is given to agency expertise, the agency still must provide solid evidence that demonstrates the necessity of the proposed regulations:

> The standard is substantial evidence taking the record as a whole into account.
>
> That standard is a familiar one in the law and has been given a definite interpretation by the courts in the past. [The legislature's] intent is that an agency must include in the record facts, studies or testimony that are specific, relevant, reasonable, credible and of solid value, that together with those inferences that can rationally be drawn from such facts, studies or testimony, would lead a reasonable mind to accept as sufficient support for the conclusion that the particular regulation is necessary. Suspicion, surmises, speculation, feelings, or incredible evidence is not substantial.
>
> Such a standard permits necessity to be demonstrated even if another decision could also be reached. This standard does not mean that the particular regulation necessarily be "right" or the best decision given the evidence in the record, but that it be a reasonable and rational choice. It does not mean that the only decision permitted is one that OAL or a court would make if they were making the initial decision. It does not negate the function of an agency to choose between two conflicting, supportable views.
>
> The proposed standard requires the assessment to determine necessity to be made taking into account the totality of the record. That means the standard is not satisfied simply by isolating those facts that support the conclusion of the agency. Whatever in the record that refutes the supporting evidence or that fairly detracts from the agency's conclusion must be taken into account. In other words, the supporting evidence **must still be substantial when viewed in light of the entire record.**

Guide to Public Participation in the Regulatory Process, published by California Office of Administrative Law, at pp.30-31 (Exh. 3 (emphasis added)).

To meet the Necessity standard, the rulemaking records must include both (i) "[a] statement of the specific purpose of each adoption, amendment, or repeal" and (ii) "information explaining why **each provision** of the adopted regulation is required to carry out the described purpose of the provision. . . ." When the explanation is based upon policies, conclusions, speculation, or conjecture, the rulemaking record must include, in addition, supporting facts, studies, expert opinion or other information. An 'expert' . . . is a person who possesses special

skill or knowledge by reason of study or experience which is relevant to the regulation in question. 1 Cal. C. Regs. §10(b) (emphasis added).

A regulation that is adopted without a substantial showing of necessity is subject to a declaration of invalidity pursuant to Govt. Code §11350(b)(1); *see Sims v. Dept. of Corrections and Rehabilitation* (2013) 216 Cal.App. 4th 1059.

Here, the Board has submitted no evidence at all to support the necessity of the proposed regulations. In its Initial Statement of Reasons ("ISOR"), the Board acknowledges that it already regularly tests horses that are out-of-competition, but states that "it presently has no recourse when a substance is detected that is a known performance enhancer." (Exh. 1 at p. 7.) Inexplicably, the Board does not identify a *single* performance enhancing substance detected during out-of-competition testing as currently conducted, let alone one that would enhance performance during a race but would not appear in a post-entry or post-race sample.[2] Further, the Board has not cited any facts, studies or expert opinion to demonstrate necessity: At page 20 of the ISOR (Exh. 1), the Board identifies excerpts from the ARCI Model Rules of Racing and the World Anti-Doping Agency – the 2014 Prohibited List International Standard (which has since been superseded) as the "studies/relevant data" it relied upon to demonstrate the necessity of t the Proposed Rules, and explicitly states that it "did not rely on any other technical, theoretical, and/or empirical study, reports or documents" in support of the Proposed Rules. (Exh. 1, ISOR at p. 20.) The ARCI Model Rules and WADA Prohibited List are obviously not "facts, studies or expert opinion." Furthermore, they do nothing at all to support or explain the proposed expansion of out-of-competition testing to horses at layup facilities receiving valid therapeutic treatment, or to the grossly overbroad proposed extension of the trainer-insurer rule and its corresponding imposition of strict liability.

Despite presenting no evidence that the problem the Board claims to be addressing actually exists, the Board proposes to ban an extensive list of substances in out-of-competition test samples, stating that the prohibitions "are necessary to prevent race horses from having their performance unnaturally enhanced while out-of-competition." (Exh. 1, ISOR at p. 15.) The Board states that the identified substances have been identified by The Racing Medication Testing Consortium ("RMTC") and the Association of Racing Commissioners International

[2] The Board *does* state that Los Alamitos Race Course conducted out of competition testing on horses that qualified for the track's Quarter Horse Derbies, and identifies two horses who were disqualified after testing positive for zilpaterol and clenbuterol, respectively. (ISOR, fn. 5.) The Board provides no details regarding this out-of-competition testing which would support its claim that a limitless expansion of out-of-competition testing is required to detect and deter cheating. For example, no information is given regarding the proximity of the testing to the entry dates for the races; where the horses were training when the tests were conducted; or any evidence to suggest that the Board could not have discovered the use of these substances and disqualified the horses under the rules as currently drafted. Further, clenbuterol is a permitted therapeutic substance that would be expected to be detected in samples taken outside the recommended withdrawal window. Inferentially, it appears that these horses were in training when these substances were administered, which, if true, would further support revision of the Proposed Rules to address the stated problem. To say the least, reliance on this testing of two horses as evidence of necessity, is more than just a reach.

("ARCI") to be "*potential* performance enhancers that *may* give horse unfair advantages during racing, even after the substance clears the horse's system." (Id.) But the Board has offered no evidence that any of these substances both affect performance during a race, and cannot be detected in a post-entry or post-race sample. As will be demonstrated, certain of these substances have legitimate therapeutic uses and should be permitted for use while a horse is in layup, even if legitimately banned for use during training or racing.[3]

The Board also proposes to restrict or prohibit outright the veterinary use of legally compounded medications, including some on the ARCI's Controlled Therapeutic Medication Schedule. Once again, the Board offers no reason for this proposed rule change, other than that it will "clarify for licensees precisely which medications and drug substances are allowed in race horses that are out-of-competition, while also still generally prohibiting unapproved and/or unprescribed medications and drug substances." (Id.)[4] The Board is required to state *why* veterinarians treating horses in layup cannot use medications that the FDA, AVMA, and AAEP agree are appropriate, and which have been in use for decades.

Further, the Board plans to extend application of the trainer-insurer rule to owners whose horses test positive for an unauthorized substance *while out of training*, claiming that "if responsibility for out-of-competition doping were to be imposed *only for actual guilty participation or culpable negligence*, there would exist a possible field of activity beyond the affirmative protection thereby afforded to the wagering public." (Exh. 1, ISOR p. 16; emphasis added.) It is unclear what this field of activity could possibly be. A literal reading supports the conclusion that the Board seeks to prevent doping by imposing strict liability on licensees for positives arising from, for example, environmental contamination occurring despite every precaution having been taken by the owner or trainer supervising the care of the horse. The Board further proposes to expand the reach of the trainer-insurer rule by testing unspecified "other biological samples," without any showing that such expansion is necessary, appropriate or scientifically validated, or that such testing would meet state or federal legal tests for admissibility of scientific and expert opinion evidence. In short, the Board has presented no evidence at all that would support such a gross expansion of the reach of the trainer-insurer rule.

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[3] CTT and TOC recognize that the Board has identified anabolic steroids as a substance that can have muscle building side effects. The Board states (without supporting authority) that "even after the steroid completely clears a horse's system, the horse *may* still have enhanced muscle mass that it could not have naturally developed without the assistance of the steroid." (Exh. 1 at p. 4.) No evidence has been presented to suggest that enhanced muscle mass enhances racing performance in any type of racing. Nevertheless, CTT and TOC agree that the use of anabolic steroids during training should be prohibited, but urge the Board to consider reducing the length of time a horse must remain on the Vet's list after administration of steroids for a legitimate therapeutic purpose from 6 months to 4. *See infra* at p. 21.

[4] Notably, Kentucky is considering adoption of a rule that would permit veterinarians to use non-FDA approved products in the FDA's Drug Efficacy Study Implementation program and legally compounded medications "provided they are prescribed and administered within the context of a valid veterinarian-client patient relationship." (Exh. 4, Excerpt from Kentucky Horse Racing Proposed Rules re Out-of-Competition Testing.) This prohibits use of illegally compounded medications available on the internet, while permitting veterinarians to continue to use legal therapeutic compounded medications.

While the Board claims that the proposed rules are intended to permit testing of horses that are out-of-competition but intended to race, the rules as presently drafted have much broader reach. During committee meetings, Board staff acknowledged that the rules were essentially copied from those proposed in the northeast, where a significant amount of training takes place at private facilities beyond the jurisdiction of the racing authorities, and that this simply not an issue in California. (Exh. 2 at p. 97.) As such, the Board has essentially admitted that there is no justification for the massive expansion of jurisdiction it seeks.

C. Expansion of the Trainer-Insurer Rule to Owners of Horses Outside the Racing Enclosure, and to Medication Positives Arising From Hair Testing, is Not Authorized by the Horse Racing Law, and May Violate Licensees' Due Process Rights and/or Lead to Arbitrary and Capricious Disciplinary Proceedings.

Proposed Rule 1858 (Test Sample Required), 1859 (Taking, Testing and Reporting of Samples), 1859.25 (Split Sample Testing) and 1869 (Prohibited Drug Substances in Out-of-Competition Testing) all exceed the authority granted to the Board by the Horse Racing Law, and conflict with specific sections of the Horse Racing Law that

- Restrict licensing penalties for use of unauthorized substances to those detected after a horse has been entered to race (Bus. & Prof. Code §§ 19581, 19582, 19582.5);

- Provide only for blood and urine testing (Bus & Prof Code §19577(a)(1).

Under the APA, the Board must include a notation following the express terms of each regulation that lists the "authority" and "reference" for that regulation. Gov. Code §11346.2(a)(2); 1 Cal. Code Regs. §14(a). "Authority" means "the provision of law which permits or obligates the agency to adopt, amend, or repeal a regulation." Gov. Code §11349(b). "Reference" means "the statute, court decision, or other provision of law which the agency implements, interprets, or makes specific by adopting, amending or repealing a regulation." Govt. Code §11349(e); 1 Cal. Code Regs. §14(b).

The proposed regulations must also be consistent with existing law. "Consistency" requires that the regulation be "in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or other provisions of law." Gov. Code §11349(d), §11342.2. The Horse Racing Law also specifically provides that the board may prescribe rules "*consistent with* the provisions of this chapter." Bus. & Prof. Code §19562 (emphasis added). A regulation which is inconsistent with governing statutes is invalid. *Masonite Corp. v. Superior Court*

(1994) 25 Cal.App. 4th 1045, 1053, 1054 (court has the obligation to strike down administrative rules that alter or amend a statute or alter or enlarge or impair its scope).[5]

The board has cited only general rule-making and jurisdictional authority in support of the proposed regulations, and has not even attempted to reconcile the proposed regulations with existing law limiting testing to post-entry or post-race blood or urine samples. (*See* Exh. 1 at p. 3.)

1. Expansion of Strict Liability to Owners of Horses Outside the Enclosure is Improper and Unwarranted.

Proposed Rule 1869(c) seeks to extend strict liability imposed by the trainer-insurer to owners of horses outside the racing enclosure: Subdivision (1) provides that the trainer is the absolute insurer of and responsible for the condition of the horses within the racing enclosure. Subdivision (2) extends strict liability to owners of horses outside the enclosure:

> The owner of a horse that is not physically located within a licensed inclosure and is not under the care and custody of another person licensed by the Board shall be the absolute insurer of and responsible for the condition of the horse, regardless of the acts of third parties. (Exh. 1 at p. 39.)

Inferentially, it appears that the Board is also seeking to extend the application of the trainer-insurer rule to horses outside the enclosure who are under that trainer's care and custody. However, the Horse Racing Law does not permit the imposition of penalties on licensees based on the detection of prohibited substances in a test sample taken before a horse has been entered to race.

Business & Professions Code section 19582 provides that violations of **Section 19581** are punishable as set forth in regulations adopted by the board. Section 19581 provides that "[n]o 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. Penalties based on the detection of prohibited substances in a pre-race sample are limited to "summary disqualification from the

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[5] An agency's interpretation of its agency's interpretation of its regulatory power is conclusive unless:

(A) the agency's interpretation alters, amends or enlarges the scope of the power conferred on it; or
(B) a public comment challenges the agency's "authority"; or
(C) a judicial interpretation of a provision of law cited as "authority" or "reference" contradicts the agency's interpretation.

1 Cal. Code Regs §14(c)(1).

race in connection with which the drug sample was taken," and forfeiture of prize money, pursuant to 19582.5.

Even if this proposed expansion of strict liability were permitted under the Horse Racing Law, CTT and TOC respectfully submit it would be bad policy because it is overbroad and could have the unintended consequence of punishing a blameless owner for positive test results arising from valid therapeutic treatment of a horse during layup. The Board has already amended Rule 1887 (Trainer or Owner to Insure Condition of Horse) to provide that the owner of a "ship-in" horse is the joint absolute insurer of that horse.[6] However, the Board has also adopted a more lenient standard of proof in cases where it fails to notify the trainer or owner of a ship-in horse of a potential positive test within 21 calendar days from the date the sample was taken. In those circumstances,

> The trainer or the owner of a ship-in horse shall not be deemed responsible under this rule unless it is shown by the preponderance of the evidence that the trainer or the owner of a ship-in horse administered the drug or other prohibited substance . . . caused the administration or had knowledge of the administration.

Rule 1887(c).

The Board has offered no evidence to justify imposing strict liability on owners of horses outside the racing enclosure. Assuming the Board were authorized by the Horse Racing Law to punish licensees for medication positives arising from out-of-competition tests, it would seem that a preponderance of the evidence standard would be imminently more fair and just. Trainers of horses within the racing enclosure have the protection of a secure enclosure and on-site CHRB investigators. Facilities such as Santa Anita have extensive video surveillance. Rule 1889 provides that "[n]o person shall enter the stalls, shed row, tack rooms, feed sheds and the immediate adjacent area of the locations, unless the person has prior approval of the trainer to whom the locations are assigned by the association." By contrast, owners of horses in layup – who are potential subjects of testing pursuant to proposed Rule 1858(c)(2) – ordinarily keep those horses at farms at which security is lax or non-existent. These owners are not required to take and pass the written, oral and practical exam given to trainers,[7] yet by this rule, the Board is essentially treating them as trainers, seeking to impose liability **regardless of the acts of third parties.**[8]

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[6] Rule 1887(b) defines a ship-in horse as "any horse entered to race that has not been in the care of a Board-licensed trainer for seven consecutive calendar days prior to the day of the race for which it is entered."

[7] Compare Rule 1503 (trainer license) with Rule 1505 (owner license).

[8] Even greater injustice would result from imposing strict liability on owners of horses tested outside the racing enclosure based on hair testing. As demonstrated below, hair testing is not sufficiently reliable even to support disciplinary action based on a preponderance of evidence standard. The absolute insurer rule depends for its application on the fundamental premise that the laboratory tests resulting in the medication positive are definitive, accurate, and reliable.

Many owners have careers in fields unrelated to horse racing, and may hold professional licenses that would require them to report a CHRB administrative action to the licensing board regulating their profession. In addition, many horses are owned by partnerships or syndicates.[9] Would the rule impose strict liability on each partner or syndicate member? Further, many individual owners could find the cost of defending against such medication violations prohibitive. In short, the specter of the imposition of strict liability could very well chill horse ownership, and arguably would conflict with Business & Professions Code section 19401(c) (expressing intent to provide for maximum expansion of horse racing opportunities in the public interest).

2. Hair Testing

Proposed Rules 1858, 1859, and 1859.25 seek to expand testing for prohibited substances beyond blood and urine to "other biological samples." This phrase in itself violates the APA on clarity grounds. See Gov. Code §11349(c) (regulation must be written so the meaning of regulations will be easily understood by those persons directly affected by them). Further, as noted above, the Horse Racing Law provides only for blood and urine testing (Bus & Prof Code §19577(a)(1). At least one Court has already held that the Board is not authorized by the Horse Racing Law to take any disciplinary action against licensees based on test results from hair samples. *De La Torre v. California Horse Racing Board*, Los Angeles Superior Court Case No. BS 154412 (holding that the Horse Racing Law does not permit hair testing of horses) (Exh. 5.) Furthermore, hair testing has been demonstrated to be unreliable, and its use as a basis for imposition of discipline would impose serious due process issues.

CTT fully supports the expansion of blood and urine testing to include out-of-competition samples. Blood and urine testing has been in use in the industry for many years. Sampling and testing of those substances is routinely performed pursuant to published standards and test results have proven reliable and accurate. Indeed, urine and blood test evidence has been used extensively in both civil and criminal courts throughout California to establish the presence of various controlled substances. Hair testing, by contrast, has been used much less frequently. CTT can find no California appellate decision in which the court has permitted, over objection, the introduction of hair testing evidence to establish drug use in in our criminal justice system.

a. Problems with the Reliability of Hair Testing.

Hair testing is very different from that of blood and urine. Although studies on the efficacy and reliability of animal hair testing are few, human hair testing has been studied

[9] The New York Times noted "the rise of partnerships in the industry" as a form of horse ownership, and stated that nine of the horses who raced in the Kentucky Derby this past weekend were owned by partnerships. https://mobile.nytimes.com/2018/05/05/sports/kentucky-derby.html?smid=fb-nytimes&smtyp=cur

extensively and that research provides a useful analog. In the human population, the extensive variability that exists in hair and its physical makeup present extreme challenges from both a technical and policy perspective.[10] Indeed, hair is the most variable of all specimens to examine and test.[11] Hair color varies significantly between persons. Hair can be thin or thick, straight, wavy or curly. This is due to the physical nature of the proteins in the hair.[12] Hair is also exposed to the outside environment, drugs and other contamination, and to sunlight that can breakdown drugs and metabolites.[13]

Human hair studies demonstrate that drug and drug metabolites may be incorporated into hair in many different ways. Substances can be absorbed from the blood, from drugs in the sweat and sebum, and from the air.[14] Further, the precise nature of the active transport mechanisms for drugs and metabolites are not well described in the literature.[15] The role of hair color has also been a concern. Human hair studies demonstrate that there is a strong correlation between drug concentration and the amount of melanin in the hair sample.[16] Melanin appears to be a receptor for some drugs and metabolites creating a color bias in the testing.[17] The relative proportion of melanin associated protein can vary as much as 40% in human hair.[18] In clenbuterol studies involving equine hair, varied concentration levels caused by melanin associated proteins has also been noted.[19]

Another important factor is the polarity of a drug or its metabolite. Studies have shown that less polar metabolites (the parent drug) enter the hair, which is a non-polar environment, to a much greater extent than their lipophilic metabolite.[20] It is not possible to distinguish parent drug from environmental contamination from parent drug administered. A third significant factor is the acidity or basicity of a drug substance.[21]

Morphological differences in hair also play an important role in drug absorption. Human hair studies demonstrate that curly hair appears to create a more complex matrix of proteins and that such hair is more susceptible to physical degradation over time and mechanical breaking of

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[10] T. Shults, The Conceptual and Practical Challenge of Hair Testing, *Medical Review Officer Handbook*, 10th Ed. p. 3.28. (Exh. 6.)
[11] *Ibid.*
[12] *Ibid.*
[13] *Ibid.*
[14] *Id.* at p. 3.29
[15] *Ibid.*
[16] *Jones v. City of Boston* (1st Cir. 2014) 752 F.3d 38, 60.
[17] T. Shults, The Conceptual and Practical Challenge of Hair Testing, *Medical Review Officer Handbook*, supra, at p. 3.29; P. Kintz, *Analytical and Practical Aspects of Drug Testing*, Taylor & Francis Group, FL 2007, pp. 9-14.
[1818] G. Prota, *Melanins and Melanogenesis.* Academic Press, San Diego, CA 1992.
[19] Popot, M.A., Boyer, S., Maciejewski, P., Denennin, L. and Bonnaire, Y. (2000) Approaches to the detection of drugs in horse hair, *Proceedings of the 13th Int'l. Conference of Racing Analysis and Veterinarians*, Cambridge, U.K. pp. 115-120.; A. Schlupp, P. Anielski, D. Thieme, R. K. Muller, H. Meyer, F. Ellendorff, The β-agonist clenbuterol in main and tail hair of horses, Equine vet. J (2004) 36 (2) 118, 121 (Exh. 7).
[20] M. Balíková, Hair Analysis for Drugs of Abuse. Plausibility of Interpretation, *Biomed Pap Med Fac Univ Palacky Olomouc Czech Repub.*, (2005) 199-207, p. 200.
[21] *Ibid.*

the outer cuticle. This results in increased porosity. The more porous the hair, the more drugs will absorb through the hair shaft in a wet environment. The reverse is also true. When hair is washed, more drug gets washed out from porous hair than from straight hair.[22] A study examining the influence of diet and minerals on young Thoroughbred horses noted the variability in mane and tail hair.[23]

Other factors confounding quantitative hair testing analysis include variability in hair growth rate, multiple methods of drug incorporation and the lack of uniform reference hair standards containing accurate drug concentrations needed for calibration.[24] Because of these problems, and others, the use of hair testing for quantitative analysis is dubious at best. Similarly, the presence of environmental contaminants and the increased likelihood of exposure to foreign substances in the out-of-competition environment undermine the efficacy of hair testing for qualitative analysis and deserve more study.[25]

Environmental contamination is a significant concern in drug testing. That is true even for blood and urine samples. However, in hair testing the concern is amplified greatly. While accidental or unintended ingestion of chemical substances is problematic in all drug testing methods, where cutoff levels are established for urine, it is highly unlikely for unknowing or passive ambient contaminants to produce a positive result. By contrast, hair and the surface of the skin, are in direct contact with the environment. There are no active metabolic processes in hair, and the level of drugs identified are in the low nanogram and picogram levels. All of the drugs and drug metabolites that are incorporated from the blood, air or sweat are preserved.[26] Exposure to sunlight and washing of hair further impact concentration levels in significant ways.[27]

Laboratory "decontamination" has been used successfully to reduce the probability of contamination as the source of a positive test result. However, most experts agree that no decontamination technique is 100 percent effective.[28] Moreover, there is no agreed upon standard for the removal of contaminants from hair samples.[29] Further, studies on human hair

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[22] T. Shults, The Conceptual and Practical Challenge of Hair Testing, *Medical Review Officer Handbook*, supra, at p. 3.31.

[23] Marycz, K., Moll E., Zawadzki W., Nicpon J. 2009 The Correlation of Elemental Composition and Morphological Properties of the Horse's Hair After 110 Days of Feeding with High Quality Commercial Food Enriched with Zn and Cu Organic Forms, EJPAU 12(3), #04 (Exh. 8)

[24] M. Baliková, Hair Analysis for Drugs of Abuse. Plausibility of Interpretation, *Biomed Pap Med Fac Univ Palacky Olomouc Czech Repub.*; (2005) 199-207, p. 205.

[25] There is, however, support for the use of hair testing to *screen* for the presence of prohibited substances. Gray B., Viljanto M., Menzies E., Vanhaecke L., Detection of prohibited substances in equine hair by ultra-high performance liquid chromatography-triple quadrupole mass spectrometry – application to doping control samples. *Drug Test Anal.* 2018:1-11 https://doi.org/10.1002/dta.2367 (Exh. 9.)

[26] T. Shults, The Conceptual and Practical Challenge of Hair Testing, *Medical Review Officer Handbook*, supra, at p. 3.32.

[27] *Ibid.*

[28] *Id.* at p. 3.33.

[29] Wang, W.-L and Cone, E.J., Testing human hair for drugs of abuse, IV: environmental cocaine contamination and washing effects, *Forensic Sci. Int.*, 70, 39, 1995.

establish that differences in decontamination strategies create a large variability in test results even under carefully controlled conditions.[30]

The presence of metabolites in hair is not synonymous with drug use. Metabolites are often present as contaminants themselves in drugs, including pharmaceutical drugs. They can also be found as environmental contaminants.[31]

Further undermining the effectiveness of hair testing is the differences in analytical procedures. For human workplace drug testing, hair specimens are typically analyzed using a two-step process. First, an immunoassay screening technique is used, followed by confirmation using a mass spectrometry method. Laboratories vary greatly in terms of whether specimens are washed first, then screened, or screened by immunoassay first then washed and decontaminated prior to confirmation.[32] There are also differences between laboratories in regard to how they obtain a hair abstract for immunoassay screening. One patented method uses an enzyme to digest the hair. Other facilities use solvents to create an extract, and some pulverize or cut the hair into small pieces prior to extraction. Such differences contribute to the inter-laboratory variation seen in hair testing.[33]

Lastly, equine hair studies demonstrate that the presence of certain drugs and metabolites can remain in mane or tail hair for an entire year. [34] Clenbuterol, a beta-2 antagonist, is the only FDA approved therapy for inflammatory airway disease (IAD). It is also a critical component in the treatment of Pulmonary bleeding and shipping fever from transport.[35] Clenbuterol cannot be detected in urine later than 11-days after withdrawal. In blood, it is undetectable 4 days after the last application.[36] This creates significant problems for the treatment of diseases commonly seen among two and three-year-old horses, the most important racing population in the sport.[37] While uses of clenbuterol for the enhancement of performance have been problematic in certain populations, legal and appropriate clenbuterol therapy is vital to the health and welfare of California's young racing stock. Accordingly, the imposition of sanctions based upon detection of long-lasting medicinal compounds in hair samples would place owners, trainers and veterinarians in a dilemma that could harm both the horses and the sport of horse racing.

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[30] External Contamination of Hair with Cocaine: Evaluation of External Cocaine Contamination and Development of Performance-Testing Materials, *Journal of Analytical Toxicology*, Vol. 30, October 2006. pp. 499.
[31] T. Shults, The Conceptual and Practical Challenge of Hair Testing, *Medical Review Officer Handbook*, supra, at p. 3.36.
[32] *Id.* at p. 3.36.
[33] *Ibid.*
[34] North American Association of Racetrack Veterinarians (NAARV) Consensus Statement and Recommendations for the control of Clenbuterol use in Quarter Horse Racing; A. Schlupp, et al., The β-agonist clenbuterol in main and tail hair of horses, Equine vet. J (2004) 36 (2) 118, 121.
[35] North American Association of Racetrack Veterinarians (NAARV) Consensus Statement and Recommendations for the control of Clenbuterol use in Quarter Horse Racing.
[36] Hagedorn, H.W., Zuck, S. and Schulz, R. (1995b) Detection of clenbuterol (Ventipulmin) in the horse. *Zentralbl. Veterinarmed.* A42, 209-219.
[37] North American Association of Racetrack Veterinarians (NAARV) Consensus Statement and Recommendations for the control of Clenbuterol use in Quarter Horse Racing

b. Due Process Concerns Raised by Hair Testing.

The Board's proposal to allow potential revocation of a license based on the results of unreliable hair testing is a due process violation. Without any evidence of the test's reliability or any applicable regulations or standards for the test, the risk of error is too high to justify its use in administrative hearings.[38] The combination of unreliable results and detection of even permitted substances used over the course of a year, with the rebuttable presumption against the licensee, makes it impossible for trainers to use permitted substances without risking their license. This is a due process violation under both the California Constitution and the U.S. Constitution.

Prior to any deprivation of life, liberty, or property, the US Constitution's Fourteenth Amendment and Article I, section 7(a) of the California Constitution require due process. (USCS Const. Amend. 14; Cal Const, Art. I § 7). A government issued license, like the subject license at issue in this brief, is considered a property subject to due process. See generally, *Board of Regents of State Colleges v. Roth* (1972) 408 US 564, 577-578. A government-issued license is considered "property" for the purposes of due process analysis. *Barry v. Barchi* (1979) 443 US 55, 64, 15-day suspension of horse trainer's license invoked protection of the Due Process Clause). Due process requires adequate notice of a hearing, a meaningful opportunity to be heard at a meaningful time, in a meaningful manner, and by an impartial decisionmaker. (*Today's Fresh Start, Inc. v. Los Angeles County Office of Educ.*, (2013) 57 Cal. 4th 197, 212).

California caselaw provides the following factors to be considered under due process analysis in determining whether there is a violation of procedural due process: 1) the individual's private interests; 2) the risk of error in the given procedure and the value of a substituted procedure; 3) the "dignitary interest" in providing notice and a hearing to the individual; and 4) the government's interests. (*Saleeby v. State Bar of Calif.*, 39 Cal. 3d 547, 565). Due process protects individuals from arbitrary government actions and property deprivations. (People v. Ramirez, (1979) 25 Cal. 3d 260, 267). It is a violation of due process when a government agency acts arbitrarily and capriciously affects property rights. (*Walsh v. Kirby*, (1974) 13 Cal. 3d 95, 105-106). Although California has an interest in preventing horse trainers and horse owners from using banned substances to unfairly and impermissibly improve their horses' performance, the procedure used to prevent the use of illicit substances must be consistent, reliable, and not arbitrarily punish the rule abiding licensees.

The proposed testing implicates similar issues raised in *Coniglio v. Department of Motor Vehicle,* (1995) 39 Cal. App. 4th 666. In *Coniglio*, respondent driver's license was suspended when a PAS blood alcohol test detected the presence of alcohol. Respondent argued that the reliability of the particular PAS device used to test his blood alcohol level had not been proven. (*Id* at 681). There were no applicable governing statutes or regulations applicable to the device used on respondent and no regulations to establish reliability of the PAS test. (*Id* at 683). The Court held that without those regulations, due process required that the DMV have the burden to

[38] Notably, ARCI currently promulgates Uniform Drug Testing Lab Standards for Analysis of urine and blood *only*. http://arci.blob.core.windows.net/webdocs/2010%2007%20June%2024%20ADOPTED%20RCI%20LAB%20STANDARDS%20SECTION.pdf (Exh. 10.)

show the PAS test met foundational requirements if the DMV was to rely on it to suspend the driver's license.[39] The subject proposed test presents the same issue as the PAS test. There are no applicable regulations or standards for the proposed hair test. Any revocation of a license based on unreliable testing will be a due process violation.

The unpredictable and unreliable outcome of the proposed hair testing results is likely to result in arbitrary license suspensions and violations of due process. The risk of error is shown to be too high to justify the use of this test in an administrative hearing. Furthermore, requiring the licensee to rebut the test results and at the hearing without any evidence of this test's reliability, or any applicable regulations or standards for this test, is a due process violation. (*See Coniglio,* (1995) 39 Cal. App. 4th 666 and *Davenport v. Department of Motor Vehicles* (1992) 6 Cal. App. 4th 133, (1992) 6 Cal. App. 4th 133, 142). The risk of revoking the license of rule abiding licensees who may not have the resources to challenge this test's reliability is too great to justify the use of this test. Although the Board's interests are in protecting the sport and horses, relying on testing which will in effect stop the use of necessary medications for horses will only put horses and the sport in jeopardy.

c. Retroactivity Issues.

A further unresolved issue is retroactivity. The Board proposes to begin testing for substances that were not previously prohibited for out-of-competition use, using a method that can screen for the presence of substances going back for up to a year. Will the Board seek to punish licensees for medication positives arising from hair testing for the use of substances that were permitted when used? If so, it would appear that licensee's due process rights would be implicated in this way as well.

D. Some Provisions of Proposed Rules 1867 and 1869 are Inconsistent with the FDA's FDA Interpretation of its Regulations, and Contradict AVMA and AAEP Guidance and Policy Statements.

Rule 1867(b) (Prohibited Veterinary Practices) as presently drafted prohibits veterinarians from possessing or using on the premises of a facility under the jurisdiction of the Board, "any drug, substance or medication that has not been approved by the United States Food and Drug Administration (FDA) for use in the United States. This rule conflicts with FDA policy regarding drugs that were in widespread use prior to adoption of the current FDA approval process, that are permitted pursuant to the FDA's Drug Efficacy and Safety Program ("DESI"), and, if interpreted and applied literally, prohibits the use of several medications on the

[39] For this device, the requirements were as follows: 1) the apparatus utilized was in proper working order; 2) the test used was properly administered, and 3) the operator was competent and qualified. (*Coniglio v. Department of Motor Vehicles,* (1995) 39 Cal. App. 4th 666, 684 quoting *Davenport v. Department of Motor Vehicles* (1992) 6 Cal. App. 4th 133, 142).

ARCI Controlled Therapeutic Medication Schedule, including lidocaine, intravenous methocarbamol, DMSO, and guaifenesin (ARCI Controlled Therapeutic Medication Schedule, Exh. 11). Because the Board plans to extend prohibitions on the use of these medications to out-of-competition testing outside the racing enclosure pursuant to Rule 1867(c), this portion of the rule should be revised as well to prevent licensees from being unfairly punished for using legal therapeutic medications.

Proposed Rule 1869 (Prohibited Drug Substances in Out-of-Competition Testing) prohibits substances legally in use pursuant to federal law[40], as interpreted by the FDA, the AVMA, and the AAEP, including legally compounded medications.

Each of the proposed regulations must satisfy the Consistency standard. Pursuant to Govt. Code §11349(d), "'Consistency' means being in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or other provisions of law."

Proposed Rule 1869 would prohibit the use of ACTH and all legally compounded medications, in violation of the FDA's policy on compounding. FDA has stated that

> Current law does not permit compounding of animal drugs from bulk drug substances, but the FDA recognizes that there are circumstances where there is no approved drug that can be used or modified through compounding to treat a particular animal with a particular condition. In those limited situations, an animal drug compounded from bulk drug substances may be an appropriate treatment option.

CVM Update, FDA Announces Withdrawal of Draft Guidance for Industry #230 Regarding Animal Drug Compounding (Exh. 12.)

The AVMA advises its members that it may compound from bulk drug substances provided it follows FDA policy, and refers to compounding as a "critical tool for veterinarians." (https://www.avma.org/KB/Resources/Reference/Pages/Compounding.aspx at Exh. 13.) Similarly, the AAEP has stated that "[d]ue to permanent or temporary unavailability of certain medications, legally compounded medications are a necessity to the equine practitioner and their patients," but notes that "there are some compounds that are either illegally produced or inappropriately manufactured." For this reason, AAEP supports "clear uniform regulations for compounded medication." (AAEP Prescription for Racing Reform: a 10-Point Action Plan, Exh. 14.)

Proposed Rule 1869(6)(A)(i) provides that adrenocorticotropic hormone (ACTH) may be used in a horse that is out-of-competition, provided that "[t]he substance has been approved for

[40] *See* the Animal Medicinal Drug Use Clarification Act of 1994 ("AMDUCA")

use in the United States." However, the currently available FDA approved ACTH is not approved in the dose form used in horses (40 units/ml), and has been unavailable for over 30 years.[41] As such, it has commonly used in horses as a legal compounded medication.

Similarly, Proposed Rule 1869(b) provides that "[t]herapeutic substances that are not otherwise prohibited pursuant to this regulation are permitted for use when a horse is out-of-competition, provided such substances have been approved by the FDA for use in the United States, and are prescribed and administered in accordance with all applicable federal and state laws and regulations, including all CHRB rules and regulations." This provision, if adopted, would prohibit out-of-competition use of compounded medications, including compounded versions of discontinued or backordered FDA approved medications (e.g. injectable methocarbamol), medications in forms that are not available in the necessary strength or formulation (e.g. oral powder vs. injectable), and FDA Drug Efficacy Study Implementation program (e.g. lidocaine). As noted above, the out-of-competition testing regulation being considered by Kentucky permits use of compounded medications "to the extent they are permitted by state or federal law . . . and provided that they are prescribed and administered within the context of a valid veterinarian-client-patient relationship." (Kentucky Horse Racing Commission Amendment 810 KAR 1:110, Section 2(4), Exh. 4.)[42] CTT respectfully submits that the CHRB should adopt the Kentucky formulation of this provision, thereby continuing to allow the use of legally compounded substances during layup, while prohibiting entirely the use of improperly compounded substances such as those sold on line as performance enhancers.

E. Less Restrictive, But Equally Effective, Alternatives Exist.

Pursuant to the Govt. Code 11346.9(a)(4), the Board is required to consider and either adopt or reject proposed alternatives to the proposed regulations. The Final Statement of Reasons must contain

> A determination with supporting information that no alternative considered by the agency would be more effective in carrying out the purpose for which the regulation is proposed, would be **as effective and less burdensome to affected private persons** than the adopted regulation, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. For a major regulation, as defined by Section 11342.548 proposed on or after November 1, 2013, the determination shall be based, in part, upon the standardized regulatory impact analysis of the proposed regulation and, in part, upon the statement of benefits identified in subparagraph (C) of paragraph (3) of subdivision (a) of Section 11346.5.

(Emphasis added.)

[41] FDA approved ACTH currently costs over $30,000 per vial. Consequently, veterinarians routinely compound this therapeutic medication. There is nothing nefarious about, and no reason at all to prohibit, this practice.

CTT and TOC respectfully submits that there are several alternatives that would be equally effective and less burdensome to licensees, including the following.

1. Horses That Are Not in Training, and are Demonstrated to be Recovering from Illness or Injury, Should not be Subjected to OOC Testing.

The proposed changes to Rule 1858 (Test Sample Required) are grossly overbroad and permit the Board to test horses who may be turned out and not currently in training, but who may return to racing at a later date. There is no evidence that administration of *any* substance to a horse who is turned out or in layup will enhance its performance during a race. But because of the breadth of the CHRB's proposed rules, and its proposal to prohibit use of therapeutic substances on horses who are not actively in training, the actual effect of the rule changes will be only to prevent treatment that could otherwise help the horse return to training, and could also prevent treatment that would promote the long-term health of the horse so that it could have a useful life after retiring from racing. (See Exh. 15, Fenger, CK. Boulmetis, T., Brewer, K., Tobin, T., The Lowdown on Out-of-Competition Testing: What the RMTC Isn't Telling Us About Its Proposed Regulations, Horseman's Journal Fall 2016, p. 45.) ARCI acknowledges that even a "doping agent" may be appropriately administered pursuant to a "valid therapeutic, evidence-based treatment plan." (ARCI-011-015(2)(c), Exh. 16.) There is no reason to prohibit such treatments when necessary for the health and welfare of the horse.

Rule 1858 should be revised to more precisely define which horses are eligible for out-of-competition testing. It appears that the evil the Board is seeking to address is the administration of performance enhancing substances to horses who are actively being trained at facilities not under CHRB jurisdiction. At present, the proposed rule goes far beyond that group, reaching

- Horses that have raced at a licensed enclosure within the previous 12 months, even if that horse is ill or injured;

- Horses 2 years of age or older, who are a breed of horse that races in California, that could possibly return to racing.

The Board has presented no evidence that testing of horses who are not in active training would have *any* benefit at all. To the contrary, such testing could prevent valid treatment and also could unfairly expose licensees to disciplinary action.

Furthermore, the Board has not disclosed the results of any cost-benefit analysis it has performed with respect to this massive increase in testing. Even if the actual sample testing is already included in the Board's contract with the Official Lab at UC Davis, the Board still will be required to expend significant resources in sample collection. At present, no empirical

evidence has been presented which would justify this increased expenditure. At the very least, the increased cost of this planned expansion of testing jurisdiction would seem to support restricting out-of-competition testing to horses actively in training, and revising the prohibited substances list for out-of-competition testing so that resources are not spent needlessly identifying the proper use of therapeutic medications.

2. The Trainer-Insurer Rule Should Not Be Extended to Out-of-Competition Testing of Samples Outside the Racing Enclosure.

For the reasons set forth above, the Board should consider a less burdensome alternative to its proposal to impose strict liability on owners for out-of-competition testing. Assuming the Board has the legal authority to adopt regulations permitting disciplinary action to be taken against licensees based on the results of out-of-competition testing, Rule 1869(c) should be revised to mirror Rule 1887(c), so that the Board is required to show by the preponderance of the evidence that the trainer or the owner of a ship-in horse administered the drug or other prohibited substance caused the administration or had knowledge of the administration. Further, the Board should state how horses will be selected for out-of-competition testing, so that licensees can be assured that such testing is fairly administered.

3. The Board Should Not Permit Disciplinary Proceedings to be Based on the Results of Testing of "Other Biological Samples," such as Hair.

Due to the reliability and due process issues outlined above, the Board should revise the Proposed Rules to provide that results of hair testing cannot form the basis of a disciplinary proceeding.

4. Rules 1867 and 1869 Should Be Modified to Permit Appropriate Use of Legal Therapeutic Substances, Including Properly Compounded Medications, While the Horse is Out of Training and Outside the Racing Enclosure.

The Board has claimed that the proposed rules "first and foremost" area intended to benefit health and welfare of horse. (Exh. 1 at p. 7.) Instead, it appears that the horse's welfare will be adversely affected, because trainers and owners will be discouraged from using valid therapeutic techniques *which do not affect a horse's performance during a race*, for fear of the imposition of strict liability based on the rules.[43] CTT proposes the following revisions would be equally effective, but less burdensome on licensees:

[43] *See* Exh. 15 at p. 45 (noting that the RMTC proposed list of prohibited substances, which was largely incorporated into the CHRB's proposed rules, "would expand out-of-competition testing . . . directly into routine practice of veterinary medicine").

Technically Non-FDA Approved but Legally Permitted Medications Pursuant to DESI, Including Several on ARCI Controlled Therapeutic Substances List: Rule 1867 should be revised so that licensees are not punished for using legal medications for therapeutic purposes while a horse is not in training and outside the racing enclosure

Legally Compounded Medications: As set forth above, the Board should not prohibit the use of legally compounded therapeutic substances, as currently proposed pursuant to Rule 1869 (b). The Board should modify this provision consistent with the Kentucky rule, and permit the use of legally compounded medication in the context of a veterinarian-patient relationship.

The Anabolic Steroid Ban Should be Reduced to Four Months: The Board also should reduce the amount of time a horse must remain on the Vet's List after administration of anabolic steroids. There is no evidence to suggest that an administration of anabolic steroids for a proper therapeutic use would have any effect on the horse six months later. The only purpose of a six-month ban will to be to ensure that horses that actually need anabolic steroids will not receive them. These medications have been in use for decades, are FDA approved, and have been acknowledged by the Equine Medical Director to have legitimate therapeutic uses. (Exh. 17, Arthur, Rick, Ask the Vet: How do anabolic steroids work in horses, and what are the latest rules regarding their use in California?, http://www.toconline.com/wp/wp-content/uploads/2014/08/Ask-the-Vet-Anabolic-Steroids-and-Rules-for-their-use-in-California-Fall-2008.pdf.) A four-month ban would be more reasonable, and would permit, for example, a gelding to recover more quickly from colic surgery or pleuropneumonia.

Altrenogest Should be Permitted for Use on Colts in Layup: Altrenogest (Regumate) is proposed to be prohibited for use in colts who are out-of-competition, pursuant to proposed Rule 1869(12)(B). However, Altrenogest is sometimes used on colts to make them more manageable during layup. There is absolutely no evidence that use of Altrenogest for this purpose – or indeed, for *any* purpose on colts -- would have enhance racing performance; however, its use could help keep a colt's handlers safe while it is out-of-training. Indeed, the Australian Racing Board has banned the use of anabolic steroids, but has determined that altrenogest is not so classified. (*See* Exh. 18, Stewards: Yearling Not Positive For Steroids, Blood Horse, February 5, 2015, https://www.bloodhorse.com/horse-racing/articles/109309/stewards-yearling-not-positive-for-steroids.)

Zeranol: (Proposed Rule 1869(a)(2)). Zeranol should not be prohibited out-of-competition unless the Board can determine it is able to distinguish it from Zearalenone, which is a feed contaminant produced by moldy corn. (Exh. 19, Hsieh, M., Chen, H, Chang, J, She, W, Chou, C., Electrochemical Detection of Zeranol and Zearalenone Metabolic Analogs in Meats and Grains by Screen-Plated Carbon-Plated Disposable Electrodes, Food and Nutrition Sciences, 2013, 4, 31-38.)

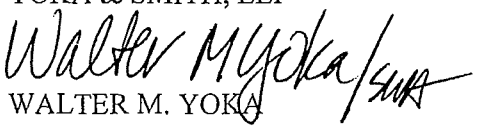
Cobalt: (Rule 1869(a)(4)) -- Vitamin Injectables will temporarily produce high cobalt levels. (*See* Exh. 15 at p. 44.) As such, a licensee presenting a horse for out-of-competition testing should be permitted to disclose the use of a vitamin injectable in close temporal proximity to the test and should not be subject to disciplinary action if an out-of-competition test sample reveals elevated cobalt levels, provided a second blood test for cobalt 4 hours later shows a lowered level.

III. Conclusion.

CTT thanks the Board for the opportunity to present these lengthy comments. We acknowledge that there is much to consider here, but we thought it important at this critical time in the rulemaking process to present a clear and comprehensive statement of CTT's legitimate issues and concerns regarding these far reaching new rules.

That said, we also wish to reiterate that CTT and TOC are committed to working with regulators to make appropriate revisions and changes to the rules as currently proposed. We cannot state in strong enough terms that these rules as they are currently proposed will result in arbitrary and unfair disciplinary proceedings and will prohibit valid therapeutic treatments that are otherwise beneficial to the horse. We do not believe that these rules as proposed will withstand judicial scrutiny. It is for this reason that we have attempted here to be as thorough as possible in the hope that the Board will do as we have suggested and return this matter for further consideration so that the obvious benefits underlying this process can be accomplished without impacting the legitimate legal rights to all stakeholders involved in racing.

Very truly yours,
YOKA & SMITH, LLP



WALTER M. YOKA

WMY/swa

APPENDIX

TO MAY 7, 2018 WRITTEN COMMENTS SUBMITTED BY CALIFORNIA THOROUGHBRED TRAINERS ("CTT") AND THOROUGHBRED OWNERS OF CALIFORNIA ("TOC") REGARDING NOTICE OF PROPOSAL TO ADD RULE 1859.1 AND RULE 1869, AND TO AMEND RULES 1858, 1859, 1859.25, AND 1867

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1. Notice of Proposal to Add Rule 1859.1, Out-of-Competition Testing Procedures and Requirements; Rule 1869, Prohibited Drug Substances in Out-of-Competition Testing and to Amend Rule 1858, Test Sample Required; Rule 1859, Taking, Testing and Reporting of Samples; Rule 1859.25, Split Sample Testing; Rule 1867, Prohibited Veterinary Practices (page numbering adding for convenience).

2. Excerpt from Transcript of California Horse Racing Board Medication, Safety and Welfare Committee, February 22, 2017, pages 1-4, 82-107.

3. Excerpt from Guide to Public Participation in the Administrative Process, published by California Office of Administrative Law, pp. 28-31

4. Excerpt from Kentucky Horse Racing Commission Proposed Rules re Out-of-Competition Testing

5. Decision Granting Petition for Writ of Mandate, *De La Torre v. California Horse Racing Board*, Los Angeles Superior Court Case No. BS 154412.

6. T. Shults, The Conceptual and Practical Challenge of Hair Testing, *Medical Review Officer Handbook,* 10th Ed.

7. A. Schlupp, P. Anielski, D. Thieme, R. K. Muller, H. Meyer, F. Ellendorff, The β-agonist clenbuterol in main and tail hair of horses, Equine vet. J (2004) 36 (2).

8. Marycz, K., Moll E., Zawadzki W., Nicpon J. 2009 The Correlation of Elemental Composition and Morphological Properties of the Horse's Hair After 110 Days of Feeding with High Quality Commercial Food Enriched with Zn and Cu Organic Forms, EJPAU 12(3), #04.

9. Gray B., Viljanto M., Menzies E., Vanhaecke L., Detection of prohibited substances in equine hair by ultra-high performance liquid chromatography-triple

quadrupole mass spectrometry – application to doping control samples. *Drug Test Anal.* 2018:1-11 https://doi.org/10.1002/dta.2367

10. ARCI Uniform Drug Testing Lab Standards.

11. ARCI Controlled Therapeutic Medication Schedule for Horses – Version 4.0

12. CVM Update, FDA Announces Withdrawal of Draft Guidance for Industry #230 Regarding Animal Drug Compounding

13. AVMA Web Page, "Compounding," https://www.avma.org/KB/Resources/Reference/Pages/Compounding.aspx

14. AAEP Prescription for Racing Reform: a 10-Point Action Plan

15. Fenger, CK, Boulmetis, T., Brewer, K., Tobin, T., The Lowdown on Out-of-Competition Testing: What the RMTC Isn't Telling Us About Its Proposed Regulations, Horseman's Journal Fall 2016.

16. ARCI-011-015, Prohibited Practices

17. Arthur, Rick, Ask the Vet: How do anabolic steroids work in horses, and what are the latest rules regarding their use in California?, http://www.toconline.com/wp/wp-content/uploads/2014/08/Ask-the-Vet-Anabolic-Steroids-and-Rules-for-their-use-in-California-Fall-2008.pdf

18. Stewards: Yearling Not Positive For Steroids, Blood Horse, February 5, 2015, https://www.bloodhorse.com/horse-racing/articles/109309/stewards-yearling-not-positive-for-steroids

19. Hsieh, M., Chen, H, Chang, J, She, W, Chou, C., Electrochemical Detection of Zeranol and Zearalenone Metabolic Analogs in Meats and Grains by Screen-Plated Carbon-Plated Disposable Electrodes, Food and Nutrition Sciences, 2013, 4, 31-38.

NOTE: Government Code section 11340.85 requires the Board to post all notices, initial statement of reasons and texts of rules noticed to the public **until 15 days after the proposed regulations are filed with the Secretary of State by the Office of Administrative Law.**

CALIFORNIA HORSE RACING BOARD
TITLE 4, DIVISION 4, CALIFORNIA CODE OF REGULATIONS

NOTICE OF PROPOSAL TO ADD
RULE 1859.1, OUT-OF-COMPETITION TESTING PROCEDURES AND REQUIREMENTS
RULE 1869, PROHIBITED DRUG SUBSTANCES IN OUT-OF-COMPETITION TESTING
AND TO AMEND
RULE 1858, TEST SAMPLE REQUIRED
RULE 1859, TAKING, TESTING AND REPORTING OF SAMPLES
RULE 1859.25, SPLIT SAMPLE TESTING
RULE 1867, PROHIBITED VETERINARY PRACTICES

The California Horse Racing Board (Board or CHRB) proposes to add and amend the regulations described below after considering all comments, objections or recommendations regarding the proposed action.

PROPOSED REGULATORY ACTION

The Board proposes to add Rule 1859.1, Out-of-Competition Testing Procedures and Requirements, to establish procedures by which the Board will collect out-of-competition test samples, as well as penalties for non-compliance. Specifically, out-of-competition test samples will be collected at the direction of the official veterinarian, the Equine Medical Director, or his/her designee at any time and in any location. Trainers, owners, and their designees are required to disclose the location of all of their horses that are eligible for out-of-competition testing; however, any party may request that their horse be tested in an alternative location. Additionally, trainers, owners, their designee(s), and racing association employees are required to cooperate with persons collecting out-of-competition test samples. Licensees who willfully fail to make a horse available for out-of-competition testing, or who cause interference or obstruction to the sampling process will receive a minimum one-year license suspension, and horses not made available for out-of-competition testing will be placed on the Steward's List for a minimum of 180 days.

The Board also proposes to add Rule 1869, Prohibited Drug Substances in Out-of-Competition Testing, to list all medications, drugs, and other substances that are prohibited from being present in an out-of-competition test sample. The proposed rule will describe exceptions for certain therapeutic medications in cases where specific procedural and reporting requirements are followed by the trainer and/or their veterinarian. Finally, the rule will describe the liability and rights of trainers, owners, and other licensees who have the care and custody of a horse that tests positive for a prohibited substance in an out-of-competition test sample.

The Board also proposes to amend Rule 1858, Test Sample Required, to clarify the Board's authority to collect official blood, urine, and other biological test samples, as well as describe specifically which horses are eligible for out-of-competition testing. Additionally, the proposed amendment will make it a

condition of trainers' and owners' licenses that the Board be given consent to collect out-of-competition test samples at any location where an eligible horse is present.

The Board also proposes to amend Rule 1859, Taking, Testing and Reporting of Samples, to make minor technical changes to existing language that ensures out-of-competition testing procedures do not conflict with existing official test sample collection requirements.

The Board also proposes to amend Rule 1859.25, Split Sample Testing, to extend the same split sample process and rights currently in place for post-race testing to licensees who have a horse in their custody that test positive for a prohibited substance in an out-of-competition test sample.

Finally, the Board proposes to amend Rule 1867, Prohibited Veterinary Practices, to add a number of medications and drug substances to the current prohibited list, and extend the regulation's application to substances detected in out-of-competition test samples.

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, May 24, 2018,** or as soon after that as business before the Board will permit, in the **Finish Line Room** at **Santa Anita Park Race Track, Baldwin Terrace Room, 285 West Huntington Drive, Arcadia, California**. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m. on May 7, 2018**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone (916) 263-6026
Fax: (916) 263-6022
E-Mail: haroldc@chrb.ca.gov

AUTHORITY AND REFERENCE

Authority cited: Sections 19420, 19440, 19562, 19577, 19580, and 19582, Business and Professions Code. Reference: Sections 19401, 19420, 19440, 19577, 19580, 19581, 19582, and 19583, Business and Professions Code; Section 603, Evidence Code; and Sections 337f, 337g and 337h, Penal Code.

Business and Professions Code sections 19420, 19440, 19562, 19577, 19580, and 19582 authorize the Board to adopt the proposed regulatory additions and amendments, which would implement, interpret or make specific sections 19401, 19420, 19440, 19577, 19580, 19581, 19582, and 19583, Business and Professions Code; Section 603, Evidence Code; and Sections 337f, 337g and 337h, Penal Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Business and Professions Code section 19401(a) explains that it is the intent of the Horse Racing Law to allow pari-mutuel wagering on horse races while assuring protection of the public. Business and Professions Code section 19420 states that the Board has jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 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 19583 states that every veterinarian who treats a horse within the inclosure shall report the details of such treatment to the official veterinarian in writing.

The Board proposes to add Rule 1859.1, Out-of-Competition Testing Procedures and Requirements, Rule 1869, Prohibited Drug Substances in Out-of-Competition Testing, and to amend Rule 1858, Test Sample Required, Rule 1859, Taking, Testing and Reporting of Samples, Rule 1859.25, Split Sample Testing and Rule 1867, Prohibited Veterinary Practices to bring the CHRB's regulatory scheme in line with the recommendations and research of the Racing Medication Testing Consortium (RMTC)[1] and the Association of Racing Commissioners International (ARCI).[2] These organizations recently developed model rules and prohibited substance lists for out-of-competition testing that are intended to enhance the integrity of horse racing by controlling which medications race horses are administered while training. While the CHRB's current regulations restrict those medications that may be present in a horse during a race, they are generally silent as to which medications may or may not be used during training (i.e. when the horse is out-of-competition). Although many medications have legitimate therapeutic uses, others can have performance enhancing effects that give horses an unfair advantage when racing.

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1. The RMTC strives to develop and promote uniform rules, policies and testing standards at the national level; coordinate research and educational programs that seek to ensure the integrity of racing and the health and welfare of racehorses and participants; and to protect the interests of the racing public. The RMTC was founded in 2001 by representatives of a broad spectrum of racing-related groups who participated in an industry effort to determine potential consensus points on the most basic elements of a uniform national medication policy for racehorses. The RMTC is incorporated as a 501(c)(3) charitable organization with both scientific and educational purposes. It is governed by a board of directors consisting of 24 industry stakeholder groups.

2. The ARCI is composed of the governmental regulators of horse and greyhound racing in the United States, Canada, Mexico, Jamaica, and Trinidad-Tobago. ARCI collaborates with other racing industry organizations who share its common goal of ensuring integrity in racing. ARCI is a not-for-profit trade association with no regulatory authority. Its members individually possess regulatory authority within their jurisdictions and solely determine whether or not to adopt ARCI recommendations on policies and rules.

Until now, CHRB's drug testing efforts have focused almost exclusively on monitoring and restricting substances that are physically detectable in a horse immediately after a race. Although this has effectively curtailed the use of performance enhancing/altering substances immediately prior to a race, it does little to address the issue of substances that enhance performance long after they have been eliminated from the horse's body. For example, anabolic steroids, which have valid therapeutic uses, can also have muscle building side effects. Therefore, even after the steroid completely clears a horse's system, the horse may still have enhanced muscle mass that it could not have naturally developed without the assistance of the steroid. Accordingly, the CHRB seeks to better control and restrict medications used while horses are not in competition so as to ensure greater fairness and safety in California racing.

The proposed addition of Rule 1859.1, Out-of-Competition Testing Procedures and Requirements, will establish procedures by which the Board will collect out-of-competition test samples, as well as penalties for non-compliance. Specifically, out-of-competition test samples will be collected at the direction of the official veterinarian, the Equine Medical Director, or his/her designee at any time and in any location. Trainers, owners, and their designee(s) are required to disclose the location of all of their horses that are eligible for out-of-competition testing; however, any party may request that their horse be tested in an alternative location. Additionally, trainers, owners, their designee(s), and racing association employees are required to cooperate with persons collecting out-of-competition test samples. Licensees who willfully fail to make a horse available for out-of-competition testing, or who cause interference or obstruction to the sampling process will receive a minimum one-year license suspension, and horses not made available for out-of-competition testing will be placed on the Steward's List for a minimum of 180 days.

The proposed addition of Rule 1869, Prohibited Drug Substances in Out-of-Competition Testing, will define those drugs, substances, doping agents, and medications that are prohibited from being present in an out-of-competition test sample. Specifically, anabolic androgenic steroids will be prohibited unless the anabolic agent has been approved by the United States Food and Drug Administration (FDA), is administered pursuant to a valid veterinary prescription, and is reported to the Official Veterinarian on CHRB-60 (Rev. 7/15), Trainer Medication Report. Additionally, horses receiving permitted anabolic steroid treatments will be required to remain on the Veterinarian's List for a minimum of six months, and until such horse is declared raceably sound and in fit physical condition to exert its best effort in a race. Also prohibited will be: selective androgen receptor modulators, tibolone, and zeranol; Erythropoietin-Receptor agonists; Hypoxia-inducible factor stabilizers (except out-of-competition blood samples may contain cobalt in an amount that does not exceed 50 nanograms per milliliter); Chorionic Gonadotropin and Luteinizing Hormone and their releasing factors; Corticotrophins and their releasing factors (except adrenocorticotropic hormone (ACTH) may be used in a horse that is out-of-competition, provided that the substance is approved by the FDA, is administered pursuant to a valid veterinary prescription, and is reported to the Official Veterinarian on CHRB-60 (Rev. 7/15), Trainer Medication Report); Beta-2 agonists, including all optical isomers (except clenbuterol and albuterol may be used in a horse that is out-of-competition, provided that the administration is pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division); aminoglutethimide, anastrozole, androsta-1,4,6-triene-3,17-dione (androstatrienedione), 4-androstene-3,6,17 trione (6-oxo), exemestane, formestane, letrozole, and testolactone; raloxifene, tamoxifen, and toremifene; clomiphene, cyclofenil, and fulvestrant; myostatin inhibitors; activators of the AMP-activated protein kinase, Peroxisome Proliferator Activated Receptor δ

(PPARδ) agonists, insulins, trimetazidine, Thyroxine, and thyroid modulators/hormones containing T4 (tetraiodothyronine/thyroxine), T3 (triiodothyronine), or combinations thereof (except Thyroxine (T4) will not be considered a prohibited substance, and altrenogest will not be considered a prohibited substance in fillies and mares, provided that such treatments are made pursuant to a valid veterinary prescription, and both the administrations and prescriptions are carried out in accordance with all rules and regulations in this division); desmopressin, furosemide, plasma expanders, probenecid, torsemide, acetazolamide, amiloride, bumetanide, canrenone, chlorthalidone, etacrynic acid, indapamide, metolazone, spironolactone, thiazides, triamterene, trichlormethiazide, vasopressin receptor antagonists, and vaptans (except furosemide and trichlormethiazide may be used in a horse that is out-of-competition, provided that the administration is pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division). Additionally, any of the diuretics mentioned above may be administered in an emergency situation in order to safeguard the health of the horse so long as the substance is administered pursuant to a valid veterinary prescription, and is reported to the Official Veterinarian by the trainer on CHRB-60 (Rev. 7/15), Trainer Medication Report, or by the treating veterinarian on form CHRB-24 (Rev. 7/15), Veterinarian Report, within 24 hours of the administration. Otherwise, any substance not prohibited by this regulation is permitted for use when a horse is out-of-competition, provided such substance has been approved by the FDA for use in the United States, and is prescribed and administered in accordance with all applicable federal and state laws and regulations, including all CHRB rules and regulations.

Additionally, proposed Rule 1869 will establish a presumption that a prohibited drug substance detected in an official out-of-competition test sample is prima facie evidence that the trainer and/or any other licensee responsible for the care of the horse has been negligent in the care of the horse, and is also prima facie evidence that the drug substance has been administered to the horse. Furthermore, the proposed rule will make the trainer the absolute insurer of horses under their care within a licensed inclosure, and the owner the absolute insurer of horses they own located outside of a licensed inclosure when not in the care of another CHRB licensee. Finally, the proposed rule will make the defenses in CHRB Rule 1888, Defense to Trainer Insurer Rule, available to anybody charged with violating this proposed regulation, and will also apply the same penalty guidelines as described in Rule 1843.2, Classification of Drug Substances, and Rule 1843.3, Penalties for Medication Violations.

The proposed amendment to Rule 1858, Test Sample Required, will add a new subsection (b) to explain that the Board may take official blood, urine or other biological samples from horses, in accordance with Rules 1859 and 1859.1, to enhance the ability of the Board to enforce its medication and anti-doping rules at any time or date. The amendment will further revise new subsection (c) to expand horses eligible for testing (out-of-competition or otherwise) to include any horse under the care or control of a licensed trainer, or owned by a licensed owner. The amendment also explains that a horse is "out-of-competition" when it is not entered in a race as defined in this Article, and otherwise prohibits testing of weanlings, yearlings, and horses no longer engaged in racing that are outside of the inclosure and not entered in a Board-authorized horse sale. Finally, the proposed amendment states that as a condition of licensure, persons holding trainer and owner licenses shall be deemed to have given consent for the Board to access any location, whether inside or outside of a licensed inclosure, where a horse eligible for testing may be found for the purpose of collecting official out-of-competition test samples. The proposed amendment further explains, however, that such consent does not permit the Board to search surrounding premises when collecting out-of-competition test samples.

The proposed amendment to Rule 1859, Taking, Testing and Reporting of Samples, specifies that all official test samples are to be "biological" in nature, and also makes an exception to the requirement that samples must be collected in a Board-approved detention area for out-of-competition test samples. Finally, the proposed amendment allows for test samples to be witnessed, confirmed or acknowledged by owners of horses, in addition to their trainers.

The proposed amendment to Rule 1859.25, Split Sample Testing, extends the same split sample process and rights currently in place for post-race testing under the regulation to licensees who have a horse in their custody test positive for a prohibited substance in an out-of-competition sample.

The proposed amendment to Rule 1867, Prohibited Veterinary Practices, adds the following medications and drug substances to the current prohibited list: venoms or derivatives thereof, aminoimidazole carboxamide ribonucleotide (AICAR), hemopure, Myo-Inositol Trispyprophosphate (ITPP), oxyglobin, and thymosin beta. It also makes an exception for platelet rich plasma and autologous conditioned plasma under the general prohibition against growth hormones and analogs, so long as they are administered pursuant to a valid veterinary prescription and are reported to the Official Veterinarian by the trainer on CHRB-60 (Rev. 7/15) (Trainer Medication Report). Additionally, the proposed amendment extends Rule 1867's application to prohibited substances detected in out-of-competition test samples.

FORMS INCORPORATED BY REFERENCE

1) Form CHRB-24, Veterinarian Report, revised 07/15
2) Form CHRB-60, Trainer Medication Report, revised 07/15

The proposed amendment to Rule 1867 and addition of Rule 1869 will incorporate by reference CHRB-24, Veterinarian Report (Revised 07/15), and CHRB-60, Trainer Medication Report (Revised 07/15), as it would be cumbersome, unduly expensive or otherwise impractical to publish these documents in the California Code of Regulations.

Form CHRB-24, Veterinarian Report (Revised 07/15), will be used by licensed veterinarians to report to the Official Veterinarian details of diuretic administrations made in emergency situations as described in Rule 1869(a)(13)(B). Under the proposed regulations, either the treating veterinarian or the trainer will need to report the administration to the Official Veterinarian within 24 hours. Under existing regulations, veterinarians treating horses within the inclosure already have to report all medication prescriptions and administrations to the Official Veterinarian on this form, and therefore this provision is consistent with other CHRB rules. If the emergency administration occurs outside of the inclosure, however, the trainer then will be responsible for reporting the administration on Form CHRB-60.

Form CHRB-60, Trainer Medication Report (Revised 07/15), will be used by licensed trainers to report each administration of platelet rich plasma and autologous conditioned plasma, anabolic androgenic steroids, adrenocorticotropic hormone (ACTH), and emergency diuretic treatments given to horses in their care to the Official Veterinarian. The form includes fields for the name of the horse, name of the trainer, type of medication administered, and date and time of treatment so that the Official Veterinarian may properly identify all horses within the inclosure that have been administered these substances.

POLICY STATEMENT OVERVIEW OF ANTICIPATED BENEFITS OF PROPOSAL

The proposed addition of Rules 1859.1 and 1869, and the proposed amendments to Rules 1858, 1859, 1859.25, and 1867, will substantially enhance the integrity and fairness of California horse racing by more effectively monitoring and controlling the use of medications in race horses when they are out-of-competition. Currently, the CHRB's drug enforcement efforts focus almost exclusively on restricting substances that are physically detectable in a horse immediately after a race. Although this has effectively curtailed the use of performance enhancing/altering substances immediately prior to a race, it does little to address the issue of substances that enhance performance long after they have been eliminated from the horse's body. While the CHRB regularly tests horses that are out-of-competition, it presently has no recourse when a substance is detected that is a known performance enhancer. Accordingly, these proposed regulatory changes will allow the CHRB to affirmatively restrict certain medications and drug substances in race horses that are intended to compete but not currently entered for a specific race (i.e. horses that are "out-of-competition").[3]

Such a change will first and foremost benefit the health and welfare of the horse. By giving the CHRB a mechanism to prosecute trainers, veterinarians, and/or owners who administer non-therapeutic medications or other drug substances to horses that are out-of-competition, the Board will be able to deter doping schemes that may harm the horse. A number of the substances prohibited under the proposed rules can have side effects that negatively impact the health of the horse.[4] By explicitly banning such substances—and attaching a penalty in those instances where the substance is detected in an out-of-competition test sample—the Board will further curtail use of such drugs.

The proposed changes will also benefit the wagering public because out-of-competition testing will further eliminate the chance that a horse will unnaturally and/or unlawfully have its performance enhanced during a race due to prior doping. This will help ensure that the public is wagering on the merits of the horses' natural abilities, and not being deceived by the improper and/or illicit use of performance enhancing drug substances.

Finally, the proposed changes will benefit the horse racing industry by enhancing the sport's integrity and perception. By expanding the CHRB's role in monitoring and restricting medication use in race horses, both the participating licensees and the public will have greater confidence in the fairness and safety of California racing, which in turn may grow viewership and wagering. Accordingly, these amendments will benefit the health, safety and welfare of horses, licensees, and the wagering public.

CONSISTENCY EVALUATION

During the process of developing the regulation and amendments, the Board has conducted a search of any similar regulations on this topic and has concluded that the regulation is neither inconsistent nor incompatible with existing state regulations.

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3. Pursuant to current CHRB regulations, a horse is not entered to race (i.e. in-competition) until 48 hours before the race is actually run. Therefore a horse tested three days before it runs is still considered "out-of-competition."

4. For example, auto-immune anemias associated with erythropoietin receptor agonists has been documented in horses. The World Anti-Doping Agency (WADA) issued a warning to athletes pointing out pre-clinical trials of the peroxisome proliferator-activated receptor agonist "GW501516" were halted over serious toxicity issues.

DISCLOSURE REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

Cost to any local agency or school district that must be reimbursed in accordance with Government Code Sections 17500 through 17630: none.

Other non-discretionary costs or savings imposed upon local agencies: none.

Cost or savings in federal funding to the state: none.

The Board has made an initial determination that the proposed addition of Rules 1859.1 and 1869, and the proposed amendments to Rules 1858, 1859, 1859.25, and 1867 will not have a significant statewide adverse economic impact directly affecting businesses including the ability of California businesses to compete with businesses in other states.

The following studies/relevant data were relied upon in making the above determination:

- ARCI Model Rules of Racing – Version 8.1 (revised July 2017), pgs. 258-265, 284-288, 416-425, and 443-447.
- World Anti-Doping Agency – The 2014 Prohibited List International Standard– (2014 Version 2.0)

Cost impact on representative private persons or businesses: none.

The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant effect on housing costs: none.

RESULT OF ECONOMIC IMPACT ANALYSIS

The proposed addition of Rules 1859.1 and 1869, and the proposed amendments to Rules 1858, 1859, 1859.25, and 1867 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California. The proposed regulatory changes promote the safety and welfare of race horses in California by implementing a mechanism for the CHRB to affirmatively monitor and restrict medications and drug substances in horses that are intended to compete but not currently entered for a specific race. Such a program not only protects the horses, but also protects their riders and the wagering public. Furthermore, an effective out-of-competition testing program will further enhance the integrity of horse racing in California, which in turn may grow viewership and wagering. An increase in wagering will have a positive economic impact on the industry by increasing handle, which in turn increases purses and commissions.

Effect on small businesses: none. The proposed addition of Rules 1859.1 and 1869, and the proposed amendments to Rules 1858, 1859, 1859.25, and 1867 do not affect small businesses because horse racing is not a small business under Government Code Section 11342.610.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5, subdivision (a)(13), the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome on affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Board invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at the scheduled hearing or during the written comment period.

CONTACT PERSON

Inquiries concerning the substance of the proposed action and requests for copies of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, and other information upon which the rulemaking is based should be directed to:

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone: (916) 263-6026
E-mail: haroldc@chrb.ca.gov

If the person named above is not available, interested parties may contact:

Andrea Ogden, Manager
Policy, Regulations and Legislation
Telephone: (916) 263-6033

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

The Board will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its offices at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the initial statement of reasons. Copies may be obtained by contacting Philip Laird, or the alternative contact person at the address, phone number or e-mail address listed above.

AVAILABILITY OF MODIFIED TEXT

After holding a hearing and considering all timely and relevant comments received, the Board may adopt the proposed regulation substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text, with changes clearly marked, shall be made available to the public for at least 15 days prior to the date on which the Board adopts the regulations. Requests for copies of any modified regulation should be sent to the attention of Philip Laird at the address stated above. The Board will accept written comments on the modified regulation for 15 days after the date on which it is made available.

AVAILABILITY OF STATEMENT OF REASONS:

Requests for copies of the final statement of reasons, which will be made available after the Board has adopted the proposed regulation in its current or modified form, should be sent to the attention of Philip Laird at the address stated above.

BOARD WEB ACCESS

The Board will have the entire rulemaking file available for inspection throughout the rulemaking process at its web site. The rulemaking file consists of the notice, the proposed text of the regulation and the initial statement of reasons. The Board's web site address is: www.chrb.ca.gov.

INITIAL STATEMENT OF REASONS

RULE 1858, TEST SAMPLE REQUIRED.
RULE 1859.1, OUT-OF-COMPETITION TESTING PROCEDURES AND REQUIREMENTS.
RULE 1859, TAKING, TESTING AND REPORTING OF SAMPLES.
RULE 1859.25, SPLIT SAMPLE TESTING.
RULE 1867, PROHIBITED VETERINARY PRACTICES.
RULE 1869, PROHIBITED DRUG SUBSTANCES IN OUT-OF-COMPETITION TESTING.

SPECIFIC PURPOSE OF THE REGULATION

The Board proposes to add Rule 1859.1, Out-of-Competition Testing Procedures and Requirements, to establish procedures by which the Board will collect out-of-competition test samples, as well as penalties for non-compliance. Specifically, out-of-competition test samples will be collected at the direction of the official veterinarian, the Equine Medical Director, or his/her designee at any time and in any location. Trainers, owners, and their designee(s) are required to disclose the location of all of their horses that are eligible for out-of-competition testing; however, any party may request that their horse be tested in an alternative location. Additionally, trainers, owners, their designee(s), and racing association employees are required to cooperate with persons collecting out-of-competition test samples. Licensees who willfully fail to make a horse available for out-of-competition testing, or who cause interference or obstruction to the sampling process will receive a minimum one-year license suspension, and horses not made available for out-of-competition testing will be placed on the Steward's List for a minimum of 180 days.

The Board also proposes to add Rule 1869, Prohibited Drug Substances in Out-of-Competition Testing, to list all medications, drugs, and other substances that are prohibited from being present in an out-of-competition test sample. Additionally, the proposed rule will describe exceptions for certain therapeutic medications in cases where specific procedural and reporting requirements are followed by the trainer and/or their veterinarian. Finally, the rule will describe the liability and rights of trainers, owners, and other licensees who have the care and custody of a horse that tests positive for a prohibited substance in an out-of-competition test sample.

The Board also proposes to amend Rule 1858, Test Sample Required, to clarify the Board's authority to collect official blood, urine, and other biological test samples, as well as describe specifically which horses are eligible for out-of-competition testing. Additionally, the proposed amendment will make it a condition of trainers' and owners' licenses that the Board be given consent to collect out-of-competition test samples at any location where an eligible horse is present.

The Board also proposes to amend Rule 1859, Taking, Testing and Reporting of Samples, to make minor technical changes to existing language that ensures out-of-competition testing procedures do not conflict with existing official test sample collection requirements.

The Board also proposes to amend Rule 1859.25, Split Sample Testing, to extend the same split sample process and rights currently in place for post-race testing to licensees who have a horse in their custody that test positive for a prohibited substance in an out-of-competition test sample.

Finally, the Board proposes to amend Rule 1867, Prohibited Veterinary Practices, to add a number of medications and drug substances to the current prohibited list, and extend the regulation's application to substances detected in out-of-competition test samples.

The general purpose of these proposed regulations is to better enhance the integrity and fairness of California horse racing by more effectively monitoring and controlling the use of medications in race horses when they are out-of-competition. Such measures will not only protect horses and riders, but also the wagering public.

PROBLEM

Currently, the California Horse Racing Board's (CHRB or Board) drug enforcement efforts focus almost exclusively on testing for and restricting substances that are physically detectable in a horse immediately after a race. Although this has effectively curtailed the use of performance enhancing/altering substances immediately prior to a race, it does little to address the issue of substances that enhance performance long after they have been eliminated from the horse's body. While the CHRB regularly tests horses that are out-of-competition, it presently has no recourse when a substance is detected that is a known performance enhancer.[5] Accordingly, these proposed regulatory changes will allow the CHRB to affirmatively test for and restrict certain medications and drug substances in race horses that are intended to compete but not currently entered for a specific race.

[5] In March 2017, Los Alamitos Race Course conducted out of competition testing on horses that qualified for the track's Quarter Horse Derbys. Trippys Royal Jess, a qualifier for the La Primera Del Ano Derby, tested positive for zilpaterol, a muscle builder. Whata Corona, a qualifier for the same race, tested positive for clenbuterol, a bronchodilator used to increase muscle mass and enhance performance. Both horses were disqualified after testing positive for the banned medications.

NECESSITY

Rule 1859.1, Out-of-Competition Testing Procedures and Requirements:
The proposed addition of Rule 1859.1, Out-of-Competition Testing Procedures and Requirements, will establish procedures by which the Board will collect out-of-competition test samples, as well as penalties for non-compliance. Specifically, subsection (a) states that out-of-competition test samples will be collected at the direction of the official veterinarian, the Equine Medical Director, or his/her designee at any time and in any location. This is necessary to establish the Equine Medical Director and Official Veterinarians' authority to order out-of-competition sampling, and to ensure such sampling is done safely and correctly. The subsection also requires blood samples to be collected by a veterinarian licensed by the Board, or by a veterinary technician licensed by the Board who is acting under the supervision of the official veterinarian or Equine Medical Director. This is necessary to make sure blood drawn from horses is collected safely by persons with proper veterinary training and certifications.

Subsection (b) requires trainers, owners, and their designees to disclose the location of all of their horses that are eligible for out-of-competition testing. This is necessary to ensure that CHRB officials are able to locate all eligible horses that they want to test.

Subsection (c) states that the Board need not provide advance notice to the trainer or owner before arriving at any location to collect official out-of-competition test samples from an eligible horse; however if any party requests that their horse be tested in an alternative location, the Board may, in its sole discretion, collect the sample at an alternative time and location designated by the Board. Out-of-competition sample collection without notification is necessary to ensure that licensees do not attempt to mask or conceal a medication or drug substance in a horse's body. By appearing unannounced, the Board has the best opportunity to detect prohibited substances, which will further deter licensees from doping their horses while out-of-competition. Nevertheless, the subsection also provides for designating an alternative testing location at the Board's discretion. This is necessary to permit the Board a mechanism for adjusting testing locations at the convenience of all parties.

Subsections (d) and (e) require trainers, owners, their designee(s), and racing association employees to cooperate with persons collecting out-of-competition test samples on behalf of the Board. This includes assisting with location and identification of the horse, making the horse physically available for testing, providing a safe space for testing, assisting with the control of the horse, and witnessing the sampling. This is necessary to ensure that licensees do not cause any unnecessary delay in the collection of the out-of-competition test samples. It is also necessary to ensure the safety of the Board's sample collectors—especially when samples are collected from unfamiliar locations.

Subsection (f) explains that the Board may arrange to have test samples collected from a horse that is physically located outside of California, but otherwise eligible for out-of-competition testing pursuant to Rule 1858. This is necessary to ensure that licensees are not able to avoid out-of-competition testing by taking their horses out of state. The subsection also requires the racing commission or Board-designated person collecting the sample to follow the collection procedures described in this regulation (except for certain licensing and identification requirements). This is necessary to maintain the same chain of custody standards and sample collection process as is in place for in-state out-of-competition testing.

Subsection (f)(1) permits the Board to share the results of out-of-state out-of-competition tests with the racing commission that participates in the sample collection. This is necessary to achieve maximum cooperation with other racing commissions, and also to create a mechanism for these states to proceed with their own prosecution efforts for violations occurring within their jurisdictions. Subsection (f)(2) states that the Board may, in its sole discretion, permit a trainer, owner, or their designee to transport a horse eligible for out-of-competition testing into California if the horse is out-of-state. This is necessary to permit the Board a mechanism for adjusting testing locations at the convenience of all parties, and to also give the Board greater control over the collection process when possible.

Subsection (g) states that the person who collects official out-of-competition test samples for the Board shall, at the time of sample collection, provide their CHRB identification and disclose to the owner and/or trainer of the horse that the purpose of the sampling is for out-of-competition testing. This is necessary to maximize transparency in the out-of-competition testing process, and to also give owners and trainers adequate notice of what is occurring so that they do not unknowingly impede the sample collection process.

Subsection (h) explains that if the trainer or any other person having care and custody of a horse selected for out-of-competition testing refuses or declines to make the horse available for test sample collection, the Board shall attempt to notify the owner and give them the opportunity to make the horse available for immediate testing. This is necessary because pursuant to subsection (k) horses that are not made available for out-of-competition testing are required to be placed on the Steward's List for a minimum of 180 days. This impacts the horse's owner most severely, and therefore the owner must be given an opportunity to remedy any impediments to testing created by the trainer.

Subsection (i) requires that all available records demonstrating the chain of custody for an official out-of-competition test sample are to be made available to the trainer, owner, or their designee, at their request, when a complaint results from an out-of-competition test. This is necessary to ensure that respondents to a CHRB complaint are given all chain of custody evidence that will be used against them to establish their out-of-competition violation.

Subsection (j) states that any licensee who willfully fails to make a horse available for out-of-competition testing, or commits other willfully deceptive acts in connection with out-of-competition testing, or who cause interference or obstruction to the sampling process will receive a minimum one-year license suspension. This is necessary to ensure maximum cooperation by licensees with the CHRB's out-of-competition testing efforts, and to deter any willful efforts to obstruct sample collection and testing.

Subsection (k) requires any horse not made available for out-of-competition testing to be placed on the Steward's List for a minimum of 180 days (which prevents the horse from racing in California during that time), including those horses that are asserted to be no longer engaged in horse racing. This is necessary to ensure maximum cooperation by licensees with the CHRB's out-of-competition testing efforts, and to also prevent horses from participating in racing that have potentially received prohibited performance enhancing medications while out-of-competition. Extending this requirement to horses asserted to be no longer engaged in racing is necessary to prevent owners and trainers from temporarily retiring a horse just to avoid testing. By still putting such horses on the Steward's List, there will be no loophole for owners and trainers to take advantage of.

Rule 1869, Prohibited Drug Substances in Out-of-Competition Testing:
The proposed addition of Rule 1869, Prohibited Drug Substances in Out-of-Competition Testing, will define those drugs, substances, doping agents, and medications that are prohibited from being present in an out-of-competition test sample. Specifically, subsection (a) states that the following substances are prohibited: anabolic androgenic steroids will be prohibited unless the anabolic agent has been approved by the United States Food and Drug Administration (FDA), is administered pursuant to a valid veterinary prescription, and is reported to the Official Veterinarian within 72 hours of administration by the trainer or owner on CHRB-60 (Rev. 7/15), Trainer Medication Report. Additionally, horses receiving permitted anabolic steroid treatments will be required to remain on the Veterinarian's List for a minimum of six months, and until such horse is declared raceably sound and in fit physical condition to exert its best effort in a race.[6] Also prohibited will be: selective androgen receptor modulators, tibolone, and zeranol; Erythropoietin-Receptor agonists; Hypoxia-inducible factor stabilizers (except out-of-competition blood samples may contain cobalt in an amount that does not exceed 50 nanograms per milliliter)[7]; Chorionic Gonadotropin and Luteinizing Hormone and their releasing factors; Corticotrophins and their releasing factors (except adrenocorticotropic hormone (ACTH) may be used in a horse that is out-of-competition, provided that the substance is approved by the FDA, is administered pursuant to a valid veterinary prescription, and is reported to the Official Veterinarian within seventy-two hours of administration by the trainer or owner on CHRB-60 (Rev. 7/15), Trainer Medication Report)[8]; Beta-2 agonists, including all optical isomers (except clenbuterol and albuterol may be used in a horse that is out-of-competition, provided that the administration is pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division)[9]; aminoglutethimide, anastrozole, androsta-1,4,6-triene-3,17-dione (androstatrienedione), 4-androstene-3,6,17 trione (6-oxo), exemestane, formestane, letrozole, and testolactone; raloxifene, tamoxifen, and toremifene; clomiphene, cyclofenil, and fulvestrant; myostatin inhibitors; activators of the AMP-activated protein kinase, Peroxisome Proliferator Activated Receptor δ (PPARδ) agonists, insulins, trimetazidine, Thyroxine, and thyroid modulators/hormones containing T4 (tetraiodothyronine/thyroxine), T3 (triiodothyronine), or combinations thereof (except Thyroxine (T4) will not be considered a prohibited substance,[10] and altrenogest will not be considered a prohibited substance in fillies and mares,[11] provided that such treatments are made pursuant to a valid veterinary prescription, and both the administrations and prescriptions are carried out in accordance with all rules and regulations in this division); desmopressin, furosemide, plasma expanders, probenecid, torsemide, acetazolamide, amiloride, bumetanide, canrenone, chlorthalidone, etacrynic acid, indapamide,

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[6]. This exception is necessary because there are legitimate therapeutic uses for FDA-approved anabolic steroids in race horses recovering from debilitating illnesses. Nevertheless, the six-month Veterinarian's List requirement is also necessary to ensure race horses prescribed anabolic steroids are given sufficient time to recover from whatever ailment they have that necessitates the treatment and to ensure anabolic steroids are not being used to enhance performance. The seventy-two hour reporting requirement is also necessary to ensure the length of time a horse stays on the Veterinarian's List is properly calculated, and to also ensure that trainers do not delay reporting to keep the horse racing after initial administration.

[7]. This exception is necessary because cobalt naturally occurs in a horse's body and is present at low levels in nutritional supplements for horses.

[8]. This exception is necessary because there are legitimate therapeutic uses for FDA-approved adrenocorticotropic hormone (ACTH) in race horses. The seventy-two hour reporting requirement is necessary to ensure that reports of administrations are timely, and to allow the Official Veterinarian to better track use of this particular medication.

[9]. This exception is necessary because there are legitimate therapeutic uses for FDA-approved clenbuterol and albuterol in race horses.

[10]. This exception is necessary because there are legitimate therapeutic uses for FDA-approved Thyroxine (T4) in race horses with hypothyroidism.

[11]. This exception is necessary because altrenogest is used to control estrus in cycling females.

metolazone, spironolactone, thiazides, triamterene, trichlormethiazide, vasopressin receptor antagonists, and vaptans (except furosemide and trichlormethiazide may be used in a horse that is out-of-competition,[12] provided that the administration is pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division). Additionally, any of the diuretics mentioned above may be administered in an emergency situation in order to safeguard the health of the horse so long as the substance is administered pursuant to a valid veterinary prescription, and is reported to the Official Veterinarian by the trainer on CHRB-60 (Rev. 7/15), Trainer Medication Report, or by the treating veterinarian on form CHRB-24 (Rev. 7/15), Veterinarian Report, within 24 hours of the administration.[13] These prohibitions are necessary to prevent race horses from having their performance unnaturally enhanced while out-of-competition. The abovementioned medications, drug substances, and doping agents have been determined by the Racing Medication Testing Consortium (RMTC)[14] and the Association of Racing Commissioners International (ARCI)[15] to be potential performance enhancers that may give horses unfair advantages during racing, even after the substance clears the horse's system. Accordingly, it is necessary to prohibit these substances from being present in out-of-competition test samples to protect the horses, riders, and the wagering public, and to otherwise enhance the integrity and public perception of California racing.

Subsection (b) explains that any substance not prohibited by this regulation is permitted for use when a horse is out-of-competition, provided such substance has been approved by the FDA for use in the United States, and is prescribed and administered in accordance with all applicable federal and state laws and regulations, including all CHRB rules and regulations. This is necessary to clarify for licensees precisely which medications and drug substances are allowed in race horses that are out-of-competition, while also still generally prohibiting unapproved and/or unprescribed medications and drug substances.

Subsection (c) establishes a presumption that a prohibited drug substance detected in an official out-of-competition test sample is prima facie evidence that the trainer and/or any other licensee responsible for the care of the horse has been negligent in the care of the horse, and is also prima facie evidence that the drug substance has been administered to the horse. It also permits such licensee to be fined, and/or have his or her license suspended or revoked. This is necessary to mirror the legal presumptions currently in place for the CHRB's post-race testing program,[16] which will place the burden on the trainer and/or

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[12]. This exception is necessary because there are legitimate therapeutic uses for FDA-approved furosemide and trichlormethiazide in race horses.

[13]. This exception is necessary to ensure that an owner and/or trainer are not penalized for protecting the health and welfare of a horse in an emergency situation where a veterinarian has to prescribe a diuretic.

[14]. The RMTC strives to develop and promote uniform rules, policies and testing standards at the national level; coordinate research and educational programs that seek to ensure the integrity of racing and the health and welfare of racehorses and participants; and to protect the interests of the racing public. The RMTC was founded in 2001 by representatives of a broad spectrum of racing-related groups who participated in an industry effort to determine potential consensus points on the most basic elements of a uniform national medication policy for racehorses. The RMTC is incorporated as a 501(c)(3) charitable organization with both scientific and educational purposes. It is governed by a board of directors consisting of 24 industry stakeholder groups.

[15]. The ARCI is composed of the governmental regulators of horse and greyhound racing in the United States, Canada, Mexico, Jamaica, and Trinidad-Tobago. ARCI collaborates with other racing industry organizations who share its common goal of ensuring integrity in racing. ARCI is a not-for-profit trade association with no regulatory authority. Its members individually possess regulatory authority within their jurisdictions and solely determine whether or not to adopt ARCI recommendations on policies and rules.

[16]. *See* subsection (d) of CHRB Rule 1843, Medication, Drugs and Other Substances.

other licensee having care of the horse to rebut the presumption that they negligently permitted the administration of a prohibited substance to the out-of-competition horse.
Subsection (c)(1) also makes the trainer the absolute insurer of horses under their care within a licensed inclosure, and subsection (c)(2) makes the owner the absolute insurer of horses they own located outside of a licensed inclosure when not in the care of another CHRB licensee. This is necessary to ensure consistency with CHRB Rule 1887, Trainer or Owner to Insure Condition of Horse, and to impose a strict liability standard on those licensees having care and/or custody of horses that are in training and intended to race in California. Such a standard for licensed trainers and owners is designed to afford the wagering public maximum protection against unfair and/or unlawful performance enhancement in race horses. If responsibility for out-of-competition doping were to be imposed only for actual guilty participation or culpable negligence, there would exist a possible field of activity beyond the affirmative protection thereby afforded to the wagering public. Instead, by imposing strict liability on trainers and owners for the condition of horses in their care that are out-of-competition but intended to race, the public will enjoy maximum protection from this serious public danger.[17]

Subsection (c)(3) states that the defenses described in Rule 1888, Defense to Trainer Insurer Rule, shall be available to any person charged with a violation of this regulation. This is necessary to preserve the due process rights of licensees charged with violations of this rule.

Finally, subsection (d) explains that a race day prohibition or restriction of a substance under this Article is not applicable to an out-of-competition test unless otherwise stated. This is necessary to clarify that the race-day and post-race medication restrictions described in Article 15, Veterinary Practices, of the CHRB Rules and Regulations are inapplicable to out-of-competition test samples.

Rule 1858, Test Sample Required:
The proposed amendment to Rule 1858, Test Sample Required, will add a new subsection (b) to explain that the Board may take official blood, urine or other biological samples from horses, in accordance with Rules 1859 and 1859.1, to enhance the ability of the Board to enforce its medication and anti-doping rules at any time or date. This is necessary to clarify the scope of the Board's authority to draw official pre-race, post-race, and out-of-competition blood, urine, and other biological test samples from horses for the purpose of enforcing its regulations.

The amendment also revises new subsection (c) to expand the criteria for those horses eligible for testing (out-of-competition or otherwise) to include any horse under the care or control of a licensed trainer, or owned by a licensed owner. This is necessary to clarify which horses are subject to official drug testing by the Board. Furthermore, it is necessary to expand the criteria for testing to horses trained and owned by CHRB licensees in order to ensure all horses intended to race in California are eligible for out-of-competition testing. Without the amendment, a trainer or owner could merely take a horse outside of the inclosure and train them on any medications they wish without fear of being tested or prosecuted. If this were the case, then a major loophole would exist in the proposed out-of-competition testing program that would render the CHRB ineffective in its monitoring and enforcement of out-of-competition medication use. This subsection also adds the Executive Director to the list of CHRB officials who may direct testing. This is necessary because information about unlawful medication use that is uncovered by

[17]. This is supported by the California Supreme Court's finding in *Sandstrom v. California Horse Racing Board*, 31 Cal.2d 408 (1948): "The closer the supervision to which the trainer is held, the more difficult it becomes for anyone to administer a drug or chemical to the horse. The exaction of the ultimate in that regard is justified by the peril to be avoided."

the CHRB's Enforcement Division during an investigation may require a horse to be tested. As the top supervisor of the CHRB Enforcement Division, the Executive Director is the best person to order such testing while maintaining the confidentiality of ongoing investigations.

The amendment also revises new subsection (c)(1) to expand the definition of the phrase "registered to race at an inclosure," to include horses that have raced at a licensed inclosure within the previous 12 months. This is necessary to implement the same definitions and out-of-competition testing criteria as recommended by the ARCI. It is also necessary to ensure once again that race horse owners do not attempt to take advantage of any loopholes in order to avoid testing. Without this expansion, a licensed owner could technically remove their horse from the inclosure, sell the horse to a straw buyer, and then continue to train the horse on prohibited medications without risk of being subject to out-of-competition testing. This expanded definition will therefore allow the Board to continue testing such a horse until a year after it has left a licensed inclosure.

New subsection (c)(2) explains that a horse is "out-of-competition" when it is not entered in a race as defined in this Article, but otherwise prohibits testing of weanlings, yearlings, and horses no longer engaged in racing, as defined, that are outside of the inclosure and not entered in a Board-authorized horse sale. This is necessary to define when a horse is "out-of-competition," which under current regulations is up until 48 hours before a race horse participates in a race.[18] The limitation on weanlings, yearlings, and horses no longer engaged in racing is also necessary to tighten the scope of horses eligible for testing so that the CHRB does not spend unnecessary time and resources testing horses that will not be racing in the near future. For clarity, the subsection provides various options for how a horse may be proven to be no longer engaged in racing, which includes but is not limited to: the horse is registered as retired with one of the breed registry organizations identified in Rule 1402; the horse is not a breed of horse that races in California; the horse becomes breeding stock; or the horse has suffered an injury or been subject to a procedure that renders the horse permanently unfit to participate in a race as determined by the Official Veterinarian or Equine Medical Director, or any other valid evidence is presented as determined by the Equine Medical Director, the Executive Director, the stewards, or the official veterinarian.

Finally, new subsection (c)(3) states that as a condition of licensure, persons holding trainer and owner licenses shall be deemed to have given consent for the Board to access any location, whether inside or outside of a licensed inclosure, where a horse eligible for testing may be found for the purpose of collecting official out-of-competition test samples. The proposed amendment further explains, however, that such consent does not permit the Board to search the premises when collecting out-of-competition test samples. This is necessary to maintain the constitutionality of these proposed regulations while still achieving the goals set forth by the Board to implement an effective out-of-competition testing program. By making consent to out-of-competition sample collection a condition of owner and trainer licenses, the Board is ensuring that all such licensees will permit the Board's representatives access to horses eligible for out-of-competition testing for the limited purpose of collecting samples.

Rule 1859, Taking, Testing and Reporting of Samples:

The proposed amendment to Rule 1859, Taking, Testing and Reporting of Samples, specifies in subsection (a) that all official non-blood and non-urine test samples are to be "biological" in nature. This is necessary to clarify and limit the type of "official test samples" that may be collected from a race

[18]. *See* subsection (a) of CHRB Rule 1843.5, Medication, Drugs and Other Substances Permitted After Entry in a Race.

horse. The proposed amendment also makes an exception to the requirement that samples must be collected in a Board-approved detention area for out-of-competition test samples. This is necessary to provide the Board with flexibility in where it collects official out-of-competition test samples, which may sometimes be outside of the inclosure. It is also necessary for consistency with the other proposed regulatory changes. Finally, the proposed amendment allows for test samples to be witnessed, confirmed or acknowledged by owners of horses, in addition to their trainers. This is necessary because a horse that is out-of-competition may not necessarily have a trainer if it is outside of the inclosure, and therefore the owner will need to have the same authority to witness, confirm, or acknowledge the collection of such test samples.

Rule 1859.25, Split Sample Testing:
The proposed amendment to Rule 1859.25, Split Sample Testing, amends subsection (a) to add "other biological official test samples" to the list of official samples subject to the split sampling process. This is necessary to achieve consistency with Rule 1859, and to also afford licensees the same rights and opportunities to have a split sample tested for all official biological tests. The proposed amendment also expressly extends the split sample process currently in place for post-race tests collected pursuant to Rule 1859 to licensees having a horse in their care and custody that tests positive for a prohibited substance in an out-of-competition sample (pursuant to proposed Rule 1859.1). This is necessary to clarify that owners and trainers will have the same rights and opportunities to have a split sample tested for out-of-competition tests that are positive for a prohibited substance. Finally, the proposed amendment removes the phrase "participating in any race" from subsection (b). This is necessary for consistency with the other proposed regulations since horses tested while out-of-competition will not have participated in a race.

Rule 1867, Prohibited Veterinary Practices:
The proposed amendment to Rule 1867, Prohibited Veterinary Practices, adds the term "doping agent" in subsection (a). This is necessary to more accurately describe some of the prohibited items listed under subsections (a)(1)-(11). Additionally, the proposed amendment adds the following medications and drug substances to the current prohibited list: venoms or derivatives thereof, aminoimidazole carboxamide ribonucleotide (AICAR), hemopure, Myo-Inositol Trispyprophosphate (ITPP), oxyglobin, and thymosin beta. This is necessary because these medications, drug substances, and doping agents, originally as developed by the World Anti-Doping Agency (WADA) for human athletes, have been determined by the RMTC and the ARCI to be potential performance enhancers that may give horses unfair advantages during racing. Some of these substances can also harm the health of the horse, and ultimately there is no valid therapeutic use for these medications, drug substances, and doping agents. The proposed amendment does make an exception for platelet rich plasma and autologous conditioned plasma under the general prohibition against growth hormones and analogs, so long as they are administered pursuant to a valid veterinary prescription and are reported to the Official Veterinarian by the trainer on CHRB-60 (Rev. 7/15) (Trainer Medication Report). This is necessary because these substances can have valid therapeutic uses in race horses when prescribed by a veterinarian for a specific condition. Finally, the proposed amendment extends Rule 1867's application to prohibited substances detected in out-of-competition test samples pursuant to proposed Rule 1859.1. This is necessary to ensure that if any of the abovementioned medications, drug substances, or doping agents are detected in an out-of-competition test sample, the Board can take appropriate disciplinary action against the trainer or owner.

Forms Incorporated by Reference:

The proposed amendment to Rule 1867 and addition of Rule 1869 will incorporate by reference CHRB-24, Veterinarian Report (Revised 07/15), and CHRB-60, Trainer Medication Report (Revised 07/15), as it would be cumbersome, unduly expensive or otherwise impractical to publish these documents in the California Code of Regulations.

Form CHRB-24, Veterinarian Report (Revised 07/15), will be used by licensed veterinarians to report to the Official Veterinarian details of diuretic administrations made in emergency situations as described in Rule 1869(a)(13)(B). Under the proposed regulations, either the treating veterinarian or the trainer will need to report the administration to the Official Veterinarian within 24 hours. Under existing regulations, veterinarians treating horses within the inclosure already have to report all medication prescriptions and administrations to the Official Veterinarian on this form, and therefore this provision is necessary to provide consistency with other CHRB rules. If the emergency administration occurs outside of the inclosure, however, the trainer then will be responsible for reporting the administration on Form CHRB-60. Such reporting is necessary so that the Board has immediate knowledge of diuretic use and does not prosecute a trainer or owner when said diuretic is detected in an out-of-competition sample.

Form CHRB-60, Trainer Medication Report (Revised 07/15), will be used by licensed trainers to report each administration of platelet rich plasma and autologous conditioned plasma, anabolic androgenic steroids, adrenocorticotropic hormone (ACTH), and emergency diuretic treatments given to horses in their care to the Official Veterinarian. The form includes fields for the name of the horse, name of the trainer, type of medication administered, and date and time of treatment. This is necessary to ensure the Official Veterinarian may properly identify all horses within the inclosure that have been administered these substances and take such treatment into account when examining these horses.

BENEFITS ANTICIPATED FROM THE REGULATORY ACTION.

The proposed addition of Rules 1859.1 and 1869, and the proposed amendments to Rules 1858, 1859, 1859.25, and 1867, will substantially enhance the integrity and fairness of California horse racing by more effectively monitoring and controlling the use of medications in race horses when they are out-of-competition. Currently, the CHRB's drug enforcement efforts focus almost exclusively on restricting substances that are physically detectable in a horse immediately after a race. Although this has effectively curtailed the use of performance enhancing/altering substances immediately prior to a race, it does little to address the issue of substances that enhance performance long after they have been eliminated from the horse's body. While the CHRB regularly tests horses that are out-of-competition, it presently has no recourse when a substance is detected that is a known performance enhancer. Accordingly, these proposed regulatory changes will allow the CHRB to affirmatively restrict certain medications and drug substances in race horses that are intended to compete but not currently entered for a specific race (i.e. horses that are "out-of-competition").[19]

Such a change will first and foremost benefit the health and welfare of the horse. By giving the CHRB a mechanism to prosecute trainers, veterinarians, and/or owners who administer non-therapeutic medications or other drug substances to horses that are out-of-competition, the Board will be able to deter doping schemes that may harm the horse. A number of the substances prohibited under the

[19]. Pursuant to current CHRB regulations, a horse is not entered to race (i.e. in-competition) until 48 hours before the race is actually run. Therefore a horse tested three days before it runs is still considered "out-of-competition."

proposed rules can have side effects which negatively impact the health of the horse.[20] By explicitly banning such substances—and attaching a penalty in those instances where the substance is detected in an out-of-competition test sample—the Board will further curtail use of such drugs.

The proposed changes will also benefit the wagering public because out-of-competition testing will further eliminate the chance that a horse will unnaturally and/or unlawfully have its performance enhanced during a race due to prior doping. This will help ensure that the public is wagering on the merits of the horses' natural abilities, and not being deceived by the improper and/or illicit use of performance enhancing drug substances prior to the horse's entry to race.

Finally, the proposed changes will benefit the horse racing industry by enhancing the sport's integrity and perception. By expanding the CHRB's role in monitoring and restricting medication use in race horses, both the participating licensees and the public will have greater confidence in the fairness and safety of California racing, which in turn may grow viewership and wagering. Accordingly, these amendments will benefit the health, safety and welfare of horses, licensees, and the wagering public.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS OR DOCUMENTS.

In proposing the amendment to Rule 1844, the Board relied on:

- ARCI Model Rules of Racing – Version 8.1 (revised July 2017), pgs. 258-265, 284-288, 416-425, and 443-447.
- World Anti-Doping Agency – The 2014 Prohibited List International Standard– (2014 Version 2.0)

The Board did not rely on any other technical, theoretical, and/or empirical study, reports or documents in proposing the addition of Rules 1859.1 and 1869, and the amendments to Rules 1858, 1859, 1859.25, and 1867.

RESULTS OF ECONOMIC IMPACT ASSESSMENT

The results of the Board's Economic Impact Assessment as required by Government Code Section 11346.3(b) are as follows:

- The proposed regulations will not impact the creation or elimination of jobs within the State of California.
- The proposed regulations will not have an impact on the creation of new businesses or the elimination of existing businesses in the State of California.
- The proposed regulations will not have an impact on the expansion of existing businesses in the State of California.
- The proposed regulations will benefit California by promoting the safety and welfare of race horses, as well as the wagering public, and will not benefit the state's environment.

[20]. For example, auto-immune anemias associated with erythropoietin receptor agonists has been documented in horses. The World Anti-Doping Agency (WADA) issued a warning to athletes pointing out pre-clinical trials of the peroxisome proliferator-activated receptor agonist "GW501516" were halted over serious toxicity issues.

The Board has made the initial determination that the proposed addition of Rules 1859.1 and 1869, and the proposed amendments to Rules 1858, 1859, 1859.25, and 1867 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states. The proposed addition of Rules 1859.1 and 1869, and the proposed amendments to Rules 1858, 1859, 1859.25, and 1867 will result in implementation of a robust and encompassing out-of-competition testing program that will substantially enhance the integrity and safety of California horse racing. The regulations will not impact businesses in any way.

Purpose:

The general purpose of these proposed regulations is to better enhance the integrity and fairness of California horse racing by authorizing the Board to more effectively monitor and control the use of medications in race horses when they are out-of-competition. Such measures will not only protect horses and riders, but also the wagering public.

The Creation or Elimination of Jobs Within the State of California

The proposed addition of Rules 1859.1 and 1869, and amendments to Rules 1858, 1859, 1859.25, and 1867, will establish a robust and encompassing out-of-competition testing program that will substantially enhance the integrity and safety of California horse racing. The proposed regulatory changes will restrict the use of specified medications, drug substances, and doping agents in race horses. These regulations will only impact individuals treating horses intended to race in California with medications. Therefore, the Board has determined that the proposed regulation will have no direct impact on the creation or elimination of jobs within the State of California.

The Creation of New Businesses or the Elimination of Existing Businesses Within the State of California

The proposed addition of Rules 1859.1 and 1869, and amendments to Rules 1858, 1859, 1859.25, and 1867, will establish a robust and encompassing out-of-competition testing program that will substantially enhance the integrity and safety of California horse racing. The proposed regulatory changes will restrict the use of specified medications, drug substances, and doping agents in race horses. These regulations will only impact individuals treating horses intended to race in California with medications. Therefore, the Board has determined that the proposed regulation will have no direct impact on the creation of new businesses or the elimination of existing businesses within the State of California.

The Expansion of Businesses Currently Doing Business Within the State of California

The proposed addition of Rules 1859.1 and 1869, and amendments to Rules 1858, 1859, 1859.25, and 1867, will establish a robust and encompassing out-of-competition testing program that will substantially enhance the integrity and safety of California horse racing. The proposed regulatory changes will restrict the use of specified medications, drug substances, and doping agents in race horses. These regulations will only impact individuals treating horses intended to race in California with medications. Therefore, the Board has determined that the proposed regulation will have no direct impact on the expansion of businesses currently doing business within the State of California.

Benefits of the Regulations to the Health and Welfare of California Residents, Worker Safety, and the State's Environment

The proposed addition of Rules 1859.1 and 1869, and amendments to Rules 1858, 1859, 1859.25, and 1867, will first and foremost benefit the health and welfare of the horse. By giving the CHRB a mechanism to prosecute trainers, veterinarians, and/or owners who administer non-therapeutic medications or other drug substances to horses that are out-of-competition, the Board will be able to deter doping schemes that may harm the horse. A number of the substances prohibited under the proposed rules can have side effects that negatively impact the health of the horse. By explicitly banning such substances—and attaching a penalty in those instances where the substance is detected in an out-of-competition test sample—the Board will further curtail use of such drugs.

The proposed changes will also benefit the wagering public because out-of-competition testing will further eliminate the chance that a horse will unnaturally and/or unlawfully have its performance enhanced during a race due to prior doping. This will help ensure that the public is wagering on the merits of the horses' natural abilities, and not being deceived by the improper and/or illicit use of performance enhancing drug substances. These regulations do not benefit the state's environment.

ALTERNATIVE TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON AFFECTED PRIVATE PERSONS OR BUSINESSES

The Board has determined that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION

The proposed addition of Rules 1859.1 and 1869, and amendments to Rules 1858, 1859, 1859.25, and 1867, were discussed at the February 22, 2017 Medication, Safety and Welfare Meeting, and at the February 23, 2017 Regular Board Meeting. No alternatives to the recommendation were proposed by the Board or by any other individual or entity at the meeting. No subsequent alternative recommendations were made prior to the notice. The Board invites any interested party to submit comments which offer any alternative proposal.

California Horse Racing Board
March 16, 2018

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1858. TEST SAMPLE REQUIRED.

1858. Test Sample Required.

(a) Blood and urine test samples shall be taken daily from the winner of every race, from horses finishing second and third in any stakes race with a gross purse of $75,000 or more, and from not less than six other horses designated for testing by the Equine Medical Director, the stewards or the official veterinarian.

(b) The Board may at any time on any date take official blood, urine or other biological samples, in accordance with Rules 1859 and 1859.1, from a horse to enhance the ability of the Board to enforce its medication and anti-doping rules.

(~~b~~c) Every horse within the inclosure, every horse registered to race at an inclosure, every horse under the care or control of a licensed trainer, or owned by a licensed owner, or nominated, pre-entered or entered in any race that will be held within a licensed inclosure is subject to pre-race, post-race, and out-of-competition testing by the Board. ~~and n~~No owner, trainer or other person having the care of a horse shall refuse to submit it for testing when directed by the Equine Medical Director, the Executive Director, the stewards or the official veterinarian.

(1) For the purposes of this regulation, a horse is "registered to race at an inclosure" when the horse's registration papers are on file with a racing association under the jurisdiction of the Board,~~.~~ and/or the horse has raced at a licensed inclosure within the previous twelve (12) months.

(2) A horse is "out-of-competition" when it is not entered in a race as defined in this Article. This regulation does not permit out-of-competition testing outside of a licensed inclosure on weanlings, yearlings, or any horse proven to be no longer engaged in horse racing unless such horse is entered in a

horse sale authorized by the Board pursuant to Rule 1807. For purposes of this regulation, the following criteria may be used to prove that a horse is no longer engaged in horse racing:

(i) it is registered as retired with one of the breed registry organizations identified in Rule 1402;

(ii) it is not a breed of horse that races in California;

(iii) it becomes breeding stock;

(iv) it has suffered an injury, or been subject to a procedure, that renders the horse permanently unfit to participate in a race as determined by the Official Veterinarian or Equine Medical Director; or

(v) any other evidence is provided that proves the horse will no longer engage in racing in California as decided by the Equine Medical Director, the Executive Director, the stewards, or the official veterinarian.

(3) Persons who apply for and are granted a trainer or owner license shall be deemed to have given their consent, as a condition of licensure, for the Board and its representatives to access any location, whether inside or outside of a licensed inclosure, where a horse eligible for testing may be found for the purpose of collecting official out-of-competition test samples. Such consent, however, does not permit the Board or its representatives to search the premises when collecting a test sample from a horse not within a licensed inclosure. Licensees shall take any steps necessary to authorize access by Board representatives to any location where a horse eligible for testing is present, and no person shall knowingly interfere with or obstruct the collection of an official test sample.

Authority: Sections 19440, 19562 and 19580, Business and Professions Code.

Reference: Section 19580(b), Business and Professions Code; and Sections 337f, 337g and 337h, Penal Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1859. TAKING, TESTING AND REPORTING OF SAMPLES.

1859. Taking, Testing and Reporting of Samples.

(a) Urine, blood or other biological official test samples shall be taken under the direction of the official veterinarian, the Equine Medical Director or a person designated by the official veterinarian. All samples shall be taken in a detention area approved by the Board, unless it is an official out-of-competition test sample taken in accordance with Rule 1859.1, or the official veterinarian or the Equine Medical Director approves otherwise. The taking of any test sample shall be witnessed, confirmed or acknowledged by the owner or trainer of the horse being tested or his or her agent or employee, and may be witnessed by the owner, trainer or other person designated by them. All official test samples shall be sent to the official laboratory approved and designated by the Board, in such manner as the Board may direct. All required samples shall be in the custody of the official veterinarian, his or her assistants or other persons approved by the official veterinarian, from the time they are taken until they are delivered to the custody of the official laboratory.

(b) The Executive Director and the Equine Medical Director shall immediately be notified by the official laboratory of each finding that an official test sample contains a prohibited drug substance, as defined in this article. The official laboratory shall further provide all information and data on which the finding is based to the Equine Medical Director, and shall transmit its official report of the finding to the Executive Director within five working days after the initial notification is made.

(c) The Board has the authority to direct the official laboratory to retain and preserve by freezing samples for future analysis.

(d) The fact that purse money has been distributed prior to the issuance of a laboratory report

shall not be deemed a finding that no drug substance prohibited by this article has been administered, in violation of these rules, to the horse earning such purse money.

Authority: Sections 19420, 19440, 19562 and 19577, Business and Professions Code.

Reference: Sections 19401, 19440 and 19577, Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED ADDITION OF
RULE 1859.1. OUT-OF-COMPETITION TESTING PROCEDURES AND REQUIREMENTS.

1859.1. Out-of-Competition Testing Procedures and Requirements

(a) Official out-of-competition test samples shall be collected under the supervision and direction of the official veterinarian, the Equine Medical Director, or a person designated by the official veterinarian or Equine Medical Director. All blood samples shall be collected by a veterinarian licensed by the Board, or by a veterinary technician licensed by the Board who is acting under the supervision of the official veterinarian or Equine Medical Director.

(b) Upon request of the Equine Medical Director, the Executive Director, the stewards or the official veterinarian, the trainer, owner, or their specified designee shall disclose the location of their horses eligible for out-of-competition testing as described in Rule 1858.

(c) The Board need not provide advance notice to the trainer or owner before arriving at any location, whether or not the location is within a licensed inclosure, to collect official out-of-competition test samples. However, if the trainer, owner, or their specified designee requests that the sample be collected in an alternative location, the Board may, in its sole discretion, collect the sample at an alternative time and location designated by the Board.

(d) The trainer, owner, or their specified designee shall cooperate with the person who collects official out-of-competition test samples on behalf of the Board, which shall include without limitation:

(1) Assisting in the immediate location and identification of the horse;

(2) Making the horse available as soon as practical upon arrival of the person who is responsible for collecting the samples;

(3) Providing a stall or other safe location to collect the samples;

(4) Assisting the person who is collecting samples in controlling the horse; and

(5) Witnessing the taking of samples, including sealing of sample collection containers.

(e) The management and employees of a licensed racetrack or training facility where a horse is located shall cooperate fully with any person collecting official out-of-competition test samples on behalf of the Board. The person who collects samples for the Board may require that the collection be done at a specified location on such premises.

(f) The Board may arrange to have test samples collected from a horse that is physically located outside of California, but otherwise subject to out-of-competition testing pursuant to Rule 1858. Such test samples may be collected by the racing commission or racing authority that regulates the jurisdiction in which the horse is physically located, or by any other person that the Board designates. Such racing commission or other designated person shall follow the collection procedures described in this regulation in order for the sample to be designated an official out-of-competition test sample, except they are not required to comply with the CHRB license and identification requirements described in subsections (a) and (g).

(1) The test results of an official out-of-competition test sample collected outside of California may be made available, at the discretion of the Board, to each racing commission that participates in the process of collecting the sample.

(2) The Board, if requested and in its sole discretion, may permit the trainer, owner or their designee to transport their horse into California for out-of-competition testing at a time and place designated by the Board instead of having the horse tested outside of California.

(g) The person who collects official out-of-competition test samples for the Board shall, at the time of sample collection, provide their CHRB identification and disclose to the owner and/or trainer of the horse that the purpose of the sampling is for out-of-competition testing.

(h) If the trainer or any other person having care and custody of a horse selected for out-of-competition testing refuses or declines to make the horse available for test sample collection, the Board shall attempt to notify the owner and give them the opportunity to make the horse available for immediate testing.

(i) All available records demonstrating the chain of custody for an official out-of-competition test sample shall be made available to the trainer, owner, or their designee, at their request, when a complaint results from an out-of-competition test.

(j) Any licensee who willfully fails to make a horse available for out-of-competition testing, or commits other willfully deceptive acts in connection with out-of-competition testing, or causes interference or obstruction to the sampling process, shall receive a minimum penalty of a one-year license suspension.

(k) A horse that is not made available for out-of-competition testing when requested by the Board in accordance with this regulation shall be placed on the Steward's List for a minimum of 180 days. If the trainer, owner, or their designee refuses to submit their horse for out-of-competition testing based on their assertion that the horse is no longer engaged in horse racing activities, the horse shall be placed on the Steward's List for a minimum of 180 days.

Authority: Sections 19420, 19440, 19562, and 19580, Business and Professions Code.

Reference: Sections 19401, 19440, 19580, and 19583, Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1859.25. SPLIT SAMPLE TESTING.

1859.25. Split Sample Testing.

(a) In addition to the blood, ~~and~~ urine, and other biological official test samples transmitted to the official laboratory for testing as provided in Rules 1859 and 1859.1 of this Article, the Board shall maintain a portion of the official test sample for each horse tested if sufficient sample is available after the official test samples are taken. That portion shall be designated the split sample. The Board makes no guarantee as to the amount of sample which will be available for the split sample. All samples taken by representatives of the Board are under the jurisdiction of and shall remain the property of the Board at all times. The Board shall ensure the security and storage of the split sample.

(b) When the Executive Director or the Executive Director's designee is notified of a finding by the official laboratory that a test sample from a horse ~~participating in any race~~ contained a prohibited drug substance as defined in this Article, the Executive Director, after consulting with the Equine Medical Director or the Equine Medical Director's designee as to the presence of the prohibited drug substance shall notify a Supervising Investigator. The owner and the trainer shall be confidentially notified of the finding by a Supervising Investigator or his/her designee and the owner and trainer shall each have 72 hours from the date he or she is notified to request that the split sample of the official test sample that was found to contain the prohibited drug substance(s) be tested by an independent Board-approved laboratory.

(c) If the owner or trainer wishes to have the split sample tested, he or she shall comply with the following procedures:

(1) The request shall be made on CHRB-56, (Rev. 5/97), Request to Release Evidence, which is

hereby incorporated by reference. CHRB-56 shall be made available at all CHRB offices.

(2) The owner or trainer requesting to have the split sample tested shall be responsible for all charges and costs incurred in transporting and testing the split sample. By signing CHRB-56, the owner or trainer certifies he or she has made arrangements for payment to the designated Board-approved laboratory for laboratory testing services.

(3) Verification of payment for costs incurred in transporting and testing the split sample must be received by the CHRB within five (5) working days from the CHRB receipt of CHRB-56. If such verification of payment is not received, the split sample will not be released or shipped to the Board-approved laboratory designated by the owner or trainer to test the split sample and the owner and trainer will have relinquished his/her right to have the split sample tested. If a complaint issues, the only test results that will be considered will be the results from the Board's official laboratory.

(d) Upon approval by the Executive Director or the Executive Director's designated representative of a valid request on CHRB-56, CHRB-29 (Rev. 5/97), Authorization to Release Split Sample Urine Evidence, or CHRB-29A (Rev. 5/97), Authorization to Release Split Sample Blood Evidence, which are hereby incorporated by reference, shall be completed and the Board shall ensure that the split sample is sent to the designated laboratory for testing.

(1) If the findings by the independent Board-approved laboratory fail to confirm the findings of the prohibited drug substance as reported by the official laboratory, it shall be presumed that the prohibited drug substance was not present in the official sample.

(2) If the findings by the independent Board-approved laboratory confirm the findings of the prohibited drug substance as reported by the official laboratory, the Executive Director shall report these findings to the Board within 24 hours after receiving confirmation of the prohibited drug substance in the split sample.

(e) If the owner or trainer fails to request the testing of the split sample in accordance with the procedures specified in this rule, they shall be deemed to have waived their rights to have the split sample tested.

(f) Results of the official test sample and the split sample shall be, and shall remain, confidential and shall be provided only to the Executive Director or the Executive Director's designee, the Board, the Equine Medical Director or the Equine Medical Director's designee, and to the owner and trainer, unless or until the Board files an official complaint or accusation.

Authority: Sections 19420, 19440 and 19577, Business and Professions Code.

Reference: Sections 19420, 19440 and 19577, Business and Professions Code; and Section 603, Evidence Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1867. PROHIBITED VETERINARY PRACTICES.

1867. Prohibited Veterinary Practices.

For purposes of this division, prohibited veterinary practices means:

(a) The possession and/or use on the premises of a facility under the jurisdiction of the Board of any drug, substance, doping agent, or medication specified below for which a recognized analytical method has not been developed to detect and confirm its administration; or the use of which may endanger the health and welfare of the horse, or the safety of the rider or driver, or alter equine performance.

(1) Erythropoietin (EPO) and analogs;

(2) Darbepoietin and analogs;

(3) Venoms or derivatives thereof~~Snake venom;~~

~~(4) Snail venom;~~

(4~~5~~) Growth hormone and analogs, except platelet rich plasma and autologous conditioned plasma are permitted provided such treatment is pursuant to a valid veterinary prescription made in accordance with all rules and regulations in this division, and the treatment is reported to the Official Veterinarian on form CHRB-60 (Rev. 7/15) (Trainer Medication Report), regardless of whether or not the horse is treated within or outside of a licensed inclosure;

(5~~6~~) Ractopamine and ractopamine metabolites or analogs;~~,~~

(6~~7~~) Zilpaterol and zilpaterol metabolites or analogs;

(7) Aminoimidazole carboxamide ribonucleotide (AICAR);

(8) Hemopure;

(9) Myo-Inositol Trispyprophosphate (ITPP);

(10) Oxyglobin;

(11) Thymosin beta;

(b) The possession and/or use on the premises of a facility under the jurisdiction of the Board of any drug, substance or medication that has not been approved by the United States Food and Drug Administration (FDA) for use in the United States.

(c) The presence of any drug, substance or medication described in subsections (a)(1) through (a)(~~5~~13), and subsection (b) of this regulation in any test sample obtained consistent with Rules 1858, 1859, 1859.1, and 1859.25 of this article, and the provisions of this article, shall apply to such sample in the same manner as if the horse were entered to race (See Title 4, California Code of Regulations, section 1843.3). The Board may grant an exception to this subsection if the person or persons seeking the exemption submits written documentation that demonstrates an FDA exemption has been obtained pursuant to Guide 1240.3025 of the FDA Center for Veterinary Medicine (CVM) Program Policy and Procedures Manual, which is hereby incorporated by reference. Guide 1240.3025 of the FDA CVM Program Policy and Procedures Manual may be obtained at the California Horse Racing Board's headquarters office.

Authority: Sections 19440, 19562, 19580, and 19582, Business and Professions Code.

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

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED ADDITION OF
RULE 1869. PROHIBITED DRUG SUBSTANCES IN OUT-OF-COMPETITION TESTING.

1869. Prohibited Drug Substances in Out-of-Competition Testing

(a) In addition to those drugs, substances, doping agents, and medications described in Rule 1867(a), the following substances are prohibited from being present in any official out-of-competition test sample collected in accordance with Rules 1859, 1859.1, and 1859.25:

(1) Anabolic androgenic steroids and their metabolites and isomers, except naturally occurring endogenous anabolic steroids as authorized in Rule 1844;

(A) Notwithstanding the foregoing, anabolic androgenic steroids may be used in a horse that is out-of-competition, provided that:

(i) The anabolic agent has been approved by the United States Food and Drug Administration (FDA) for use in the United States;

(ii) The administration is pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division;

(iii) The administration is reported to an Official Veterinarian within seventy-two (72) hours by the trainer or owner on form CHRB-60 (Rev. 7/15) (Trainer Medication Report), which is hereby incorporated by reference, regardless of whether or not the horse is treated within or outside of a licensed inclosure;

(iv) The horse remains on the Veterinarian's List for a minimum of six months following the administration of the anabolic androgenic steroids, and shall be removed from the list only after the horse demonstrates, to the satisfaction of the official veterinarian or the racing veterinarian, that it is raceably sound and in fit physical condition to exert its best effort in a race by performing satisfactorily

in a workout or qualifying race. Additionally, a blood, urine and/or other biological test sample taken after such workout or qualifying race shall be free of all prohibited substances described in Rule 1843 before the horse can be removed from the Veterinarian's List.

(2) The following anabolic agents: selective androgen receptor modulators, tibolone, and zeranol;

(3) Erythropoietin-Receptor agonists;

(4) Hypoxia-inducible factor stabilizers, except out-of-competition blood samples may contain cobalt in an amount that does not exceed 50 nanograms per milliliter;

(5) Chorionic Gonadotropin and Luteinizing Hormone and their releasing factors;

(6) Corticotrophins and their releasing factors;

(A) Notwithstanding the foregoing, adrenocorticotropic hormone (ACTH) may be used in a horse that is out-of-competition, provided that:

(i) The substance has been approved by the FDA for use in the United States;

(ii) The administration is pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division;

(iii) The administration is reported to an Official Veterinarian within seventy-two (72) hours by the trainer or owner on form CHRB-60 (Rev. 7/15) (Trainer Medication Report), regardless of whether or not the horse is treated within or outside of a licensed inclosure.

(7) Beta-2 agonists, including all optical isomers;

(A) Notwithstanding the foregoing, clenbuterol and albuterol may be used in a horse that is out-of-competition, provided that the administration is pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division.

(8) The following aromatase inhibitors: aminoglutethimide, anastrozole, androsta-1,4,6-triene-3,17-dione (androstatrienedione), 4-androstene-3,6,17 trione (6-oxo), exemestane, formestane, letrozole, testolactone;

(9) The following selective estrogen receptor modulators: raloxifene, tamoxifen, toremifene;

(10) The following anti-estrogenic substances: clomiphene, cyclofenil, fulvestrant;

(11) The following agents modifying myostatin function(s): myostatin inhibitors;

(12) The following metabolic modulators: activators of the AMP-activated protein kinase, Peroxisome Proliferator Activated Receptor δ (PPARδ) agonists, insulins, trimetazidine, Thyroxine, and thyroid modulators/hormones containing T4 (tetraiodothyronine/thyroxine), T3 (triiodothyronine), or combinations thereof.

(A) Notwithstanding the foregoing, Thyroxine (T4) shall not be considered a prohibited substance provided that such treatment is made pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division.

(B) Additionally, notwithstanding the foregoing, altrenogest shall not be considered a prohibited substance in fillies and mares, provided that such treatment is made pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division.

(13) The following diuretics and masking agents: desmopressin, furosemide , plasma expanders, probenecid, torsemide, acetazolamide, amiloride, bumetanide, canrenone, chlorthalidone, etacrynic acid, indapamide, metolazone, spironolactone, thiazides, triamterene, trichlormethiazide, vasopressin receptor antagonists, and vaptans.

(A) Notwithstanding the foregoing, furosemide and trichlormethiazide may be used in a horse

that is out-of-competition, provided that the administration is pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division.

(B) Additionally, notwithstanding the foregoing, the above diuretics may be administered in an emergency situation in order to safeguard the health of the horse, provided that such treatment is:

(i) Made pursuant to a valid veterinary prescription, and both the administration and prescription are carried out in accordance with all rules and regulations in this division, and

(ii) The administration is reported to the Official Veterinarian on either form CHRB-60 (Rev. 7/15) (Trainer Medication Report) by the trainer, or on form CHRB-24 (Rev. 7/15) (Veterinarian Report), which is hereby incorporated by reference, by the treating veterinarian within twenty-four (24) hours.

(b) Therapeutic substances that are not otherwise prohibited pursuant to this regulation are permitted for use when a horse is out-of-competition, provided such substances have been approved by the FDA for use in the United States, and are prescribed and administered in accordance with all applicable federal and state laws and regulations, including all CHRB rules and regulations.

(c) A finding by the official laboratory that an official out-of-competition test sample taken from a horse contains a drug substance or its metabolites or analogues which is prohibited under this regulation shall be prima facie evidence that the trainer and/or any other licensee responsible for the care of the horse has/have been negligent in the care of the horse and is prima facie evidence that the drug substance has been administered to the horse. In such an event, the trainer, owner, foreman in charge of the horse, groom, and/or any other person shown to have had the care or attendance of the horse may be fined, and/or have his/her license suspended or revoked.

(1) The trainer is the absolute insurer of and responsible for the condition of the horses under

his/her care while such horses are physically located within a licensed inclosure, regardless of the acts of third parties, except as otherwise provided in this article.

(2) The owner of a horse that is not physically located within a licensed inclosure and is not under the care and custody of another person licensed by the Board shall be the absolute insurer of and responsible for the condition of the horse, regardless of the acts of third parties.

(3) The defenses described in Rule 1888 shall be available to any person charged with a violation of this regulation.

(c) The Board, the board of stewards, the hearing officer, or the administrative law judge shall assess a penalty for violation of this section based upon the classifications and penalties set forth in Rules 1843.2 and 1843.3.

(d) A race day prohibition or restriction of a substance under this Article is not applicable to an out-of-competition test unless otherwise stated.

Authority: Sections 19420, 19440, 19562, and 19580, Business and Professions Code.

Reference: Sections 19440, 19580 and 19583, Business and Professions Code.

MEETING

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of)

)

Medication, Safety and)

Welfare Committee)

)

SANTA ANITA PARK RACE TRACK

285 WEST HUNTINGTON DRIVE

ARCADIA, CALIFORNIA

WEDNESDAY, FEBRUARY 22, 2017

11:00 A.M.

Reported by:

Martha Nelson

APPEARANCES

COMMITTEE MEMBERS

Madeline Auerbach, Chair

Alex Solis, Commissioner

STAFF

Rick Baedeker, Executive Director

Jacqueline Wagner, Assistant Executive Director

John McDonough, Staff Counsel

Phil Laird, Staff Counsel

Rick Arthur, Equine Medical Director

Mike Marten, Associate Analyst

ALSO PRESENT

Darrell Haire, Jockeys' Guild

Josh Rubenstein, Del Mar Thoroughbred Club

Tom Robbins, Del Mar Thoroughbred Club

Greg Avioli, Thoroughbred Owners of California

Elizabeth Morey, Thoroughbred Owners of California

Tom McCarthy, Safety Steward, Cal Expo

Ryan Carpenter, Veterinarian

Jeff Blea, Veterinarian

Alan Balch, California Thoroughbred Trainers

Dino Perez

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2. Discussion and action regarding the proposed amendment to CHRB Rule 1469, Safety of Race Course, to prohibit an association from using the racing surface, (dirt or turf), for any purpose, other than renovation, maintenance, and training for at least 30 days prior to the start of a race meeting or at least 60 days prior to Breeders' Cup Championship events at its race meeting. --

3. Discussion and action regarding the proposed amendment to CHRB Rule 1588, Horse Ineligible to Start in a Race, to provide that a horse that has not raced for a specified number of consecutive days at a recognized race meeting is ineligible to enter a race until such horse has satisfactorily completed enhanced testing or evaluation and has been declared eligible to start by the Official Veterinarian. 24

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Testing, to incorporate the Association of Racing Commissioners International (ARCI) model rule for out-of-competition testing into the CHRB's rules and regulations.

6. Discussion and action regarding the proposed addition of CHRB Rule 1868, Authorized Medication During Workouts, to establish threshold limits for the presence of certain drug substances and medication in official test samples taken from horses after they complete a timed workout. 47

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1 without causing any detrimental process to occur, that's a
2 completely different thing.
3 So, I think we need to have a lot more discussion
4 about the stacking because I think we need to define what
5 stacking is quite honestly.
6 CHAIR AUERBACH: Thank you, Jeff. Okay.
7 EXECUTIVE DIRECTOR BAEDEKER: Now, we're going
8 back.
9 CHAIR AUERBACH: Now, we're going back. So, we
10 got rid of what I thought was the hardest. Now, this one
11 is, this is totally beyond me, Number 5. I'm not even
12 going to -- well, I will read it. Okay.
13 "Discussion and action regarding the proposed
14 amendments to CHRB Rules 18 -- "
15 Oh, I'm sorry. Did anybody else have anything
16 else they wanted to say on what we've done so far? Any
17 confusion we need to clear up? Okay. Thank you.
18 "Discussion and action regarding the proposed
19 amendments to CHRB Rules 1858, Test Sample Required; 1859,
20 Taking, Testing and Reporting of Samples; 1859.25, Split
21 Sample Testing; 1867, Prohibited Veterinary Practices; and
22 the proposed addition of CHRB Rules 1859.1,
23 Out-of-Competition Testing Procedures and Requirements; and
24 1869, Prohibited Drug Substance in Out-of-Competition
25 Testing, to incorporate the Association of Racing

1 Commissioners International (ARCI) model rule for
2 out-of-competition testing into CHRB's rules and
3 regulations."
4 And I made the mistake of reading all this stuff
5 and I have never been so confused in my life.
6 And so, now, Phil will explain what he did and
7 why he did it.
8 EXECUTIVE DIRECTOR BAEDEKER: And once again, I'm
9 going to preface you, Phil, by saying that it's more
10 complicated than we'd like it to be, but it's simply the
11 process.
12 If you look at the model rule that was passed by
13 ARCI, which took input of work from over two years by RMTC,
14 also incorporated the input of the National HBPA, that
15 veterinary organization called NARV, and many others,
16 including a committee that Dr. Arthur and I participated in
17 along with our colleagues from Kentucky and New York and
18 Maryland and other states, and then, of course, bringing it
19 altogether to ARCI, it actually resulted in a fairly
20 straightforward understandable rule that included, not only
21 the processes for taking out-of-competition tests, but also
22 some penalties for not participating, and then also
23 some -- a strict delineation of prohibited drugs as well as
24 exceptions for some of those prohibited drugs. And that's
25 the easy part.

1 The difficult part is coming back to the State of
2 California and incorporating every one of those measures
3 into the existing rules and regulations that we already
4 have.
5 So, when you look at this item and you see that
6 there are multiple rules that are being modified, it's
7 because we need to end up with a hybrid of what we already
8 have and the new measures that will be incorporated into
9 those existing rules.
10 With that, I'll give it to you, Phil. Good luck.
11 STAFF COUNSEL LAIRD: Phil Laird CHRB staff.
12 And, unfortunately, I think I've lost our
13 Chairwoman here, so I'm not going to be able to help her.
14 But, yeah, essentially, as you said, we were
15 trying to maintain as much of the ARCI model rules as we
16 could. Much of that really to the horsemen and horse
17 owners' benefit. There are things in here from a regulator
18 standpoint that would be easier if they weren't. But,
19 again, we're trying to maintain this in all fairness to
20 everybody who participate in this multiyear process to
21 really bring this kind of in its full structure into
22 California.
23 Furthermore, as Mr. Baedeker said, California
24 regulations already are complex when it comes to how we
25 test and analyze medication use, the requirements around

1 it, and then the penalties. I mean, we take a whole
2 article of it in our rule book. So, to be honest, only
3 amending the regs we did is pretty good, in my opinion.
4 But to kind of just guide hopefully everybody's
5 understanding and to give a brief overview of the purpose
6 with what we've done with each rule, I'll just do a very
7 brief overview.
8 So, beginning the amendment to Rule 1858, Test
9 Sample Required. Again, this is the -- has always served
10 as the Board's sort of broad purview for the testing it
11 does already. And what this did is it basically built in
12 the out-of-competition aspects that weren't already there
13 and then further clarified who is subject to testing, which
14 horses are subject to testing, again in line with ARCI
15 standards. And to that point, quickly before I move on, I
16 just also want to say this benefits everyone in the extent
17 that, you know, more states that adopt the ARCI's structure
18 and model here, horsemen can then expect the same thing.
19 So, a horse that is an eligible to be tested in California,
20 will then be eligible to be tested in Kentucky and New
21 York. It will be the same. We're trying to work with the
22 kind of national concept here.
23 So, anyways, moving back through Rule 1858 again
24 essentially just defines what out-of-competition is and who
25 is eligible to be tested under that rule.

1 Rule 1859, Taking, Testing and Reporting of
2 Samples, really just makes minor technical changes to
3 further incorporate what's sort of general discussion about
4 how we test and report samples and apply it to these
5 out-of-competition testing samples we'd be taking in the
6 future.
7 More substantive change would be the addition of
8 Rule 1859.1, Out-of-Competition Testing Procedures and
9 Requirements. And this again, though, is really one that I
10 think is in large part to the benefit of horsemen. As
11 everybody knows, CHRB already conducts out-of-competition
12 testing to an extent. But it really at this point is for
13 research and analysis purposes. There's little occasion
14 for us to take action on those results. With there being
15 sort of a more built-in structure here, more stringent
16 requirements on what medications can be used and not used,
17 this gives horsemen a very clear understanding of exactly
18 how testing will be conducted by California.
19 Moving on then to Proposed Rule 1859.25, that
20 amendment, again, a benefit I would say to everybody else,
21 all the licensees, extends the split sample option to
22 out-of-competition testing.
23 Then the amendment to proposed -- or to Rule
24 1867, Prohibited Veterinary Practices. This rule has
25 always been on the books, but, again, it extends to a few

1 additional medications to, again, bring us into compliance
2 with ARCI. But, again, this has always been there, and
3 it's the concept that these are the medications that
4 whether they're detected in a post-race sample or an
5 out-of-competition test sample or even if they are found on
6 the back side in a jar, you know, these are the medications
7 that we don't want to see at all here in our racing
8 enclosures.
9 EQUINE DIRECTOR ARTHUR: These are not only
10 prohibited in the horse, they are prohibited on the back
11 side.
12 STAFF COUNSEL LAIRD: And then the final rule,
13 being the proposed addition of Rule 1869 then is to list
14 what specific to out-of-competition testing is prohibited,
15 or if it's not prohibited, at least for certain
16 medications, what the special requirements are to use
17 those. So, for instance, just on the first page of that,
18 anabolic androgenic steroids are permitted, however if they
19 are used -- they can't appear in out-of-competition test
20 samples unless certain steps have been taken. And the
21 point being, certain drugs in here we want to allow but we
22 think there are special circumstances that need to be
23 observed when a horseman chooses to medicate a horse with
24 that particular substance.
25 EQUINE DIRECTOR ARTHUR: The analogy would be the

1 Therapeutic Use Exception in Olympic testing, and if we
2 want to get into this, I'll explain the genesis of the
3 prohibited list. But why don't you go ahead?
4 STAFF COUNSEL LAIRD: Well, so, anyways, I may
5 have confused people more than I helped them. But, again,
6 I'm happy to answer specific questions. But I really do
7 believe that everything that you see before you was in the
8 best interest of kind of meeting the demands of this pretty
9 robust ARCI model rule that then also fairly incorporating
10 it into CHRB's existing regulations.
11 CHAIR AUERBACH: So, the most substantive thing,
12 I believe I'm not overstating it, that we see here will be
13 the six-month ban on the use of steroids?
14 EXECUTIVE DIRECTOR BAEDEKER: Anabolic steroids.
15 CHAIR AUERBACH: Is that correct?
16 EXECUTIVE DIRECTOR BAEDEKER: Yes.
17 CHAIR AUERBACH: That would be the most
18 substantive thing we're talking about here?
19 EQUINE DIRECTOR ARTHUR: Yeah, the anabolic
20 steroids will be the most substantive change. But don't
21 forget, in 2016, I think we only had 30-some
22 administrations of anabolic steroids in thoroughbreds in
23 California. And this actually mimics international
24 standards, even though they like to believe not. And what
25 it does do is it allows the use of an anabolic steroid if a

1 horse has a debilitating illness, which is actually what
2 they are designed for. So --
3 CHAIR AUERBACH: Well, but the point is that even
4 in those 36 instances, however it was used, it's important
5 for people to be aware that once you administer that form
6 of medication that you're guaranteed you got to be off of
7 racing for six months. I think it's important that
8 everybody understands that.
9 EQUINE DIRECTOR ARTHUR: That's right. And you
10 also will have to be tested before you get off the list.
11 CHAIR AUERBACH: Okay. Anybody have any
12 comments? Anyone?
13 Here we go. The ringleader.
14 MR. BALCH: I hope not. Alan Balch, California
15 Thoroughbred Trainers.
16 Well, I have a lot to say but I'm not sure that
17 you want to hear all of it, so let me summarize. And then
18 if you want the details, obviously, I'm prepared to do
19 that.
20 In conjunction with corticosteroid rule, there
21 was a phrase used in why it was so successful when it was
22 introduced and it was a "pre-regulation educational
23 effort," quote, unquote, from the staff analysis. And I
24 think that is certainly indicated for this advancement of
25 the out-of-competition testing rule. We really need a

1 pre-regulation educational effort. Whether that can be
2 done before the Board puts this out or not is obviously up
3 to you.
4 CTT supports out-of-competition testing. We have
5 no reservations about out-of-competition testing
6 generically, but we do have some specific problems and we
7 do think that this will raise so many questions that we
8 should really have a workshop of vets, owners, and farm
9 managers, because one of the things -- and I've, as Dr.
10 Arthur knows -- I've been attending the RMTC meetings where
11 this has been discussed. And we did vote in favor of a
12 version of this at least one time, but I expressed the same
13 reservations in the RMTC meetings that I'm going to express
14 now because I do think this widens the regulatory circle so
15 much that a lot of people when they look at this their eyes
16 glaze over and they just say, "Wait a minute, how are we
17 going to be responsible for this." We, the owner; we, the
18 farm manager. Whoever. So, I can go through some details
19 now if you'd like or stop for more discussion. Whatever
20 you suggest.
21 CHAIR AUERBACH: Well, the only thing I thought
22 was really noteworthy was what I indicated, because I
23 hadn't really gone into it. The truth of the matter is, is
24 that most of this was done to get regulations that we had
25 in compliance with the RMTC rules.

1 MR. LAIRD: Or the ARCI.
2 CHAIR AUERBACH: Excuse me, ARCI rules.
3 EXECUTIVE DIRECTOR BAEDEKER: Which are RMTC.
4 CHAIR AUERBACH: Okay. Same difference.
5 But, so, that California would be -- and,
6 actually, I don't think we've really made anything more
7 daunting or more difficult to deal with, have we, Dr.
8 Arthur?
9 EQUINE DIRECTOR ARTHUR: No.
10 CHAIR AUERBACH: So, we're trying to bring them
11 in line. And I think what we should do is move this along
12 because these things take so long. You will have plenty of
13 time to dissect, refold, revisit, but I think we should
14 just move this along because we're not suggesting anything
15 that is so beyond what we should be doing. And if we don't
16 start somewhere, we'll never get it done. It's just that
17 all-encompassing, in my view.
18 EXECUTIVE DIRECTOR BAEDEKER: Okay. Well, let me
19 make then a couple of more broad points that I'm
20 sure -- well, there may be other people.
21 CHAIR AUERBACH: I mean, that's just my opinion.
22 I'm waiting to hear from somebody else.
23 EXECUTIVE DIRECTOR BAEDEKER: Well, there may be
24 others here who want to speak on this, too. Let me just
25 point to a couple of things.

1 First of all, the out-of-competition for equines,
2 there's an attempt, and it's a very laudable attempt, to
3 pattern it after what I think Dr. Arthur referred to as the
4 WADA or USADA protocols for out-of-competition testing for
5 humans. And that is laudable. But there's a huge
6 difference, of course, and that is any human is responsible
7 for anything that human ingests. Horses are a much
8 different thing. They travel from here to there. And the
9 point that I've made repeatedly at RMTC is that
10 establishing the responsible person for a horse's condition
11 once he's outside the enclosure is inherently problematic.
12 And I think there's been an attempt, and I think
13 it's a pretty good attempt, to try to define who may be
14 responsible for that horse, but whether it's to the RMTC or
15 the ARCI or to this Board, I would encourage you to pay
16 close attention to it because I think it needs some more
17 work. Let's just put it that way.
18 There's one other -- one or two other additional
19 things that I think need your attention. And on Page 5.7,
20 5-7, 1859, we see added now to drug testing, medication
21 testing, this phrase, "biological official test sample."
22 Right now, urine and blood are the official test samples.
23 A biological -- adding the word "biological" is a very
24 broad description. Presumably, in discussions that I've
25 heard, that's meant to encompass hair testing. And the

1 racing community, generally speaking -- well, I'll speak
2 for our constituents. The training community wants to see
3 that defined because so far, so far as we know, there is no
4 standard set for measuring quantities, times, and so forth
5 for hair testing. Just the fact that something has been
6 administered to a horse may appear in the hair. So, we
7 believe that needs a lot more definition to be precise.
8 On Page 5.9, the practical application of
9 disclosing where horses are I think needs quite a bit of
10 attention, as does the whole cross-jurisdictional issues on
11 the next page, that is testing California horses out of
12 California and where those horses will come, how they would
13 be brought back. Those tend to be ministerial matters, but
14 I think they're important ministerial matters.
15 We have the phrase "other biological official
16 test samples" also at Page 5-12. And on the prohibited
17 veterinary practices -- I think we've lost all our
18 vets -- but that's something else that I personally see --
19 CHAIR AUERBACH: Alan, you got two vets back
20 there.
21 MR. BALCH: Oh, good, they're here. Oh, I
22 thought they were going to leave. I'm glad they're here.
23 So, I think, obviously, I'm not capable of
24 talking about those lists and what's appropriate for
25 therapeutic use versus not therapeutic.

1 On Page 521, you have the whole responsibility
2 issue, which is tackled, and I think that's raised concern
3 of trainers as well as owners because of this issue that I
4 mentioned briefly before: At what point is who responsible
5 for this horse where these horses are being shipped to
6 lay-up locations? And I think that really needs a lot of
7 attention. I'm not saying this is incorrect. I'm not
8 saying it could be improved, although I guess anything can
9 be improved. But if you read this carefully, owners and
10 trainers who have read this have expressed reservations
11 about how they may be responsible or may be held
12 responsible for something that they are not responsible
13 for.
14 Within the enclosure, we're familiar obviously
15 with the absolute insurer rule. Within the enclosure, the
16 trainer is responsible absent mitigating circumstances that
17 can be demonstrated. But when you're talking about
18 shipping horses to other locations away from the track, the
19 big question is, when does a trainer stop being
20 responsible, when does an owner, a foreman, a groom, a farm
21 manager, or somebody else become responsible?
22 So, that's -- I could go on for a long time, but
23 that gives you the gist.
24 Thank you.
25 EXECUTIVE DIRECTOR BAEDEKER: Isn't it pretty

1 clear, though, on 521, Paragraph 1 and 2, it says, "The
2 trainer is the absolute insurer of and responsible for the
3 condition of the horses under his or her care while such
4 horses are physically located..." as you just said,
5 "...within a licensed enclosure regardless of the acts of
6 third parties except as otherwise provided in this article.
7 Two, the owner of a horse that is not physically located
8 within a licensed enclosure and is not under the care and
9 custody of another horse licensed by the Board shall be
10 absolute insurer of and responsible for the condition of
11 the horse."
12 We have the same situation now, do we not, where
13 it's our rules stipulate that inside the enclosure the
14 trainer is the absolute insurer, but in the adjudication
15 process that could be mitigated by whatever circumstances
16 are brought into evidence? And isn't -- wouldn't that also
17 apply to both of these paragraphs?
18 MR. BALCH: Well, the point that I've made at the
19 RMTC meetings is, the purpose of out-of-competition testing
20 is to deter bad behavior and to identify a person
21 responsible for the bad behavior, not to catch innocent
22 people in the course of their business.
23 I believe we need to write a rule that does that,
24 and that's very difficult to do. Go up a paragraph to C.
25 "A finding by the official lab..." et cetera, "...shall be

1 prima facia evidence that the trainer and/or any other
2 licensee responsible for the care of the horse has been
3 negligent in the care of the horse and is prima facia
4 evidence that the drug substance has been administered to
5 the horse. In such an event, the trainer, owner, foreman
6 in charge of the horse, groom, and/or any other person
7 shown to have had the care or attendance of the horse may
8 be find and/or have his or her license suspected or
9 revoked."
10 Now, we know why that's there, because we do not
11 want anybody who is responsible for administering a
12 nefarious substance to a horse to get away with it. But by
13 the same token, how are we going to identify this in the
14 case of horses?
15 In the case of humans, it's very clear: The
16 human is responsible for his or her own body. With a
17 horse, it's much more difficult.
18 Now, Dr. Arthur would know better than I whether
19 there is successful out-of-competition testing for equines
20 in an environment like we have in the United States where
21 horses are going every which way all the time. I don't
22 know of any, but they may exist.
23 I know within the non-racing equestrian sport, it
24 is extremely difficult, and I don't know even know if it
25 exists because of the same reasons.

1 EXECUTIVE DIRECTOR BAEDEKER: One of the issues
2 here is that, as you are already aware, because this was
3 really a national effort, there was a lot of focus on a
4 particular situation in the northeast. We have multiple
5 jurisdictions that butt up against each other. You also
6 have, particularly in the case the harness racing, you have
7 a lot of training being done at private facilities. So,
8 they actually contempt made doing quite a bit of
9 out-of-competition testing outside of the enclosure of the
10 racetrack. That's not the case here. We almost never do
11 it outside the enclosure of the racetrack here.
12 So, to get bogged down in language that I
13 understand could affect somebody, but it probably will not
14 affect California licensee, personally, I don't think it's
15 sufficient reason to hold the whole thing up.
16 MR. BALCH: I'm not suggesting that we hold it
17 up. I want to emphasize that we favor out-of-competition
18 testing. We absolutely favor out-of-competition testing,
19 but we want to make sure that it is as tight as it can
20 possibly be so that those who are innocent or not
21 responsible for bad behavior are not tagged with it.
22 And that's, in my opinion, going to be difficult
23 to do. Maybe this does it, but I'm just calling this
24 concern to your attention because we favor meaningful,
25 enforceable out-of-competition testing.

1 The biological test sample issue is something,
2 again, needs more study. We haven't concentrated on that,
3 but as far as I know there are no scientific standards yet
4 set for other than -- and it's not in our -- in the rest of
5 our racing law for anything other than blood and urine.
6 EXECUTIVE DIRECTOR BAEDEKER: Well, they don't
7 call it the spit box because they only took blood and urine
8 when testing first originated, Alan. You might be able to
9 remember that.
10 Dr. Stanley could certainly -- you know, hair is
11 a legitimate forensic sample to take. And I think the
12 concern over here, it's going to be a very powerful tool.
13 I think it certainly has been very beneficial at
14 Los Alamitos. It will be very useful for a unique set of
15 drugs. We have Dr. Stanley here, and he could comment on
16 the forensic validity of hair testing.
17 STAFF COUNSEL LAIRD: While Dr. Stanley is coming
18 up, I did just want to point out real quickly, and I'm sure
19 Alan is aware of this, but the rule does extend the
20 protections of Rule 1888 to people that would be accused of
21 a violation, so owners or trainers under this rule. One of
22 the defenses being if this they show by a preponderance of
23 the evidence that they made every reasonable effort to
24 protect the horses in their care from tampering by
25 unauthorized persons. Now, obviously, that's kind of a

1 sliding-scale standard, but, you know, to the extent we,
2 CHRB, were to see people really putting an effort into
3 protecting horses and still a test came out positive for
4 something they didn't know about, you know, there are
5 avenues for defenses for that. So, I -- the rule does
6 contemplate that to an extent, but that's subject to
7 further discussion I'm sure we'll have, Mr. Balch.
8 DR. STANLEY: Scott Stanley, UC Davis.
9 Just to clarify on the hair testing, we've been
10 actually doing testing for equine hair samples for several
11 years now. We conducted a workshop over a year ago for
12 other laboratories within the U.S. so that others can have
13 that same capability and skill.
14 We feel very strongly that it has a lot of added
15 value in our testing program for prohibited substances.
16 It's not intended to replace blood or urine testing. It's
17 complementary. It's an additional tool that we have that
18 we can find out potentially if someone is using a
19 prohibited substance. If it's a medication that they
20 either haven't recorded properly or shouldn't be using at
21 all, those are the targets of hair testing. It's not meant
22 to go back and test for a therapeutic substance for many
23 months. It's meant to look for compounds that are not
24 acceptable in racing.
25 We primarily have used it for anabolic steroids

1 and for even more Clenbuterol in the quarter horses, and
2 it's provided a very effective tool to eliminate that for
3 Los Alamitos and other quarter horse jurisdictions.
4 So, I think it's very valuable and I think the
5 addition of the wording in this rule will help us in order
6 to utilize that more often.
7 EXECUTIVE DIRECTOR BAEDEKER: Dr. Stanley, I'm
8 not sure that I understand this question necessarily. But
9 in using hair follicle testing, does it better enable you
10 at all to isolate new substances and perhaps those that,
11 you know, we're not testing for in blood and urine, that
12 some new snake venom type thing that somebody has come up
13 with? Is there any benefit to detecting those through hair
14 follicle testing or not?
15 DR. STANLEY: It has a possibility. I can't say
16 right now that we have the legacy of information from hair
17 testing that allows us to look back and say, "Well, we were
18 able to discover a new peptide treatment or some other
19 growth promoting" in that fashion. But by having a hair
20 sample, we know that we can look back much longer than we
21 can in a blood or urine sample. So, it certainly has a
22 strong potential to deliver that in the future.
23 CHAIR AUERBACH: Okay. Thank you.
24 Anyone else wish to opine?
25 MS. MOREY: Elizabeth Morey, TOC.

1 I would just like to echo Mr. Balch's sentiments
2 that we do support out-of-competition testing and also the
3 RMTC efforts. This is a lot of material, and I'm sure as
4 it moves through the process we'll be continuing to have
5 discussions with our Board and may have further questions.
6 With respect to Mr. Baedeker's point that much of
7 the regulation as it discusses out-of-state testing is much
8 more relevant to the East Coast, I did have one question
9 for staff.
10 Both the ARCI and the CHRB rules allow for
11 testing on horses out of state. The ARCI rule, it looked
12 like it did have restrictions that those were just horses
13 training out of state that were intending to run in the
14 jurisdiction, and I didn't see anything comparable to that
15 in the CHRB rule. I was just wondering if staff could
16 comment.
17 EQUINE DIRECTOR ARTHUR: That's actually already
18 in the rule that we can test horses that are nominated, for
19 horses that are going to race in California, that's already
20 in the rule. And it's the basis for our doing the
21 out-of-competition testing, in essentially France, England,
22 Ireland, in numerous states for Breeders Cup. So, that's
23 already there. This may be why it doesn't look different.
24 But, you know, there is a national effort to
25 standardize some of these processes. We take samples for

1 Kentucky and New York for their big races, and
2 vice-a-versa. So, you know, it is going to be part and
3 parcel going forward.
4 Did I answer your question, Liz?
5 MS. MOREY: Yes and no, and maybe it's something
6 we can clarify outside the meeting, too.
7 I guess my question is, could the CHRB require a
8 test on a horse that was training out of state that was not
9 nominated to a stakes race or otherwise intending to run in
10 California?
11 EQUINE DIRECTOR ARTHUR: If he met the criteria
12 of the races, and I don't have it in front of me, maybe
13 Phil does, if he met the criteria that allows us to test
14 that horse, and there's a list of what those criteria are,
15 they have to meet that criteria. We couldn't just go test
16 a horse in Idaho because we wanted to. I mean, he has to
17 meet whatever that criteria is.
18 What section is that?
19 STAFF COUNSEL LAIRD: So, the criteria can be
20 found on Page 55 under Rule 15 -- or 1858, under
21 Subsection -- new Subsection C. It lists every horse.
22 But I have to kind of point out here, you know,
23 one of the broader aspects or eligibility components is if
24 it's a horse owned by a licensed owner in California. And
25 while I understand there may be intents not to run horses,

1 what we're trying to prohibit is a horse that maybe was
2 never intended to run in California that was receiving
3 medications that otherwise would have been prohibited in
4 California that then the owner one day decides to ship in
5 and race here.
6 So, I understand the concern, but I think
7 we -- we were trying to address every reasonable
8 possibility that a horse that is out of state would
9 be -- could potentially come race here, one of which being
10 that the horse is owned by a California licensed owner.
11 EQUINE DIRECTOR ARTHUR: You know, one of the
12 things that I would like to point out that, you know, for
13 the most part, what we really do in drug testing in horse
14 racing is medication control. We seldom get doping agents
15 that -- involved in drug positives. And what we're trying
16 to do, and just like the human sport, where 60 percent of
17 their testing is out-of-competition testing, these are
18 really doping drugs. We've made exceptions for those drugs
19 that are used, properly used, in horse racing from the WADA
20 prohibited list, but what we're really trying to do is
21 doping agents. And, frankly, there's -- when you look at
22 the list of these drugs, most people have never heard of
23 them. And neither have I, and I live and die this stuff.
24 So, you know, there's -- you're going to have to
25 work. You're going to have to try to dope a horse to get

in trouble.

MS. MOREY: All right. Well, again, just to reiterate, we support out-of-competition testing and look forward to further discussions on this.

CHAIR AUERBACH: Thank you.

Darrell?

MR. HAIRE: Darrell Haire, Jockey's Guild.

The Jockey's Guild does support testing, competition testing, and using the RMTC guidelines.

EXECUTIVE DIRECTOR BAEDEKER: Thank you.

MR. PEREZ: Good afternoon, Dino Perez with Pacific Coast Quarter Horse.

We just want to reiterate that we are in favor of the out-of-competition testing as well and urge the Board to continue.

Thank you.

CHAIR AUERBACH: Anyone else?

No. Okay. Thank you very much.

We will pass this along to the Board with our recommendation to proceed with that.

And this is the best meeting I've ever been a part of, CHRB. I'm very excited about everybody wanting to get together and do things right and do it well. And I am gratified that our community is rallying around us now. I feel like we have a sense of purpose and camaraderie. And

1 I want to thank everybody for being here. And I want to
2 urge you to continue to weigh in on everything we put out
3 with these things because racing depends on it and our
4 survival depends on it. So, thank you.
5 EQUINE DIRECTOR ARTHUR: Madam Chairman, I would
6 like to reiterate something that the Executive Director
7 said: If somebody else has ideas that they we're missing
8 to solve this problem --
9 CHAIR AUERBACH: Let us know.
10 EQUINE DIRECTOR ARTHUR: -- we're all ears.
11 CHAIR AUERBACH: And I do always invite -- and I
12 did forget to do that today -- any other issues that we are
13 not addressing that you think are important to please let
14 us know and we're happy to delve into it. I think without
15 staff doing all this work and getting all this done, I
16 don't think we would have gotten as far as we did today. I
17 know we wouldn't because everybody would be, "Well, let
18 someone else handle it." And I think now that everybody
19 realizes that there isn't someone else, there's just us, so
20 we got to handle it.
21 So, thank you everybody very much.
22 (Off the record at 1:27 p.m.)
23
24
25

CERTIFICATE OF REPORTER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of March, 2017.

MARTHA L. NELSON, CERT**367

CERTIFICATE OF TRANSCRIBER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.

Martha L. Nelson

MARTHA L. NELSON, CERT**367

March 1, 2017

Guide to
Public Participation in the Regulatory Process

Office of Administrative Law

INTRODUCTION

In California, laws are enacted by the Legislature and are called "statutes". Often times, the Legislature enacts statutes that allow or require a state agency in the Executive Branch to adopt "regulations". A "regulation" is a policy or procedure affecting the public or any segment of the public that implements, interprets, or makes specific a statute the state agency enforces or administers. Unless expressly exempted, state agencies must follow the procedures and requirements set forth in the California Administrative Procedure Act (Government Code § 11340 *et seq.*) (APA) and rules adopted by the Office of Administrative Law (OAL). Once properly adopted, regulations have the force of law and therefore can directly affect the legal rights and duties of members of the public.

The APA is designed to provide the public with a meaningful opportunity to participate in the adoption of regulations by California state agencies and to ensure the creation of an adequate record for OAL and judicial review. Every California state agency must satisfy the basic minimum procedural requirements established by the APA for the adoption, amendment or repeal of an administrative regulation unless the agency is expressly exempted by statute. The following materials are intended to provide guidance on how members of the public can participate in the rulemaking process.[1] This includes a general overview APA and sources of relevant information, a discussion on what must be adopted pursuant to the APA, an overview of the regular rulemaking process and an overview of the emergency rulemaking process.

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[1] / This document is for information purposes only. For specific legal requirements and procedures, please review the California Administrative Procedure Act (Government Code § 11340 et seq.) (APA) and rules adopted by the Office of Administrative Law (OAL).

7. Tabulate to simplify.

9. Look for omissions and ambiguities.

10. Think through common application situations.

- **THE NONDUPLICATION STANDARD**

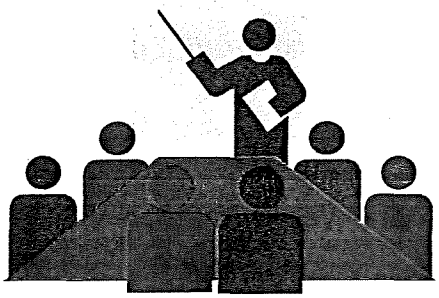
Nonduplication means a regulation does not serve the same purpose as a state or federal statute or another regulation.

Each regulation must satisfy the Nonduplication standard. A regulation that repeats or rephrases a statute or regulation "serves the same purpose" as that statute or regulation. Any overlapped or duplicated statute or regulation must be identified and the overlap or duplication must be justified. Citing the overlapped or duplicated statute or regulation in the authority or reference note satisfies the identification requirement. Overlap or duplication is justified if information in the rulemaking record establishes that the overlap or duplication is necessary to satisfy the Clarity standard.

- **THE NECESSITY STANDARD**

An agency conducting a rulemaking action under the APA must compile a complete record of a rulemaking proceeding including all of the evidence and other material upon which a regulation is based.

In the record of the rulemaking proceeding (record), the agency must state the specific purpose of each regulatory provision and explain why the provision is reasonably necessary to accomplish that purpose. It must also identify and include in the record any materials relied upon in proposing the provision and any other information, statement, report, or data the agency is required by law to consider or prepare in connection with the rulemaking action. The agency does this first in the initial statement of reasons. During the rulemaking proceeding, the agency may add new material on which it relies by notifying the public and providing a 15 day opportunity to comment on the proposal in light of the new material relied upon. The agency then states in the final statement of reasons what material has been added during the proceeding.



In addition, during the rulemaking, the public may submit recommendations or objections to the proposed regulation and submit material, including studies, reports, data, etc. for consideration by the agency and inclusion in the record. In the final statement of reasons, the agency must respond to all relevant input and explain a reason for rejecting each recommendation or objection directed at the proposed action, or explain how the proposal has been amended to accommodate the input. All of these materials constitute the record.

At the end of a rulemaking proceeding, the rulemaking agency must certify under penalty of perjury that the rulemaking record is complete and closed. The rulemaking agency then submits the complete record to OAL for review. In reviewing for compliance with the Necessity standard, OAL is limited to applicable provisions of law and the record of the rulemaking proceeding. Once OAL review is complete and the record is returned to the rulemaking agency, the file is the agency's permanent record of the rulemaking proceeding. No item in the file may be removed, altered or destroyed. Any judicial review of the regulation is based only on the evidence included in the rulemaking record.

What must be addressed in the record? Each regulation must satisfy the Necessity standard. OAL reviews the rulemaking record to ensure that each provision of regulation text that is adopted, amended, or repealed satisfies the Necessity standard.

"Necessity" means the record of the rulemaking proceeding demonstrates by substantial evidence the need for a regulation to effectuate the purpose of the statute, court decision, or other provision of law that the regulation implements, interprets, or makes specific taking into account the totality of the record. For purposes of this standard, evidence includes, but is not limited to facts, studies, and expert opinion. Government Code Section 11349(a).

What is "substantial evidence"? The "substantial evidence" standard used by OAL is the same as the "substantial evidence" standard used in judicial review of regulations. The following is a definition of "substantial evidence" drawn from the legislative history of the Necessity standard.

Such evidence as a reasonable person reasoning from the evidence would accept as adequate to support a conclusion.

A number of principles and limitations are involved in the application of this standard. Clearly, "substantial evidence" is more than "any evidence," but is nowhere near "proof beyond a reasonable doubt." A key characteristic of the standard is its deferential nature. The "substantial evidence" test was added to the Necessity standard by Chapter 1573, Statutes of 1982 (AB 2820). The following letter from Assemblyman Leo McCarthy to Speaker Willie Brown summarized the "substantial evidence" test as used in the Necessity standard:

"The principal addition AB 2820 makes to what we approved in AB 1111 in 1979 is a specific level of evidence that an agency must meet to demonstrate the need for a particular regulation. The standard is substantial evidence taking the record as a whole into account.

"That standard is a familiar one in the law and has been given a definite interpretation by the courts in the past. Our intent is that an agency must include in the record facts, studies or testimony that are specific, relevant, reasonable, credible and of solid value, that together with those inferences that can rationally be drawn from such facts, studies or testimony, would lead a reasonable mind to accept as sufficient support for the conclusion that the particular regulation is necessary. Suspicion, surmises, speculation, feelings, or incredible evidence is not substantial.

"Such a standard permits necessity to be demonstrated even if another decision could also be reached. This standard does not mean that the particular regulation necessarily be 'right' or the best decision given the evidence in the record, but that it be a reasonable and rational choice. It does not mean that the only decision permitted is one that OAL or a court would make if they were making the initial decision. It does not negate the function of an agency to choose between two conflicting, supportable views.

"The proposed standard requires the assessment to determine necessity to be made taking into account the totality of the record. That means the standard is not satisfied simply by isolating those facts that support the conclusion of the agency. Whatever in the record that refutes the supporting evidence or that fairly detracts from the agency's conclusion must also be taken into account. In other words, the supporting evidence must still be substantial when viewed in light of the entire record." (California, Assembly Daily Journal, 208th Sess. 13, 663-34 (1982).)

1 PUBLIC PROTECTION CABINET

2 KENTUCKY HORSE RACING COMMISSION

3 (Amendment)

4 810 KAR 1:110. Out-of-competition testing.

5 RELATES TO: KRS 230.215, 230.230, 230.240, 230.260, 230.290, 230.300, 230.310, 230.320,

6 230.370

7 STATUTORY AUTHORITY: KRS 230.215, 230.240, 230.260, 230.320, 230.370

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215(2) grants the commission the

9 authority to regulate conditions under which thoroughbred racing and pari-mutuel wagering

10 thereon shall be conducted in Kentucky and charges it to, "promulgate administrative regulations

11 prescribing conditions under which all legitimate horse racing and wagering thereon is conducted

12 in the Commonwealth so as to encourage the improvement of the breeds of horses in the

13 Commonwealth, to regulate and maintain horse racing at horse race meetings in the

14 Commonwealth of the highest quality and free of any corrupt, incompetent, dishonest, or

15 unprincipled horse racing practices, and to regulate and maintain horse racing at race meetings

16 in the Commonwealth so as to dissipate any cloud of association with the undesirable and

17 maintain the appearance as well as the fact of complete honesty and integrity of horse racing in

18 the Commonwealth." KRS 230.240(2) requires the commission to promulgate administrative

19 regulations restricting or prohibiting the administration of drugs or stimulants or other improper

20 acts to horses prior to the horse participating in a race. This administrative regulation establishes

21 new sampling and testing procedures for substances prohibited by this administrative regulation,

and establishes penalties for individuals who are found to be in violation of this administrative regulation.

Section 1. Definitions. [~~(1) "Actionable finding" means a determination by the commission that a substance described in Section 2 of this administrative regulation was present in a horse based on:~~

~~(a) The commission's review of a report of finding issued by the commission laboratory and [its] review of split sample analysis results; or~~

~~(b) The commission's review of a report of finding issued by the commission laboratory for which an owner and trainer have waived their right to have a split sample analysis performed.~~]

(1[~~2~~]) "Exogenous" means a substance that is not naturally produced by the healthy body.

(2[~~3~~]) "Endogenous" means a substance that is naturally produced by the healthy body.

(3[~~4~~]) "Out of competition testing" means all testing other than:

(a) Pre-race TCO2 testing; and

(b) Post-race testing at a licensed association under the jurisdiction of the commission.

(4[~~5~~]) "Sample" means that portion of a specimen subjected to testing by the commission laboratory.

(5)[~~(3)~~] "Sampling" means the act of collecting a specimen from a horse.

(6)[~~(4)~~] "Specimen" means [~~a sample of~~] blood, urine, or other biologic matter taken or drawn from a horse for [~~chemical~~] testing.

Section 2. Prohibited Substances and Practices. (1) All substances identified in this administrative regulation shall be prohibited unless otherwise noted. It shall be prima facie evidence that a violation of this regulation has occurred if a specimen was taken from a horse

1 designated for testing by a commission veterinarian or his or her designee, and the commission
2 laboratory presents a report of a positive finding of a substance prohibited by this regulation.
3 Any reference to substances in this section does not alter the requirements for testing
4 concentrations in race day samples set forth in 810 KAR 1:018 and 810 KAR 1:040.
5 (2) Any pharmacologic substance which is not addressed by any of the subsequent
6 sections of this administrative regulation and has no current approval by the U.S. Food and Drug
7 Administration for human or veterinary use is prohibited at all times absent the prior approval
8 of the commission. If a veterinarian seeks approval to use a non-FDA approved product, the
9 commission may consult with either or both of the Association of Racing Commissioners
10 International and the Racing and Medication Testing Consortium or their respective successors
11 to determine if the commission will authorize use of the substance.
12 (3) Therapeutic substances which are not otherwise prohibited by this administrative
13 regulation are permitted provided such substances have current approval for use in humans,
14 horses, or other animals by the U.S. Food and Drug Administration and are prescribed and
15 administered within the context of a valid veterinary-patient relationship.
16 (4) Compounded medications, to the extent they are permitted by state or federal law, are
17 not prohibited provided that they are prescribed and administered within the context of a valid
18 veterinarian-client-patient relationship.
19 (5) The following anabolic steroids are prohibited:
20 (a) Anabolic Androgenic Steroids (AAS):
21 1. Exogenous* AAS, including: 1-androstenediol (5α-androst-1-ene-3β,17β-diol); 1
22 androstenedione (5α-androst-1-ene-3,17-dione); bolandiol (estr-4-ene-3β,17β-diol);

15-128

85 4/21

FILED
Superior Court of California
County of Los Angeles

APR 21 2016

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Attorneys for Petitioner
Gustavo De La Torre

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES, CENTRAL DISTRICT

GUSTAVO DE LA TORRE, Petitioner/Plaintiff, vs. CALIFORNIA HORSE RACING BOARD, LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION, Respondents/Defendants.	Case No.: **BS 154412** Hon.: Judge James C. Chalfant Dept: 85 [PROPOSED] JUDGMENT Hearing Date: March 10, 2016

TO ALL PARTIES AND COUNSELS OF RECORD:

A final hearing was held on March 10, 2016, in Department 85 of the Central District of this court in the above matter. Petitioner, Gustavo De La Torre, appeared through counsels, Carlo Fisco and Darrell J. Vienna. Respondent California Horse Racing Board ("CHRB") appeared through Deputy Attorney General Leah Gershon. Respondent Los Alamitos Quarter Horse Racing Association ("LARC") appeared through its counsel, Robert Tourtelot.

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The Court has fully considered the pleadings, briefs and all other papers on file in this action, and the oral arguments at the final hearing and all other hearings, and finds in favor of the petitioner, Gustavo De La Torre, for the reasons stated in the Court's tentative decision filed March 10, 2016, which it adopted, without change, in its entirety as its final decision.

Therefore, **IT IS ORDERED, ADJUDGED, AND DECREED** that:

1. Judgment will be entered in favor of petitioner, Gustavo De La Torre, with respect to all claims prayed for in Petitioner's Verified First Amended Petition for Writ of Mandate and/or Administrative Mandamus; Complaint for Declaratory and Injunctive Relief.
2. A peremptory writ of mandate shall issue under seal of this Court commanding respondent California Horse Racing Board to set aside its approval of the LARC "house rule."
3. The Court declares the LARC "house rule" discussed in the court's decision to be in conflict with CHRB Rules, and, as such, is ordered vacated. The Court further declares that the petitioner is entitled to declaratory relief against the CHRB for its approval of the LARC house rule.
4. A permanent injunction is issued against both the CHRB and LARC, restraining, and enjoining each of them, and their respective agents, servants, attorneys, employees and any other persons acting in concert or participation with any defendant from enforcing the LARC house rule.
5. Petitioner is the prevailing party.
6. Petitioner may seek, pursuant to appropriate noticed motion, an award of attorney's fees, and this Court retains jurisdiction to determine the amount of such fees, if any.
7. As a prevailing party, petitioner, Gustavo De La Torre, is awarded costs against respondents, jointly and severally, in the amount of $_____.

///

///

15-130

Dated: 4/21/16

Hon. James C. Chalfant
JUDGE OF THE SUPERIOR COURT

PROOF OF SERVICE

STATE OF CALIFORNIA,)
COUNTY OF LOS ANGELES)

I, CARLO FISCO, am a resident of/employed in the aforesaid county, State of California. I am over the age of 18 years and not a party to the within action; my business address is **3000 S. Robertson Blvd., Suite 215, Los Angeles, CA 90034-3156.**

On 3/30/16, I served the foregoing:

[PROPOSED] JUDGMENT – Case No.: BS154412

on all adverse parties in this action by placing a true copy thereof, enclosed in a sealed envelope, addressed as follows:

Leah Gershon, DAG
300 S. Spring St.
Los Angeles, CA 90012
Leah.Gershon@doj.ca.gov

Robert Tourtelot, Esq.
401 Wilshire Blvd.-Penthouse
Santa Monica, CA 90401
tourtelotlaw@gmail.com
tourtelotassistant@gmail.com

[ ] (By FAX):

[X] (By Email): as above.

[ ] (By Mail): I caused such envelope with postage thereon fully paid to be placed in the United States mail at Los Angeles, California.

[ ] (By Mail in the ordinary course of business): I am readily familiar with the business' practice for the collection and processing of correspondence for mailing with the United States Postal Service and the fact that the correspondence would be deposited with the United States Postal Service that same day in the ordinary course of business, on this date, the above-referenced correspondence was placed for deposit at _____, California and placed for collection and mailing following ordinary business practices.

[ ] (By personal service): I caused such envelope to be served by hand to the addressee.

[X] (State) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 3/30/16, at Los Angeles, California.

Declarant

15-132

85

FILED
Superior Court of California
County of Los Angeles
MAR 10 2016
Sherri R. Carter, Executive Officer/Clerk
By Nancy Nguyen-Lastovka Deputy
N. DiGiambattista

Gustavo De La Torre v. California Horse Racing Board, et al., BS 154412 ~~Tentative~~ decision on petition for writ of mandate: granted

Petitioner Gustavo De La Torre ("De La Torre") seeks a writ of mandate compelling Respondent California Horse Racing Board ("CHRB" or the "Board") to discharge its mandatory duty to require Respondent Los Alamitos Quarter Horse Racing Association ("LARC") to rescind its house rule banning clenbuterol.

The court has read and considered the moving papers, oppositions, and replies, and renders the following tentative decision.

A. Statement of the Case

Petitioner De La Torre commenced this proceeding on April 2, 2015. The operative pleading is the First Amended Petition ("FAP") filed on July 21, 2015. The FAP alleges in pertinent part as follows.

Petitioner is licensed by Respondent CHRB as a horse owner. Petitioner has used his CHRB license to engage in the horse racing industry throughout California and Los Angeles County. He races primarily at Los Alamitos Racetrack. The Los Alamitos Racetrack and its managing association, Respondent LARC, are each licensees of the CHRB and come under its jurisdiction.

On December 17, 2014, the CHRB approved a license application from LARC for a race meet beginning December 26, 2014 and ending December 21, 2015. As part of that licensing approval, CHRB also approved the imposition of a "house rule" prepared solely by LARC and imposed on all licensees wishing to race at the Los Alamitos Racetrack during the race meeting.

The house rule serves, among other things, to disqualify any trainer's horse which tests positive for any amount of authorized medications clenbuterol and albuterol through hair follicle testing. The house rule conflicts directly with CHRB Regulations which allow the use of clenbuterol and albuterol for therapeutic purposes. It also conflicts with CHRB regulations in that it attempts to penalize licensees based on hair testing, a test which does not trigger an enforcement action under CHRB Rules.

The house rule conflicts with several CHRB Rules including 1402, 1436, 1437, 1580, 1844 and 2045. The CHRB noted in Rule 1844 that clenbuterol and albuterol used appropriately can safeguard the health of the horse and therefore has authorized rather than banned their use. Respondent CHRB has failed to discharge its mandatory public duty in enforcing CHRB Rules 1402, 1437 and 2045 which would have prohibited the imposition of the house rule.

CHRB committed a prejudicial abuse of discretion in that it failed to proceed in the manner required by law in that Business and Professions ("B&P") Code section 19440 and the above-referenced regulations each require the rescission of a house rule which seeks to occupy the same legal space as a state agency regulation or public law. The petition is a challenge to Respondent CHRB's decision to approve and allow implementation of the house rule as part of LARC's licensing. LARC has failed, as a licensee of the CHRB, to comply with CHRB Rules 1436 and 1437 which mandates that all licensees shall follow, obey, and enforce the rules.

On March 30, 2015, LARC disqualified Petitioner's horse "Runaway Fire" from

participating in a $175,000 Derby for which it was otherwise eligible because of unauthorized, illegal hair testing of the horse. The horse returned negative blood and urine tests after each of its races. The race is restricted to three year old horses and occurred on April 4, 2015. Petitioner lost this racing opportunity as a result of the house rule and CHRB's failure to intervene and enforce its Rules against LARC.

B. Standard of Review

"A writ of mandate may be issued by any court to any inferior tribunal, corporation, board, or person, to compel the performance of an act which the law specially enjoins, as a duty resulting from an office, trust, or station, or to compel the admission of a party to the use and enjoyment of a right or office to which the party is entitled, and from which the party is unlawfully precluded by such inferior tribunal, corporation, board, or person." CCP §1085(a).

A traditional writ of mandate under CCP section 1085 is the method of compelling the performance of a legal, ministerial duty. Pomona Police Officers' Assn. v. City of Pomona, (1997) 58 Cal.App.4th 578, 583-84. Generally, mandamus will lie when (1) there is no plain, speedy, and adequate alternative remedy, (2) the respondent has a duty to perform, and (3) the petitioner has a clear and beneficial right to performance. Id. at 584 (internal citations omitted). Whether a statute imposes a ministerial duty for which mandamus is available, or a mere obligation to perform a discretionary function, is a question of statutory interpretation. AIDS Healthcare Foundation v. Los Angeles County Dept. of Public Health, (2011) 197 Cal.App.4th 693, 701.

A ministerial act is one that is performed by a public officer "without regard to his or her own judgment or opinion concerning the propriety of such act." Ellena v. Department of Insurance, (2014) 230 Cal.App.4th 198, 205. It is "essentially automatic based on whether certain fixed standards and objective measures have been met." Sustainability of Parks, Recycling & Wildlife Legal Defense Fund v. County of Solano Dept. of Resource Mgmt., (2008) 167 Cal.App.4th 1350, 1359.

Where a duty is not ministerial and the agency has discretion, mandamus relief is unavailable unless the petitioner can demonstrate an abuse of that discretion. Mandamus will not lie to compel the exercise of a public agency's discretion in a particular manner. American Federation of State, County and Municipal Employees v. Metropolitan Water District of Southern California, (2005) 126 Cal.App.4th 247, 261. It is available to compel an agency to exercise discretion where it has not done so (Los Angeles County Employees Assn. v. County of Los Angeles, (1973) 33 Cal.App.3d 1, 8), and to correct an abuse of discretion actually exercised. Manjares v. Newton, (1966) 64 Cal.2d 365, 370-71. In making this determination, the court may not substitute its judgment for that of the agency, whose decision must be upheld if reasonable minds may disagree as to its wisdom. Id. at 371. An agency decision is an abuse of discretion only if it is "arbitrary, capricious, entirely lacking in evidentiary support, unlawful, or procedurally unfair." Kahn v. Los Angeles City Employees' Retirement System, (2010) 187 Cal.App.4th 98, 106. A writ will lie where the agency's discretion can be exercised only in one way. Hurtado v. Superior Court, (1974) 11 Cal.3d 574, 579.

No administrative record is required for traditional mandamus to compel performance of a ministerial duty or as an abuse of discretion.

03/14/2015

C. Governing Law[1]

1. The CHRB's Authority

B&P Code section 19400-705 is known as California's "Horse Racing Law". The CHRB has jurisdiction over, and supervision of, horse racing meets where wagering on results is conducted (hereinafter, "horse racing"), and over all persons or things having to do with the operation of such meetings. B&P Code §19420. The CHRB has "all powers necessary and proper to enable it to carry out fully and effectually" the Horse Racing Law. The "[r]esponsibilities of the board shall include, but not be limited to. . . administration and enforcement of all laws, rules, and regulations affecting horse racing." B&P Code §19440. The CHRB is authorized to prescribe rules, regulations and conditions under which all horse racing shall be conducted in the State. B&P Code §19562.

CHRB Rule[2] 1402 (Controlling Authority) provides in pertinent part that:

> The laws, rules and orders of the Board supersede the conditions of a race meeting and govern thoroughbred, harness, quarter horse, appaloosa, Arabian, paint and mule racing. The stewards may enforce rules or conditions set forth by breed registry organization if such rules or conditions are not inconsistent with rules of the Board.

2. Local Authority

Rule 1436 (Duty of Licensed Association) provides that each association "...shall observe and enforce the [CHRB] rules."

Rule 1437 (Conditions of a Race Meeting) provides:

> "The association may impose conditions for its race meeting as it may deem necessary, provided, however, that such conditions may not conflict with the rules, regulations and orders of the Board, that such conditions are published in the condition book or otherwise made available to all licensees participating in its race meeting, that such conditions are posted on the association bulletin board, and a

---

[1] Petitioner asks the court to judicially notice 16 exhibits. The CHRB Rules (Exs. 1-9), a June 7, 2012 CHRB memorandum (Ex. 13), two out-of-state published decisions (Exs. 14-15) and a Kentucky Attorney General opinion (Ex. 16) are judicially noticed. Evid. Code §452(b), (c), (d). The partial transcripts of CHRB committees (Exs. 10-11) are not official records and the request is denied. (However, they are attached without objection as evidence to LARC's opposition and have been considered.)

The CHRB asks the court to judicially notice a California Office of Administrative Law ("OAL") emergency action. The request is granted. Evid. Code §452(c).

In a second request, Petitioner asks the court to judicially notice another CHRB rule and an OAL determination concerning an underground regulation. The request is granted. Evid. Code §452(c).

[2] Hereinafter, the CHRB Rules shall be sometimes referred to as the "Rules".

copy of the conditions filed with the Board. The association may also impose requirements, qualifications or requisites for its race meeting as it may deem appropriate."

Rule 1870 (Conditions of Meeting Binding upon Licensees) provides:

"The Board.... provides that all associations, officials, horsemen, owners, trainers. . ., who have accepted directly or indirectly, with reasonable advance notice, the conditions under which said association engages and plans to conduct such race meeting, shall be bound thereby."

Rule 2040 (Horsemen's Organizations for Owners and Trainers) provides:

"The Board recognizes the need for horse owners and trainers to negotiate and to covenant with racing associations regarding the conditions of each race meeting,... and other matters relating to the welfare, benefits and prerogatives of the parties to the agreement."

Rule 2045 (Prohibited Provisions of Horsemen's Agreements) provides:

"No agreement between the [racing] association and the horseman shall include provisions that conflict with the Horse Racing Law, the rules of the [CHRB], or usurp the authority of the [CHRB].... [including] provisions which may serve to exclude participation at the meeting by any individual holding a valid CHRB license." Rule 2045 (Pet. Reply RJN Ex. 1).

3. <u>Testing</u>

B&P Code section 19577 provides for blood or urine testing of racing horses:

(a) (1) Any blood or urine test sample required by the board to be taken from a horse that is entered in any race shall be divided or taken in duplicate, if there is sufficient sample available after the initial test sample has been taken. The initial test sample shall be referred to as the official test sample....

Rule 1843 (Medications, Drugs and Other Substances) provides:

It shall be the intent of these rules to protect the integrity of horse racing, to guard the health of the horse, and to safeguard the interests of the public and the racing participants through the prohibition or control of ail drugs, medications and drug substances foreign to the horse. In this context:

(a) No horse participating in a race shall carry in its body any drug substance or its metabolites or analogues, foreign to the horse except as hereinafter expressly

provided.

Rule 1844 (Authorized Medication) provides:

Consistent with the intent of these rules, drug substances and medications authorized by the Board for use may be administered to safeguard the health of the horse entered to race provided that:

...

(e) Official urine test samples may contain one of the following drug substances, their metabolites and analogs, in an amount that does not exceed the specified levels:
(3) Albuterol; 1 nanograms per milliliter
(6) Clenbuterol; 140 picograms per milliliter
(g) Official blood test samples shah not contain any of the drug substances or their metabolites or analogs listed in subsection (e) (1)(12).

Rule 1858 (Test Sample Required) provides:

Blood and urine samples shah be taken daily from the winner of every race... Every horse within the inclosure or entered in any race is subject to testing and no owner, trainer, or other person having the care of a horse shall refuse to submit it for testing when directed by the Equine Medical Director, the stewards, or the official veterinarian.

A finding by the stewards that an official test sample from a horse participating in any race contained a prohibited drug substance shall require disqualification of that horse from the race in which it participated. Rule 1859.5.

D. Statement of Facts[3]

1. Clenbuterol

"Doping" in horses is defined as the application of drugs for better performance, and it is illegal in most countries and the State of California. Pet. Ex., pp. 28, 36; Rule 1843. In recent years, the growth and development of some horses has been accelerated by the use of anabolic drugs. Pet. Ex., p.28. Random tests for illegal drug application often do not yield positive results because treatment is discontinued early enough to avoid urine and blood detection. Id. In 2008, the CHRB adopted a regulation that banned the use of anabolic steroids in horse racing. Arthur Decl. ¶3; Rule 1844. As a result of that ban, the use of alternative drugs that have steroid-like side effects became rampant. Id.

Clenbuterol is a bronchodilator that has been approved for use for horses affected with airway obstruction. Arthur Decl. ¶4. Clenbuterol is a beta-2 agonist and has a muscle building effect that mimics anabolic steroids. Id. Although not its intended therapeutic purpose, at high

[3] The court has ruled on Petitioner's evidentiary objections, interlineating the original evidence where an objection was sustained. The vast majority of objections were overruled.

doses clenbuterol increases muscle mass. Id. Quarter horses engage in sprint racing, and thus, the preferred body type is a well-muscled horse. Arthur Decl. ¶5. Clenbuterol abuse occurs when the drug is not used for its intended purpose, and instead is used as a replacement for banned anabolic steroids. Arthur Decl. ¶6. Urine and blood tests are not effective for testing long-term use of clenbuterol because it cannot be detected in horse urine later than fourteen to seventeen days after withdrawal, and is undetectable in blood between four and seven days after its last application. Arthur Decl. ¶7; Pet. Exs., p.28.

2. Clenbuterol Abuse at Los Alamitos

In 2010, representatives from Los Alamitos Racetrack (hereinafter, "LARC") and the Pacific Coast Quarter Horse Racing Association ("PCQHRA") began expressing concerns to the CHRB about what they perceived as unfair racing at LARC. Arthur Decl. ¶8. In response to these concerns, the CHRB conducted testing at LARC for their 2010 signature end of season races. Arthur Decl. ¶9. A total of 72 blood samples were obtained and tested. Id. Of these samples, every sample contained detectable levels of clenbuterol in the horse's blood. Id. As clenbuterol can be detected in blood for no more than four to seven days, the CHRB's testing indicated that all of the tested horses had recently been administered clenbuterol. Id.

3. CHRB Action Regarding Clenbuterol

In July 2011, the CHRB implemented Rule 1844.1, which allowed the CHRB to temporarily suspend the authorized administration to a horse entered to a race of any drug, substance or medication. Arthur Decl. ¶10. In October 2011, pursuant to Rule 1844.1, the CHRB approved a joint request by LARC and the PCQHRA to restrict the use of clenbuterol at LARC by prohibiting for one year its presence at any level in test samples collected from horses that race. Arthur Decl. ¶11. In July 2012, pursuant to Rule 1844.1, the CHRB suspended the authorized threshold level of clenbuterol for all breeds at all tracks in California. Arthur Decl. ¶12. In 2012, the CHRB conducted testing at LARC and found that no horses tested positive for clenbuterol. Arthur Decl. ¶13.

In the fiscal year 2013-14, clenbuterol abuse began to surface again at LARC and the CHRB's testing revealed thirteen violations. Arthur Decl. ¶14. On February 28, 2014, in response to the rise of unlawful clenbuterol use at LARC, the CHRB implemented and enforced the provisions of a Memorandum drafted by the CHRB's Equine Medical Director, Dr. Rick Arthur, entitled "Instructions Pursuant to Rule 1855, Medication Procedures and Related Instructions." Arthur Decl. ¶15, CHRB Exs., pp. 6-7. The Memorandum described procedures for how and when quarter horses should be placed on the Veterinarian's List after clenbuterol is prescribed to or detected in a horse, as well as the procedure for removing a horse from the list once it tests clear of clenbuterol. Id. In September 2014, Rule 1844 was amended to reduce the threshold for clenbuterol from 5 nanograms per milliliter to 140 picograms per milliliter in urine. Arthur Decl. ¶16. There were no clenbuterol violations in the fiscal year 2014-15. Arthur Decl. ¶18.

On July 14, 2015, the CHRB found that an emergency existed requiring the implementation of emergency regulations pursuant to Government ("Govt.") Code section 11346.1(a)(2). Arthur Decl. ¶19; CHRB Exs., pp. 8-11. The broad objective of the emergency regulations was to protect quarter horses from the unregulated and potentially harmful administration of clenbuterol, as well as to protect the wagering public from unfair advantages gained by trainers and owners who

illegitimately enhance the performance of their horses using clenbuterol. Id. The anticipated benefit of these regulations was that quarter horses receiving clenbuterol would not be permitted to race in California, protecting both the horse from potential injury and the public from negative perceptions of horse racing. CHRB Exs., p.10.

The emergency regulations de-authorized any detectable level of clenbuterol in a quarter horse's official urine test sample. Arthur Decl. ¶19; CHRB Exs., pp. 8-11. The emergency regulations also required that any quarter horse that is prescribed or otherwise tests positive for clenbuterol in a blood, urine, or other official test sample, be placed on the Veterinarian's List until clenbuterol is no longer detected in the horse's blood or urine by an official test sample. Id. Finally, the emergency regulations required veterinarians to report all clenbuterol prescriptions for quarter horses, and trainers to report all clenbuterol administration to quarter horses. Id. On July 31, 2015, the emergency regulations became effective and were set to expire on January 28, 2016. Arthur Decl. ¶20. On January 26, 2016, the OAL re-adopted the emergency regulations, which will expire on April 25, 2016. Arthur Decl. ¶20; CHRB Exs., p.27.

In addition to the emergency regulations, the CHRB proposed to permanently amend Rule 1844, to revise subsection 1844(e) to remove clenbuterol from the list of drug substances that may be detected in an official urine test sample in quarter horses. Arthur Decl. ¶21; CHRB Exs., pp. 37-55. The CHRB also proposed to permanently add Rule 1866.1 to require that a quarter horse that is prescribed or otherwise tests positive for clenbuterol in an official test sample to be placed on the Veterinarian's List until clenbuterol is no longer detected by an official test sample. Id. A public hearing on the proposed amendments is scheduled for February 25, 2016. Resp. Exs., p.37.

4. LARC Action Regarding Clenbuterol

In addition to the actions taken by the CHRB to combat clenbuterol abuse, in May 2014 LARC, with PCQHRA support, established internal policies concerning clenbuterol use in quarter horses at the race track by banning the use of clenbuterol and using hair testing to enforce the ban. Allred Decl. ¶3. In furtherance of this rule, all trainers were required to sign the Acknowledgement of Conditions which specifically identified clenbuterol as a zero tolerance drug, specified that hair testing by the CHRB or LARC could be required at any time, and provided that all races are governed by conditions published by the track. Allred Decl. ¶4.

On January 8, 2015, Mario Loza ("Loza"), Runaway Fire's trainer, executed the Acknowledgment of Conditions for the Stabling of Horses at Los Alamitos Race Course ("Acknowledgement of Conditions"). Allred Decl. ¶6; CHRB Exs., pp. 1-5. The Acknowledgment of Conditions outlines the obligations of a trainer in connection with the use of space at Los Alamitos Racetrack for race meets at Los Alamitos Racetrack. CHRB Exs., pp. 1-5. Paragraph 9 of the Acknowledgment of Conditions expressly provides, "There will be a zero tolerance for clenbuterol..." and that "[u]rine, blood, and/or hair testing either by CHRB or Track may be required at any time." Resp. Ex. at p.3. Paragraph 10 of the Acknowledgment of Conditions expressly provides: "All race and eligibility for races shall be governed by conditions published by the Track, and by the CHRB if appropriate." Id.

In mid-November 2014, LARC published a document providing conditions for horses nominated for 2015 and 2016 futurities. Allred Decl. ¶5; Resp. Ex. at p.135. These conditions provided:

Important information for owners and trainers with horses nominated for 2015 and 2016 futurities and derbies at Los Alamitos Race Course:

1. The trials for futurities, derbies, and other races with the time trials will be conducted in the usual manner with post race testing by the California Horse Racing Board. All qualifiers (top ten) will also be blood and hair tested within 24 hours after the trials. At the discretion of LARC several other horses may be tested (i.e. qualifiers 11-15.) Testing will be done by the UC Davis Equine Analytical Chemistry Laboratory. Horses with positive tests for "zero tolerance" drugs, including, but not limited to Clenbuterol, Albuterol, Zilpaterol, and Ractopamine, will receive a "non time" and will not participate in the final event.

2. For "Invitational" States (i.e. Champion of Champions, Robert Boniface LARC Championship etc.) pre race hair and blood testing will be done about 14 days prior to the race by LARC utilizing the UC Davis Equine Analytical Chemistry Laboratory.

We are confident that these measures will insure the integrity of the major stakes at Los Alamitos. We are doing our utmost to insure a level playing field for all of our good horsemen.

5. <u>CHRB Approval of the House Rule</u>

On December 17, 2014, a CHRB committee held a public meeting open to public comment. At the meeting, the committee considered whether LARC's decision to ban clenbuterol in horses conflicted with the CHRB rule, which (at the time) allowed a threshold amount, and the permissibility of hair testing imposed by LARC to enforce the ban. CHRB Exs., pp.56-103.

Edward Allred ("Allred") is the owner and Chairman of LARC. Pet. Ex., pp. 10-11. He is an active participant, owner, and breeder of horses competing at LARC races and was the owner and/or breeder of horses that competed in the 2015 $175,000 El Primero Del Ano Derby ("Derby") and the qualifying races for the Derby. He was the breeder of the winner of the Derby. Pet. Exs., p. 27; Vienna Decl. ¶14. At the committee meeting, Allred testified about the impact of clenbuterol on horses at Los Alamitos Racetrack. Resp. Ex. at pp. 61-64; Pet. Ex. at p.3. He explained that trainers know how to withdraw from clenbuterol in time to beat a post-race blood test, and thus, the necessity of hair testing to enforce LARC's rule banning clenbuterol. <u>Id.</u> Allred stated that he would not submit his application for the 2015 LARC race meeting if he could not implement a house rule that excluded horses from participation based upon such a hair-follicle test. Pet. Exs., p. 4. Allred further stated that the house rule would involve hair analysis for albuterol, clenbuterol, Ractopamine, and Zilpaterol. Pet. Exs., p.7.

Allred emphasized that LARC could not take action on anyone's license for a clenbuterol violation, acknowledging that is the CHRB's job. CHRB Ex., p. 86. Rather, if a horse tests positive for clenbuterol based on a failed hair test, that horse simply will not be permitted to race at high stakes races at LARC. <u>Id.</u> Arthur testified about the effects of clenbuterol on horses because of its anabolic (steroid-like) effects. CHRB Exs., pp. 64-67.

Counsel for Petitioner raised concerns that LARC could not impose private rules that

conflicted with CHRB rules. CHRB Exs., pp. 69-75, 79, 82-83. Dan Schiffer testified on behalf of the PCQHRA, representing that its members determined the house rule is in the best interest of the horsemen and racing at LARC. CHRB Exs., p. 100.

On December 18, 2014, the Board considered the LARC house rule. CHRB Exs., pp. 119-133. The CHRB committee reported its support for approval of the LARC house rule. Pet. Exs., p.14. The Board determined that the house rule was permissible because it did not contradict the CHRB Rules, and furthered their intent. CHRB Exs., pp. 120, 123-24; Pet. Exs., p. 12. The Board indicated that acceptance of the LARC house rule did not mean that the CHRB was giving "carte blanche" to any association or track seeking to impose any house rule they wish. CHRB Exs., p. 121. The Board acknowledged that violation of the house rule did not necessarily mean that a violator would be sanctioned by the CHRB. CHRB Exs., p.125. Rather, any penalty would be between LARC and the trainer. CHRB Exs., p.126.

The American Quarter Horse Association ("AQHA") is the breed registry organization for quarter horse racing in the United States. Blodgett Decl. ¶2. A "quarter horse" is any horse that meets the requirements of and is registered by the AQHA. B&P Code §19413.5. As of January 2016, in an effort to further the safety and welfare of quarter horses, horsemen and the industry, and to assure fairness of competition, the AQHA began implementing hair testing to enforce its strict clenbuterol rules for its Racing Challenge program, beginning with the Regional qualifying races and all Championship races. Blodgett Decl. ¶¶ 9-10. The AQHA strongly supports the hair testing protocol put into place at Los Alamitos Racetrack to combat clenbuterol abuse. Blodgett Decl. ¶12.

6. <u>Application of House Rule to Petitioner</u>

Petitioner is an owner of quarter horses and licensed in that capacity by the CHRB. De La Torre Decl. ¶¶ 2-3. He was a regular participant in quarter horse racing conducted by LARC. De La Torre Decl. ¶3. The horse "Runaway Fire" was partially owned and raced by World Champion Racing Stables, LLC which is Petitioner's registered stable name. De La Torre Decl. ¶¶ 4, 7.

On March 15, 2015, Runaway Fire competed in a 400-yard derby trial in which he finished third. De La Torre Decl. ¶8; Allred Decl. ¶7. The time Runaway Fire achieved in the derby trial qualified him to participate in the Derby which was to be run on April 4, 2015. De La Torre Decl. ¶¶ 8-9. Allred also was the owner or breeder of one or more horses qualified for the race. Pet. Ex. at p.27; Vienna Decl. ¶14.

Following the trial, pursuant to the Acknowledgement of Conditions signed by Runaway Fire's trainer, Loza, LARC ordered hair and blood samples to be taken from the horses with the 12 fastest times. Allred Decl. ¶8; CHRB Exs., pp.1-4. Loza did not give permission for the removal of hair samples and did not witness the sampling. Loza Decl. ¶13. Runaway Fire was the only horse of the 12 that tested positive for clenbuterol via hair sample. Allred Decl. ¶9. After testing positive, Runaway Fire received a "non time" and was not permitted to participate in the final. Allred Decl. ¶10. There was no report that official CHRB blood or urine samples taken from Runaway Fire following the running of the qualifying derby trial contained clenbuterol. Loza Decl. ¶14.

On March 30, 2015, Petitioner's counsel sent an email to CHRB Chairman Charles Winner requesting that the CHRB intervene in this matter because of the illegality of the house rule, order Allred to cease his interference with the rights of other CHRB licensees and to reinstate the results

of the derby trial. Pet. Exs.. pp. 22-25; Vienna Decl. ¶5. On March 30, 2015, CHRB Chairman Winner refused the request and advised that the courts were the appropriate jurisdiction for this matter. Pet. Exs., p.26; Vienna Decl. ¶6.

On April, 1, 2015, the entry of Runaway Fire into the Derby was refused by LARC Racing Secretary Ron Church. Loza Decl. ¶11.

E. Analysis

Petitioner argues that the LARC house rule is an impermissible delegation of the CHRB's authority to regulate horse races in California. In the alternative, Petitioner contends that the LARC house rule is improper because it conflicts with the CHRB Rules and does not further their intent.

1. Mootness

On July 31, 2015, the CHRB adopted an emergency regulation pursuant to Govt. Code sections 11346.1 and 11349.6 amending Rule 1844 (Authorized Medication) to prohibit any detectable level of clenbuterol in a quarter horse's official urine test sample:

> "Consistent with the intent of these rules, drug substances and medications authorized by the Board for use may be administered to safeguard the health of the horse entered to the race provided that: (e) Official urine test samples may contain one of the following drug substances, their metabolites and analogs, in an amount that does not exceed the specified levels: (6) clenbuterol; 140 picograms per milliliter, except in quarter horses the amount of clenbuterol cannot exceed 0 picograms per milliliter." CHRB Exs., pp. 27, 29-31.

A second emergency regulation, Rule 1866.1, required that a quarter horse prescribed or otherwise testing positive for clenbuterol in a blood, urine or other official test sample must be placed on the Veterinarian's List until clenbuterol is no longer detected in the horse's blood or urine by an official test sample. Veterinarians also must report all clenbuterol prescriptions for quarter horses, and trainers must report all clenbuterol administrations to quarter horses. CHRB Exs., pp. 33-34. The CHRB initiated a separate rulemaking action to make both emergency regulations permanent through rulemaking in compliance with Govt. Code section 11346.1(e). CHRB Exs., pp. 37-55.

The CHRB contends that the FAP is moot because the CHRB now temporarily prohibits any detectable level of clenbuterol in an official urine sample and a pending rulemaking action would make the emergency regulations permanent. Thus, according to the CHRB, any potential conflict between the LARC house rule and the CHRB Rules has been resolved. CHRB Opp. at 9-10.

As Petitioner points out (Reply at 6-8), the emergency regulations say nothing about albuterol, which is banned by LARC's house rule. Additionally, the house rule uses a hair-follicle test, not the blood or urine test authorized under the CHRB rules. Clenbuterol remains in the hair follicle for up to 360 days, while it is undetectable in urine after 30 days. Thus, a horse that tests negative for clenbuterol using a urine test may still test positive for clenbuterol using a hair test. The potential conflict between the LARC house rule and the CHRB rules still exist because even

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under the emergency regulations, a horse could be qualified under the CHRB rules and disqualified under the LARC house rule. The FAP is not moot.

2. Improper Delegation

The CHRB considered the LARC house rule over the course of two days in December 2014. CHRB Exs., pp. 56-134. The CHRB permitted the house rule because the lower medication limit furthered the intent of the CHRB's rules. CHRB Exs., p. 121.

At the December 17, 2014 CHRB committee meeting, LARC's owner advocated:

> "DR. ALLRED: ...the race course and our horsemen are both requesting that the lower limit of Clenbuterol be omitted and that zero tolerance would be the rule for quarter horses. I'm not sure it wouldn't be a good idea for other horses as well, but we're not going to address that. ¶The way the Clenbuterol is apparently utilized, nobody but a pretty inexperienced track person, trainer, would ever have a positive Clenbuterol with blood. They use Clenbuterol over a long period of time....it's a muscle building (drug), basically. And it's outlawed in human bodybuilding contests. It has been for many years. It's outlawed in baseball. It's outlawed -- it isn't allowed anywhere....We want it outlawed completely. We're told that probably six months would be a good rule of thumb, no guarantees, but six months of being off Clenbuterol will clear the system." LARC Opp. Ex. I, pp. 51-52.

CHRB's Equine Medical Director, Dr. Arthur, stated:

> "I will say Clenbuterol does have a good medical use; but since we've restricted its use in the last year, veterinarians have told me that they don't missit that much...This is a major problem in quarter horse racing. There is no question that our current regulations do not address the problem that quarter horse racing has in California and elsewhere....So long as [LARC] doesn't lower our standards, you know you can have-twice as much Clenbuterol as we allow, I don't see any problem with it. And it's something that is vitally needed in quarter horse racing....It is an issue that is really a major problem, and our regulations can't solve it." Id., pp. 54-55.

At the full CHRB meeting the next day, December 18, 2014, the CHRB considered LARC's house rule:

> "[The house rule] seeks to bar any use of Clenbuterol in respect to quarter horse racing, even though we have a rule which permits for all breeds a certain limit on the amount of Clenbuterol that can be used....The extent to which a house rule can be different than a rule of the CHRB. And I think that there was a conclusion that was reached, and that was that that house rule ought to go on. But there was not any real agreement as to exactly what the rationale was. So it think that I speak for myself, Commissioner Rosenberg and for Counsel Miller, that there is a – we're sympathetic to the position that if a house rule in no way contradicts the official

CHRB rule but, in fact, seems to implement it in a favorable way, then that ought to be accepted....The question is when is, when is it inconsistent and when is it consistent or indeed helpful." LARC Ex. J, p. 38.

The Board discussed whether the house rule furthers the intent of the CHRB Rule. Id., p.42. A Commissioner noted that the mere fact of a violation of the house rule would not subject the offender to CHRB sanctions. Id., p. 43. The Board's counsel agreed that it does not enforce local house rules. Id., p. 44. Dr. Arthur explained that the house rule "will give the Board and the quarter horse industry an opportunity to look at alternative ways to regulate...Clenbuterol in quarter horses. ¶Very likely it's going to involve regulations to include hair testing as part of our regulatory structure, but this gives us time to work through this issue." Id., p. 55. The Board approved a motion to permit the house rule. Id., pp. 53, 55.

Petitioner argues that the CHRB approval of the LARC house rule was an improper delegation of its authority. According to Petitioner, the Board is the only body that can adopt and implement rules on medication. *See* B&P Code §19562. The CHRB may delegate its powers and duties only to stewards, and LARC is not an authorized steward. *See* B&P Code §19440(b). A racing association may impose conditions for its racing as necessary, so long as they do not conflict with Board Rules. Rule 1437. CHRB Rules supersede the conditions of a race meeting. Rule 1402. Mot. at 4-6.

Petitioner further argues that the Board has in place a comprehensive framework for the collection, testing, and enforcement of rules concerning medications. The Horse Racing Law permits an official test sample of blood or urine, and a split of that sample if possible. B&P §19577. Clenbuterol and albeuterol are permissible in limited specified amounts. Rule 1844. A finding that an official test sample contains a prohibited substance requires disqualification of the horse from the race in which it participated. Rule 1859.5. Mot. at 4-6.

Yet, argues Petitioner, the LARC house rule provides that the mere detection of any level of clenbuterol after hair follicle testing disqualifies the horse from running at LARC events. While clenbuterol cannot be detected in blood or urine after 30 days, it remains in hair and can be detected for up to 360 days. Pet. Ex., p. 28. The mere detection of clenbuterol in a hair sample does not mean that the horse raced under the drug's influence or had its performance enhanced; only a blood or urine test can do that. Indeed, a CHRB memorandum advises that a horse will not have a positive blood or urine test if clenbuterol usage is stopped 21 days before testing. Pet. Ex., p. 21. The LARC house rule essentially bans the use of clenbuterol and albuterol, unlike the CHRB Rule 1844, and disqualifies horse that are in compliance with CHRB Rules.

Moreover, CHRB rule 1859.5 requires a finding by CHRB stewards of a prohibited substance in an official test sample as a condition precedent to disqualification of a horse. A hair sample is not an official test sample. *See* B&P Code §19577. Hair testing is not a basis for disqualification under the Rules. LARC's house rule provides none of the protections of an official test, including notice, clean and sterile collection equipment, chain of custody, and a split sample for the horse owner to test. Mot. at 7-8, 10.

Petitioner finally argues that the CHRB improperly delegated to LARC the more restrictive testing for clenbuterol as a work around because compliance with the APA would take at least a year. The CHRB openly viewed the house rule as a new regulation, but without the notice, public participation, hearing, and review by OAH that compliance with the APA would involve. Mot. at

12-13. Yet, CHRB cannot delegate rulemaking authority to private parties possessing a pecuniary interest in the formulation and application of the rule any more than the legislature can delegate absolute legislative discretion to an administrative agency. *See* State Board v. Thrift-D-Lux Cleaners, (1953) 40 Cal.2d 436, 448. Mot. at 12-13.

There is some validity to Petitioner's argument that CHRB has improperly delegated to LARC the authority to imposition more restrictive conditions for clenbuterol while the Board goes through the APA process for a new permanent rule. However, as CHRB points out, Rule 1437 permits a race association to impose additional conditions for participation in the race meeting so long as those conditions do not conflict with the Board's Rules, regulations, and orders. It would not be an improper delegation of CHRB's duties for it to consider whether a proposed house rule conflicts with its Rules for medication testing and enforcement. The CHRB did just that on December 18, 2014. The best means of analyzing the issue, then, is whether LARC's house rule impermissibly conflicts with the CHRB's Rules.

3. Does the House Rule Conflict with the CHRB Rules?

As discussed *ante* with respect to delegation, Petitioner contends that the LARC house rule conflicts with the CHRB Rules on clenbuterol because the house rule (1) requires hair follicle testing instead of the official testing of blood or urine; (2) disqualifies horses that would be qualified under the CHRB Rules; and (3) does not provide for any testing safeguards.

By analogy, the law concerning the preemption of local ordinances applies to the relationship of the CHRB Rules and LARC's house rule. State law preempts any local ordinance or regulation that "duplicates, contradicts, or enters an area fully occupied by general law, either expressly or by legislative implication." Sherwin-Williams Co. v. City of Los Angeles, ("Sherwin-Williams") (1993) 4 Cal.4th 893, 897. A regulation contradicts state law when it is inimical to or cannot be reconciled with state law. O'Connell v. City of Stockton, (2007) 41 Cal.4th 1061, 1068. A contradiction does not exist when the state law provides a general concept and the local ordinance or regulation reasonably interprets or defines the general concept. County of Tulare v. Nunes, (2013) 215 Cal.App.4th 1188, 1202. Even if the state law and the ordinance apply to similar subject areas, there is no contradiction so long as the regulation "does not prohibit what the statute commands or command what it prohibits." Sherwin-Williams, *supra*, 4 Cal.4th at 902. However, when a state law contains a specific provision, the regulation or ordinance may not contradict that provision in any way. Ex Parte Daniels, (1920) 183 Cal. 636, 641-48.

The CHRB found that the LARC house rule is consistent with the intent of its Rules. In support of its finding, the CHRB now relies on the general rule that an agency's interpretation of its own regulations is entitled to great weight unless unauthorized or clearly erroneous. *See* Communities for a Better Environment v. State Water Resources Board, (2003) 109 Cal.App.4th 1089, 1107. CHRB Opp. at 12.

Although the Board's interpretation is entitled to great weight, its interpretation of the intent of its Rules, particularly Rule 1844, is erroneous because CHRB Rules are not general, they are specific and may not be contradicted. Previously, Rule 1844 permits a limited amount of clenbuterol and albuterol as detectible in a horse's blood or urine. It did not outright ban useage of those drugs, which have a medical purpose. Now Rule 1866.1 more restrictively requires that a quarter horse prescribed or otherwise testing positive for clenbuterol in a blood, urine or other official test must be placed on the Veterinarian's List until clenbuterol is no longer detected in the

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horse's blood or urine by an official test sample. However, Rule 1866.1 still permits clenbuterol to be used upon prescription of a CHRB-licensed veterinarian so long as it does not show up in a quarter horse's blood or urine test. CHRB Exs., p. 30. As Petitioner has demonstrated, this rule directly conflicts with the LARC house rule because a horse that has no clenbuterol in a blood or urine sample still will have clenbuterol present in a hair sample. A horse's blood or urine will clear clenbuterol in no more than 21 days, but its hair will show clenbuterol for up to a year.

LARC's more restrictive rule conflicts with CHRB's specific Rules. The house rule effectively bans the use of clenbuterol, as its owner admitted at the December 17, 2014 CHRB committee meeting. Yet, CHRB's Rules permit the use of clenbuterol so long as it does not affect the quarter horse's race as demonstrated by a blood or urine test. Albuterol also is banned by the house rule, and yet the CHRB Rules 1866.1 and 1844 still permit its limited use as reflected in blood or urine tests.

The Board concluded, and its opposition argues, that LARC's house rule is consistent with its Rules because it furthered their intent. CHRB Opp. at 11-12. But they do not. The intent of the Board's rules is to protect the integrity of horse racing, the health of the horse, and the interests of the public by controlling the use of drugs with racing horses. Rule 1843. The CHRB did so previously in Rule 1844 by permitting small amounts of clenbuterol and albuterol from a blood or urine test. The Board's emergency regulations further limit clenbuterol – but not albuterol – by effectively prohibiting its use without a prescription and within 21 days of a race. Thus, even now the Board's intent is to permit some usage of both drugs. LARC's house rule is inconsistent with that intent.

The CHRB's mistake in approving the house rule on December 18, 2014 lies in the fact that its commissioners accepted and relied upon the testimony that clenbuterol abuse was adversely affecting quarter horse racing, assumed that they would be moving forward with a more restrictive rule or outright ban of the drug, and felt the house rule was consistent with their assumption. It may have been, but it was not consistent with their existing Rule 1844. And the Board's assumption that it would be banning clenbuterol did not come to a complete fruition; emergency Rules 1866.1 and 1844 as amended do not completely ban clenbuterol. Nor did the Board even address albuterol in its rulemaking.

It is worth noting that in 2011 the CHRB concluded that any LARC house rule suspending the use of clenbuterol would be inconsistent with Rule 1402. Pet. Exs., p. 20. The CHRB opposition argues that the Board's earlier position is irrelevant in light of Rule 1866.1, but this is not true because clenbuterol is not subject to an outright ban in the Board's Rules. The 2011 statement is an admission by the CHRB that any house rule regulating the amount of clenbuterol would be inconsistent with the Rules.[4]

Apart from the permissible amounts of clenbuterol and albuterol, the LARC house rule provides for hair testing. CHRB notes that hair testing in horses is a well-developed technique to test for clenbuterol in horses. Arthur Decl. ¶22. Rul 1859 provides for the taking of urine, blood,

[4] The CHRB relies on analogies to other statutory schemes in which a maximum is imposed – *e.g.*, speed limits, BAC while driving, smoking in enclosed places – but permit more extensive local regulation. CHRB Opp. at 14. Petitioner properly rebuts these situations, which are not analogous because they involve different statutory schemes, less comprehensive regulation, or permit local regulation by ordinance. *See* Reply at 8-9.

or other official test samples, and contemplates other types of testing as permissible. CHRB Opp. at 12-13. Similarly, LARC argues that the CHRB rules do not prohibit the use of a hair follicle test, specifically allowing such a test for jockeys and drivers. LARC Opp. at 12-13, Ex. F, p.4. Neither Respondent responds to Petitioner's arguments regarding the lack of equivalence in the testing protocols of notice, split, and chain of custody.

Neither the Horse Racing Law nor the Board's Rules permit hair testing of horses. B&P Code section 19577(a)(1) provides for blood or urine testing ~~of racing~~ horses with a split sample if feasible. The first sample shall be referred to as the official sample and the second as the split sample. CHRB Rule 1859 provides for the taking of "urine, blood, or other official test samples..." This Rule clearly contemplates that forms of testing besides urine or blood may be permitted as official test samples. Thus, the Board ~~has~~ may not the power to approve other forms of official sample testing. But CHRB has promulgated no rule permitting a hair sample as an official sample. Without one, the LARC house rule is inconsistent with Rule 1859.[5]

Finally, the house rule is inconsistent with the CHRB test procedures concerning notice, chain of custody, and a split if feasible. Respondents do not contend otherwise.

The LARC house rule conflicts with the CHRB Rules and is invalid.

4. <u>The Acknowledgement of Conditions</u>

The CHRB recognizes the need for racing associations to enter into agreements with owners and trainers regarding the conditions of each race meeting. Rule 2040. The CHRB expressly permits a racing association, such as LARC to impose conditions for its race meeting as necessary, so long as they do not conflict with the CHRB's rules and regulations. Rule 1437. A racing association's conditions are binding on all licensees, including owners, provided the licensees are given reasonable advance notice. Rule 1870.

Based on these Rules, Respondents argue that Petitioner is bound by the terms of LARC's Acknowledgment of Conditions, including the no tolerance policy for clenbuterol, because Petitioner's trainer Loza signed it. CHRB Opp. at 11.

While LARC is entitled to enter into agreements with owners and trainers, those agreements may not conflict with CHRB Rules:

> "No agreement between the [racing] association and the horseman shall include provisions that conflict with the Horse Racing Law, the rules of the [CHRB], or usurp the authority of the [CHRB].... [including] provisions which may serve to exclude participation at the meeting by any individual holding a valid CHRB license." Rule 2045 (Pet. Reply RJN Ex. 1).

As discussed above, the LARC house rule is invalid because there is a conflict between the LARC house rule and CHRB Rule 1866.1, 1844, and 1859. The Acknowledgement of Conditions

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[5] The CHRB relies on its authority under Rule 1402 to enforce rules or conditions of breed registry organizations if not inconsistent with those of the Board, and notes that the AQHA has begun implementing hair testing to combat clenbuterol use. Blodgett Decl., ¶¶9-10. CHRB Opp. at 13. This argument suffers from the same defect – the CHRB ~~has~~ may not the authority to approve hair testing as an official test, but has not done so.

cannot be used to avoid the invalidity, because Rule 2045 specifically proscribes agreements that conflict with CHRB rules.

Petitioner did not contract away his ability to challenge the LARC house rule when Loza signed the Acknowledgement of Conditions.

F. Conclusion

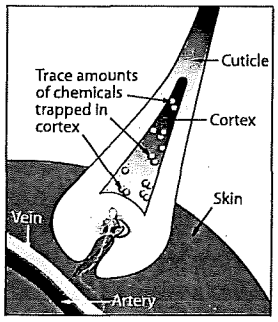
The petition for writ of mandate is granted. A writ shall issue directing the CHRB to set aside its approval of the LARC house rule. Although Petitioner also seeks a writ against LARC to set aside its house rule, none can issue because LARC does not have a mandatory ministerial duty. However, Petitioner is entitled to declaratory and injunctive relief against both the CHRB and LARC against enforcement of the LARC house rule.

Petitioner's counsel is ordered to prepare a proposed judgment and a writ, serve it on Respondents' counsel for approval as to form, wait 10 days after service for any objections, meet and confer if there are objections, and then submit the proposed judgment along with a declaration stating the existence/non-existence of any unresolved objections. An OSC re: judgment is set for April 21, 2016 at 9:30 a.m.

03/14/2016

3.3 HAIR TESTING

The Conceptual and Practical Challenge of Hair Testing



The approach taken in this section is somewhat different from the treatment of urine and oral fluid testing. There are a number of long-standing controversies in hair testing. A summary of the relevant technical information is remarkably unsatisfying in completely resolving the issues and may be misleading. The technical details are very important and useful for the toxicologist or laboratory, but the state of the science is incomplete. There are some conceptual ideas and policy issues that are not readily answered by technical data. Information can get in the way of knowledge or obscure what is relevant. The successful application and management of hair testing requires knowledge and some wisdom.

Understanding the key issues in hair testing is important for the MRO, because a significant number of employers have turned to hair testing as an alternative to urine—particularly for pre-employment testing. The increased interest and utilization by private-sector employers has been driven by improvements in hair testing technology, an increase in the number of competent laboratories offering hair testing, and the intrinsic limitations of urine and oral fluid. The failure of SAMHSA to develop a coherent and cohesive strategy for dealing with adulterants, substitution and even dilution of urine specimens in the mandatory market, which has hobbled both regulated and non-regulated urine testing, has been a factor as well.

What is most attractive about hair testing is that it holds a very powerful promise of being an objective tool for the identification of past drug use for a relatively long period of time—essentially the age of the hair segment being tested. Hair testing has the potential not only for identifying prior drug use, but for revealing the patterns of use by means of segmental analysis and the interpretation of quantitative results.

Hair testing is without question the best method for detecting periodic use of drugs like MDMA and cocaine, and it is the single best method of identifying past heroin use. It is the only drug test with a long window of detection. Thus, the number of positive tests seen with hair testing far exceeds that of urine and oral fluid tests. There is no more reliable way to accurately survey a population for drug use than by hair testing.[1]

And yet hair testing has also been accused of being one step short of quackery, intrinsically unfair, discriminatory against individuals with histories of substance abuse, and racially biased. And if that were not enough, hair testing is also accused of being unable to distinguish between use of a prohibited drug and environmental exposure to the drug. It is feared as too powerful a testing method by some, and as not powerful enough (in respect to marijuana use) by others. Hair testing can also be rather invasive when collectors are asked to collect hair from "alternative" body sites. Even routine collections can be cosmetically insulting. It is also more expensive than urine testing. (On average, a hair test costs two to three times more than a laboratory-based screened and confirmed urine test.) Given this constellation of concerns and issues, it is surprising that any hair testing is done at all.

The accusations and policy debates have been brewing for almost three decades. They have been agitated by the tendency of proponents of workplace hair testing to deny that there is even a morsel of evidence to support any of the negative accusations. Every technical concern seems to be met with *"It's just an animal study," or "They used the wrong method," or "It is too small a human study."* For many toxicologists, these types of general denial are reminiscent of the strategies used by the tobacco industry in its public and scientific response to health concerns.

Conversely, the technical issues have been complicated and obfuscated by the actions of some critics of hair testing. An example of this was a study by SAMHSA to evaluate decontamination procedures. The study claimed that none of the laboratories' washing procedures worked, when in fact one laboratory did identify all "contaminated" specimens correctly.[2]

Laboratory methods have evolved and remain variable, and some results have been misinterpreted. But no part of this debate has been particularly helped by the fact that proponents of drug testing tend to have financial interests in hair testing and opponents tend to have financial interests in alternative methods.

The historical challenge with hair testing is that it has tried to fit into the traditional paradigm of drug testing, where everything must be presented as yes or no, positive or negative, black or white, when many of the hair issues have been mostly gray. The state of the science is that it is not black and white. This does not mean that hair testing cannot or should not be used. Hair testing is an important tool that needs to be applied cautiously and appropriately. Therefore, the approach in this volume is to attempt to provide a fair assessment of the legal and technical issues as currently understood and to present the issues in the more appropriate "gray scale" with the hope that the technology can be utilized in the optimum ways.

Slowly but surely, and quite fortunately, the scientific data has been accumulating to help illuminate the areas of controversy and illustrate how the variables of cutoffs, past exposure, color bias and decontamination are intertwined, and to suggest how hair testing can be successfully managed. It is also fortunate that a comprehensive and authoritative text on the subject has been published, titled *Analytical and Practical Aspects of Drug Testing in Hair*.[3] Edited by Dr. Pascal Kintz, a respected researcher and expert in hair testing working in France (an out-of-town expert), the text brings together most of the experts in the field to share their analysis and understanding in much more detail than can be covered here. The text also illustrates that not all the authors are in agreement on all the issues. Some effort is made here to identify the areas of consensus.

Hair as a Specimen

Hair is a deceptively simple specimen to conceptualize. Hair consists of a hair follicle and hair shaft. At the base of the follicle (bulb) are highly vascularized matrix cells. These matrix cells in the dermis of the skin move outward during growth, and they form what become layers of a hair shaft. The hair shaft has an outer protectant cuticle, a central cortex and an inner medulla. That is actually the simple part.

From both a technical and policy perspective, the greatest challenge of hair testing is the variability that exists in hair and its physical makeup. Hair is the most variable of all specimens to examine and test. Look around in any large gathering of people in the United States. There are individuals with blond hair, red hair, black hair, brown hair. The hair color (largely dictated by the amount and subtypes of melanin present) is very significant, both cosmetically and analytically.

Hair can be thin or thick, straight, wavy or curly. This is due to the physical nature of the proteins in the hair. Human hair is almost always treated with a wide variety of cleansers and cosmetic treatments. It can be bleached, straightened with caustic chemicals, dyed, "fried" with hair dryers and permed. Many hair samples are found to be treated and coated with protein conditioners and other chemicals that can interfere with the immunoassays. Hair is also exposed to the outside environment, drugs and other contamination, and to sunlight that can break down drugs and metabolites.

The physical nature of hair can vary greatly in the amount of porosity, and "damaged" hair truly looks damaged when examined under a microscope. All of these physical differences are variables when it comes to the amount of drug that accumulates and incorporates into hair, and conversely the amount of drug "washed" out with normal cleaning or in the washing procedures used by the analytical laboratory. Another obvious variable is the amount and length of hair on an individual's head, if any. Hair loss is a part of life, and a part of hair testing is also deliberate hair "loss"—in the form of (voluntary) head and body shaving.

Growth Length and Window of Detection

Every physiology text on hair states that hair grows in three stages: about 85 percent of hair follicles are in active growth (anagen), while the others are in a transition phase (catagen) before the resting phase (telogen). At the vertex region of the scalp, the average growth rate of hair is about 0.4 millimeters per day, or approximately

1 centimeter per month. Any barber or cosmetologist will tell you that some of their clients need haircuts more often than others. So the average growth rate is just that—average. Research notes that age, climate, health, injury and genetics affect the growth rate of hair. An individual with shoulder length hair has in theory a two-year hair history, whereas an individual with very short hair has a week of hair history. Keep in mind that it takes a week for drugs to be incorporated into hair in the follicle and then emerge above the scalp surface. Chemotherapy can also slow hair growth, and interestingly, hair will continue to grow for some time after death.

The average growth rate of hair was a significant consideration in determining the detection time for hair tests. It has become a standard of practice in the industry to test hair with lengths up to 1.5 inches in length, which theoretically represents 90 days of growth. This 90-day period has apparently been satisfactory for employers, clinicians and the laboratories.

A 90-day window is also quite satisfactory in respect to the Americans with Disability Act (ADA). Under the terms of the ADA, an individual who is currently engaging in the illegal use of drugs is not an individual with a disability. Despite the fact that plain English does not suggest that "current use" means within the last ninety days, it is frankly well within the limits established by all the courts that have looked at the interpretation of the term "current use" under the Americans with Disability Act.

Although growth rates of hair on other parts of the body are described as much slower, what appears somewhat unknown is how long this hair stays in a *telogen,* or resting no-growth phase. (Some body hair, such as chest hair, can be years old.) Individuals with a positive scalp hair test will often have a positive body hair test also, but it should not be surprising when they do not.

Drug Incorporation into Hair

Drugs and drug metabolites may be incorporated into hair by several different pathways.[4] Drugs can be incorporated from the blood, from the drugs in the sweat and sebum, and from the air. There are no described active transport mechanisms for getting drugs and metabolites into hair. The working theory is that the ingested drugs and their metabolites travel through the body in blood and passively diffuse from the bloodstream into the base of the hair follicle. Drugs and/or metabolites thus become embedded into hair as bands during the growth process.[5] There is no evidence of any covalent bonding of drugs or metabolites to hair structures, but there is strong evidence of weak bonding of some drugs with melanin and evidence of similar hydrogen and van der Waals forces and interaction linking other drugs and metabolites with proteins and other hair structures.

Hair Color and Drug Uptake

The role of hair color in hair testing has been of concern since the Navy first attempted to validate the technology for use in its drug testing program in the mid 1980s. It was discovered very early by the Navy research that darker hair had a higher concentration of drugs. A correlation between drug concentration and melanin was found. Melanin looks like a drug receptor for some drugs and metabolites. This observation raised a number of policy issues concerning fairness and color bias. The fear that the color bias could have a real or perceived racially disparate impact on the service was probably a significant factor in the military's decision not to move forward with hair testing.

Dr. David Kidwell was one of those original researchers, and an expert in this area. He noted that the hair of Caucasian males or females was found to incorporate much less drug than the hair of many African-Americans. He has also pointed out that this finding led many authors and observers to conclude incorrectly that drug incorporation was simply correlated with hair color. Dr. Kidwell and others observed that the incorporation of cocaine and morphine is not well correlated to hair color. Very black hair from an Asian/Caucasian incorporates much less cocaine or morphine than black hair from an African-American female.

Be that as it may, the color of hair is still a factor with the concentration of some drugs in hair. It simply is not the only or perhaps the most significant factor. The most well-designed demonstration of the effect of pure hair color is a controlled-dose study of human volunteers performed at the University of Utah by Dr.

Douglas Rollins. The Rollins study looked at males and females with various hair colors.[6]

The subjects in Dr. Rollins' study were between 18-40 years of age. Of the male and female Caucasians, 6 had black hair, 12 had brown, 8 were blond and 6 had red hair. There were 12 non-Caucasians with black hair. The subjects were restricted from cutting their hair or performing chemical treatments during the study. The subjects were all drug free, and all urine tested and hair tested before dosing. All the subjects were then dosed with 30 mg oral dose of codeine 3 times daily for 5 days (450 mg). The plasma concentrations of codeine were measured to eliminate differences in the bioavailability and clearance of codeine as factors that might account for the differences in codeine hair concentrations.

Hair specimens were collected on weeks 1, 4, 5, 6 and 7 after the oral dosing. The first 3 cm of hair closest to the vertex region of the scalp were analyzed, and the codeine and melanin levels in the hair were measured. The quantitative and qualitative melanin profiles were determined for each subject's hair to provide an objective measure of hair color.

The mean (+/- SE) hair codeine concentrations 5 weeks after dosing were 1429 (+/- 249) pg/mg in black hair; 208 (+/- 17) pg/mg in brown hair; 99 (+/- 10) pg/mg in blond hair; and 69 (+/- 11) in red hair. In black hair, codeine concentrations were 2564 (+/- 170) pg/mg for Asians and 865 (+/- 162) pg/mg for Caucasians. Similar concentration relationships were observed at weeks 4, 6 and 7. The paper reported a strong relationship between the hair concentrations of codeine and melanin (R(2) = 0.73). So from the red-haired to the black-haired donor there is a 20-fold difference in concentrations. Within the Caucasian population, there was about a 15-fold difference from red hair to black. So it is rather hard to understand when experts say that hair color has no effect on drug concentration.

What was particularly troubling about this paper (and perhaps why it is rarely cited in the literature) was the observation that at the time of the study the proposed federal cutoff for codeine in hair was 200 pg/mg. This would have resulted in 100% of subjects with black hair and only 50% of subjects with brown hair being reported as positive, and all the subjects with blond or red hair would have been reported as negative. But here is what also needs to be considered: lower the cutoffs and you can increase the positive detection rate and level the playing field.

But more importantly in terms of potential racial discrimination, this "color" effect is not exclusively a "racial" effect in the sense that these subjects were all Caucasians with straight black hair and brown hair. Yes, there is a higher probability of detection as compared to the blond and redhead, but the study showed the effect as a dark hair issue as opposed to a dark skin issue. But what is perhaps the most significant factor is that although the Rollins study infers unfairness in hair testing, it is unfairness for people with dark hair who use codeine for only five days.

In 2006, Dr. Christine Moore (who wrote the section on oral fluid testing in this text) published a hair study of patients who self-reported opiate use in an emergency room population.[7] The codeine concentrations they found in hair ranged from 575-20,543 pg/mg. It is true that the color of the hair was not part of the study, but the levels are significantly above what was seen in the Rollins study. The point is that unless red hair and blond hair become saturated with drug at very low levels, all chronic drug use should be detected with most drugs (with the possible exception of THC, which will be discussed later in this section).

Fortunately, there does not seem to be a "saturation" effect with blond and red hair at any practical level. In an interesting study and some unpublished data by Psychemedics Laboratory, Dr. Michael Schaffer et al. divided the workplace hair specimens in their lab into two classes: light (blond, red) and dark (black, brown). They then compared the quantitative results for each group from the limit of detection over the whole linear range of the analysis and compared the percentage found at each level of drug for both classes. The graph shows that the line for the light hair samples tracks closely with the line for dark hair. This study was done with the drugs of most concern: cocaine, morphine and carboxy THC. Their findings clearly indicate that there does not seem to be a "ceiling" or saturation effect for light hair.

Unfortunately, what this study does not reveal is whether the donors in the light hair

group had to use the same amount of drug as the donors of the dark hair at the same point on the graph. But an important observation made by Dr. Schaffer about this work is that there is the same parallel line of light and dark hair concentrations for benzoylecgonine, for which there is no melanin association. So the logic is that if the same basic pattern of distribution exists with benzoylecgonine (where there is no color bias) as with cocaine (where there is this additional affinity for melanin), it is reasonable to conclude that the color variable may exist but is not significant in the real world of drug use. Dr. Schaffer also likes to say that the bias in hair testing is not with hair color; the bias is with drug users. It is a fair point to make in respect to color.

Morphology of Hair and Drug Uptake

As it turns out, another important variable of drug incorporation into hair is the morphological differences observed. Curly hair samples reveal a tightly interwoven pattern under an electron microscope. It is not merely that the hair appears to present a more complex matrix of proteins, but that this type of hair is susceptible to physical degradation over time and mechanical breaking of the outer cuticle. This results in increased porosity.

Psychemedics has reported that the large variations in drug uptake that are often seen in soaking experiments in the literature and their own observations are primarily due to porosity effects—that is, the drug diffuses readily into the hair when the cuticle barrier has been disturbed.[8] This is not to say that color effects are not present, but rather they are not the major factor in determining the uptake of environmental contamination.

It is somewhat surprising to hear experts note that since hair morphology is more significant than hair color, it takes the "race" issue out of the debate. Actually, it would seem to exacerbate the issue. But again, curly hair is not exclusive to individuals of African heritage. It is a shared characteristic of many Mediterranean and Arabic people. Further, it would seem the same argument of patterns of chronic use and the gross comparison of white and dark hair drug concentrations are applicable here.

With porosity another factor is in play. The argument goes, and various studies confirm, the more porous the hair, the more drugs will absorb through the hair shaft in a wet environment—which would include drugs that are found in the sweat on the scalp. This may indeed be relevant in increasing the probability of environmental contamination.

However, the reverse is also true. When hair is washed, either in normal shampooing or in a laboratory, more drug gets washed out from porous hair than from straight hair. One problem with porous hair is that laboratories like Psychemedics that have rigorous washing procedures can wash everything out and not be able to find a criterion to distinguish between external contamination and drug use.

Most recently the argument has been presented that increased positive rates for hair tests in the African-American community as compared to urine tests is due to the fact that curly hair is washed less frequently because washing tends to damage it. First, this has not been demonstrated, and second, the argument hardly moves this issue in the right direction.

Demographic Studies

A number of studies purport to find no intrinsic bias in hair testing between African-Americans and Caucasians because observed differences in positive rates can be attributed to differences in drug preference and/or frequency of use. That is frankly a different issue and a different question than the issue of having an equal chance of detection.

If there are significant differences in the probability of detection between groups based on heritage or genetics as reflected in the morphology of hair, it does not make it more fair for an individual who would have been negative if he or she only had red hair that he or she is in a population of "heavy" users. It is still "unfair," but it is also an impossibly unsympathetic argument for the individual with a positive hair test to argue clemency because "*I did not use that much.*"

The demographic studies do help address disparate impact arguments based on pure numbers. Clearly, a population of casual, infrequent users will have a significantly lower number of positive hair tests than a population

of heavier users. The urine detection rates are low for populations of casual users and not much higher for heavier users. Since the detection period is disproportionately longer for hair than for urine, the positive rate for hair will be disproportionately higher as well.

These issues need continued study and monitoring. Concerns about the disparate impact of drug testing and drug laws on minorities are legitimate issues for policy makers and employers to consider. Ironically, in an environment where hair testing is used for diagnosis and counseling or where there is availability for treatment, whatever adverse "bias" there may be in hair testing is reversed.

Environmental Contamination of Hair by Drugs

It has been said that the Achilles heel of hair testing is external contamination. Environmental exposure to drugs has always been a concern in drug testing, and it is of acute concern in hair testing. Although it is true that accidental or unintentional ingestion and "passive" inhalation are problematic in all drug testing methods, the cutoff levels in urine make it highly unlikely for unknowing or passive inhalation of ambient smoke to produce a positive result. The quick clearance time of drugs in the buccal cavity make the issue of passive inhalation in oral fluids more of a curiosity than a technical or legal challenge.

Hair (and for that matter, sweat) presents a different dimension to the problem. Hair and the surface of the skin exist outside the body in direct contact with the environment. There are no active metabolic processes in the hair, and the levels of drugs identified are in the low nanogram and picogram levels. All of the drugs and drug metabolites that are incorporated from the bloodstream, the air or from sweat are preserved—at least to the extent they are not leached out from routine shampooing and normal hygienic practices or chemically destroyed by bleaching, straightening or perming the hair, or even broken down by direct sunlight. So the critical issue in many testing situations is distinguishing potential environmental sources of the drug from systemic use.

It is somewhat difficult to understand the scope of the threat of environmental contamination with hair. On one hand, there is little controversy with prescription drugs or drugs like MDMA, which are not smoked or considered to present much of an environmental contamination issue. However, it is a very significant issue with drugs like marijuana, cocaine, methamphetamine and even heroin. The potential for environmental contamination, and the ability to identify it or rule it out, has presented a significant technical challenge.

Cocaine and Silent Spring

The drug that has received the most attention in respect to contamination is cocaine. Cocaine is an excellent drug to study because other cationic drugs like amphetamines and opiates should have similar characteristics in terms of their incorporation into hair. Cocaine is smoked and is in powder form, and it has been part of the American drug abuse landscape for too long.

Studying cocaine in the environment is reminiscent of Rachel Carson's note in *Silent Spring* that it is possible to find DDT in the fat of penguins.[9] Cocaine has become almost ubiquitous in the environment and is commonly smoked, so contamination is a significant issue.

Cocaine is found as a common contaminant on currency in the United States. In 1998, researchers reported that cocaine was present in 79% of the currency samples analyzed in amounts above 0.1 micrograms and in 54% of the currency in amounts above 1.0 micrograms. Contamination was widespread in bills collected from around the country.[10] When a cocaine-contaminated bill is processed through a sorting or counting machine, traces of the finely milled powder are easily transferred to other bills in the same batch. The same thing takes place in ATMs and counting machines used in banks and casinos. It takes only one bill to contaminate thousands of others, and everyone handles bills.

The most remarkable consequence of currency contamination with cocaine appears to be the results of a hair test of a casino worker in Las Vegas. (Unfortunately, this case is not published.) Hair taken from the right side of his head would test positive for cocaine, and hair on the left side of his head was found to test negative. The MRO and the laboratory concluded that not only did the worker handle a lot of money, but he had the habit of running his right

hand through his hair to keep it out of his eyes. Right hand, right side of the head. It was unclear if the laboratory did any extensive washing or what contamination criteria were used.

A number of more controlled studies have looked at contaminated currency and its potential for "back contamination" to humans. Dr. David Kidwell, an expert in this area, reported that when subjects rubbed contaminated currency vigorously, only trace amounts of cocaine could be found to transfer (15 ng/mL) when the hands and currency were dry. Repeating the study with wet currency and artificial sweat, Dr. Kidwell found a lot more was transferred (up to 197 ng/mL).[11] As it has been later demonstrated, presence of water is a fundamental factor in transferring this drug from a surface to hair.

The problem is not limited to currency. Cocaine is found on school desks and can be found in measurable quantities in rivers around urban areas. In 2008, Spanish researchers published their findings that not only are trace levels of drugs found in rivers, but in drinking water as well—even after filtration! They reported that in surface waters, illicit drugs such as cocaine, benzoylecgonine, amphetamine, methamphetamine, MDMA (ecstasy) and MDA were detected at mean concentrations ranging from 4 to 350 ng/L. The relatively good news was that granulated charcoal filtration removed 100% of the cocaine and 77% of the benzoylecgonine.[12] So now having published this, it is only a matter of time before a donor will explain to an MRO that the reason for their cocaine-positive hair test is that he or she went swimming last month in a lake near Madrid. (This will probably be proffered as an explanation for a urine and oral fluid positive also: *"Some water got in my mouth."*)

Sarcasm aside, in terms of real-world perspective it is important to keep in mind that although there remains a good separation between positive results and negative or no-detection levels in workplace drug testing, broad environmental contamination would begin to merge the two groups.[13] Contamination is a legitimate issue that must be addressed in hair testing.

Laboratory Decontamination Techniques

It is fair to say that there is a growing consensus of independent experts and hair experts that appropriate washing protocols for hair, with an examination of what is being washed out of the hair, significantly reduces the probability of contamination as the source of the positive test result. But there is no guarantee. And that is the bug in the ointment, so to speak.

Although most experts will agree that no "decontamination" method is 100% effective, there has been one significant voice in disagreement. Psychemedics Laboratory in Culver City, California, has pioneered hair testing over the past few decades and has been providing hair tests to employers, the courts, and even a home hair test for parents. Psychemedics has contributed much to the development of hair testing methodology and the science of hair testing. Psychemedics has a great deal of data and has done extensive work in regard to environmental contamination. To a large degree, Psychemedics has played a pivotal role in addressing the controversy over contamination, washing and interpretation of data, at least in the United States.[14]

Psychemedics has always taken the position that its washing methods are 100% effective, even though these methods as published through the years have evolved through dozens of iterations. Also, the theoretical model upon which Psychemedics has based its claim of 100% efficacy for identifying decontamination has been conceptually flawed from the start and discredited or discounted by most experts. Psychemedics' model of drug incorporation states that drugs circulating in the blood are captured in the hair during its initial formation in the cells of the hair follicle. Some percentage of these circulating and now "captured" drugs and metabolites are trapped in an "inaccessible" compartment, described as a highly hydrophobic area that is inaccessible to water.

The significance of water accessibility is that the type of environmental contamination of hair that is problematic for the laboratories is not the dry contamination of raw drug, dust or particulate matter that finds its way on to the hair and is easily washed off, but rather when the contaminant gets onto hair that is wet. Soaking hair in

water that contains various concentrations of drugs will result in the drugs permeating the shaft of the hair. So the real concern is contamination of hair when the hair is wet from sweat or water.

The Psychemedics wash theory states that drugs that enter the hair from the blood in the growth phase are partitioned in areas that are inaccessible to water, and drugs that arrive after the formation of the hair structure can only exist in areas that are accessible to water. So, the theoretical wash model holds that when the hair is washed in the laboratory and the wash is checked for drugs and metabolites, one can wash out all of the drug that is in the "accessible" areas. What is left after repeated washing would be what was incorporated from the blood into the hair follicle during mitosis—and these drug(s) and metabolite(s) are finally released with digestion of the hair prior to GC/MS confirmation.

One basic problem with this model is that the drugs found in hair are in fact hydrophobic, and they are relatively small molecules—none of which are covalently bonded to anything. So if drugs are dissolved in water and enter the hair as a contaminant in solution, how is it that they will not diffuse out of the water right into these hydrophobic "inaccessible" areas or compartments? Just because water may not diffuse into hydrophobic areas does not mean that the drugs and metabolites do not diffuse out of the water and into the hydrophobic areas. For goodness sakes, that is the basic pharmacological diffusion model for how drugs are sequestered in fat. Like a stain in a rug, it may be hard or impossible to get all of a stain out, but the carpet cleaner is not going to claim that the part of the stain that cannot be washed was obviously incorporated into the rug when it was made.

In fact, Psychemedics has all but acknowledged that its theory does not hold water. Not in so many words, but Psychemedics has had to acknowledge that it is possible to contaminate a drug-free hair sample by soaking it in concentrations of drugs that cannot be differentiated by washing. However, the current and perhaps last argument that their method is 100% effective is that such conditions are not found in the real world. And that is frankly unknown.

The paradoxical truth seems to be that although the wash theory of accessible, inaccessible and semi-accessible compartments that are created during hair synthesis and trapping drugs from the blood is mythology, the methods Psychemedics uses tend to be highly effective. The laboratory is very good at identifying contaminated specimens when challenged, in even blind proficiency tests. The fundamental reason seems to be that extensive environmental contamination is not the norm, and results that are equivocal are reported as "contaminated" specimens.

In 1997 the Department of Criminology at the University of South Florida asked thirty-six active undercover officers and four evidence technicians to voluntarily submit hair samples for analysis.[15] They also prepared two cocaine-contaminated (aqueous soaked) samples, three negative control samples, and hair from a self-reported crack smoker; these were also blindly submitted to the Psychemedics Laboratory.

The hair samples were washed and then enzyme digested. The wash solutions and hair digest were each analyzed for the presence of cocaine. The most significant finding was that the results indicated that nearly every person had trace amounts of cocaine contamination in the wash fraction. The lab reported that one person had cocaine present in their hair digest, and that person (apparently not the crack smoker) was negative when retested. This adverse finding was attributed by the author to *micro-ingestion* of cocaine, which is also a legitimate concern when examining persons who are in cocaine-intensive environments. It is not completely reassuring or absolutely supporting the conclusion that the laboratory correctly identified and characterized the contaminated, negative and positive controls.

The study concluded that the findings support the capability of hair analysis to distinguish cocaine use from exposure under normal field conditions. The study results indicate that cocaine-abstinent persons who are in chronic environmental contact with cocaine are *not likely* to test positive for cocaine using the analysis protocols followed in this project. The study also indicates that passive ingestion needs to be considered.

This author's conclusion is that in intensively contaminated environments, an effective washing protocol is essential, as is an examination of the drug concentration in the wash. In addition, no test may be definitive by itself without some technical interpretation by a qualified toxicologist and/or additional testing.

In 2008, researchers in England, without saying so directly, found the current practices of forensic hair testing laboratories to be unsatisfactory. They decided to look at the hair of law enforcement personnel working in the narcotics field.[16] Two hundred and sixteen hair samples from police investigators were tested. The researchers summarized the current analytical approach to contamination as three steps: one, decontaminating hair samples by washing the hair before analysis; two, the detection of the relevant metabolites in the hair samples; and three, the use of cutoff levels. The authors then noted some *difficulties* with this approach, and proposed an additional step that they found "*helps considerably*" in the interpretation of the results: that step is the analysis of the wash residue (W) and its comparison with the levels detected in hair (H)! Psychemedics personnel might be pulling their own hair out at this point. That is what they have been preaching for over twenty years (admittedly with a less than convincing theory of why it works).

The English authors proposed a simpler approach than the current Psychemedics wash criteria. They suggested simply if the Wash/Hair ratio is less then 0.1 or null, it would tend to indicate drug use as opposed to environmental contamination. Where the W/H ratio is above 0.1 but less than 0.5, it is likely to indicate *possible use,* possibly combined with a level of external contamination. The authors want to establish a consensus; that will be tough, to say the least. Unfortunately, *possible use* is not very helpful in workplace testing. However, this is a big endorsement of the need to look at the wash, and it also provides additional support for the idea that decontamination is needed in hair testing.

The End Game

Psychemedics did publish a noteworthy study where they took six different hair specimens and soaked them in a concentration of cocaine. Then they put the specimens in what looked like little tea bags and simulated what shampooing would be like for the hair if the hair were still on the donor's head.

The purpose of this study was to address one of the newer concerns about environmental contamination. The concern was that if donors clean their hair routinely, much of the external contamination would be washed away, but not the portion that had managed to diffuse its way into a hydrophobic area. As a result, the laboratory would be fooled into thinking that after they washed the hair and did not see any significant drug on the surface, that the drug that was finally identified after digesting the hair and releasing all the remaining drug and metabolites would be looked at as residue from the drug deposited from the blood due to drug use, rather than as external contamination.

The concern sounds reasonable, but this "tea bag" shampooing study revealed that the laboratory was still able to classify each of these specimens as either negative or contaminated. A close look at the actual data also shows that many of the contaminated hair specimens that were only washed one or two times were actually classified at first as "negative." With more shampooing and more of the drug contaminant washed, the ratios of wash to final extract changed so that some of these specimens changed from "negative" to "contaminated."

This counterintuitive result stems from the criteria the laboratory uses to compare the amount of drug in the washes to the amount identified in the final digest. The mathematical proof and justification for their multiplier and ratios used continues to remain elusive to this author; nevertheless, the important point is that none of the specimens met the laboratory's criteria for "positive."[17]

So why does the "tea bag" study not end the environmental contamination debate? It is getting close, but the study needs to be replicated by another laboratory. And frankly this will never end until there is a mathematical model for the elimination kinetics that fits the empirical data.

Drug Metabolites as Markers of Drug Use

The identification of metabolites in hair can in some cases be definitive evidence of use, or it can be grossly misinterpreted. The presence of a metabolite is not always synonymous with metabolism. Metabolites are often present as contaminants themselves in drugs, even in pharmaceutical drugs, and can be found as environmental contaminants. (See the discussion of cocaine in Chapter 5.)

One of the most misleading and egregious misstatements in SAMHSA's defunct proposed rules for hair testing was that the presence of benzoylecgonine in hair could be used as a marker for cocaine use. This is nonsense. It is a well-established fact that cocaine naturally breaks down to benzoylecgonine, a process that is greatly accelerated in direct sunlight. It also is formed during many of the analytical steps in hair testing.

On the other hand, the presence of THCA (the carboxylic acid metabolite of THC) is a definitive marker of metabolism and use and is not observed with external contamination.

A Perspective on Environmental Contamination

There are a number of qualified laboratories providing commercial hair tests for workplace screening. Unfortunately, although no decontamination procedure can be shown to be 100% effective, the truth is that little in the real world is. We are left with the curious situation where the theory of contamination and decontamination does not hold water, so to speak, but rigorous laboratory protocols significantly reduce the probability of mere contamination being reported as positive. Although there are still areas of uncertainty, it does appear that a donor with a positive drug test has an uphill battle proving contamination under Psychemedics' protocol, and probably with the other laboratories' procedures as well.

The need for rigorous decontamination procedures has only been seen in the high-stakes cases. In these cases, there will always be the potential for a battle of the experts, particularly when the only evidence is a positive hair test and where the donor is around the drugs in question, such as a narcotics officer or even a laboratory technician who is analyzing evidence.

Contamination is a significant issue in child custody issues when children and spouses live in homes where drugs are manufactured or distributed. There is significant ambient contamination in these environments, and although this is not a satisfactory living situation for children *per se*, the issue of use versus contamination should be addressed. This may be a critical issue if the children moved in after the laboratory and drugs had been removed.

It is important to appreciate, for whatever it is worth, that the contamination issue has not been of any significance in pre-employment hair testing, especially where the applicant is given the opportunity to reapply in six months. Positive donors rarely reapply and rarely challenge the hair test result other than denying use.

Analytical Procedures for Hair Testing

Immunoassay

Hair specimens for workplace drug testing are analyzed in a two-step process as are other specimens. There is an immunoassay screening technique followed by confirmation using a mass spectrometry method. Early work in hair screening was done by radio immunoassay techniques due to its sensitivity. Today a combination of RIA and ELISA methods are used.

Individual laboratory methods vary greatly in terms of whether specimens are first washed, then screened, or screened by immunoassay first then washed and decontaminated prior to confirmation. There are also differences between laboratories in regard to how they obtain a liquefied hair extract for immunoassay screening. One patented method uses an enzyme to digest the hair. Other laboratories use solvents to create an extract, and some pulverize or cut the hair into small pieces prior to extraction. These differences contribute to the inter-laboratory variation seen in hair testing.

A good laboratory immunoassay should have reliable and reproducible separation between immunoassay negative and positive results. There have not been observations of adulterant interferences in hair specimens at the immunoassay stage, but a wide variety of environmental

and cosmetic treatments seem to adversely affect performance. The successful immunoassay strategy is to effectively eliminate negative specimens before much effort is put into confirmation.

Confirmation Procedures

There are also different strategies used in preparing the hair for confirmation. Again, there are differences in laboratory strategies and approaches. First the hair must be weighed. It is also typical for the laboratory to use the region that is closest to the scalp or, in segmental analysis, to identify the section in terms of length from the root end of the sample. This specimen must be accurately weighed and must be within the weight range for the analysis. (Results are reported in terms of weight, not volume.)

The next step is some sort of washing. The solvents vary and sometimes are specific to the class of drug being confirmed. There may be multiple washings. As discussed in the section above on environmental contamination, these washes may be rescreened or confirmed themselves for drug presence.

The next step is the physical breakdown of the hair structure, either by enzymatic, mechanical cutting or pulverization of the weighed specimen. Then there is the preparation of an extract, the derivatization of the extract as needed, and the performance of the chromatographic (usually by GC) and mass spectral (usually MS or tandem MS/MS) analysis.

New instrumentation and techniques used in research and forensic analysis are making their way to this area (as it is in non-regulated urine and oral fluid testing). These techniques each offer some special feature. LC/MS/MS is reported as excellent for more polar compounds like benzodiazepines. GC/MS/MS is almost a requirement for detecting THCA.

On the horizon are technologies that offer the possibility of detecting drugs in only one strand of hair with no screening necessary. Examples are HPLC/ChemLu (High Performance Liquid Chromatography/Chemiluminescence) and UPLC/TOF/MS (Ultra Performance Liquid Chromatography/Time of Flight/Mass Spectrometry). (Welcome to Star Trek.)

Hair Testing in Civil and Family Courts

One of the quiet developments in the field of drug testing has been the emergence of hair testing as an important tool used in family courts to evaluate the status of parents, guardians and children. Many of the controversies surrounding hair testing in the workplace are irrelevant in family court. Results are rarely challenged on the technical merits of the analysis or on color bias. Issues do, however, come up in regards to interpretation of the results, particularly in cases where there are multiple and conflicting drug test results (typically when there is a positive hair and negative urine). In child abuse cases, the issue of contamination needs to be examined (sometimes the issue of drug use vs. contamination is important).

In considering the use of hair tests in family courts, it is important to recognize that there are really two different areas—state actions and private actions. In the state action, a state agency (such as Family Services) is requesting the hair test as part of a parental competency evaluation or a juvenile delinquency determination. These are occasionally criminal cases involving abuse or negligence. A private action is typically where one party of a divorce or custody action is requesting the test as part of its discovery and allegations.

A number of states have embraced the use of hair tests by state agencies. This is often supported by state legislation or administrative rules. A growing number of reported hair test cases are coming from Connecticut, Iowa, Arkansas, Minnesota, Texas and California.

Today many state social service agencies routinely use hair tests to evaluate the competency of parents and guardians where allegations of abuse have surfaced. It is also not uncommon to test the hair of children and adolescents in situations where the family may be involved in illegal drug manufacturing, sale or use. The court will usually order a drug test where parent competency is in question. In one case the court actually ordered a father to grow his hair so as to be subject to a hair test.[18]

The family courts are becoming more sophisticated in administering drug tests. In another custody case, the court ordered the mother to have a hair test because it could not rely on a

series of urine tests which were all dilute.[19] There have been a number of cases where the urines are all negative and the hair is positive—at which point the case is settled.

MRO Verification and Interpretation Issues

The primary role of the MRO in hair tests is fundamentally no different than other areas of workplace drug testing: interviewing the donor and providing the opportunity for the donor to present medical documentation of prescription drug use. As will be discussed in Chapter 4, gathering the needed documentation may be a more extensive process than that for verification of urine tests due to the longer window of detection provided by hair.

The MRO is not able to rule on environmental contamination issues, but may be able to provide some guidance or opinion.

Poppy Seeds

Poppy seeds do not present the same problem in hair as they do in urine. Psychemedics submitted some data to the FDA on in-house studies of poppy seed consumption and the absence of any trace of morphine in hair.

The laboratory has also performed a rigorous published study of poppy seeds.[20] They gave ten subjects 150 g of poppy seed to eat each day for over 3 weeks. Urine samples were collected on the days of poppy seed ingestion, and hair samples were taken in the 5th week of the study. The range among the 10 subjects of the highest urine value for each subject was 2,929 to 13,827 ng/mL morphine. (Note that the highest urine value was still below the 15,000 ng/mL "ceiling" established for poppy seeds in urine.) The lab found that the morphine levels in the hair ranged from 0.05 - 0.48 ng per 10 mg hair, or in picograms per/mg that is 5.0 - 48.0 pg/mg. The cutoff for morphine is 200 pg/mg.

D- and L- Methamphetamine

Most of the laboratories that offer hair tests also have the ability to do the *d*- and *l*- methamphetamine isomer separation. Vicks® Inhaler can be used chronically and could result in a positive finding for methamphetamine.

Negative/Positive Hair Tests for Cannabinoids

The definitive analyte for the identification of marijuana use is the carboxylic acid metabolite THC-COOH. There is also a general consensus that this metabolite is only present in very small amounts. There have been varying degrees of uncertainty as to how much marijuana an individual must use to have a positive result, but there is a general consensus that most infrequent users will not be detected and a significant number of daily users will escape detection. (In some industries—the creative arts, software development and the casino industry—this has not been seen as a disadvantage.)

A very enlightening study was produced in this regard by the Intramural Research Program, National Institute on Drug Abuse, National Institutes of Health.[21] In this study, when the hair of fifty-three subjects who used marijuana daily or had one to five marijuana cigarettes per week was tested, 36% had no detectable THC or 11-nor-9-carboxy-THC (THC-COOH) at the GC/MS/MS limits of quantification (LOQ) of 1.0 and 0.1 pg/mg hair, respectively. All of these subjects had positive urine tests and were even given marijuana to smoke as part of the study. Their drug status is unquestioned and, if anything, understated.

Further analysis revealed a statistical difference in the detection rate between daily users and non-daily users. Another important finding was that there was no difference in detection rates between African-American and Caucasian subjects.

Negative Hair vs. Other Test Results

Negative results in a hair test do not mean that a positive urine or oral fluid test is inaccurate. Each type of specimen provides a unique historical picture, and the results between specimens may not agree. Many factors can affect the results: acute drug use; different analytes; low binding affinity to hair matrix; insufficient time for drug absorption, metabolism and excretion; and sampling time outside the detection "window." F. Musshoff. Results of hair analyses for drugs of abuse and comparison with self-reports and urine tests. *Forensic Sci. Int.*, 2006 Jan 27;156(2-3):118-23.

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The β-agonist clenbuterol in mane and tail hair of horses

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Keywords: horse; clenbuterol; hair; β-agonist; doping

Summary

Reasons for performing study: **The β_2-agonist clenbuterol is commonly administered for therapeutic purposes in the horse, but its use an an anabolic agent is illegal. Clenbuterol can be detected in blood and urine for a relatively short period after administration and detection in hair could enhance the analytical range and be used to determine the history of clenbuterol application.**

Hypothesis: **That detection in mane or tail hair is possible over an extended period.**

Methods: **Four horses received 0.8 μg clenbuterol hydrochloride/kg bwt b.i.d. for 10 days. Four other horses were used as untreated controls. Blood, urine, mane and tail hair samples were taken on Day 0 (before) and 5, 10, 30, 35, 40, 60, 90, 120, 150 and 360 days after start of treatment. Gas chromotography/high resolution mass spectrometry (GC/HRMS) was developed for clenbuterol analysis: limit of detection was 0.2 pg/mg; intra-assay repeatability limit r = 0.06 (confidence level 95%); interassay repeatability limit r = 0.03 (confidence level 95%). Prior to treatment, clenbuterol was absent from all samples analysed.**

Results: **Clenbuterol was detectable as early as Day 5 in tail and mane hair of Segment 1 (0–20 mm from the roots) and was maximal on Day 90. However, as time progressed, shift into lower 20 mm segments was observed. On Day 360, the maximum concentration (up to 21 pg/mg) was located in Segment 13, i.e. 26–28 cm from roots of hair. Clenbuterol was not detectable in blood or urine after Day 30. Mane and tail hair results were very similar.**

Conclusions: **The study showed that the β-agonist clenbuterol can be found in mane and tail hair of horses after extended periods.**

Potential relevance: **It will be possible to detect clenbuterol in breeding and show horses where anabolic drugs have been used illegally to improve conformation. This method may also be helpful to monitor therapeutic clenbuterol treatment.**

Introduction

'Doping' in horses is defined as the application of drugs for better performance. This is illegal in most countries (Anon 2002). Drug usage is monitored routinely during competition by analysis of urine or blood samples. In recent years, it is purported that the growth and development of some young horses has been accelerated by the use of anabolic drugs to gain advantages for sale and promotion of breeding stallions. Random tests for illegal drug application have been carried out but have rarely yielded positive results, possibly because treatment was discontinued early enough to avoid urine or blood detection. The ß-agonist clenbuterol cannot be detected in horse urine later than 11 days after withdrawal, and in blood it is undetectable 4 days after the last application (Hagedorn *et al.* 1995; Harkins *et al.* 2001). It was our hypothesis that detection in mane or tail hair would be possible over an extended period, as shown in rat hair (Adam *et al.* 1994), poultry feathers (Malucelli *et al.* 1994), cattle (Gaillard *et al.* 1997; Fente *et al.* 1999) and human hair (Gleixner *et al.* 1996). Recently, Popot *et al.* (2000) published results of a study of 2 horses in which clenbuterol was detectable in mane and tail for 10 months after treatment. Furthermore, Dunnett (2002) has emphasised the diagnostic potential of hair analysis to assess residues in stock production, prepurchase examination and sports antidoping control and misuse in horses. Due to the slow growth and usually long hair in horses' tails, this should provide a powerful reservoir of material for detection of past usage of the β-agonist clenbuterol.

Materials and methods

A total of 8 geldings, age 5–7 years, were included in the study. They were unexposed to β-agonists for at least 3 years prior to the study. Four were treated with the β-agonist clenbuterol and 4 served as controls. In the treated groups, 2 horses had a black coat with black tail and mane, one a brown coat with lighter tail and mane and one a brown coat with black tail and mane. In the control group, one black horse and one brown had a black tail and mane and the other 2 horses were bay (brown coat) with a lighter tail and mane.

Ventipulmin Gel[1], containing 0.025 mg clenbuterol hydrochloride, 1.8 mg methyl-4-hdroxybenzoate and 0.2 mg propyl-4-hydroxybenzoate as conserving agent/ml, was used for treatment. This product is a bronchospasm dilator licenced in Germany for restricted equine medical application.

The study was initiated in October 2001. In the morning and afternoon of the first day of the experiment, the 4 horses selected for treatment received clenbuterol hydrochloride 0.8 μg/kg bwt *per os*. This amounted to a gel volume of 3.2 ml/100 kg bwt per application and is a typical therapeutic dosage. Treatment was continued for a period of 10 days b.i.d. (morning and evening). Application of clenbuterol directly into

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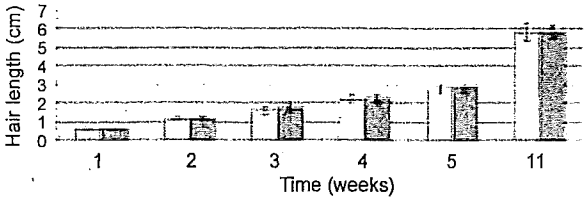

Fig 1: Mean ± s.d. hair growth/week (cm/week) of the tail (▒) and mane (■) of 4 horses and 3 ponies over an 11 week period.

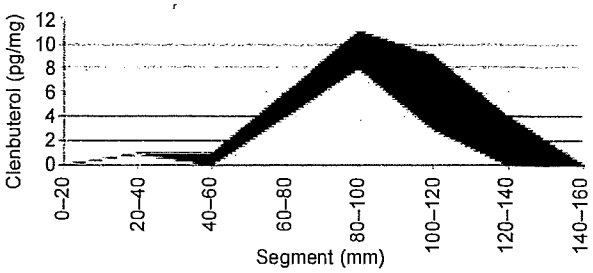

Fig 2: Clenbuterol concentration (pg/mg) after a 10-day oral treatment with 1.6 µg/kg bwt/day clenbuterol hydrochloride in the different tail hair segments on Day 150 in one horse with black (■) and one horse with pale brown (▒) tail hair.

the mouth results in uncontrolled expectoration and loss of medication, and the gel was therefore mixed with feed. For feeding, the horses were isolated into individual boxes and the gel administered in a small portion of standard horse feed. After controlled complete intake of the food/gel mixture, the remaining feed ration was given in 2 successive portions, to assure that any remnants of the gel which might still remain in the trough were taken up. Complete uptake was confirmed after each feeding by visual inspection of the troughs.

Blood, urine, mane hair and tail hair samples were taken on Day 0 (the day before the first application) and on Days 1, 5, 10, 30, 35, 40, 60, 90, 120, 150 and 360. Samples were always collected in the afternoon before the evening feeding and clenbuterol application was on Days 1, 5 and 10. For each sample, 20 ml blood was drawn from the external jugular vein into heparinised tubes and centrifuged at 1560 *g* for 20 mins at 4°C. The plasma was frozen and stored at -18°C for analysis. Urine was collected during spontaneous micturition in one-way plastic cups. An aliquot of 50 ml was frozen in plastic bottles at -18°C prior to analysis. A bundle of mane and tail hair approximately 0.7 cm thick was collected from the crest of the mane and base of tail at each time point. Care was taken to ensure that the hair included the root. The bundles of hair were sealed in plastic bags and kept at room temperature for further processing.

The study was approved by the state authorities responsible for animal welfare (License No. 509c-42502-00/335).

Hair growth

In a pilot study preceding the main experiment, the rate of growth of mane and tail hair length was measured for a period of 11 weeks (August to October) in 7 horses. The group consisted of 3 ponies and 4 horses (4 geldings and 3 mares) age 1–20 years. For this test, a 3 x 3 cm area was shaved at the dorsal radix of the tail and the middle of the mane on each animal. The mean length of 15 individual hairs was measured at weekly intervals.

Analysis of hair samples

Analysis of hair samples followed the procedure described below at the Institute of Doping Analysis and Sports Biochemistry, Kreischa, an IOC-accredited laboratory. All segments from treated horses were analysed; in control samples, only those segments that corresponded to segments from treated horses with the highest clenbuterol concentrations were analysed (Tables 1 and 2). For each sample, pulled hairs were aligned exactly at their roots and cut into 20 mm segments. Subsequently, each segment was cut with scissors into fragments approximately 1 mm in length and stored at room temperature for further processing. The number of hairs in each

TABLE 1: Mean ± s.d. clenbuterol concentrations (pg/mg) in successive 20 mm segments of tail hair of horses before and after a 10-day oral treatment with 1.6 µg/kg bwt/day clenbuterol hydrochloride. In each hair sample, the segment with maximum concentration of clenbuterol is in bold text

Segment† (mm)	Day after start of treatment								
	0‡	5	10	30	60	90	120	150	360
0–20	0.00 ± 0.00*	**11.75 ± 4.35***	**23.25 ± 5.68***	**19.75 ± 7.89***	0.50 ± 1.00	0.00 ± 0.00	0.00 ± 0.00	0.00 ± 0.00	0.00 ± 0.00
>20–40		0.00 ± 0.00	0.03 ± 0.05	2.50 ± 1.29	**20.25 ± 8.38***	1.50 ± 1.00	0.00 ± 0.00	0.50 ± 0.58	0.00 ± 0.00
>40–60				0.00 ± 0.00	6.00 ± 3.92*	**19.75 ± 10.50***	4.00 ± 2.94	1.00 ± 0.82	0.00 ± 0.00
>60–80					0.00 ± 0.00	10.25 ± 4.50*	**20.75 ± 8.73***	5.50 ± 4.20	0.00 ± 0.00
>80–100						0.05 ± 0.10	9.75 ± 7.85*	**15.50 ± 9.88***	0.00 ± 0.00
>100–120						0.00 ± 0.00	0.50 ± 1.00	9.50 ± 6.24*	0.00 ± 0.00
>120–140							0.00 ± 0.00	1.50 ± 1.91	0.00 ± 0.00
>140–160								0.00 ± 0.00	0.50 ± 1.00
>160–180									2.50 ± 3.00
>180–200									4.50 ± 3.11
>200–220									7.00 ± 2.45
>220–240									12.50 ± 3.00
>240–260									**16.75 ± 4.79**
>260–280									11.25 ± 6.18
>280–300									6.50 ± 3.87
>300–320									2.75 ± 3.59
>320–340									1.08 ± 1.08
>340–360									0.25 ± 0.50
>360–380									0.00 ± 0.00

†From the root of the hair. ‡Day 0 = day before start of treatment. *Samples where corresponding control samples were analysed. All controls remained below the limit of detection (LOD).

TABLE 2: Mean ± s.d. clenbuterol concentrations (pg/mg) in successive 20 mm segments of mane hair of horses before and after a 10-day oral treatment with 1.6 µg/kg bwt/day clenbuterol hydrochloride. In each hair sample, the segment with maximum concentration of clenbuterol is in bold text

Segment† (mm)	Day after start of treatment								
	0	5	10	30	60	90	120	150	360
0–20	0.00 ± 0.00*	**11.50 ± 6.61***	**22.75 ± 12.84***	**17.00 ± 10.55***	2.00 ± 2.71	1.50 ± 1.00	0.00 ± 0.00	0.50 ± 1.00	0.00 ± 0.00
>20–40		0.05 ± 0.06	0.10 ± 0.14	7.25 ± 5.80	**18.00 ± 9.56***	1.50 ± 1.29	1.25 ± 0.96	0.50 ± 0.58	0.00 ± 0.00
>40–60			0.00 ± 0.00	0.03 ± 0.05	5.75 ± 3.95*	**15.00 ± 10.42***	2.75 ± 0.96	0.75 ± 0.50	0.00 ± 0.00
>60–80				0.00 ± 0.07	0.00 ± 0.00	**11.50 ± 9.95***	**14.50 ± 7.55***	4.75 ± 3.30	0.00 ± 0.00
>80–100						0.10 ± 0.20	13.25 ± 8.10*	**17.25 ± 11.95***	0.00 ± 0.00
>100–120						0.00 ± 0.00	1.00 ± 1.41	9.50 ± 4.93*	0.00 ± 0.00
>120–140							0.00 ± 0.00	1.75 ± 2.06	0.05 ± 0.10
>140–160								0.25 ± 0.50	0.30 ± 0.48
>160–180								0.00 ± 0.00	1.50 ± 1.29
>180–200									3.50 ± 2.65
>200–220									4.75 ± 3.77
>220–240									5.25 ± 3.77
>240–260									**9.25 ± 6.85**
>260–280									5.75 ± 4.43
>280–300									6.50 ± 7.85
>300–320									4.13 ± 4.77

†From the root of the hair. Day 0 = day before start of treatment. *Samples where corresponding control samples were analysed. All controls remained below the limit of detection (LOD).

segment was not counted, but an equal weight was analysed from each segment. An aliquot of 50 mg of each segment was placed into an ultrasonic bath containing 0.5 mol/l KOH for 3 h at 60°C to give complete hydrolysis. Bambuterol was added as an internal standard. This solution was then extracted on a solid-phase column (Oasis HLB)[2] controlled by an automated processor (Gilson Aspec XL)[3]. After 2 subsequent conditioning steps (1 ml methanol then 1 ml water), the alkaline hair extract was loaded onto the GC cartridge. To remove impurities, cartridges were washed with 2 ml of a solution consisting of 60 parts methanol and 40 parts 2% aqueous ammonium hydroxide solution (60+40, v/v). The elution and measurement of clenbuterol was then carried out using 2 ml methanol and water (9+1, v/v). After drying, the extract was derivatised by MSTFA/NH4I/propanethiol (20 ml/100 mg/40 µl) to form bis-TMS-derivatives of clenbuterol. Measurement was carried out by gas chromotography/high resolution mass spectrometry (GC-HRMS) (Autospec, Micromass)[2] at a resolution of 10,000. Method validation included calculating the values for the limit of detection (LOD), limit of quantification (LOQ), repeatability and interassay precision. Ten calibration samples (containing a clenbuterol concentration of 2 pg/mg) were analysed in one run to determine the repeatability (within-run precision). The results showed mean $\mu = 1.8$ pg/mg; s.d. = 0.3 pg/mg; and repeatability limit (r) = 0.06 (confidence level 95%). These measurements were repeated on 4 different days to evaluate interassay precision, resulting in mean value as $\mu = 1.7$ pg/mg; s.d. = 0.3 pg/mg; and r = 0.03 (confidence level 95%). LOD and LOQ were estimated based on signal to noise ratios. A signal to noise ratio ≥3 is defined as the LOD. The following values were determined: LOD = 0.2 pg/mg; LOQ = 1 pg/mg.

Analysis of blood and urine samples

In blood and urine, clenbuterol is not conjugated and can be isolated without hydrolysation. After solid-phase extraction (XAD), clenbuterol was further purified by liquid/liquid extraction (diethylether, pH 10 or 11), derivatised and finally detected by GC-HRMS as described for the hair samples. All data are expressed as mean values ± s.d. Since clenbuterol does not occur as a natural substance in the untreated horse, any value exceeding the limit of detection was considered to indicate application of clenbuterol.

Results

The average rate of hair growth of mane and tail was 0.56 and 0.57 cm/week, respectively, over the 11 weeks tested. Hair grew at a very uniform rate (Fig 1).

Prior to treatment (Table 1), clenbuterol was not detected in any tail hair samples. Hair segments from control horses were also free of clenbuterol. By Day 5 after initiating treatment, a marked increase of clenbuterol concentration was detected in the basal segment; this peaked at more than 20 pg/mg on the last day of treatment (Day 10). Thereafter, a continuous decline of clenbuterol concentration took place in the basal segment, reaching 0 on Day 90 (11 weeks after the last dose). In the subsequent 20 mm segments, a growth rate-dependent temporal shift of the first detectable and peak concentrations of clenbuterol was observed. The greater the distance from the root, the later the appearance of clenbuterol. Each subsequent 20 mm segment showed a loss of

TABLE 3: Mean ± s.d. clenbuterol concentrations in plasma, urine, mane and tail hair during the first 2 months and on Day 360 of testing

Sample	Day after start of 10-day treatment					
	0*	5	10	30	60	360
Urine (pg/ml)	0	8150 ± 5031	11,413 ± 5428	68 ± 17	0	Not measured
Plasma (pg/ml)	0	58 ± 32	90 ± 67	0	0	Not measured
Tail hair† (pg/mg)	0	11.75 ± 4.35	23.25 ± 5.68	19.75 ± 7.89	20.25 ± 8.38	16.75 ± 4.79
Mane hair† (pg/mg)	0	11.50 ± 6.61	22.75 ± 12.84	17.00 ± 10.55	18.00 ± 9.56	9.25 ± 6.85

*Day 0 = day prior to treatment; †Segment with the highest clenbuterol concentration on that particular day.

detectable clenbuterol, with a delay of approximately 11 weeks as hair growth shifted the contaminated portion further from the root. Between Days 150 and 360, data suggest a considerable increase in the total amount of clenbuterol. This is due to an unusually high but not explainable concentration in a single subject.

The pattern of clenbuterol concentration in mane hair followed the pattern of tail hair concentration with striking similarity (Table 2). All control samples were free of clenbuterol. In hair samples of the treated group, clenbuterol concentration increased in the first segment up to the last day of treatment and declined thereafter. On Day 120, the first segment was devoid of clenbuterol. This was 30 days later than in the comparable tail hair segment.

The considerable deviations shown in Tables 1 and 2 are due not to the analytical method but probably to variations in hair melanin concentration. It was striking that the 3 horses with black tail and mane hair had considerably higher clenbuterol concentrations than the horse with light brown hair. As an example, this is shown in Figure 2 for one black and one light brown horse.

Analysis of plasma and urine samples (Table 3) confirmed the absence of clenbuterol prior to treatment. Following administration, blood and urine concentrations rose faster and to much higher concentrations than observed in hair. However, while urine and blood ceased to contain clenbuterol between Days 20 and 50 after the last administration, tail and mane hair continued to reveal clenbuterol.

Discussion

The results show clearly that the β-agonist clenbuterol is detectable in tail and mane hair over an extended period of at least 360 days. Popot *et al.* (2000) detected clenbuterol in 180–210 mm segments of tail hair from 2 horses 10 months after treatment. Interestingly, in the 2 studies, hair growth rate was nearly identical, 2.24 and 2.28 cm/month in the present study and 2.3 and 2.4 cm/month in the study of Popot *et al.* (2000) for mane and tail hair, respectively. In contrast, urine and blood samples were void of clenbuterol 20–50 days after the end of treatment. Detection of clenbuterol was unambiguous, since samples taken prior to treatment and samples of control horses were always below the limits of detection. Furthermore, as hair increases in length, segments proximal to hair roots became void of clenbuterol while segments containing clenbuterol moved away from the root at the rate of hair growth. It is noteworthy that on Days 90–120 clenbuterol was detectable over 4 consecutive segments only; this increased to 5 segments on Day 150 and eventually over 11 consecutive segments on Day 360. The reason for this is not evident; it could have been due to differences in the growth rate of individual hairs during the anagen phase, but in older hair the catagen phase could also be responsible. The data presented show that it is possible to detect clenbuterol treatment for a much longer period than has previously been reported (Hagedorn *et al.* 1995; Popot *et al.* 2000). This technique may eventually allow conclusions to be drawn as to the duration of treatment and identification of instances where this exceeds normal therapeutic usage. An important application could be the identification of horses treated to enhance growth and development at an early age for show or breeder selection purposes. The technique also permits the detection of drugs that cannot be accounted for by veterinary prescription where documentation of treatment of horses is legally required. Providing evidence of prolonged or unusually high dosage application of clenbuterol in young horses would help to identify illegal use of this drug as an anabolic agent. When clenbuterol has been used therapeutically in young stud stallions over extended periods it can cause respiratory dysfunction, and the animal should not be used for breeding. Potential hereditary predisposition to chronic obstructive pulmonary disease (COPD) would be masked.

Although the present study was limited to a single drug, it is probable that other β-agonists, steroids or other drugs are also incorporated into the hair of the horse and could be analysed in a similar fashion. Dunnett (2002) recently reviewed the wide range of potential applications of hair analysis, but did not provide specific data on clenbuterol. Clenbuterol in hair of horses was first described in a conference report (Popot *et al.* 2000). The determination of clenbuterol in the tail or mane hair of horses will not replace blood or urine analysis, which are well established methods for detection of recent drug use (Lehner *et al.* 2001; Harkins *et al.* 2001). However, hair analysis enables identification of application and duration of application outside the time range covered by blood and/or urine analysis. A horse tail of approximately 60 cm length and growth rate of about 2.4 cm/month would allow analysis of clenbuterol usage over a period of 24 months. Additional advantages of testing hair specimens compared to urine and blood are the ease of collection, transportation and storage of hair samples. At present, one limitation exists; hair analysis yields no data on the quantity of clenbuterol administered. In this study, we did not perform dose response studies. Our results indicate that hair colour may affect the measured concentration of clenbuterol. This has been shown in human hair (Gleixner *et al.* 1996) and was noted by Popot *et al.* (2002) in the horse. A second pilot study performed by the authors, in which clenbuterol was analysed by ELISA, confirmed these observations (A. Schlupp *et al.*, unpublished data). The stabilisation of various substances in hair has been shown to depend on their binding affinity to melanin (Sauer and Anderson 1994). Therefore, it is to be expected that more will be retained in darker than in lighter hair. A practical outcome of this observation is that other drugs can be tested for melanin binding affinity to reveal whether they are likely to be detectable in horse tail hair.

The present report demonstrates a reproducible and sensitive technique by which clenbuterol can be determined in both mane and tail hair of horses, for a period up to 1 year after a 10-day therapeutic treatment. The method can also evaluate the duration of treatment, although the precision of the duration measurement decreases with time, due to differences in the growth rates of individual hairs.

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Manufacturers' addresses

[1]Boehringer Ingelheim, Ingelheim, Germany.
[2]Waters Corporation, Milford, Massachusetts, USA.
[3]Biolab, Risskov, Denmark.

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THE CORRELATION OF ELEMENTAL COMPOSITION AND MORPHOLOGICAL PROPERTIES OF THE HORSES HAIR AFTER 110 DAYS OF FEEDING WITH HIGH QUALITY COMMERCIAL FOOD ENRICHED WITH ZN AND CU ORGANIC FORMS

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ABSTRACT

The objective of this study was to evaluate the impact of high quality commercial food enriched with trace minerals, particularly Zn and Cu on hair coat of yearling thoroughbred horses. In the following research horses for 110 days were fed with St Hippolit diet with 5% higher Zn and Cu contents comparing to standard high concentrated foals feed. The additional advantage of the fodder was the contents of organic forms of mentioned trace elements which has been supposed to markedly enable their absorption from the gastrointestinal tract. Elemental composition of the hairs and their ultrastructure were examined by means of SEM/EDS at the beginning and at the end of the study. In the course of the following research. after period of feeding with Fohlengold both morphological features of the hair coat and hairs elemental composition significantly improved. That point at the positive impact of high quality, Zn and Cu enriched diet on hair coat quality. Moreover marked correlation between elemental composition of the hair and their morphological properties were observed which show of possible SEM/EDS application in estimating elemental status of the organism.

Key words: trace elements, hair, horse, SEM/EDS, feeding.

INTRODUCTION

The first years of a horse's life is fundamental for the later development. Incorrect or imbalanced nutrition during this period may lead, among others,to incorrect skeletal formation, disturbances of immune system function and poor hair coat condition. Colostrum is initially the most important nutritional component for the foal but concurrently young horse is able to digest solid food just one month after birth. This includes meadow grass, hay, but also high quality concentrated feed.

Animals included into the following research were young, thoroughbred, sport racing horses. Thoroughbreds are known for their agility and speed. On the other hand they are extremely fragile, prone to many diseases and demanding as far as nutrition process is concerned [6]. To achieve those high requirements well balanced, high quality diet seems to be a key breeding factor.

It is well known not only from the field of veterinary but also human medicine that diet has a great impact on quality and morphology of the skin and its most apparent appendages – hair. A lot of food components such as proteins, lipids and trace elements are important as far as skin structure and function are concerned [9]. The requirement for trace minerals in young, growing animals are often higher than those of mature animals because of the increased need for skeletal growth and other organs (including skin) development. Trace elements are often supplemented in horse diets due to the relatively low level and availability of many minerals in feedstuffs, particularly those derived from plants. Still deficiencies in trace minerals do in fact occur more frequently than is usually recognized. Sub-clinical deficiency is far more wide spread than acute deficiencies and can lead to reduced growth rates, loss of feed efficiency, depressed immune system and poor hair coat condition. Animals short of essential elements can show depraved appetite symptoms. These deficiency indicators can include licking wood and stones, eating soil or bark. There are seven trace elements that have shown to be needed to be supplemented. These elements are, Copper(Cu), Cobalt(Co), Zinc(Zn), Iodine(J), Iron(Fe), Manganese(Mn) and Selenium(Se). Moreover there are increasing evidences that many minerals and trace minerals such as Sodium, Chloride, zinc, copper, selenium, and magnesium are needed at higher levels to improve the horse's immune system and generally help to maximize equine health.[8] Not only the quantity and quality of mentioned diet components but also their chemical formulation influences their correct absorption from the gastrointestinal tract and conversion by the animal [4]. Many supplemental sources of trace minerals exist, including inorganic sulfates, oxides, and carbonates, as well as organic chelates, polysaccharide complexes, and proteinates. It was reported that chelated minerals may be more effective in meeting the needs of the rapidly growing hoof of young horses and that retention of copper and zinc were improved when organic sources of these minerals were fed to yearling horses [10].

MATERIAL AND METHODS

Horses

Twelve out of thirty eights yearlings, thoroughbred male horses were encounter into this research. The examined animal group was chosen because they were in similar physical condition, of approximately the same weight and all had mild deficiency anemia. The accuracy of the horse choice was assessed through a blind examination carried out by two trained veterinary doctors. Examined horses macroscopically exhibited bad coat quality namely the hair coat was weak, shine-less, breakable and rough. Besides having mild underweight they clinically exhibited no other symptoms of any disease. All horses lived in in Golejewko (central-west part of Poland). The animals were kept in a stable with an access to open paddock and meadow spending the majority of the day outside. The following experiment was kept from the end of the November for 110 days. During the experiment animals had no additional sources of food outside the stable. The group of twelve examined horses was farther divided into two 6-individuals subgroups namely experimental and control one. The first subgroup was fed with 700g 44- ingredients manufactured high-quality muesli Fohlengold St-Hippolyt made by Muhle Ebot Dilheim and additionally hay *ad libitum*. Control horses received only hay and oats. All animals were fed tree times a day.

At the beginning of the experiment 20 hairs from mane, 20 from tail and 20 from trunk were collected from each horse and they were analyzed by means of SEM-EDS in order to described they ultrastructural appearance and elemental composition. A standardized method of obtaining a sample from the same anatomical areas was developed. Clippings were removed using sterile gloves and there was no contact with the ground or any other surface which might have provided contamination.The hairs were washed and degreased in demineralised water with detergent, then rinsed tree

times and dried. Then hairs were covered with gold and observed in Scanning electron microscope LEO ZEISS 435 Fp (Oberkohen). The following features of hair morphology were described: the appearance of the hair cuticle including size and shape of the keratin scales, the medulla cellular structure, medulla width, diameter of each hair shaft and the general appearance of the hair shafts. The analogical examination was performed after 110 days -at the end of the research. Additionally every part of the hair was analyzed regarding elemental content using microroentgenographic detector Roentec at the beginning and at the end of the experiment.

Collection of peripheral blood

From the horse population examined (12 individuals) samples of peripheral blood were collected into EDTA tubes and coagulation tubes by jugular venipuncture and the blood biochemistry was performed including Zn and Cu levels. Complete blood count (CBC) was also done both at the beginning and at the end of the experiment. Blood examination was carry out by two laboratories namely SBL Klinik Czech Republic and Laboratory at Wroclaw University of Environmental and Life Sciences.

Skin biopsy

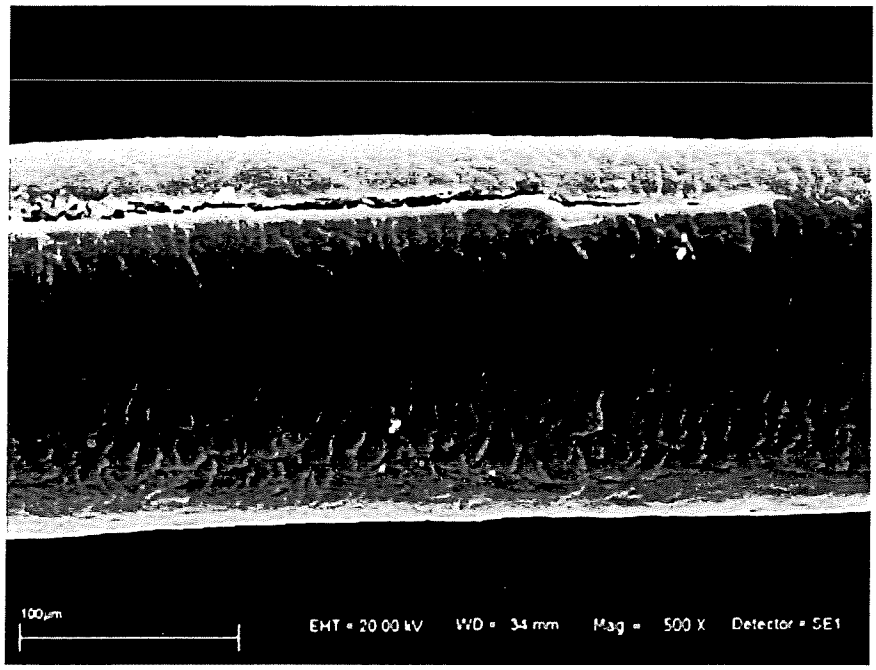
Skin 7-mm specimens were taken using local anesthesia (lidokaine injectable 2%) from the right side of the horse's neck. Specimens were biopsied using a scalpel blade. Each specimen was fixed immediately after sampling in 4% neutral buffered formalin and later, paraffin embedded 4 μm sections were stained with H & E.

The cross sections of each specimen was examined by means of light microscope in order to measure the width of horse epidermis at the beginning and at the end of the research.

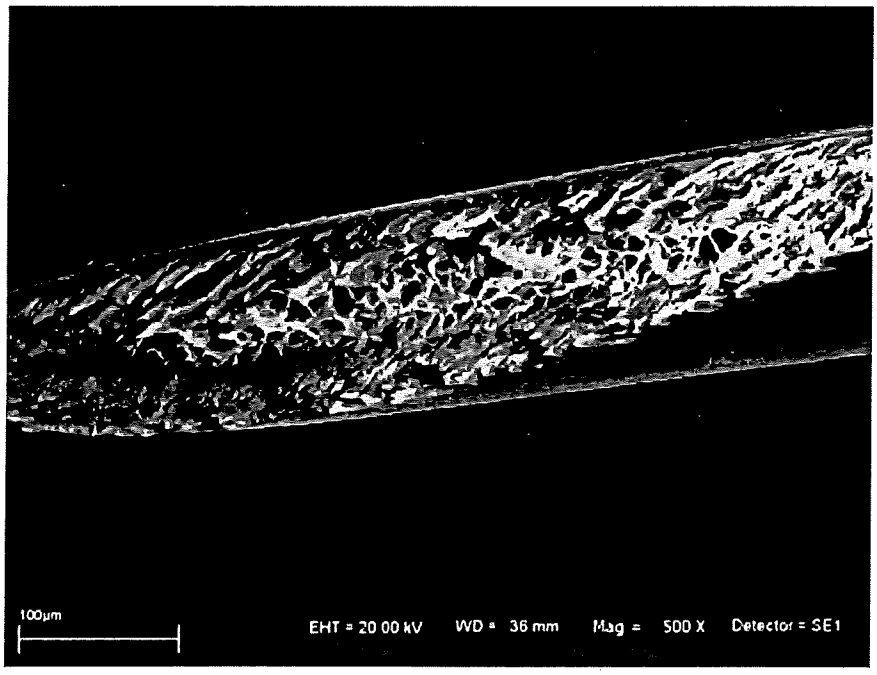
RESULTS

There was significant distinctness concerning hair coat appearance, hair ultrastructure, blood and hairs elemental composition and width of the epidermis observed between control horse group and horses eating manufactured high-quality muesli with high levels of Zn and Cu organic forms. To show how structural characteristic of the hair coat correlates with its elemental composition authors described appearance of the hair shafts, ultrastructure of hair medulla an cuticle cells and medulla/hair shaft diameter ratio. Both guard and soft hairs were analyzed as far as general hair shaft shape and appearance of cuticle surface are concerned. Only cross sections of guard hairs were performed and examined farther to describe cellular structure of the medulla and the medulla/hair shaft diameter ratio. At the beginning of the experiment horses from experimental and control group had a lot of ultrastructural defects concerning the hair shaft, hair cuticle and the structure of the medulla. In the examined hair samples one could appreciate flattened or twisted shape of the hair shaft and ragged endings of the hair which was probably responsible for dull appearance and rough texture of the hair coat. Numerous ruptures of the keratin cuticle scales ranging from shallow to deep in their nature and irregular distribution of the keratin scales were noted (Phot. 1). In case of rough hairs from mane and tail even greater abnormalities were observed. They were connected with serious damage of cuticle and cortex of the hair exposing medulla fragments. It could be the reason for mechanical weakness of the hair but also potentially promote bacterial and fungal infections. Analyzing the cross sections of guard hairs from mane and tail of horses at the beginning of research medulla was very thin comparing to diameter of the hair shaft. Additionally medulla cells were irregularly distributed and did not tightly adhere to each other (Phot. 2). Quite contrary observations were made at the and of experiment with respect to experimental horses group. Medulla cells were regularly distributed along the hair shaft and the medulla/hair diameter ratios were in majority of hairs relatively high (Phot. 3, 4). Mentioned positive alternations of hair structure were not observed in control horses group.

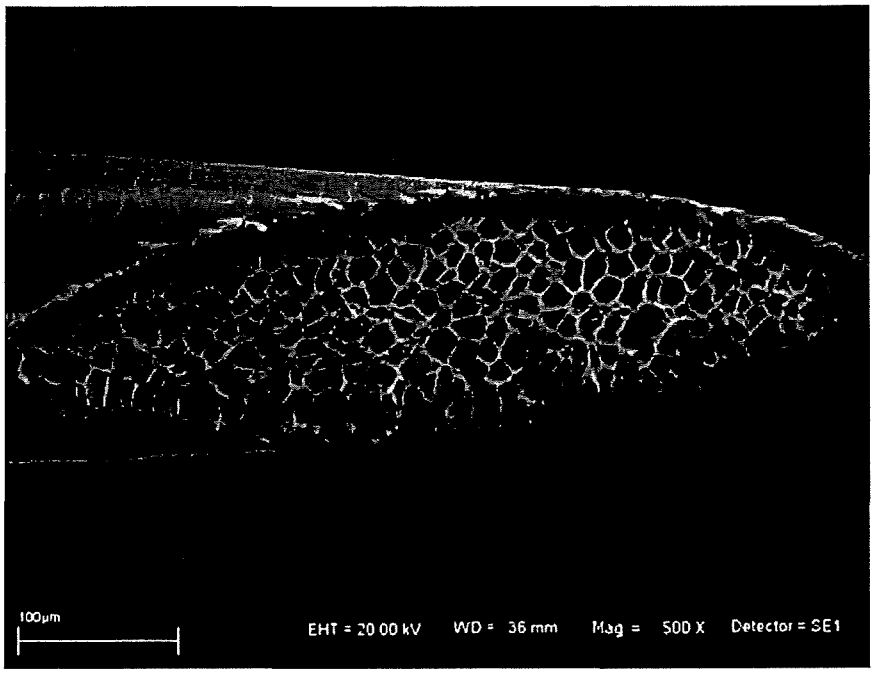
Phot. 1. The hair from horse tail with deep cuticle and cortex cracking



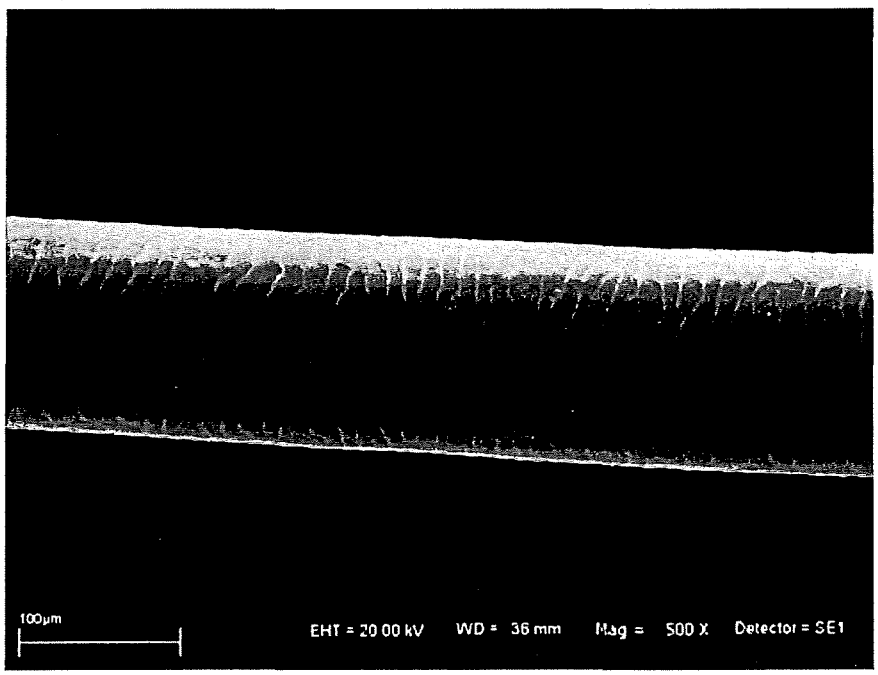
Phot. 2. The surface of the hair from the tail with proper cuticle structure



Phot. 3. Cross-section of the mane hair with loose and irregular medulla structure and low medulla/hair shaft diameter ratio



Phot. 4. Cross-section of the mane hair with regular medulla cells architecture and high medulla/hair shaft diameter ratio



Also with respect to average epidermis width en improvement was observed in case of experimental horses; namely epidermis after feeding with Fohlengold was much thicker than at the beginning of the research. Quite opposite situation took place in case of control horse group.

Morphological examination of the blood indicated mild anemia in all horses at the beginning of the research and marked improvement of red blood cells parameters at the end of feeding program with respect to experimental group. As far as blood elemental analysis is concerned the Cu and Zn levels were significantly higher in case of experimental horses after the period of supplementation with FohlenGold muesli compared to serum Cu and Zn content in control horses (Fig. 1).

Fig. 1. Cu and Zn levels in serum of control (Serie 2) and experimental (Serie 1) horses after the period of supplementation with FohlenGold muesli

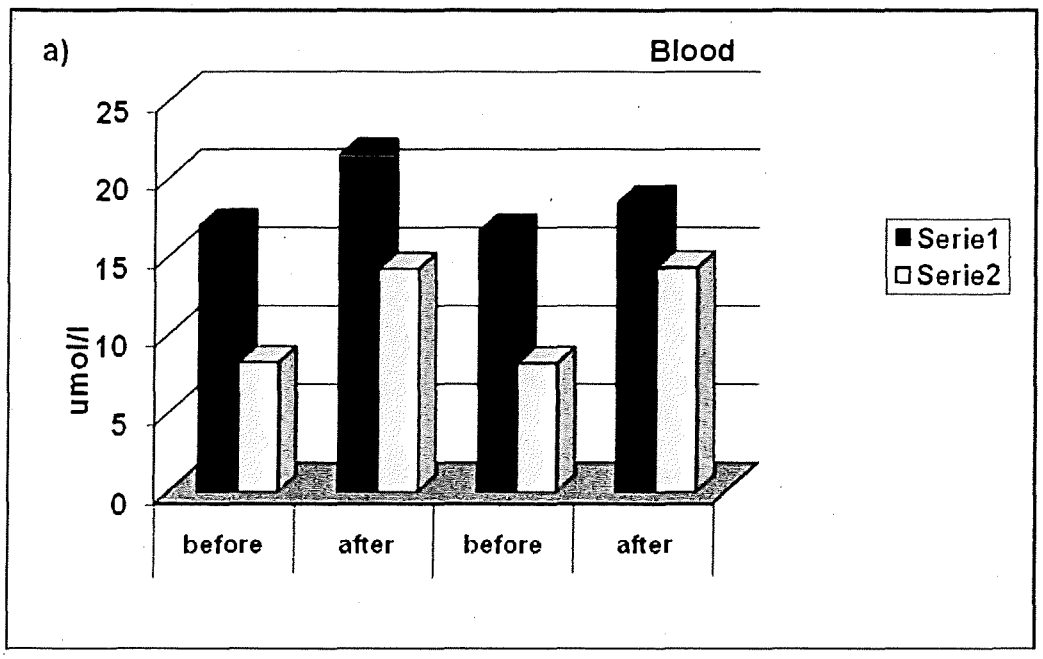
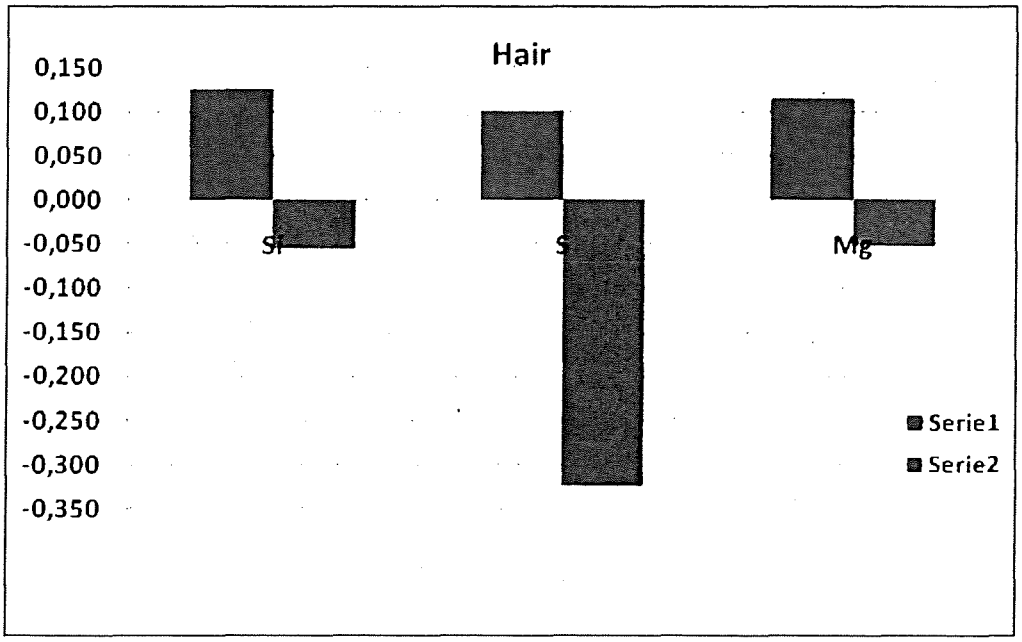


Fig. 2. Contents of Si, S, Mg, in hair of experimental (serie 1) and control group (serie 2), measured by means of method X-ray SEM [%] at the end of the research program



Average concentration of Cu, Zn, S, Si, Mg, Co, Fe and P in examined hair of experimental horses before the research was lover then at the and of the supplementation program. With reference to control horses the all mentioned minerals concentrations decreased during the course of the experiment (Fig. 2).

DISCUSSION

Humans began to horses around 4000 BC and since then equine population has become more and more dependent on human being. Horses have to cope with environment conditions created by breeders whose demands have been concentrated both on exterior and efficiency of the animals. The one of most potent environmental factor with enormous impact on animal condition is nutrition. It is essential to fulfill quantitative and qualitative horse nutritional requirements with respect to its age, level of activity and health status. Well balanced diet consisting of adequate proportions of carbohydrates, lipids (including essential fatty acids), proteins, minerals and vitamins enable to keep

homeostasis of the organism and good general physical condition. The minerals in foods do not contribute directly to energy needs but are important as body regulators and as constituents of many vital substances like enzymes, vitamins and amino acids. Major minerals such as calcium, phosphorus, iron, sodium, potassium, and chloride ions and other essential minerals as copper, cobalt, manganese, zinc, magnesium, fluorine, and iodine significantly affect metabolic homeostasis [7]. Skin is the largest and most visible organ of the mammals body. The skin barrier function seems to be the most obvious but one can appreciate that skin together with the hair coat also acts as a mirror reflecting general health or internal pathological dysfunctions of the organism [11]. The impact of unsaturated fatty acids on impermeability of lipid epidermal layer and appearance of hair coat is well documented. Also protein malnutrition induces disturbances in hair growth and quality [2]. As it was indicated microelements play particular role in the formation of skin and hair structure. Minerals influence hair and skin quality at many different levels and Zn and Cu seems to be specially important as far as thoroughbred horses high coat quality is concerned. Authors of the following paper examined the influence of Fohlengold horse food on the hair morphology and condition, because of several reasons. Primarily this high quality, well balanced fodder containing 5% higher amounts of some trace elements including Zn and Cu comparing to others high quality horse food. Moreover in Folengold classic both Zn and Cu have organic chemical formulation which seems to have a grate impact on their absorption and utilization by the horse.

In examined though hair of experimental horses average concentration of Cu and Zn but also S, Si, Mg, Co, Fe, P before the research was lower then at the and of the supplementation. With reference to control horse group eating only hay and oats decrease of mentioned element concentrations was noticed. This might indicate that there is a relationship between dietary intake of specific elements and their concentration in the hair.

Zinc is extremely important trace element involved in many enzyme functions and formation of the body proteins. There is strong connection between Zn diet content and the proper outlook of the skin and hair coat most desirable feature of animal exterior. Even mild deficiency may result in really bad hair and skin quality. Zn regulates the activity of sebaceous glands and the healing of the wounds. High calcium, protein and fitynians level in diet significantly multiply Zn requirement. Moreover adequate copper and zinc ratio should be provided in food (Zn:Cu 3-4: 1) [1]. Suboptimal zinc levels induce graying of hair, prolonged wounds healing, parakeratosis, susceptibility to infections and developmental orthopedic diseases in young horses. In case of examined hair at the beginning of the following research low Zn concentration could be responsible for structural hair cuticle and medulla defects both in experimental and control horses.

Copper is trace element required for the absorption of iron from gastro intestinal tract, skin metabolism and in general connective tissue metabolism [5]. Aids in the formation of the hemoglobin and red blood cells, works with vitamin C and zinc to form elastin and collagen and is involved in the healing process and hair and skin pigmentation. Deficiency may result in general weakness, anemia and fading of brown- or black-pigmented hair. Copper deficiency in foals have been suggested to be a reason for certain developmental orthopedic diseases. In case of experimental horses rise of hair and blood Cu concentration after feeding with high quality fodder may be the reason of hair coat quality improvement and anemia correction respectively.

Iron is essential part of haemoglobin and it is involved in oxidative processes. Its deficiency may result in anemia. Feeding with high quality well balanced diet in the course of the following research could be the reason of anemia correction in experimental horse group.

Also sulphur and silicon are essential trace elements required for skin and hair proper structure and function. Sulfur is a biotin, chondroitin sulfate, insulin and heparin component. It makes up almost 0.15% of his horse body weight. Two very important for skin metabolism amino acids:cystine and methionine, both contain this mineral [3].

Trace element analysis of hair has been described as additional source of information on nutritional status of the organism. The levels of minerals in the hair can correlate with the mineral level in the body's organs. The following study indicates that changes in nutritional regimes have an impact on mineral composition of the equine hairs. At the same time it was observed that elemental composition correlates with hair morphological properties of the hair such as cuticle and medulla structure and medulla/hair diameter ratio. Taking into consideration impaired hair structure and impoverished hair elemental composition at the beginning of the experiment and significant improvement of mentioned parameters in case of the experimental horse group at the end of the research it might be possible to correlate dietary mineral deficiencies with the functionality of keratin tissue.

To determined the mode of elements assimilation from the given food source elemental composition of the horse hairs was evaluated by means of scanning microscopy (SEM-EDS) Mentioned analysis as a fast, noninvasive and nondestructive method may be treated as screening diagnostic tool to determine the correct program of diet and supplementation for each individual's specific needs connected with breed or technological group.

CONCLUSIONS

Mentioned analysis as a fast, noninvasive and nondestructive method may be treated as screening diagnostic tool to determine the correct program of diet and supplementation for each individual's specific needs connected with breed or technological group. After 110 days of suplemmentation with high quality, Zn and Cu enriched diet positive impact of on hair coat quality was observed. Moreover marked correlation between elemental composition of the hair and their morphological properties were notised which show of possible SEM/EDS application in estimating elemental status of the organism.

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RESEARCH ARTICLE

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Detection of prohibited substances in equine hair by ultra-high performance liquid chromatography–triple quadrupole mass spectrometry – application to doping control samples

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Abstract

The detection of drugs in human hair samples has been performed by laboratories around the world for many years and the matrix is popular in disciplines, such as workplace drug testing. To date, however, hair has not become a routinely utilised matrix in sports drug detection. The analysis of hair samples offers several potential advantages to doping control laboratories, not least of which are the greatly extended detection window and the ease of sample collection and storage.

This article describes the development, validation, and utilisation of a sensitive ultra-high performance liquid chromatography–triple quadrupole mass spectrometry (UHPLC–MS/MS) method for the detection of 50 compounds. This provides significantly improved coverage for those analytes which would be of particular interest if detected in hair, such as anabolic steroid esters and selective androgen receptor modulators (SARMs).

Qualitative validation of the method resulted in estimated limits of detection as low as 0.1 pg/mg for the majority of compounds, with all being detected at 2 pg/mg or below. The suitability of the method for the detection of prohibited substances in incurred material was demonstrated by the successful detection of several compounds, such as stanozolol, boldenone undecylenate, clenbuterol, and GW-501516, in genuine equine hair samples. Estimated concentrations of the detected substances ranged from 0.27 to 8.6 pg/mg. The method has been shown to be fit-for-purpose for routine screening of equine hair samples by the analysis of over 400 genuine hair samples.

KEYWORDS

doping control, equine hair, prohibited substances, UHPLC–MS/MS

1 | INTRODUCTION

The suitability of hair as a matrix for detecting the presence of exogenous substances was first investigated in the early 1970s when environmental exposure to trace heavy metals was assessed in human hair samples by atomic absorption spectroscopy (AAS).[1] The detection of drug compounds in human hair samples was pioneered in the late 1970s, and in 1979 Marcus Baumgartner reported the use of the relatively new technique of immunoassay to successfully detect morphine in the hair of addicts.[2] This early work on the detection of opiates was later expanded to include a number of typical drugs of abuse and, as a result, the analysis of human hair samples gradually became a useful tool in areas such as occupational drug testing and medico-legal testing. The first reported use of hair testing in a legal environment was in 1982, when immunoassay was used to detect cocaine in the hair of an alleged sexual assault victim.[3]

As a result of the increased interest in hair testing and its growing acceptance in a legal context, there was a requirement to ensure that laboratories undertaking the analysis were adopting best practices and producing data of sufficient quality to stand up to legal scrutiny. In 1995, the Society of Hair Testing (SoHT) was formed as an off-shoot of the International Association of Forensic Toxicologists (TIAFT).[4] The SoHT has been instrumental in establishing many of the guiding principles of human hair testing in forensic and clinical toxicology, publishing and updating a set of guidelines for drug testing in hair.[5] Since the early 2000s and the implementation of more sensitive instrumental techniques, such as liquid chromatography–tandem mass spectrometry (LC–MS/MS), the detection of drugs in human hair samples has

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progressed rapidly and now includes the successful detection of single exposures to low-dose drugs, such as zolpidem, in drug-facilitated crimes.[6]

As a result of the work of the SoHT and the international adoption of its guidelines, human hair analysis is well established and accepted in a number of areas, including pre-employment and occupational drug testing, post-mortem toxicology, drug-facilitated crime, drug-abstinence and maintenance programs, child custody, and re-granting of driver licences.[7] To date, however, human hair has not been accepted as a matrix for human sport doping control.[8]

Hair analysis in the field of equine medication and doping control has been investigated by laboratories for several years. In 1998, Beresford et al[9] reported the successful GC–MS detection of morphine in mane-hair samples from 4 horses which had been administered intra-venous morphine. Popot et al. published work on the detection of approaches to the detection of drugs in equine hair[10] and the targeted detection of boldenone in mane hair.[11] During the same period Dunnett et al. reported on the detection of both methylxanthines and procaine in hair samples following administration studies[12,13] and also discussed the effect of melanin content in drug deposition and the difference in drug deposition between anagen and telogen hair.[14]

Whilst this early work demonstrated that the detection of drugs in equine hair was possible, it did not result in the routine use of the matrix in equine doping control laboratories. However, research continued and, in 2005, Anielski et al. reported on the detection of precursors of nandrolone and boldenone in horse hair.[15] The same researchers went on to publish on the successful detection of anabolic steroid esters in equine hair in order to support findings from urine testing.[16] This method utilised derivatisation and high resolution gas chromatography–mass spectrometry (GC–MS) analysis to achieve excellent sensitivity and the successful detection of testosterone propionate in a genuine sample. This paper is the first reported use of an equine hair sample to support findings from the usual equine doping control matrix of urine. However, the instrumental technique employed to achieve the high sensitivity required (high resolution GC–MS) was at that time expensive and only available to a small number of specialist laboratories.

Despite the publication of several methods for the analysis of drugs in horse hair and the successful detection of anabolic steroids and associated steroid esters in genuine samples, the use of hair as a matrix was not adopted by Racing Regulators. The reasons for this apparent lack of uptake in equine hair analysis are unclear, but it is likely that the difficulties associated with the analysis of hair samples and the instrumental sensitivity available during this period meant that detection of a large number of drugs was too challenging to be routinely used.

More recently, there has been renewed interest in the potential use of equine hair as a testing matrix and a number of laboratories have invested significant research effort in establishing routine testing protocols. In 2012, Gray et al. discussed the use of hair as an alternative matrix for doping control[17] and also provided a comparison between the detection of anabolic steroids in hair, plasma, and urine.[18] In 2013, the same group published on the detection of a range of anabolic steroids and steroid esters in equine hair, including the successful detection of both boldenone undecylenate and stanozolol in genuine hair samples.[19] Most recently a method for the detection of anabolic steroids and their esters in horse hair using high-resolution mass spectrometry (HRMS) has been published.[20] This paper also discusses approaches to the production of suitable quality control materials for equine hair testing, an area which requires further investigation as genuine incurred material is difficult and expensive to obtain.

This article presents an improved and extended method for the screening of a wide range of prohibited substances in equine hair. The method includes a pre-extraction wash procedure to minimise any contribution from externally deposited drugs followed by grinding the sample to a fine powder in order to maximise extraction efficiency. The drugs of interest are extracted from the incubated hair sample using a 2-stage liquid-liquid extraction (LLE) followed by derivatisation with methoxyamine hydrochloride in order to improve ionisation efficiency for selected analytes prior to analysis by ultra-high performance liquid chromatography-triple quadrupole mass spectrometry (UHPLC–MS/MS) using a targeted selected reaction monitoring (SRM) method. The applicability of the method for the detection of prohibited substances in equine hair was demonstrated by the successful detection of several compounds, such as stanozolol, boldenone undecylenate, clenbuterol, and GW-501516, in genuine equine hair samples. The method has to date been used for screening of over 400 equine hair samples, demonstrating that it is robust and fit-for-purpose. Hair samples which generate a presumptive positive screening finding from the method presented in this article are subjected to an additional extraction and analysis procedure, including a more comprehensive wash procedure, in order to confirm a positive finding.

2 | EXPERIMENTAL

2.1 | Materials

Andarine, altrenogest, boldenone, ethisterone, fluoxymesterone, formestane, GW-501516, mesterolone, norethisterone, ostarine, tamoxifen, testosterone propionate, and d3- testosterone were from Sigma-Aldrich (Poole, UK). Boldenone undecylenate, boldione, drostanolone, hydroxyprogesterone acetate, methandienone, methenolone, nandrolone decanoate, nandrolone, nandrolone laurate, nandrolone phenylpropionate, nandrolone undecanoate, testosterone, testosterone acetate, testosterone benzoate, testosterone caproate, testosterone cypionate, testosterone decanoate, testosterone isocaproate, testosterone phenylpropionate, and testosterone undecanoate were from Steraloids Inc. (Newport, RI, USA). Clostebol, stanozolol, and superdrol were from Toronto Research Chemicals (Ontario, Canada). Androstene-3,6,17-triol (6-OXO) was from BDG Synthesis (Wellington, New Zealand); bambuterol was from AstraZeneca (Royston, UK); and clenbuterol, clomifene, and salbutamol were from European Pharmacopeia (Strasbourg, France). Dimethylfluoxymesterone, methyltestosterone, trenbolone, and d9-clenbuterol were from NMI (Sydney, Australia). FG-4592 was from Cayman Chemicals (Ann Arbor, MI, USA), fluticasone propionate was a gift from GSK (Stevenage, UK), mestanolone and zilpaterol were from Sequia Research Products (Pangbourne, UK), and norethandrolone was

from Searle Company Ltd (Karachi, Pakistan). Hydroxyprogesterone caproate was from United States Pharmacopeia (Rockville, MD, USA) and trenbolone acetate was from Roussel (Mumbai, India). D3-testosterone decanoate, d3-testosterone propionate and d3-testosterone phenylpropionate were from CDN Isotopes (Thaxted, UK).

Stock solutions containing individual compounds at concentrations of 1 mg/mL were prepared in methanol and stored at -20°C. A mixed stock solution containing all the compounds, except for the deuterated internal standards, was prepared at a concentration of 10 µg/mL in methanol and was subsequently used to prepare spiking solutions at appropriate concentrations. A mixed spiking solution containing the deuterated internal standards was prepared in methanol at a concentration of 10 µg/mL and subsequently diluted to prepare appropriate spiking solutions.

Methoxyamine hydrochloride was obtained from Sigma-Aldrich (Poole, UK). All analytical grade chemicals were from Fisher Scientific (Loughborough, UK), except for tert-butyl methyl ether (TBME) which was from Sigma-Aldrich (Poole, UK). Reagent grade water was purified using a Triple Red Duo water system (Triple Red Laboratory Technologies, Long Crendon, UK).

2.2 | Hair samples

For method development and validation purposes, mane-hair samples were obtained from animals housed at the British Horseracing Centre for Racehorse Studies (CRS, Newmarket, UK). These animals had not been administered any of the analytes included in the method (Table 1) in the previous 12 months. Hair samples were collected by mane pulling during the normal grooming procedures of the animals. Collection in this manner ensures that hairs are obtained from the full length of the animal's neck, from poll to withers, giving a representative sample. The collected sample was removed from the mane comb and placed into a tamper evident plastic bag before being stored at room temperature and in the dark prior to analysis. For development and validation purposes, a mixed hair sample was prepared by pooling a number of individual samples. Samples were collected from animals of different coat colours (black, brown, and grey) and different genders (mare, gelding, and colt) to provide a representative mixed sample.

To fully assess the suitability of the method for the detection of prohibited substances in genuine hair samples, a number of known incurred samples were analysed. These samples were obtained from a variety of sources, but included post-administration samples obtained following ethically approved, controlled, administration studies (in certain cases the full administration details were not available as the studies were performed by other organisations) and samples collected following an adverse finding in a urine or blood sample (follow-up samples). The majority of the samples analysed were collected from the mane of the animals. However, the applicability of the method for the analysis of tail hair was also assessed by the analysis of a small number of tail-hair samples.

In addition, the method has been used to analyse over 400 routine screening samples from a number of racing jurisdictions from around the world. The analysis of these samples resulted in the detection of several presumptive screening positives, a selection of which are reported in this article.

2.3 | Sample preparation and extraction

Prior to analysis, mane-hair samples are first inspected to ensure that there is an appropriate volume of sample and if segmental analysis is required, then an assessment is also made as to the quality of the sample alignment. If considered to be suitable for analysis, then a portion of the sample is washed to remove gross external contamination. The wash procedure employed at this stage is for screening purposes only and a more extensive procedure, including multiple wash steps, is employed for samples which require additional confirmatory analysis.

For routine screening, mane-hair samples are prepared as 2 segments of 7.5 cm length (assuming sufficient initial length), with any remaining length being discarded. This represents approximately 3 to 4 months growth at accepted growth rates.[14] Alternative segmenting protocols can be employed if required. If tail hair is to be used, then the sample is segmented into 2 x 15 cm segments, with the remainder being discarded.

The segments of hair are placed into individual 20-mL glass scintillation vials and 10 mL of a 0.1% sodium dodecyl sulphate (SDS) solution added. The vials are capped and shaken vigorously for approximately 30 seconds. The wash solution is removed to waste, and the hair is rinsed twice more with 10 mL of reagent grade water in order to remove excess foam and residues. The uncapped vials are placed in a laboratory oven at 40°C until the samples are completely dry.

Following washing, the dried hair samples are ground to a fine powder using an Omni Beadruptor 24 (Kennesaw, GA, USA). One hundred (100) mg of ground hair is weighed into an 8-mL screw-top tube and the sample spiked with 50 µL of an internal standard mix containing *d3*-testosterone, *d3*-testosterone propionate, *d3*-testosterone phenylpropionate, *d3*-testosterone decanoate, and *d9*-clenbuterol, at a concentration of 10 ng/mL, to give a final concentration on hair of 5 pg/mg. One (1) mL of 0.1 M phosphate buffer at pH 9.5 is added to the tubes and shaken well. The tubes are capped and incubated at 37°C overnight (16–18 hours). After incubation liquid-liquid extraction (LLE) is performed with 3 mL of TBME:ethyl acetate (1:1). The organic layer is removed to a fresh tube and retained. The pH of the sample is adjusted by adding 25 µL of 2 M HCl and mixing. The LLE step is repeated and the organic layer added to that previously collected. The organic extract is evaporated to dryness and then dissolved in 100 µL of a 100 mM methoxyamine solution (80% methanol). The samples are transferred to low-volume LC–MS/MS vials, capped and heated at 80°C for 60 minutes to complete derivatisation.

2.4 | UHPLC–MS/MS method

Extracted and derivatised samples are analysed using a UHPLC–MS/MS system consisting of a TSQ Quantiva mass spectrometer and an Ultimate 3000 UHPLC, both from ThermoFisher Scientific (Waltham, MA, USA). Chromatographic separation is performed on a 100 x 2.1 mm, 1.7 µm Acquity BEH C18 UPLC column from Waters (Milford, MA, USA). Mobile phase A is 0.1% formic acid in water and mobile phase B is 0.1% formic acid in methanol. Initial conditions are 20% B, which is held for 0.5 minutes before rapidly increasing to 60% B at 1 minute, followed by an increase to 99% B at 14 minutes.

TABLE 1 SRM transitions (primary screening transition in bold), source conditions and validation parameters for the analytes included in the method

Analyte	SRMS	Collision Energy (V)	RF Lens (V)	Recovery %	Matrix Effect %	LOD (pg/mg)
Andarine	441.9→400.1 441.9→108.1	17 39	69	85 ± 5.7	35 ± 4.5	0.2
Androstene-3,6,17-trione (6-OXO) tris-MO	388.3→326.2 388.3→303.2	28 31	80	43 ± 8.1	45 ± 5.9	2.0
Altrenogest MO	340.2→225.1 340.2→212.2	27 29	67	82 ± 5.1	43 ± 4.9	0.1
Bambuterol	368.0→72.1 368.0→294.2	31 19	57	45 ± 7.3	-18 ± 8.5	0.1
Boldenone MO	316.1→120.1 316.1→106.2	29 44	59	89 ± 5.8	35 ± 4.3	0.2
Boldenone undecylenate MO	482.3→120.1 482.3→150.1	32 31	96	85 ± 6.9	30 ± 18.4	0.1
Boldione bis-MO	343.1→120.2 343.1→281.2 343.1→146.1	33 32 23	62	94 ± 20.2	29 ± 10.1	0.5
Clenbuterol	277.1→140.0 277.1 →132.1 277.1→167.0	50 32 31	62	80 ± 5.0	47 ± 3.1	0.2
Clomifene	406.0→253.1 406.0→241.0	47 40	85	83 ± 4.4	24 ± 4.9	0.5
Clostebol MO	352.2→172.1 352.2→141.1	33 44	74	75 ± 2.9	56 ± 2.1	0.2
Dimethylfluoxymesterone MO	348.2→264.2 348.2→207.1	37 32	74	91 ± 4.2	38 ± 2.4	0.2
Drostanolone MO	334.3→288.2 334.3→93.1	32 37	71	88 ± 4.9	53 ± 3.9	0.5
Ethisterone MO	342.2→138.2 342.2→126.0	34 32	73	89 ± 1.7	43 ± 3.1	0.2
FG-4592	353.1→278.0 353.1→222.1	19 34	74	62 ± 10.6	53 ± 8.5	0.1
Fluoxymesterone MO	366.2→210.1 366.2→91.1	41 59	76	89 ± 14.3	65 ± 4.4	1.0
Fluticasone propionate MO	530.2→290.2 530.2→120.0	27 41	102	80 ±4.4	35 ± 3.5	0.5
Formestane bis-MO	361.1→108.1 361.1→230.2 361.1→265.2	40 28 22	79	n/v*	n/v*	n/v*
GW-501516	454.1→257.0 454.1→188.0	32 48	91	76 ± 17.9	53 ± 6.0	0.1
Hydroxyprogesterone acetate MO	402.3→126.2 402.3→138.2	37 40	82	86 ± 6.1	45 ± 3.2	0.2
Hydroxyprogesterone caproate MO	458.3→342.2 458.3→138.1	30 42	92	85 ± 5.6	37 ± 4.8	0.1
Mestanolone MO	334.3→96.3 334.3→105.2	43 46	71	84 ± 8.0	41 ± 4.9	2.0
Mesterolone MO	334.3→105.1 334.3→109.9 334.3→93.2	48 39 47	71	85 ± 12.1	58 ± 4.6	2.0
Methandienone MO	330.2→120.1 330.2→106.3	31 44	7	92 ± 6.6	44 ± 9.3	0.2
Methenolone MO	332.3→187.1 332.3→107.5 332.3→81.4	31 35 44	71	85 ± 23.0	37 ± 10.3	1.0
Methyltestosterone MO	332.3→138.2 332.3→126.3	34 33	71	89 ± 3.0	46 ± 1.9	0.5
Nandrolone MO	304.1→ 138.1 304.1→106.2	33 49	81	85 ± 4.0	35 ± 7.7	0.2
Nandrolone decanoate MO	458.4→138.1 458.4→112.2	39 40	92	83 ± 9.3	54 ± 9.0	1.0
Nandrolone laurate MO	486.4→138.1 486.4→126.2	39 37	96	80 ± 7.9	84 ± 6.1	0.5

(Continues)

TABLE 1 (Continued)

Analyte	SRMS	Collision Energy (V)	RF Lens (V)	Recovery %	Matrix Effect %	LOD (pg/mg)
Nandrolone phenylpropionate MO	436.3→105.1 436.3→138.2	44 38	88	80 ± 5.0	20 ± 7.5	0.2
Nandrolone undecanoate MO	472.4→138.2 472.4→79.2	40 59	94	84 ± 11.0	86 ± 4.3	0.5
Norethandrolone MO	332.3→112.0 332.3→138.2	35 25	71	82 ± 14.4	40 ± 5.7	0.1
Norethisterone MO	328.2→138.0 328.2→112.1	33 36	70	85 ± 2.6	40 ± 2.5	0.1
Ostarine	387.9→118.1 387.9→269.0	21 17	62	84 ± 6.8	-35 ± 14.1	0.1
Salbutamol	240.1→148.0 240.1→133.1	19 29	40	n/v*	n/v*	n/v*
Stanozolol	329.3→81.1 329.3→95.1 329.3→121.1	65 44 41	200	70 ± 5.7	57 ± 2.2	0.2
Superdrol MO	348.3→302.3 348.3→121.2 348.3→107.2	32 37 40	74	97 ± 19.3	48 ± 29.5	2.0*
Tamoxifen	372.0→72.2 372.0→128.1	24 53	74	83 ± 5.4	32 ± 3.7	0.1
Testosterone MO	318.1→126.2 318.1→138.1	31 35	77	86 ± 3.0	41 ± 4.9	0.1
Testosterone acetate MO	360.3→125.9 360.3→138.2	34 36	76	88 ± 5.6	50 ± 1.6	0.2
Testosterone benzoate MO	422.3→138.1 422.3→126.1	36 34	86	87 ± 5.2	20 ± 9.6	0.2
Testosterone caproate MO	416.3→126.1 416.3→138.2	35 36	85	87 ± 4.9	21 ± 9.5	1.0
Testosterone cypionate MO	442.3→138.2 442.3→126.2	38 36	89	89 ± 6.9	25 ± 14.8	2.0
Testosterone decanoate MO	472.4→138.1 472.4→126.1	36 37	105	81 ± 6.4	87 ± 2.9	0.5
Testosterone isocaproate MO	416.3→126.1 416.3→138.2	35 36	85	84 ± 5.0	21 ± 9.5	1.0
Testosterone pheylpropionate MO	450.3→138.2 450.3→126.2	36 35	90	86 ± 4.6	24 ± 8.9	0.2
Testosterone propionate MO	374.3→138.1 374.3→126.3	34 33	78	91 ± 2.1	48 ± 1.9	1.0
Testosterone undecanoate MO	486.4→126.1 486.4→138.1	37 39	96	85 ± 13.7	86 ± 4.9	0.2
Trenbolone MO	300.2→251.2 300.2→269.2 300.2→197.1	24 21 26	66	75 ± 4.6	46 ± 2.7	0.2
Trenbolone acetate MO	342.2→251.1 342.2→235.9	26 33	73	78 ± 15.4	41 ± 4.7	0.5
Zilpaterol	262.2→130.1 262.2→157.1 262.2→185	46 33 27	77	n/v*	n/v*	n/v*
D_9-clenbuterol (IM)	286.1→204.0	16	62	n/a	n/a	n/a
D_3-testosterone MO (IM)	321.3→138.3	33	69	n/a	n/a	n/a
D_3-testosterone decanoate MO (IM)	475.3→126.1	36	105	n/a	n/a	n/a
D_3-testosterone propionate MO (IM)	377.3→138.1	34	78	n/a	n/a	n/a
D_3-testosterone phenylpropionate MO (IM)	453.2→138.0	38	99	n/a	n/a	n/a

n/v* - added to method since validation and therefore data not available

Conditions are held at this point until 15 minutes after which they are rapidly returned to the starting conditions and re-equilibrated until 16 minutes. Mobile phase flow is constant at 0.4 mL/min and the column temperature is maintained at 60°C throughout. The injection volume is 10 µL.

Mass spectral analysis is performed in positive electrospray mode (ESI), with a spray voltage of 3200 V, an ion transfer tube temperature of 325°C and a vaporiser temperature of 450°C. Analysis is performed in the SRM mode with a minimum of 2 SRM transitions selected for every analyte. SRM transitions were optimised by infusing a 1 µg/mL

solution of the derivatised analyte (if applicable) into a 0.4 mL/min flow of mobile phase. Optimised SRM transitions, cone voltages, and collisions energies are shown in Table 1.

2.5 | Method validation

As a method designed specifically for the detection of substances considered to be prohibited at all times, there are no appropriate screening thresholds and therefore no requirement to quantify the analytes. Hence the method is qualitative in nature and was therefore validated accordingly. Analyte recovery and matrix effect were determined by comparing the response obtained for each analyte in pre-extraction spikes with those from post-extraction spikes and an equivalent reference standard. Method sensitivity (limit of detection) was estimated by determining at which spiked concentration the primary screening transition produced a minimum signal to noise ratio of 3:1. Method robustness and specificity were assessed by analysing ten individual hair samples spiked at 3 times the estimated limit of detection (LOD) and as blank (non-spiked) samples for comparison.

Whilst assessment of method performance is undertaken using spiked hair samples, it is acknowledged that this approach is not ideal in terms of demonstrating the suitability of the method for the analysis of genuine hair samples. Incorporation of drugs into hair is a complex process and there are several potential routes by which drugs may find their way into the hair shaft.[21] The main routes of incorporation of ingested drugs are direct incorporation from the bloodstream into the developing hair and the indirect incorporation of drugs which are externally deposited on the outside of the hair via sweat and sebum. Spiking drug onto the outside of a hair sample does not replicate the internal incorporation of a drug and hence this approach can only give an indication of method performance. Truly assessing the suitability of a method for the detection of drugs in hair requires the use of genuine incurred hair samples collected following administration of the drug(s). However, undertaking controlled animal administration studies is costly, particularly when multiple drugs are involved, and has the disadvantage of the sample not being ready for collection for many months following administration.

A potential alternative to the use of post-administration samples is the use of pseudo-incurred material, which is prepared by prolonged soaking of hair samples in strong solutions of drug. As the outer cuticle of the hair sample is opened by extended exposure to the soaking solution, it is possible for the drug compounds to diffuse into the interior of the hair shaft, partially mimicking the internal incorporation of drug via the blood stream.[20,22] Development of a suitable multi-analyte-soaked hair sample for use in method development and as a routine quality control sample is currently underway in the authors' laboratory. In the meantime, each batch of hair samples extracted contains a pooled hair sample composed only of hair collected from colts (intact males). This sample has been shown to contain a significant concentration of endogenous testosterone and therefore acts as a suitable quality control sample, proving that the processing and extraction process has been successful.

To accurately assess the applicability of the method for the detection of prohibited substances in genuine samples, a number of known incurred samples were analysed. These included samples collected following controlled administrations studies, samples collected as a result of suspicious results from corresponding urine samples and also the routine screening of approximately 400 samples supplied from Racing Regulators around the world. Examples of the presumptive screening positives detected are shown in Table 2. Although the method is qualitative in nature, Table 2 also shows the estimated concentration of drug present by comparison with a suitable spiked hair sample.

3 | RESULTS AND DISCUSSION

3.1 | Optimisation of sample extraction and UHPLC–MS/MS method

The sample preparation and extraction method employed was based upon that presented previously for the analysis of selected anabolic steroid esters in equine hair.[19] However, several modifications were made in order to improve method performance and to ensure coverage of a wider range of compounds.

First, the wash procedure used was changed from 15 minutes sonication in a 20% methanol solution (aqueous) to sequential washes with 0.1% SDS solution and water. Equine hair is an inherently dirty matrix, with externally deposited sweat and sebum being the main

TABLE 2 Example presumptive screening positives obtained from selected equine hair samples

Source of Sample	Drug(s) Detected	Estimated Concentration (pg/mg)*
Follow-up sample	Stanozolol	8.6
Follow-up sample	Norethandrolone	2.0
Post-administration sample	Boldenone undecylenate	0.55
Post-administration sample	Andarine	<LOD**
Overseas regulatory sample	GW-501516	0.2
Overseas regulatory sample	Altrenogest	3.2
Overseas regulatory sample	Clenbuterol	2.7
Overseas regulatory sample	Boldione	0.50
Overseas regulatory sample	Hydroxy progesterone caproate	0.27

*Concentration estimated against hair samples spiked at 1 and 5 pg/mg (qualitative analysis with estimated concentration).

**Indications of presence but below the validated LOD.

source of interfering compounds. The use of a wash solution containing a surfactant assists with the removal of these interferents, particularly the lipid constituents contained in sebum. The removal of lipophilic compounds from the outside of the hair surface also assists in minimising the potential for a presumptive positive screening result to be as a result of deposition of analyte on the outside of the hair rather than internal incorporation of analyte via the blood stream. The use of a surfactant-based wash procedure is in line with the approach adopted by selected other laboratories undertaking equine hair analysis, (pers. comm. with Laboratoire des Courses Hippiques (France), Racing Analytical Services (Australia) and Kwok et al.)[20] resulting in a more harmonised approach to equine hair testing.

When drugs are internally incorporated into the growing hair shaft, either directly via the bloodstream or indirectly via their excretion in sweat and sebum, they can be challenging to extract from the sample matrix. To maximise the recovery of the extraction method, the hair sample is normally subjected to a pre-extraction procedure designed to disrupt the hair structure. This disruption can be achieved chemically in a variety of ways, including acid hydrolysis, alkaline hydrolysis, and enzymatic digestion. The approach taken will be dependent on the compounds of interest, and care has to be taken to ensure that the disruption step does not adversely affect the subsequent analysis. As anabolic steroid esters are readily hydrolysed in acidic or basic conditions, it is not possible to use an aggressive chemical approach to disrupt the hair structure. Therefore, the hair sample is first mechanically disrupted by grinding to a fine powder in a ball mill (Omni Beadruptor 24, Kennesaw, GA, USA). This approach maximises the surface area of the sample and, whilst time consuming, has been shown by our laboratory to increase the response of incurred analytes [unreported], a result which is consistent with those reported by other researchers.[20]

Following grinding the powdered hair sample is subjected to an incubation step prior to LLE. Previously we have reported the use of 0.1 M phosphate buffer as a suitable incubation solution for the detection of anabolic steroid esters in equine hair.[19] As the method has now been expanded to include the detection of a much broader range of prohibited substances, additional work was performed in order to investigate the most appropriate incubation solution. Spiked hair samples were incubated in a variety of solutions, including 0.1 M NaOH, 0.1 M phosphate buffer, TCEP, DDT, and methanol. After incubation, the samples were extracted, and analyte responses compared to determine the most suitable incubation solution. Due to the wide range of compounds included in the method, it was not possible to identify a single disruption solvent that produced the strongest responses for all analytes; however, the use of 0.1 M phosphate buffer was selected as it offered the best compromise across the broad range of analytes.

After the samples have been incubated, the analytes are extracted by LLE. This step was based upon that published previously[19] but employed an alternative solvent mix of TBME:ethyl acetate (1:1). Initial experiments revealed that the majority of analytes responded well to this extraction method, although some suffered from reduced recovery. Hence the method was amended to include a pH adjustment and additional LLE after the initial LLE step. This 2-stage LLE was found to produce acceptable recoveries for all analytes (45 to 94%).

Chromatographic conditions were based upon those published previously for the detection of up to 22 anabolic steroids and their esters in equine hair.[19] However, due to the significant increase in the range of compounds included in the method, additional optimisation was required in order to obtain satisfactory peak shape for all analytes. As such, the initial mobile phase conditions were changed from 80% methanol to 20% methanol in order to enhance the peak shape of earlier eluting analytes. The slope of the gradient was also reduced, resulting in an increase in total run time from 8 minutes to 16 minutes. Whilst not ideal for high sample throughput, this change was implemented in order to improve the separation of late-eluting steroid esters from interfering matrix peaks. The 16-minute run time of the method is also comparable to previously published methods for the detection of anabolic steroids and their esters in hair samples from a range of species.[16,19,20,26,27]

Mass spectral conditions were optimised by the infusion of 1 μg/mL solutions of each analyte, derivatised with methoxyamine hydrochloride where appropriate. Detection of target analytes was achieved in positive ESI mode, with a minimum of 2 SRM transitions for each analyte. The use of methoxyamine hydrochloride to derivatise the keto functional group(s) of many of the analytes included in the method has previously been shown to increase ionisation efficiency of anabolic steroids,[19,24,25] resulting in abundant $[M+H]^+$ ions in positive electrospray mode. Derivatisation with methoxyamine hydrochloride does, in many cases, led to the detection of 2 chromatographic peaks for each analyte as a result of the formation of *E* and *Z* isomers. Whilst the presence of 2 peaks for each analyte is not ideal in terms of maximising signal response, the much improved ionisation efficiency of the derivatives compensates for the splitting of signal across 2 peaks,[25] hence its use is retained.

3.2 | Method validation

The developed method was successfully validated for the qualitative screening of prohibited substances in equine hair. Initially 47 substances were included in the method, with a further 3 having been added since. The method was validated in terms of extraction efficiency, matrix effect, sensitivity (LOD), and robustness. The recovery, matrix effect, and LOD for each analyte are shown in Table 1.

The number of analytes included in this method is a significant increase on previously reported methods for the detection of anabolic steroids and their esters in equine hair.[11,15,16,19] Recently, a method published by Kwok et al[20] reported the detection of 48 anabolic steroids and their esters in horse hair. However, the use of HRMS in the parallel reaction monitoring (PRM) mode required 2 consecutive injections in order to cover all 48 compounds, resulting in a total run time of 40 minutes. Comparison of the coverage of the 2 methods shows that the method presented here contains 25 of the 48 anabolic steroids and their esters included in the paper by Kwok et al.[20] These 25 were specifically selected as they are considered to be most readily available via Internet sources and therefore most likely to be used in the United Kingdom. In addition to anabolic steroids and their esters, the method also includes several other substances which are prohibited at all times in equine sport. To the best of our knowledge, this is the first method which details the detection of such a broad range of prohibited substances in equine hair.

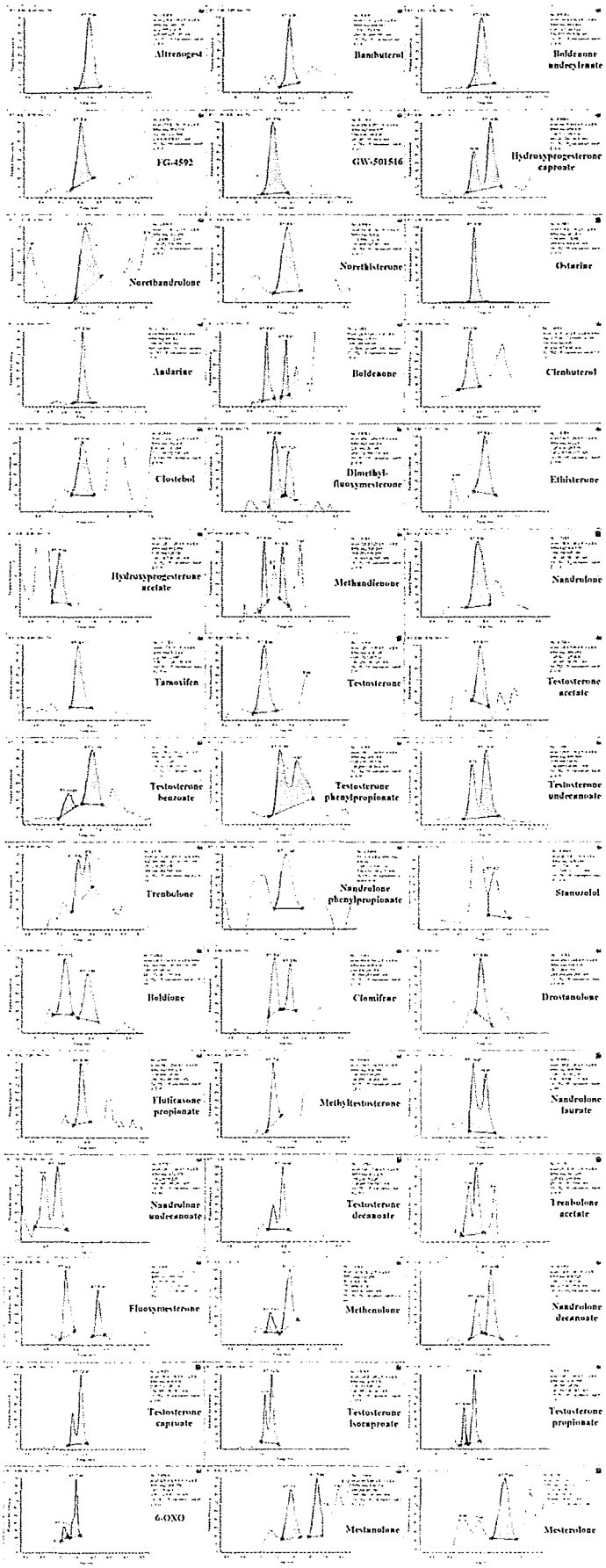

FIGURE 1 7Chromatograms of the main screening transition (SRM) of each analyte at their validated LOD [Colour figure can be viewed at wileyonlinelibrary.com]

As a relatively dirty matrix, the analysis of hair samples is frequently complicated by significant ion suppression caused by co-extracted matrix components. As a screening method, in order to improve sample throughput and reduce costs, the sample clean-up steps in this procedure were purposely kept to a minimum; hence some ion suppression (matrix effect) was apparent. On average, the presence of matrix caused the loss of 20 to 87% of the signal when compared to an equivalent reference standard. This level of signal reduction as a result of co-extracted matrix components is broadly similar to that described by Kwok et al.,[20] who reported losses of 0.6 to 64%, despite the use of an additional solid-phase extraction (SPE) clean-up following the initial LLE. Whilst this relatively high signal loss is not desired it is considered an acceptable compromise for a broad-based screening method covering a wide range of analytes and still producing limits of detection in the required range. Analyte recovery ranged from 45 to 94%, with the majority of analytes producing recoveries of greater than 80%, figures which are consistent with previous studies.[10,16,20]

Method sensitivity was assessed by analysing pooled hair samples spiked at concentrations of 0, 0.1, 0.2, 0.5, 1.0, 2.0, and 5.0 pg/mg in triplicate. The LOD was estimated to be the lowest concentration at which the signal to noise of the main screening transition was greater than 3:1 in all 3 replicates. The LODs of all analytes were estimated to be between 0.1 and 2.0 pg/mg (Table 1). In a number of cases, the lowest concentration spikes at 0.1 pg/mg produced a peak with a signal-to-noise ratio far in excess of 3:1; hence the actual LODs could be lower than reported. These LODs are equivalent to and in most cases lower than those reported in previous methods.[11,15,16,19,20] Examples of the primary screening transition of each compound at their validated LOD level are shown in Figure 1. It should be noted that some compounds produce 2 chromatographic peaks due to the formation of E and Z isomers following derivatisation with methoxyamine hydrochloride.[25]

Method robustness and specificity was assessed by analysing 10 individual samples spiked at 3 times the estimated LOD of each analyte and analysing the same samples as blanks (unspiked). Successful detection of the all the spiked analytes in all 10 hair samples indicated that the method was robust and comparison of the spiked and unspiked samples showed that there were no significant endogenous interferences at the retention times of the spiked analytes.

3.3 | Applicability to genuine incurred samples

Several known incurred samples were analysed in order to demonstrate the applicability of the method for the detection of drugs in genuine samples. This stage is a vital part of the assessment of hair analysis methods as the spiking of hair samples to obtain validation parameters, such as recovery, and LOD does not accurately represent the analysis of real samples. This approach cannot replicate the incorporation of the drug into the developing hair shaft that would occur following a genuine administration and hence can only provide an estimate of the suitability of the method. Analysis of genuine post-administration samples proves that the sample preparation and instrumental techniques employed are suitable for the extraction and analysis of incurred drugs.

Samples collected from animals which were known to have been exposed to a number of the analytes included in the method were extracted and analysed. A wide range of analytes were successfully detected in these samples, including stanozolol, norethandrolone, altrenogest, clenbuterol, and boldenone undecylenate. Table 2 details

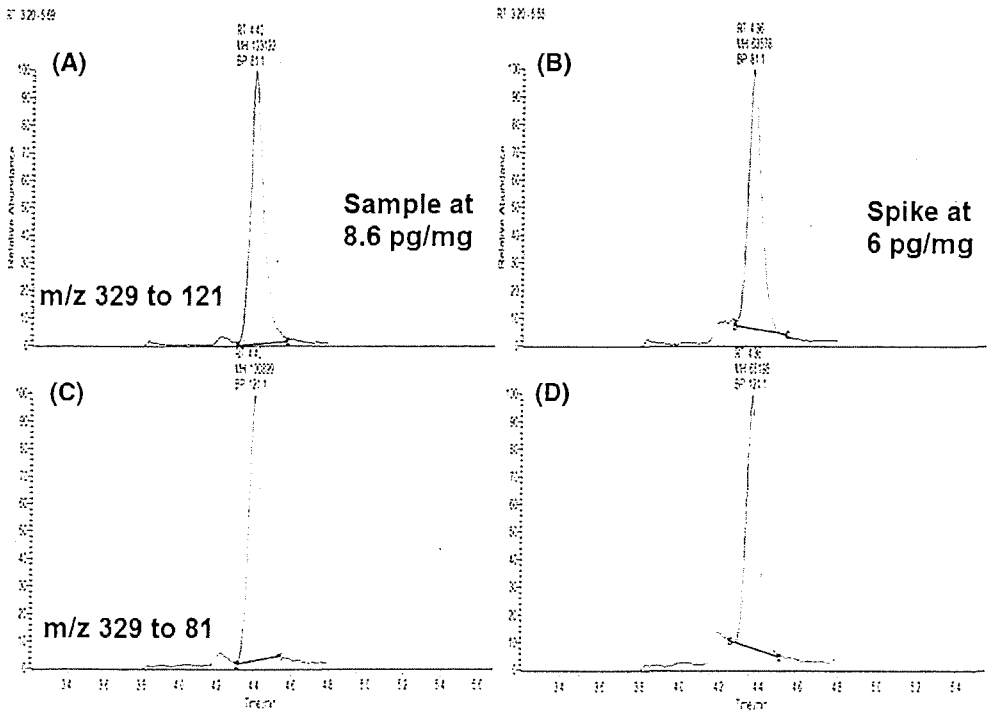

FIGURE 2 Chromatograms showing 2 SRM transitions for stanozolol in A + C, an overseas regulatory hair sample and B + D, a spiked hair sample [Colour figure can be viewed at wileyonlinelibrary.com]

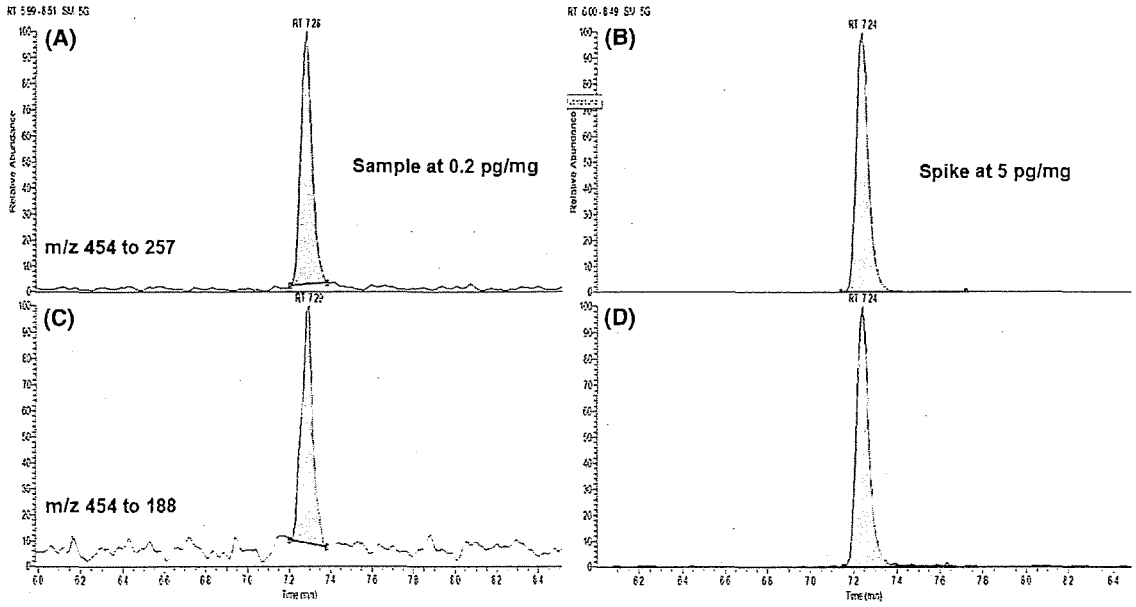

FIGURE 3 Chromatograms showing 2 SRM transitions for GW-501516 in A + C, an overseas regulatory hair sample and B + D, a spiked hair sample [Colour figure can be viewed at wileyonlinelibrary.com]

the detection of several of the analytes included win the method along with estimated concentrations. Whilst the method is not designed to quantify analytes, an estimate of concentration is made by comparison with hair samples spiked at 1 and 5 pg/mg with a mixed standard containing all analytes. The successful detection of these analytes provides assurance that the method is suitable for the detection of the validated analytes in genuine samples.

Figure 2 shows the detection of stanozolol in a hair sample from an animal which had previously produced a positive finding for stanozolol in a regulatory plasma sample. This hair sample had been stored at room temperature for over 2 years since its collection. The ability of hair samples to provide useful analytical data many years after their collection was further demonstrated by the successful detection of boldenone undecylenate in a tail-hair sample collected following a single intra-muscular administration of boldenone undecylenate to a gelding (1.1 mg/kg). This sample was collected in 2008 and stored until analysis in 2016. The successful analysis of this sample, 8 years after collection, demonstrates one of the major advantages of hair samples for equine medication and doping control purposes, namely the fact that, if stored correctly, the sample is very stable and can be successfully analysed and reanalysed for many years following collection.

Since validation, the method has been used to analyse approximately 400 hair samples from a number of racing jurisdictions. The analysis of these samples has resulted in the detection of several prohibited substances included in the method, such as boldione, hydroxyprogesterone caproate, and GW-501516 (Table 2). As an example, Figure 3 shows the 2 SRM transitions obtained for the PPARδ agonist receptor GW-501516 in a hair sample and the equivalent transitions for a spiked sample at 5 pg/mg. The concentration of GW-501516 in this sample was estimated at 0.2 pg/mg. The results from the analysis of this hair sample were used to support a previous finding of the same analyte in the corresponding plasma sample.

4 | CONCLUSIONS

A method for the sensitive detection in equine hair of a wide range of substances considered to be prohibited at all times has been developed and successfully validated. The method offers a number of advantages for the detection of prohibited substances over the targeted and broad range of screening methods previously reported by the authors' group.[19,23] The new method has a significantly expanded coverage of prohibited substances and offers an improved LOD for many analytes, with the majority being detected down to at least 0.1 pg/mg. The new approach also offers additional information for Racing Regulators as the mane-hair samples are segmented into 2 equal segments, both covering approximately 4 months of growth.

The method has been used to successfully detect a number of prohibited substances in equine mane-hair samples collected following administration studies and also from hair samples collected for medication and doping control purposes. The method has also been shown to be suitable for the analysis of tail-hair samples, by the successful detection of boldenone undecylenate in the tail hair of an animal previously administered boldenone undecylenate.

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UNIFORM DRUG TESTING LAB STANDARDS

Adopted by RCI Board on July 24, 2010

3.0 Application of ISO/IEC 17025:2005 to the Analysis of Urine and Blood Drug and Medication Control Samples

3.1 Introduction and Scope

This section of the document is intended as an application as described in ISO/IEC 17025:2005 for the field of Drug and Medication Control. Any aspect of testing or management not specifically discussed in this document shall be governed by ISO/IEC 17025:2005. The application focuses on the specific parts of the processes that are critical with regard to the quality of the laboratory's performance as a Drug and Medication Control Laboratory and are therefore determined to be significant in the evaluation and accreditation process.

This section introduces the specific performance standards for a Drug and Medication Control Laboratory. The conduct of testing is considered a process within the definitions of ISO 17000:2004. Performance standards are defined according to a process model where the Drug and Medication Control Laboratory practice is structured into three main categories of processes:

Please note the numbering has not been adjusted from the original RMTC proposal, although modifications have been made and adopted by RCI. Renumbering will be subsequently addressed.

- Analytical and technical processes;
- Management processes;
- Support processes.

Wherever possible, the application will follow the format of the ISO/IEC 17025:2005 document. The concepts of the quality management system, continuous improvement, and customer satisfaction have been included.

3.2 Analytical and Technical Processes

3.2.1 Receipt of Samples

3.2.1.1 Samples (Blood or Urine) may be received by any method acceptable within the concepts of the International Standard for Testing.

3.2.1.2 The transport container shall first be inspected and any irregularities recorded.

3.2.1.3 The transfer of the Samples from the courier or other person delivering the Samples shall be documented including, at a minimum, the date, the time of receipt, and the name and signature of the Laboratory representative receiving the Samples. This information shall be included in the Laboratory Internal Chain of Custody record.

3.2.2 Handling and Retention of Samples

3.2.2.1 The Laboratory shall have a system to uniquely identify the Samples and associate each Sample with the collection document or other external chain of custody.

3.2.2.2 The Laboratory shall have Laboratory Internal Chain of Custody procedures to maintain control of and accountability for Samples from receipt through final disposition of the Samples.

3.2.2.3 The Laboratory shall observe and document conditions that exist at the time of receipt that may adversely impact on the integrity of a Sample. For example, irregularities noted by the Laboratory should include, but are not limited to:

- Sample tampering is evident;
- Sample is not sealed with tamper-resistant device or not sealed upon receipt;
- Sample is without a collection form (including Sample identification code) or a blank form is received with the Sample;
- Sample identification is unacceptable. For example, the number on the container does not match the Sample identification number on the form;
- Sample volume is inadequate to perform the requested testing menu;
- Sample transport conditions are not consistent with preserving the integrity of the

Sample for analysis.

3.2.2.4 The Laboratory shall notify and seek instructions from the State Horse Racing Authority regarding rejection or testing of Samples for which irregularities are noted. If applicable, any agreement between a State Horse Racing Authority and Laboratory that establishes Sample rejection criteria shall be documented.

3.2.2.5 The Laboratory shall retain the "A" Sample(s) without an Adverse Analytical Finding or Atypical Finding for a minimum of one (1) month after the final analytical ("A" Sample) report is transmitted to the State Horse Racing Authority. The Sample shall be stored frozen during the long term storage.

Samples with irregularities shall be stored frozen for a minimum of three (3) months following the report to the State Horse Racing Authority.

After the applicable storage period the Laboratory shall either make the Samples anonymous for research purposes or dispose of the Samples. Samples used for research purposes shall have any means of identification removed or be transferred into an anonymous container such that they cannot be traced back to a particular Horse. Disposal of Samples shall be conducted and recorded under the Laboratory Internal Chain of Custody.

3.2.2.6 The Laboratory shall retain frozen the "A" Sample with an Adverse Analytical Finding for as long as necessary pending the conclusion of a regulatory and legal action.

3.2.2.7 If the Laboratory has been informed by the State Horse Racing Authority that the analysis of a Sample is challenged, disputed or under investigation, the Sample shall be stored frozen and all the records pertaining to the Testing of that Sample shall be stored until completion of any regulatory and legal challenges.

3.2.2.8 The Laboratory shall maintain a policy pertaining to retention, release, and disposal of Samples and Aliquots.

3.2.2.9 The Laboratory shall maintain custody information on the transfer of Samples, or portions thereof, to another Laboratory.

3.2.2.10 The laboratory shall adopt procedures for future retesting of samples that have tested negative and have been identified for retroactive testing by the state horseracing authority.

3.2.3 Sampling and Preparation of Aliquots for Analysis

3.2.3.1 The Laboratory shall maintain paper or electronic Laboratory Internal Chain of Custody procedures for control of and accountability for all Aliquots and other

subsamples and transfers from preparation through disposal. The procedures shall incorporate the concepts presented in the RMTC Technical Document for Laboratory Internal Chain of Custody.

3.2.3.2 Before the initial opening of a Sample bottle, the device used to ensure the integrity of the Sample (*e.g.,* security tape or a bottle sealing system) shall be inspected and the integrity documented.

3.2.3.3 The Aliquot preparation procedure for any Initial Testing Procedure or Confirmation Procedure shall ensure that no risk of contamination of the Sample or Aliquot exists.

3.2.4 Analytical Testing

3.2.4.1 Urine analysis for adulteration or manipulation

3.2.4.1.1 The Laboratory shall only note any unusual condition of the urine - for example: color, odor, turbidity or foam. Any unusual conditions should be recorded and included as part of the report to the State Horse Racing Authority.

3.2.4.1.2 The Laboratory shall measure the pH and specific gravity of sample(s) with an Adverse Analytical Finding. Other tests that may assist in the evaluation of adulteration or manipulation may be performed if deemed necessary.

3.2.4.2 Urine/Blood Initial Testing Procedure

3.2.4.2.1 The Initial Testing Procedure(s) shall detect the Prohibited Substance(s) or Metabolite(s) of Prohibited Substance(s), or Marker(s) of the Use of a Prohibited Substance or Prohibited Method for all substances covered by the ARCI Uniform Classification Guidelines for Foreign Substances for which there is a method that is Fit-for-purpose. The RMTC may make specific exceptions to this section for specialized techniques that are not required to be within the scope of accreditation of all Laboratories.

3.2.4.2.2 The Initial Testing Procedure shall be performed with a Fit-for-purpose method for the Prohibited Substance or Prohibited Method being tested. A characteristic of the Initial Testing Procedure is to obtain information about the potential presence of Prohibited Substance(s) or Metabolite(s) of Prohibited Substance(s), or Marker(s) of the Use of a Prohibited Substance or Prohibited Method.

3.2.4.2.3 All batches undergoing the Initial Testing Procedure shall include appropriate negative and positive controls in addition to the Samples being tested.

3.2.4.2.4 For Threshold Substances, appropriate controls near the threshold shall be included in the Initial Testing Procedures. Initial Testing Procedures are not required to consider uncertainty of measurement.

3.2.4.3 Urine/Blood Confirmation Procedure
All Confirmation Procedures shall be documented. The objective of the Confirmation Procedure is to accumulate additional information to support an Adverse Analytical Finding. A Confirmation Procedure shall have equal or greater selectivity/discrimination than the Initial Testing Procedure.

3.2.4.3.1 "A" Sample Confirmation

3.2.4.3.1.1 A Presumptive Analytical Finding from an Initial Testing Procedure of a Prohibited Substance, Metabolite(s) of a Prohibited Substance, or Marker(s) of the Use of a Prohibited Substance or Prohibited Method shall be confirmed using an additional Aliquot(s) taken from the original "A" Sample.

3.2.4.3.1.2 Mass spectrometry (MS) coupled to either gas (GC) or liquid chromatography (LC) is the analytical technique of choice for confirmation of Prohibited Substances, Metabolite(s) of a Prohibited Substance, or Marker(s) of the Use of a Prohibited Substance or Prohibited Method.

3.2.4.3.1.3 The Laboratory shall have a policy to define those circumstances where the Confirmation Procedure for an "A" Sample may be repeated (*e.g.,* batch quality control failure) and the first test result shall be nullified. Each repeat confirmation shall be documented and be completed on a new Aliquot of the "A" Sample.

3.2.4.3.1.4 If more than one Prohibited Substance, Metabolite(s) of a Prohibited Substance, or Marker(s) of the Use of a Prohibited Substance or Prohibited Method is identified by the Initial Testing Procedures, the Laboratory is not required to confirm every Presumptive Analytical Finding. The decision on the prioritization on order of confirmation(s) should be made in cooperation with the State Horse Racing Authority and the decision documented.

3.2.4.3.1.5 The mean value of the results of at least two Aliquots for the "A" Sample finding for Threshold Substances minus the value of the measurement uncertainty determined by the Laboratory must exceed the relevant Threshold. Adverse Analytical Finding or Atypical Finding decisions shall be based on the mean of the measured concentrations, taking into account the measurement uncertainty with the coverage factor, k, and a level of confidence of 95%. Reports and documentation shall give the mean concentration with the associated uncertainty, unless otherwise specified by the racing authority.

3.2.5 Results Management

3.2.5.1 Review of results

3.2.5.1.1 A minimum of two certifying scientists shall independently review all Adverse Analytical Findings and Atypical Findings before a report is issued. The review process

shall be recorded.

3.2.5.1.2 At a minimum, the review shall include:

- Laboratory Internal Chain of Custody documentation;
- Validity of the analytical initial and confirmatory data and calculations;
- Quality control data;
- Completeness of documentation supporting the reported analytical findings.

3.2.5.1.3When an Adverse Analytical Finding is rejected, the reason(s) shall be recorded.

3.2.6 Documentation and Reporting

3.2.6.1 The Laboratory shall have documented procedures to ensure that it maintains a coordinated record related to each Sample analyzed. In the case of an Adverse Analytical Finding, the record shall include the data necessary to support the conclusions reported. In general, the record should be such that in the absence of the analyst, another competent analyst could evaluate what tests had been performed and interpret the data.

3.2.6.2 Each step of testing shall be traceable to the staff member who performed that step.

3.2.6.3 Significant variance from the written procedure shall be documented as part of the record (*e.g.,* memorandum for the record).

3.2.6.4 Where instrumental analyses are conducted, the operating parameters for each run shall be included as part of the record.

3.2.6.5 Reporting of "A" Sample results should occur within fourteen (14) calendar days of receipt of the Sample. The reporting time required for specific Events may be substantially less than fourteen days. The reporting time may be altered by agreement between the Laboratory and the State Horse Racing Authority.

3.2.6.6 A single, distinct Test Report shall be generated to document the Adverse Analytical Finding(s) of an individual Sample. The Laboratory Test Report may include, in addition to the items stipulated in ISO/IEC 17025:2005, the following:

- Client Sample identification code;
- Laboratory identification code;
- Type of test (Out of Competition/In-Competition);
- Date of receipt of Sample;
- Date of report;
- Sex of the horse;
- Type of Sample (urine, blood, etc.);

- Test results (for Threshold Substances: the mean value, units, uncertainty details, and reporting threshold shall be included);
- Signature of authorized individual;
- Other information as specified by the State Horse Racing Authority and/or a properly designated independent oversight body.

At a minimum, labeling and information provided by the Laboratory related to the type of test, test results (including comments/opinions) and client to whom the report is addressed shall also be provided on the test report.

3.2.6.7 The Laboratory is not required to measure or report a concentration for Prohibited Substances in urine/blood Samples. The Laboratory shall report the actual Prohibited Substance(s), Metabolite(s) of the Prohibited Substance(s) or Prohibited Method(s), or Marker(s) detected in the Sample.

For Threshold Substances in urine/blood Samples, the Laboratory report shall establish that the Prohibited Substance or its Metabolite(s) or Marker(s) of a Prohibited Method is present at a concentration greater than the threshold concentration (taking into consideration the value of measurement uncertainty for the "A" Sample confirmation only).

3.2.6.8 The Laboratory should qualify the result(s) in the Test Report as an Adverse Analytical Finding or "No Prohibited Substance(s) on Test menu detected".

3.2.6.9 The Laboratory shall have a policy regarding the provision of opinions and interpretation of data which has been approved in writing by the State Horse Racing Authority. An opinion or interpretation may be included in the Test Report provided that the opinion or interpretation is clearly identified as such. The basis upon which the opinion has been made shall be documented. Note: An opinion or interpretation may include, but need not be limited to, recommendations on how to use results, information related to the pharmacology, metabolism and pharmacokinetics of a substance, whether the observed results may suggest the need for additional Testing and whether an observed result is consistent with a set of reported conditions.

3.2.6.10 The Laboratory, upon request by Testing Authorities, may be asked to review data from longitudinal studies. Following review of the applicable data, a report and recommendation shall be made by the Laboratory to the State Horse Racing Authority as to whether the data support an Adverse Analytical Finding or not.

3.2.6.11 The Laboratory Documentation Package should be provided by the Laboratory only to the relevant result management authority upon request and should be provided within 10 working days of the request. Laboratory Documentation Packages shall contain material specified in the RMTC Technical Document on Laboratory Documentation Packages (Appendix C).

3.3 Quality Management Processes

3.3.1 Organization

3.3.1.1 Within the framework of ISO/IEC 17025:2005, the Laboratory shall be considered as a testing Laboratory.

3.3.1.2 The administrative and operational activities of the Laboratory, as well as the hosting facility, should be independent from the Drug and Medication Control Organization(s) providing support (*e.g.,* financial, Samples, facilities) to the Laboratory.

3.3.1.3 The Laboratory Director shall have the responsibilities of the Chief Executive, unless otherwise noted.

3.3.2 Quality Policy and Objectives

3.3.2.1 The Quality Policy and implementation shall meet the requirements of ISO/IEC 17025:2005 Section 4.2 Management System and shall include a Quality Manual that describes the quality system.

3.3.2.2 A single staff member should be appointed as the Quality Manager and shall have responsibility and authority to implement and ensure compliance with the quality system.

3.3.3 Document Control

The control of documents that make up the Management System shall meet the requirements of ISO/IEC 17025:2005 Section 4.3 Document Control.

3.3.3.1 The Laboratory Director (or designee) shall approve the Quality Manual and all other documents used by staff members in completing testing.

3.3.3.2 The Management System shall ensure that the contents of the RMTC Technical Documents are incorporated into the appropriate manuals by the effective date and that training is provided and recorded. If this is not possible, the RMTC shall be contacted with a written request for an extension.

3.3.4 Review of requests, tenders, and contracts

Review of legal documents or agreements related to testing shall meet the requirements of ISO/IEC 17025:2005 Section 4.4.

The Laboratory shall ensure that the State Horse Racing Authority is informed concerning the Prohibited Substances that can be detected under the scope of accreditation in Samples submitted for analysis.

3.4.4 Test Methods and Method Validation

3.4.4.1 Selection of Methods

Standard methods are generally not available for Drug and Medication Control analyses. The Laboratory shall develop, validate, and document methods for the detection of substances present on the ARCI Uniform Classification Guidelines for Foreign Substance and for associated Metabolites or Markers or related substances.

Note that for many substances, the associated Metabolites are detected, thereby confirming the metabolism and the administration of a Prohibited Substance to the horse from which the sample was collected. The methods shall be selected and validated so they are Fit-for-purpose. RMTC shall supply feedback to the Laboratories regarding the suitability of the assay principle.

3.4.4.1.1 Non-Threshold Substances

Laboratories are not required to measure or report a concentration for Non-Threshold Substances.

The Laboratory shall develop, as part of the method validation process, acceptable standards for identification of Prohibited Substances.

The Laboratory shall demonstrate the ability to successfully identify 100% of the time representative substances in the class of Prohibited Substances at the Minimum Required Performance Levels (*e.g.*, twenty urine samples supplemented at the MRPL). The Laboratory shall establish, in routine practice, the use of control samples containing representative substance(s) at the MRPL if the appropriate standards are available. A Reference Collection may be used for identification and in such cases an estimate of the detection capability for the method may be provided by assessing a representative substance.

3.4.4.1.2Threshold Substances

The Laboratory shall develop methods that are Fit-for-purpose. The method shall be capable of determining both the concentration and the identity of the Prohibited Substance or Metabolite(s) or Marker(s).

Confirmation methods for Threshold Substances shall be performed on two Aliquots. If insufficient Sample volume exists to analyze two Aliquots, the determination should be based on the measurement of one Aliquot. Adverse Analytical Finding decisions shall be based on the mean of the measured concentrations, taking into account the measurement uncertainty with the coverage factor, k, and a level of confidence of 95%. Reports and documentation, where necessary, shall report the mean concentration.

3.4.4.2 Validation of Methods

3.4.4.2.1Confirmation methods for Non-Threshold Substances shall be validated. Factors to be investigated to demonstrate that a method is Fit-for-purpose include but are not limited to:

- Specificity. The ability of the assay to detect only the substance of interest shall be determined and documented. The assay shall be able to discriminate between compounds of closely related structures;
- Identification capability. Since the results for NonThreshold Substances are not quantitative, the Laboratory should establish criteria for ensuring that a substance representative of the class of Prohibited Substances can be repeatedly identified and detected as present in the Sample at the MRPL;
- Robustness. The method shall be determined to produce similar results with respect to minor variations in analytical conditions. Those conditions that are critical to reproducible results shall be controlled;
- Carryover. The conditions required to eliminate carryover of the substance of interest from Sample to Sample during processing or instrumental analysis shall be determined and implemented;
- Matrix interferences. The method should avoid interference in the detection of Prohibited Substances or their Metabolites or Markers by components of the Sample matrix;
- Standards. Reference Materials should be used for identification, if available. If there is no reference standard available, the use of data or Sample from a validated Reference Collection is acceptable.

3.4.4.2.2 Confirmation methods for Threshold Substances shall be validated. Factors to be investigated to demonstrate that a method is Fit-for-purpose include but are not limited to:

- Specificity. The ability of the assay to detect only the substance of interest shall be determined and documented. The assay shall be able to discriminate between compounds of closely related structures;
- Intermediate Precision. The method shall allow for the reliable repetition of the results at different times and with different operators performing the assay.
- Intermediate Precision at the threshold shall be recorded;
- Robustness. The method shall be determined to produce similar results with respect to minor variations in analytical conditions. Those conditions that are critical to reproducible results shall be controlled;
- Carryover. The conditions required to eliminate carryover of the substance of interest from Sample to Sample during processing or instrumental analysis shall be determined and implemented;
- Matrix interferences. The method shall limit interference in the measurement of the concentration of Prohibited Substances or their Metabolites or Markers by components of the Sample matrix;
- Standards. Reference Materials should be used for quantification, if available;

- Limit of quantitation (LOQ). The Laboratory shall demonstrate that a threshold method has an established LOQ of no more than 50% of the threshold value for Threshold Substances;
- Linearity shall be documented at 50% to 200% of the threshold value, unless otherwise stipulated in a Technical Document.

3.4.4.3 Estimate of Uncertainty of Method

In most cases, an identification of a Prohibited Substance, its Metabolite(s) or Marker(s), is sufficient to report an Adverse Analytical Finding.

3.4.4.3.1Uncertainty in identification

The appropriate analytical characteristics shall be documented for a particular assay. The Laboratory shall establish criteria for identification of a compound at least as rigorous as stated in the relevant Technical Document.

3.4.4.3.2Uncertainty in establishing that a substance exceeds a threshold.

The purpose of threshold reporting in Drug and Medication Control is to establish that the Prohibited Substance or its Metabolite(s) or Marker(s) is present at a concentration greater than the threshold value taking into consideration the applicable uncertainty. The method, including selection of standards and controls, and estimation of uncertainty shall be Fit-for-purpose.

3.4.4.3.2.1 Uncertainty of quantitative results, particularly at the threshold value, shall be addressed during the validation of the assay.

3.4.4.3.2.2 The expression of uncertainty shall use the expanded uncertainty using a coverage factor, k, to reflect a level of confidence of 95 %.

3.4.4.3.2.3 Uncertainty may be further addressed in Technical Documents in order to reflect the purpose of analysis for the specific substances.

3.4.4.4 Control of Data

3.4.4.4.1Data and Computer Security

3.4.4.4.1.1 All reasonable measures and best efforts shall be taken to prevent intrusion and copy of data from computer systems.

3.4.4.4.1.2 Access to computer terminals, computers, servers or other operating equipment shall be controlled by physical access and by multiple levels of access controlled by passwords or other means of employee recognition and identification. These include, but are not limited to, account privileges, user identification codes, disk access, and file access control.

3.4.4.4.1.3 The operating software and all files shall be backed up on a regular basis and a current copy shall be either stored in a fire and water proof environment or kept off site at a secure location.

3.4.4.4.1.4 The software shall prevent the changing of results unless there is a system to document the Person doing the editing and that editing can be limited to users with proper level of access.

3.4.4.4.1.5 All data entry, recording of reporting processes and all changes to reported data shall be recorded with an audit trail. This shall include the date and time, retention of original data, reason for change to original data, and the individual performing the task.

3.4.5 Equipment

3.4.5.1 A List of available equipment is to be established and maintained.

3.4.5.2 As part of a quality system, the Laboratory shall operate a program for the maintenance and calibration of equipment according to ISO/IEC 17025:2005 Section 5.5.

3.4.5.3 General service equipment that is not used for making measurements should be maintained by visual examination, safety checks, and cleaning as necessary. Calibrations are only required where the setting can significantly affect the test result. A maintenance schedule, at least to manufacturer's recommendations or local regulations, if available, shall be established for items such as fume hoods, centrifuges, evaporators, etc, which are used in the test method.

3.4.5.4 Equipment or volumetric devices used in measuring shall have periodic performance checks along with servicing, cleaning, and repair.

3.4.5.5 Qualified subcontracted vendors may be used to service, maintain, and repair measuring equipment.

3.4.5.6 All maintenance, service, and repair of equipment shall be documented.

3.4.6 Measurement Traceability

3.4.6.1 Reference Materials

When available, reference drug or drug Metabolite(s) traceable to a national standard or certified by a body of recognized status, such as USP, BP, Ph.Eur. or WHO, should be used. At a minimum, an analysis report must be obtained.

When a Reference Material is not certified, the Laboratory shall verify its identity and

purity by comparison with published data or by chemical characterization.

3.4.6.2 Reference Collections

A collection of Sample or isolates may be obtained from a biological matrix following an authentic and verifiable administration of a Prohibited Substance or Prohibited Method, providing that the analytical data are sufficient to justify the identity of the relevant chromatographic peak or isolate as a Prohibited Substance or Metabolite of a Prohibited Substance or Marker of a Prohibited Substance or Prohibited Method.

3.4.7 Assuring the quality of test results

3.4.7.1 The Laboratory shall participate in the Horse Testing Laboratory External Quality Assurance Program (EQAP).

3.4.7.2 The Laboratory shall have in place a quality control system, including the submission of masked quality control samples that challenges the entire scope of the analytical process (i.e., Sample receipt and accessioning through result reporting).

3.4.7.3 Analytical performance shall be monitored by operating quality control schemes appropriate to the type and frequency of testing performed by the Laboratory. The range of quality control activities should include:

- Positive and negative controls analyzed in the same analytical run as the Presumptive Analytical Finding Sample;
- The use of deuterated or other internal standards or standard addition;
- Comparison of mass spectra or ion ratios from selected ion monitoring (SIM) to a Reference Material or Reference Collection Sample analyzed in the same analytical run;
- Confirmation of the "A" and "B" Split Samples;
- For Threshold Substances, quality control charts referring to appropriate control limits depending on the analytical method employed (e.g., ± 10 % of the target value; ± 3SD), should be used;
- The quality control procedures shall be documented by the Laboratory.

Terms and definitions

Adverse Analytical Finding: A report from a Laboratory or other approved Testing entity that identifies in a Specimen the presence of a Prohibited Substance or its Metabolites or Markers (including elevated quantities of endogenous substances) or evidence of the Use of a Prohibited Method.

Aliquot: A portion of the Sample of biological fluid or tissue (e.g., urine, blood, etc.) obtained from the horse and used in the analytical process.

Analytical Testing: The parts of the Drug and Medication Control process involving Sample handling, analysis and reporting following receipt in the Laboratory.

Atypical Finding: A report from a Laboratory that requires further investigation as provided by the National Standard for Laboratories or related Technical Documents before determination of an Adverse Analytical Finding.

Batch: A set of samples processed as a group.

Certified Reference Material: Reference Material characterized by a metrologically valid procedure for one or more specified properties, accompanied by a certificate that provides the value of the specified property, its associated uncertainty, and a statement of metrological traceability.

Competition: A horse race. The distinction between a Competition and an Event will be provided in the rules of the applicable organization.

Confirmation Procedure: An analytical test procedure whose purpose is to identify the presence or concentration of one or more specific Prohibited Substance, Metabolite(s) of a Prohibited Substance, or Marker(s) of the Use of a Prohibited Substance or Method in a Sample. A Confirmation Procedure may also indicate a concentration of Prohibited Substance greater than a threshold concentration plus the measurement uncertainty in a Sample.

Coverage factor k: The coverage factor k is a numerical value from statistical tables or computation that is used to compute measurement uncertainty. For example,, a coverage factor of 3 confers a certain level of statistical certainty for the measurement uncertainty value. Larger values of the "coverage factor k" increase the certainty of the measurement uncertainty estimate.

Designated Special Event: A series of individual national Competitions conducted together under an organizing body (e.g., TOBA Graded Stakes Committee, Triple Crown Productions, the Breeders' Cup Limited) and for which a significant increase of resources and sample testing capacity is required to conduct Drug and Medication Control for the Event as determined by the RMTC.

Drug and Medication Control: The process including test distribution planning, sample collection and handling, laboratory analysis, results management, hearings and appeals.

Event: A series of individual Competitions (e.g., Breeders' Cup races) conducted under the supervision of one organizing body.

Fit for Purpose: Suitability of a test to meet testing objectives.

Horse: For purposes of Drug and Medication Control, any horse entered in an officially recognized competition conducted under the rules of racing of State Horse Racing Authority.

In-Competition: For purposes of differentiating between In-competition and Out-of-Competition Testing, unless provided otherwise in the rules of a relevant State Horse Racing Authority, an In-Competition test is a test wherein a horse is selected for Testing in the period immediately before or after completion of a Competition.

Initial Testing Procedure (Screen Testing Procedure): An analytical test procedure whose purpose is to identify those Samples which may contain a Prohibited Substance, Metabolite(s) of a Prohibited Substance, or Marker(s) of the Use of a Prohibited Substance or Prohibited Method or the quantity of a Prohibited Substance, Metabolite(s) of a Prohibited Substance, or Marker(s) of the Use of a Prohibited Substance or Prohibited Method in excess of a defined threshold.

Intermediate Precision: Variation in results observed when one or more factors, such as time, equipment, and operator are varied within a Laboratory.

International Standard: A standard adopted by the RMTC in support of the Code. Compliance with a National Standard (as opposed to another alternative standard, practice or procedure) shall be sufficient to conclude that the procedures covered by the National Standard were performed properly.

Laboratory: An accredited laboratory applying test methods and processes to provide evidentiary data for the detection and, if applicable, quantification of a Threshold Substance on the Prohibited List in urine, blood, and other biological Samples.

Laboratory Documentation Package: The material produced by the Laboratory to support the finding of an Adverse Analytical Finding as set forth in the RMTC Technical Document for Laboratory Documentation Packages (Appendix C).

Laboratory Internal Chain of Custody: Documentation of the sequence of Persons in possession of the Sample and any Aliquot of the Sample taken for Testing. [Comment: Laboratory Internal Chain of Custody is generally documented by a written record of the date, location, action taken, and the individual performing an action with a Sample or Aliquot.]

Marker: A compound, group of compounds, or biological parameters that indicates the Use of a Prohibited Substance or a Prohibited Method.

Measurement Uncertainty: The Measurement Uncertainty (MU) is a parameter associated with the result of a measurement that characterizes the dispersion of the values that could reasonably be attributed to the concentration of the analyte. The MU is different from the error associated with the measurement since the error is the difference between the measured value and the true value whereas the measurement uncertainty is a range of values that could reasonably be attributed to the measured concentration.

Metabolite: Any substance produced by a biotransformation process.

Minimum Required Performance Level (MRPL): concentration of a Prohibited Substance or Metabolite of a Prohibited Substance or Marker of a Prohibited Substance or Method that a Laboratory is expected to reliably detect and confirm in the routine daily operation of the Laboratory. See Technical Document Minimum Required Performance Standards for Detection of Prohibited Substances.

National Standard for Laboratories (NSL): The National Standard applicable to Laboratories as set forth herein.

Non-Threshold Substance: A substance listed on the Prohibited List for which the documentable detection of any concentration is considered a Drug and Medication Control rule violation.

Out-of-Competition: Any Drug and Medication Control which is not In-Competition.

Person: A natural person or an organization or other entity.

Presumptive Analytical Finding: The status of a Sample test result for which there is a suspicious result in the Initial Testing Procedure, but for which a confirmation test has not yet been performed.

Prohibited List: The List identifying the Prohibited Substances and Prohibited Methods.

Prohibited Method: Any method or practice so described under RCI Model Rules, Section ARCI-011-015.

Prohibited Substance: Any substance not specifically permitted by state statute or by the rules promulgated by the State Horse Racing Authority.

Publicly Disclose or Publicly Report: To disseminate or distribute information to the general public or Persons beyond those Persons entitled to earlier notification in accordance with Article 14.

Quality Manual: The Quality Manual is a document that describes the Laboratory's quality system. The Quality Manual shall include an Introduction, statement of the Scope, a section on Definitions and Terminology, a section on Management Requirements, and a section on Technical Requirements. The Management Requirements shall include sections on Organization, the Management System, Document control, Review of Contracts, Subcontracting, Purchasing, Service to the customer, Complaints, Control of Non-Conforming Work, Improvement, Corrective Actions, Preventive Actions, Control of Quality Records, Internal Audits, and Management Review. The Technical Requirements shall include sections on Personnel, Accommodations, Test Methods and Validation, Equipment, Measurement Traceability, Sampling, Handing of Test Items, Quality Control, and Reports and Calibration Certificates.

Reference Collection: A collection of samples of known origin that may be used in the determination of the identity of an unknown substance. For example, a well characterized sample obtained from a verified administration study in which scientific documentation of the identity of Metabolite(s) can be demonstrated.

Reference Material: Material, sufficiently homogeneous and stable with respect to one or more specified properties, which has been established to be fit for its intended use in a measurement process.

Repeatability, sr: Variability observed within a laboratory, over a short time, using a single operator, item of equipment, etc.

Reproducibility, sR: Variability obtained when different laboratories analyze the same Sample.

Revocation: The permanent withdrawal of a Laboratory's RMTC accreditation.

Sample/Specimen: Any biological material collected for the purposes of Drug and Medication Control.

Split Sample: Division of a Sample taken for testing into two portions at collection, usually designated "A" and "B".

State Horse Racing Authority: The entity(ies) designated by each state as possessing the primary authority and responsibility to adopt and implement Drug and Medication

Control rules, direct the collection of Samples, the management of test results, and the conduct of hearings, all at the state level.

Suspension: The temporary withdrawal of a Laboratory's RMTC accreditation.

Tampering: Altering for an improper purpose or in an improper way; bringing improper influence to bear; interfering improperly to alter results or prevent normal procedures from occurring.

Testing: The parts of the Drug and Medication Control process involving test distribution planning, Sample collection, Sample handling, and Sample transport to the Laboratory.

Threshold Substance: A substance listed in the Prohibited List for which the detection and quantification of the substance at a concentration in excess of a stated threshold concentration plus the measurement uncertainty is considered an Adverse Analytical Finding.

Trainer: For purposes of Drug and Medication Control, the Trainer is the Person who is the absolute insurer of the condition of the Horse.

Use: The application, ingestion, inhalation, injection or consumption by any means whatsoever of any Prohibited Substance or Prohibited Method.

ARCI Controlled Therapeutic Medication Schedule for Horses - Version 4.0

Revised – April 20, 2017

Controlled Therapeutic Medication	Threshold	Withdrawal Guideline	Dosing Specifications	Reference Notes	Note
Acepromazine	10 nanograms per milliliter as 2-(1-hydroxyethyl) promazine sulfoxide (HEPS) in urine	48 hours	Single intravenous dose of acepromazine at 0.05 milligrams per kilogram	University of California at Davis project	Applicable analyte is metabolite HEPS
Albuterol	1 nanogram per milliliter of urine	72 hours	720 micrograms total dose intra-nasal only[1]. Based upon dosing up to 4 times per day	European Horseracing Scientific Liaison Committee Data	See Endnote
Betamethasone	10 picograms per milliliter of plasma or serum	7 days	Intra-articular administration of 9 milligrams of Betamethasone Sodium Phosphate and Betamethasone Acetate Injectable Suspension, USP (American Regent product #0517-0720-01)[2]	RMTC study	Intra-articular dosing only - applicable analyte is betamethasone in plasma or serum
Butorphanol	300 nanograms per milliliter of total butorphanol in urine or 2 nanograms of free butorphanol per milliliter per milliliter of plasma or serum	48 hours	Single intravenous dose of butorphanol as Torbugesic® (butorphanol tartrate) at 0.1 milligrams per kilogram	*Journal of Veterinary Pharmacology and Therapeutics* doi: 10.1111/j.1365-2885.2012.01385.x	Applicable analytes are total butorphanol (drug and conjugates) in urine and butorphanol in plasma (the drug itself, not any conjugate)

[1] Administration of albuterol by any means other than intra-nasally has a high likelihood in resulting in a positive finding. This specifically includes oral administration. Trainers and veterinarians are cautioned against using oral albuterol.

[2] Intramuscular administration of betamethasone acetate will result in plasma or serum concentrations that will exceed the Regulatory Threshold for weeks or even months, making the horse ineligible to race for an extended period.

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Controlled Therapeutic Medication	Threshold	Withdrawal Guideline	Dosing Specifications	Reference Notes	Note
Cetirizine	6 nanograms per milliliter of plasma or serum	48 hours	0.4 milligrams per kilogram twice daily for 5 doses	Kentucky Equine Drug Research Council/University of California at Davis study	Do not administer ivermectin within 48 hours of a race if the horse has been administered cetirizine.
Cimetidine	400 nanograms per milliliter of plasma or serum	24 hours	20 milligrams per kilogram twice daily for 7 doses	Kentucky Equine Drug Research Council/University of California at Davis study	
Clenbuterol	140 picograms per milliliter of urine or Level of Detection in plasma or serum[3]	14 days[4]	Oral administration of clenbuterol as Ventipulmin® syrup (Boehringer-Ingelheim Vetmedica Inc., NADA 140-973) at 0.8 mcg/kg twice a day	University of California at Davis; Boehringer-Ingelheim Vetmedica, Inc.	Applicable analyte is clenbuterol
Dantrolene	100 picograms per milliliter of 5-hydroxydantrolene in plasma or serum	48 hours	Oral administration of 500 milligrams of dantrolene as paste (compounding pharmacy) or capsule formulation (Proctor and Gamble)	*Journal of Veterinary Pharmacology and Therapeutics* 34, 238–246	
Detomidine	2 nanograms per milliliter of carboxydetomidine in urine or 1 nanogram per milliter of detomidine in blood.	48 hours	5 mg IV (once)	*KY EDRC, UC Davis/UF Study.*	Dormosedan ™ used in study.

[3] For Quarter Horses: Level of Detection in any permitted biological sample.
[4] Clenbuterol is a prohibited substance in Quarter Horses and other breeds racing with Quarter Horses; there is no applicable withdrawal guideline for such horses.

Controlled Therapeutic Medication	Threshold	Withdrawal Guideline	Dosing Specifications	Reference Notes	Note
Dexamethasone	5 picograms per milliliter of plasma or serum	72 hours	Intramuscular and intravenous administration of dexamethasone sodium phosphate or oral administration of dexamethasone at 0.05milligrams per kilogram regardless of route	RMTC study	Applicable analyte is dexamethasone in plasma or serum
Diclofenac	5 nanograms per milliliter of plasma or serum	48 hours	Five inch ribbon topical application of 1% diclofenac liposomal cream formulation. (Surpass Topical Anti-Inflammatory Cream, IDEXX Pharmaceuticals)	*Veterinary Therapeutics* 6: 57-66 (2005)	Applicable analyte is diclofenac in plasma or serum
Dimethyl sulfoxide (DMSO)	10 micrograms per milliliter of plasma or serum	48 hours	Intravenous	ARCI model rule	Applicable analyte is DMSO in plasma or serum
Firocoxib	20 nanograms per milliliter of plasma or serum	14 days	Oral administration of firocoxib as EQUIOXX oral paste at a daily dose of 0.1 milligram per kilogram for four days	RMTC study	Applicable analyte is firocoxib in plasma or serum

15-205

Controlled Therapeutic Medication	Threshold	Withdrawal Guideline	Dosing Specifications	Reference Notes	Note
Furosemide	100 nanogram per milliliter of plasma or serum	4 hours	Single Intravenous dose of furosemide up to 500 milligram[5]	ARCI model rule	Must also have urine specific gravity < 1.010 for a violation.
Glycopyrrolate	3 picograms per milliliter plasma or serum	48 hours	Single intravenous dose of 1 milligram of glycopyrrolate as Glycopyrrolate Injection, USP (American Regent product # 0517-4601-25)	RMTC study; *Journal of Veterinary Pharmacology and Therapeutics* doi: 10.1111/j.1365-2885.2011.01272.x	Applicable analyte is glycopyrrolate in plasma or serum
Guaifenesin	12 nanograms per milliliter of plasma or serum	48 hours	2 grams twice daily for 5 doses	Kentucky Equine Drug Research Council/University of California at Davis study	
Isoflupredone	100 picograms per milliliter of plasma or serum	7 days	10 milligrams total dose subcutaneous or 20 milligrams total dose in one articular space	RMTC Study	
Lidocaine	20 picograms per milliliter of total 30H-lidocaine in plasma or serum	72 hours	200 milligrams of lidocaine as its hydrochloride salt administered subcutaneously	European Horseracing Scientific Liaison Committee data; Iowa State University study.	Applies to total major hydroxylated metabolite (i.e., includes conjugates)

[5] ARCI-0110929(F)(2)(d) and ARCI-025-020(F)(2)(d) state that the dose of Furosemide "shall not exceed 500 milligrams nor be less than 150 milligrams."

Controlled Therapeutic Medication	Threshold	Withdrawal Guideline	Dosing Specifications	Reference Notes	Note
Mepivacaine	10 nanograms total hydroxymepivacaine per milliliter of urine or above Level of Detection of mepivacaine in plasma or serum	72 hours	Single 0.07 milligrams per kilogram subcutaneous dose of mepivacaine	European Horseracing Scientific Liaison Committee data	
Methocarbamol	1 nanogram per milliliter of plasma or serum	48 hours	Single intravenous dose of 15 milligrams per kilogram methocarbamol as Robaxin® or 5 grams orally	*Journal of Veterinary Pharmacology and Therapeutics* doi: 10.1111/jvp.12068	Applicable analyte is methocarbamol in plasma or serum
Methylprednisolone	100 picograms per milliliter of plasma or serum	See Dosing Specifications	Total dose of methylprednisolone acetate suspension in one articular space[6]. The recommended withdrawal for methylprednisolone acetate is a minimum of 21 days at a 100 milligram dose	*Journal of Veterinary Pharmacology and Therapeutics* volume 37, Issue 2, pages 125–132, April 2014	Applicable analyte is methylprednisolone
Omeprazole	omeprazole sulfide - 10 nanograms per milliliter of plasma or serum	24 hours	Orally (2.2 grams) once daily for 4 doses	Kentucky Equine Drug Research Council/University of California at Davis study	GastroGuard™ used in the study

[6] Intramuscular administration of methylprednisolone acetate will result in plasma or serum concentrations that will exceed the Regulatory Threshold for weeks or even months, making the horse ineligible to race for an extended period. Please see Dosing Specifications for recommended withdrawal time.

15-207

Controlled Therapeutic Medication	Threshold	Withdrawal Guideline	Dosing Specifications	Reference Notes	Note
Prednisolone	1 nanogram per milliliter of plasma or serum	48 hours	1 milligram per kilogram orally		Applicable analyte is prednisolone in plasma or serum
Procaine penicillin *(administration must be reported to Commission)*	25 nanograms per milliliter of plasma or serum	Following entry to race	Intramuscular	RMTC – reference notes online	Mandatory surveillance of horse at owner's expense 6 hours before racing
Ranitidine	40 nanograms per milliliter of plasma or serum	24 hours	8 milligrams per kilogram twice daily for 7 doses	Kentucky Equine Drug Research Council/University of California at Davis study	
Triamcinolone acetonide	100 picograms per milliliter of plasma or serum	7 days	Total dose of 9 milligram in one articular space[7]	*Equine Veterinary Journal,* 10.1111/evj.12059 (2013)	Applicable analyte is triamcinolone acetonide in plasma or serum
Xylazine	200 picograms per milliliter of plasma or serum	48 hours	200 milligrams intravenously	University of California at Davis study	Applicable analyte is xylazine.

[7] Intramuscular administration of triamcinolone acetonide will result in plasma or serum concentrations that will exceed the Regulatory Threshold for weeks or even months, making the horse ineligible to race for an extended period.

Non-Steroidal Anti-Inflammatory Drug (NSAID) Rules for Horses[††]

Controlled Therapeutic Medication	Threshold (Primary)	Withdrawal Guideline	Dosing Specifications	Reference Notes	Threshold (Secondary)
Flunixin	20 nanogram per milliliter of plasma or serum	32 hours	Single intravenous dose of flunixin as Banamine® (flunixin meglumine) at 1.1 milligram per kilogram	University of California at Davis/RMTC study	**Secondary anti-stacking threshold**: 3.0 nanograms per milliliter of plasma or serum (Administration 48 hours prior)
Ketoprofen	2 nanograms per milliliter of plasma or serum	24 hours	Single intravenous dose of ketoprofen as Ketofen® at 2.2 milligrams per kilogram	HFL Sport Sciences/ Kentucky Equine Drug and Research Council/RMTC study	**Secondary anti-stacking threshold:** 1 nanogram per milliliter of plasma or serum (Administration 48 hours prior)
Phenylbutazone	2 micrograms per milliliter of plasma or serum	24 hours	Single intravenous dose of phenylbutazone at 4.0 milligrams per kilogram	ARCI model rule	**Secondary anti-stacking threshold**: 0.3 micrograms per milliliter of plasma or serum (Administration 48-hours prior)

[††] Samples collected may contain one of the NSAIDs in this chart at a concentration up to the Primary Threshold. Samples may also contain another of the NSAIDs in this chart up at a concentration up to the Secondary Threshold. No more than 2 of the NSAIDs in this chart may be present in any sample.

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Recent Document Revisions

Date	Version	Revision	Revision Description
Apr-17	4.0	Clenbuterol	Added footnotes establishing Clenbuterol as a prohibited substance in Quarter Horses with no applicable withdrawal guideline for Quarter Horses or breeds racing with Quarter Horses.
Apr-17	4.0	Whole document	Re-numbered footnotes throughout document to make them continuous
Dec-16	3.2	Omeprazole	Clarified threshold for omeprazole sulfide.
Sep-16	3.1	Detomidine	Amended threshold and dosing specifications.
Mar-16	3	Omeprazole	Amended threshold and dosing specifications
Mar-16	3	Xylazine	Amended threshold and dosing specifications
Mar-16	3	Guaifenesin	Added as New Substance to Controlled Therapeutic Medication Schedule
Mar-16	3	Cetirizine	Added as New Substance to Controlled Therapeutic Medication Schedule
Mar-16	3	Ranitidine	Added as New Substance to Controlled Therapeutic Medication Schedule
Mar-16	3	Cimetidine	Added as New Substance to Controlled Therapeutic Medication Schedule
Apr-15	2.02	Methylprednisolone	Directed readers to use Dosing Specification column for recommended withdrawal guideline.
Apr-15	2.02	Furosemide	Added clarifying language to Furosemide reflecting ARCI-011- 020(F)(2)(d) and ARCI-025-020(F)(2)(d) minimum and maximum thresholds
Apr-15	2.02	Added "For Horses" to Title	Added the words "for Horses" to document title
Apr-14	2.01	Methocarbamol	Corrected dosage from 0.15 milligrams per kilogram to 15 milligrams per kilogram
Apr-14	2	Dimethyl sulfoxide (DMSO)	Removed "oral" from dosing specifications
Apr-14	2	Xylazine	Changed Note section from "Applies to xylazine and xylazine metabolite" to "Applies to analyte xylazine"

Apr-14	2	Xylazine	Corrected typographical error in Threshold from "0.01ng/mg of plasma or serum" to "0.01 nanogram per milliliter of plasma or serum"
Apr-14	2	Isoflupredone	Added Isoflupredone as New Substance to Controlled Therapeutic Medication Schedule
Apr-14	2	Albuterol	Added Albuterol as New Substance to Controlled Therapeutic Medication Schedule
Apr-14	2	Flunixin, Ketoprofen, Phenylbutazone	Added Secondary Anti-Stacking Threshold
Apr-14	2	Flunixin, Ketoprofen, Phenylbutazone	Created separate section for Non-Steroidal Anti-Inflammatory Drugs at end of Controlled Therapeutic Medication Schedule, Relocated Flunixin, Ketoprofen, and Phenylbutazone to new section
Apr-14	2	<All Substances>	Changed Table Header from "No Pre-Race Treatment Within" to "Withdrawal Guideline"
Apr-13	1	<All Substances>	Original Controlled Therapeutic Medication Schedule Adopted by ARCI Board of Directors

15-211

FDA Announces Withdrawal of Draft Guidance for Industry #230 Regarding Animal Drug Compounding

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November 7, 2017

The U.S. Food and Drug Administration is withdrawing draft Guidance for Industry (GFI) #230, "Compounding Animal Drugs from Bulk Drug Substances" in order to clarify that the agency does not plan to finalize the current draft, but instead intends to issue a new draft for public comment next year.

The draft guidance issued in May 2015 proposed conditions under which the FDA generally would not intend to take action against the compounding of animal drugs from bulk drug substances, with the goal of making such animal drugs available for patient care without jeopardizing the safety of animals and humans or compromising the animal drug approval process.

Current law does not permit compounding of animal drugs from bulk drug substances, but the FDA recognizes that there are circumstances where there is no approved drug that can be used or modified through compounding to treat a particular animal with a particular condition. In those limited situations, an animal drug compounded from bulk drug substances may be an appropriate treatment option.

After reviewing the comments submitted to the docket, the FDA decided not to finalize the current draft guidance, and will instead develop and issue a new draft guidance. In developing the new draft, the FDA will carefully consider the issues that are specific to compounding of animal drugs, including the significance of using compounded drugs as a treatment option in various veterinary settings and animal species.

FDA intends to publish the new draft in early 2018 for public comment. As FDA develops a new draft guidance, it will continue to focus on the safety of compounded animal drugs and intends to take action if the agency becomes aware of an animal or human safety concern associated with the use of an animal drug compounded from bulk drug substances. In the interim, veterinarians or other interested stakeholders are encouraged to contact FDA's Center for Veterinary Medicine (CVM) at

15-213

AskCVM@fda.hhs.gov if they have questions regarding compounding of animal drugs.

Contact FDA

240-402-7002
240-276-9115 FAX

Issued by: FDA, Center for Veterinary Medicine
7500 Standish Place, HFV-1
Rockville, MD 20855

Page Last Updated: 11/07/2017
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Compounding

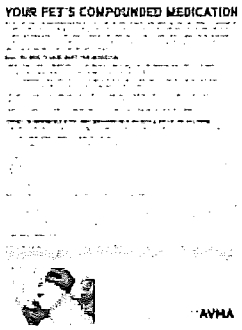
Compounding – any manipulation of an FDA-approved drug product beyond that stipulated on the product's label – is needed in veterinary medicine to provide individualized medication for specific patients with special needs not met by FDA-approved drug products. Manipulation might include mixing, diluting, concentrating, flavoring, or changing a drug's dosage form to accommodate a specific patient's needs.

Examples of compounding include:

- Mixing two injectable drugs
- Creating an oral suspension from crushed tablets or an injectable solution
- Adding flavoring to a commercially available drug

Compounded preparations can sometimes provide effective therapies for treating painful or life-threatening medical conditions in animal patients. Compounding is a needed tool and provides much-needed therapeutic flexibility for veterinarians, especially considering the wide range of species and breeds veterinarians treat.

Client Handout


YOUR PET'S COMPOUNDED MEDICATION

AVMA

AVMA members: Provide individual clients with needed information about the **compounded medications you prescribe**, including when to contact you after returning home.

However, if done incorrectly or inappropriately, the use of compounded preparations can lead to prolonged treatment needs; adverse events, including treatment failure; liability; or even enforcement action by federal or state authorities.

Compounding should be implemented based on a licensed practitioner's prescription, and only to meet the medical needs of a specific patient.

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What Are the Rules?

Discussion of compounding rules often centers on two issues: compounding from FDA-approved drug products, and compounding from bulk drug substances. Compounding from FDA-approved drug products is legal, as long as **FDA's Extralabel Drug Use Rules** and all **state rules** are followed.

Compounding from bulk drug substances is more complex. The FDA asserts that it has jurisdiction to bar any compounding from bulk drug substances, but generally acknowledges that veterinarians sometimes need to use preparations compounded from these ingredients. **Compounding: What Are the Rules?** provides a deep dive into the rules that you need to follow, whether working with FDA-approved drug products or bulk drug substances. To make certain you understand the rules fully, you might also want to view our recorded webinar, **Compounding: Are You Playing By the Rules** (available to AVMA members only).

Contact your liability insurance carrier, such as **AVMA PLIT**, for any questions you have regarding specifics of your liability coverage.

Are You Playing by the Rules?

Make sure you understand all the dos and don'ts of compounding. **View our recorded webinar.**

AVMA Policies:

Compounding

Compounding from Bulk in Non-Food Animals

Compounding from Bulk in Food Animals

What Is AVMA's Role?

Because compounding is a critical tool for veterinarians, the AVMA works hard to ensure that veterinary concerns are heard and considered in regulatory rule-making and in Congress, and to keep our member veterinarians informed of the rules and compounding best practices.

- AVMA **communicates frequently with the FDA** to safeguard veterinary access to compounded medications and ensure that the needs of veterinarians and our animal patients are protected.
- AVMA **educates Congress** and regulatory agencies that compounding for animals is a complex issue, and that AVMA and our member veterinarians are available for consultation should other parties seek legislative changes.
- AVMA **educates veterinarians** about the finer points of using compounded medications. An informed veterinarian prescribes medications conscientiously for patients and avoids inappropriate compounding practices. Learn more in our recorded **webinar on compounding rules, regulations, and recommendations**.
- AVMA **cultivates collaborative working relationships** with pharmacy organizations, the animal drug manufacturing industry, and other affected stakeholders, building coalitions that advance and protect the interests of veterinarians and animals.
- AVMA **monitors the courts** on issues of regulatory jurisdiction.

Although the FDA has interpreted all compounding from bulk drug substances as

being outside of the rules, the agency has recognized that there are circumstances where there is no drug available to treat a particular animal with a particular condition, because either no drug is approved for a specific animal species or no drug is available under the extralabel drug use provisions. In those limited circumstances, FDA acknowledges that an animal medication compounded from bulk drug substances may be an appropriate treatment option.

The FDA published new draft guidance (PDF summary) in 2015 describing conditions under which it generally would not initiate enforcement action against state-licensed pharmacies, licensed veterinarians, and registered "outsourcing facilities." The AVMA submitted formal comments on that proposal, drawing on input provided by more than 2,000 AVMA members, and making clear that compounding is absolutely necessary for veterinary medicine because of the limited number of FDA-approved drug products for the many species and conditions that veterinarians treat. The FDA later announced that it was withdrawing its draft guidance and would develop a new draft, which it said it would issue for public comment in 2018.

It is not yet known when the FDA will issue its final guidance on compounding animal drugs from bulk drug substances.

AVMA's Advocacy Work Continues

Because of the many species that veterinarians treat, they require access to compounded medications in order to provide the best medical care to their animal patients. In late 2013, a law mandating how compounding for human medicine would be regulated in the United States was passed but it did not address the many concerns and issues facing veterinarians. In response, the AVMA established a task force to lead a national dialogue among veterinarians, pharmacists, drug manufacturers and the FDA with the goal of developing specific recommendations that would result in clearer guidelines and regulations for veterinarians as they look to provide needed medications and the best care for their patients. The AVMA's Board of Directors approved the task force's recommendations in June 2016 and a legislative proposal was distributed for review by stakeholders in March 2017. AVMA is currently considering the feedback received.

In May 2016, FDA published draft Guidance for Industry #230, Compounding Animal Drugs from Bulk Drug Substances. Even with that new draft guidance, the FDA did not change their position that compounding from bulk drug substances is illegal; the draft guidance would simply have allowed compounding from bulk drug substances under enforcement discretion when certain criteria were met. The FDA then **withdrew this draft guidance in November 2017** to clarify that the agency does not plan to finalize that draft, but instead intends to issue a new draft for public comment in 2018.

The AVMA remains concerned that veterinarians' ability to create patient-specific prescriptions compounded from bulk drug substances needs greater protection. AVMA will work closely with stakeholders and the FDA to ensure access to these medications. For the latest news around our compounding advocacy work, **visit our blog**.

About Compounding:

- **Compounding FAQ for Veterinarians**
- **Compounding FAQ for Pet Owners**
- **Definitions**
- **Compounding 101** (video)

- Pharmacology Basics
- What Are the Rules?
- FDA Outreach to Veterinarians and Pharmacies
- AAEP Compounding Resources
- FDA Inspections and Actions Against Animal Drug Compounders

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AAEP Prescription for Racing Reform: A 10-Point Plan for Action

(released July 2015)

Horse racing in the United States faces significant challenges to its long-term viability. Aside from the threats of increased global competition for the wagering dollar and a soft national economy, the public's perception of medication usage and catastrophic injuries threatens the sport's future success.

The AAEP Racing Committee has identified 10 key items through which equine veterinarians as individuals and the AAEP as an entity can continue to positively affect the health and welfare of the racehorse and help ensure the success of the racing industry. The AAEP will:

1. **Continue support of National Uniform Medication Program in all U.S. racing jurisdictions.**
   The AAEP supports the implementation of this program in all U.S. racing jurisdictions. Lack of uniform medication rules presents significant challenges to owners and trainers who race horses in multiple jurisdictions, often leading to confusion about how to best implement appropriate therapeutic regimens. The AAEP fully supports the adoption of all components of the NUMP and seeks continued involvement as the program evolves. **Status:** The AAEP remains supportive of this initiative.

2. **Recommend to the Racing Medication & Testing Consortium the development of regulations banning the use of anabolic steroids in training.**
   It is prudent for the horse racing industry to recognize the negative impact that the use of any systemic anabolic steroids has on the sport. While the administration of anabolic steroids is banned in racehorses for at least 30 days prior to competition, the AAEP advocates for this ban to extend to racehorses that are actively training at a racetrack or training center.

   There are indications for the therapeutic use of systemic anabolic steroids in the race horse based upon a medical diagnosis and treatment plan. However, the AAEP believes it is difficult to justify their use in race horses that are actively training and racing. **Status:** The ban has been accomplished through the work of the Racing Medication & Testing Consortium.

3. **Recommend to the Racing Medication & Testing Consortium a 48-hour restricted administration time for NSAIDs as part of uniform medication policy.**
   Research indicates that there is a remaining anti-inflammatory effect of phenylbutazone at 24 hours after administration. This coincides with pre-race examinations performed by regulatory veterinarians attempting to determine the soundness of a horse for racing. Additionally, no pari-mutuel racetracks in the U.S. allow a horse to be entered less than 48 hours before a race. Horses should be evaluated with no effect of anti-inflammatory drugs influencing this decision.

In order for regulatory veterinarians to best detect horses at risk for injury when performing pre-race examinations, the AAEP supports a 48-hour withdrawal guideline for NSAIDs.

4. **Support clear uniform regulations for compounded medication.**
   Due to permanent or temporary unavailability of certain medications, legally compounded medications are a necessity to the equine practitioner and their patients. Yet there are some compounds that are either illegally produced or inappropriately manufactured. The AAEP, in cooperation with the appropriate regulatory bodies, will work to establish a "Compounded Medication Policy" for racing jurisdictions, understanding that there are various regulations at the state level that would affect any uniform policy. **Status:** The AAEP remains supportive of this concept.

5. **Support the implementation of a national uniform program for comprehensive out-of-competition testing.**
   Certain substances are poorly controlled through post-race sampling alone. An effective out-of-competition testing program is imperative to deter the administration of performance-enhancing drugs that negatively impact horse health and the integrity of the sport. The AAEP seeks to support the efforts of the appropriate regulatory bodies in developing a comprehensive out-of-competition testing program and welcomes opportunities for collaboration.

6. **Support and advocate the development and implementation of effective security measures to enforce medication rules.**
   The AAEP supports and is willing to assist in developing security measures to help deter medication rules violations. Proper security not only deters nefarious actions detrimental to the integrity of racing and the welfare of the horse but also helps level the playing field for those that would not break the rules of racing. **Status:** The AAEP remains supportive of enhanced security.

7. **Support meaningful medication rule violation sanctions for horses, veterinarians and other licensees, as appropriate.**
   The trainer absolute insurer rule has been a mainstay of racing rules for many years. The AAEP feels this rule is appropriate, yet there are times when other licensees are involved in rules violations. The AAEP supports penalties for all licensees (including suspension of individual horses from racing) that are commensurate with the violation incurred. **Status:** The AAEP continues to support such violation sanctions.

8. **Create national uniform procedures for Veterinarian's List reciprocity and management criteria.**
   A national reciprocity agreement requiring racing jurisdictions to respect the Veterinarian's List in other states must be developed and implemented. The Veterinarian's List identifies horses deemed unfit and ineligible to race for various veterinary medical reasons. Each racing jurisdiction has its own process and criteria to ensure how and when a horse is fit to return to

racing or training in that state. However, in some instances, a horse on the Veterinarian's List in one state can race in another state without meeting those health and soundness standards.

The AAEP Racing Committee, working in conjunction with the Racing Regulatory Veterinary Group, will develop a national uniform program and work to implement that program through the Association of Racing Commissioners International Model Rules. **Status:** The Racing Regulatory Veterinary Group is currently leading this effort.

9. **Investigate alternative exercise-induced pulmonary hemorrhage management strategies with the intent to eliminate race-day medication.**
   The recent American College of Veterinary Internal Medicine review of existing EIPH research showed that there is very little research on alternative strategies beyond race-day furosemide. Few other medications have been studied and virtually no medication strategies outside race-day treatments have been researched.

   The AAEP will pursue alternative EIPH strategies by facilitating a meeting of scientists, including experts in the fields of equine EIPH, pulmonary function and human sports medicine, with the stated goal of identifying research priorities that may yield effective alternatives to current race-day EIPH treatment protocols. **Status:** The AAEP sponsored a meeting of veterinary and human medicine specialists in November 2015 to develop research priorities. Two EIPH projects are currently being funded through the Grayson Jockey Club Research Foundation with financial support from the AAEP Foundation.

10. **Upon finding efficacious methods to manage EIPH, the AAEP will propose that the Racing Medication & Testing Consortium amend its uniform medication policy in order to eliminate race-day medication.**
    If an alternative of equal or greater efficacy to furosemide can be found that will not require race-day administration, the AAEP will support the cessation of race-day furosemide. **Status:** This item is pending the outcome of the initiative referenced in #9.

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THE HORSEMEN'S JOURNAL

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winter 2016

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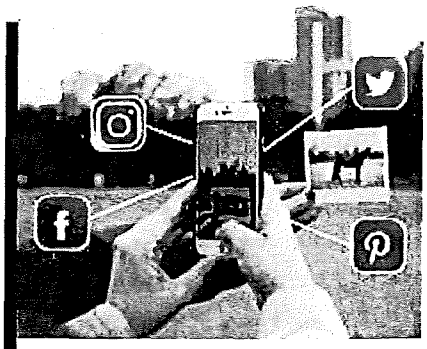
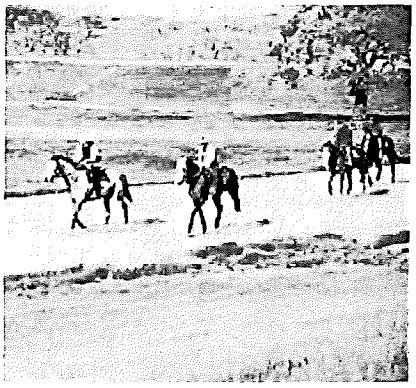
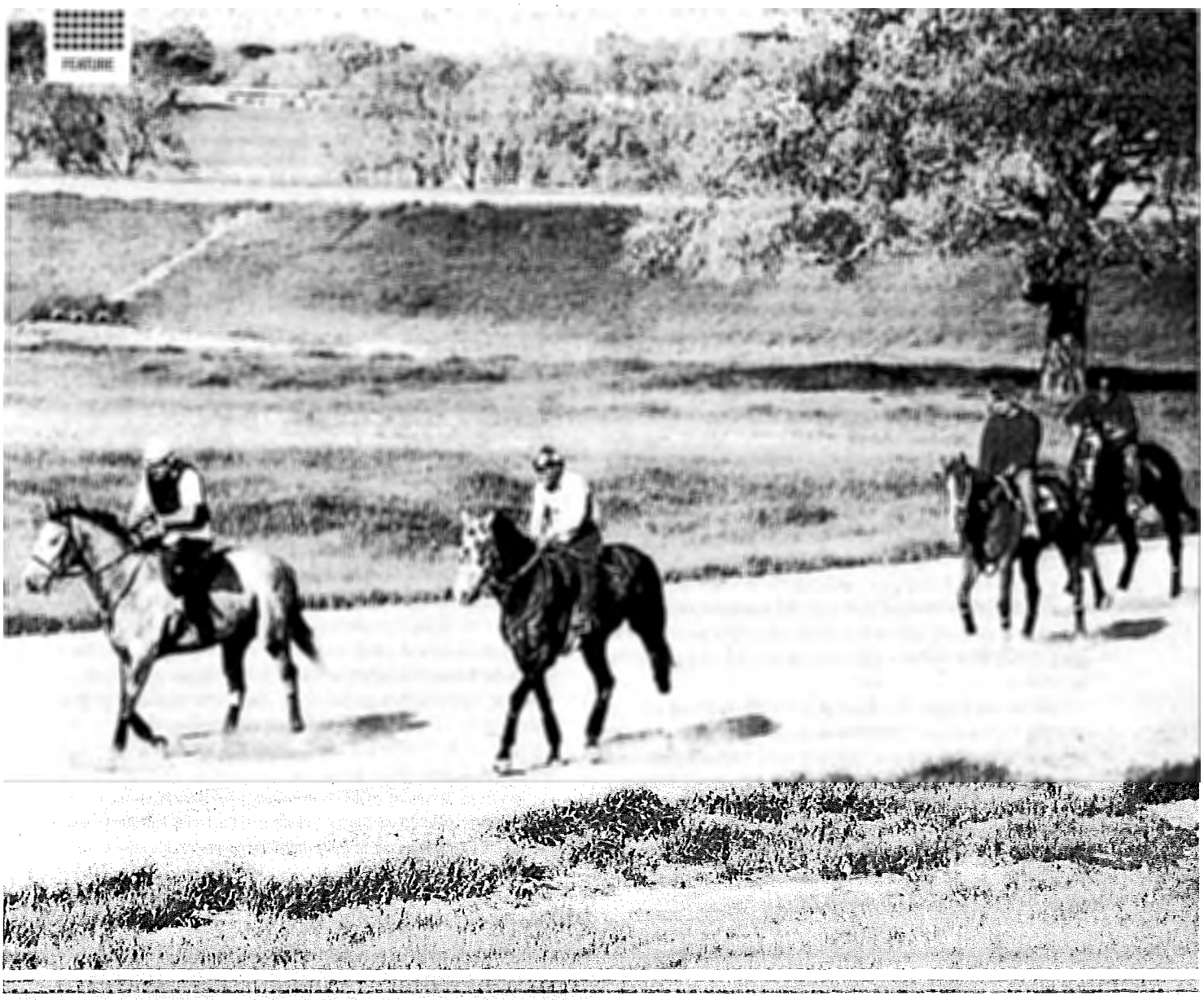






THE LOWDOWN ON OUT-OF-COMPETITION TESTING

WHAT THE RMTC ISN'T TELLING US ABOUT ITS PROPOSED REGULATIONS

By Clara Fenger, DVM, PhD, DACVM, Tanya Roubinette, JD, Ken Brewer, DVM, and Thomas Tobin, MRCVS, PhD, DABT. Photos by Denis Blake

The corner office has a beautiful view, with filtered sunlight shining through full plate glass. Grand old oak trees provide shade for much of the year to the building that houses the registry of the American Thoroughbred. Professionals. Many years of experience populate the offices, far from the distinctive scent and dust of the racetrack. Among those distinguished leaders are men who began their careers working up from the mailroom of a racetrack or from the stables of an Arabian horse farm. Many years and miles removed from the actual day-to-day work of sending out a Thoroughbred for a morning workout, mucking stalls or rubbing down the athlete at the end of the morning, these executives propose to reform medication rules. Their latest initiative to this end is support of an out-of-competition testing regulation promulgated by the Racing Medication and Testing Consortium (RMTC), an organization housed under the same roof, shaded by the same oak trees.

Horse racing is both the Sport of Kings and an economic engine for people across all spectra of socioeconomic status. The reliance on wagering to sustain the sport leads many to suspect that anyone who wins at a high percentage must be using "something" to gain an unfair advantage over his or her

competitors. The perceived potential for such activities has led to a unique and early history of drug testing advances in horse racing, with methods that long predate drug testing in any human sport. This attention to the integrity of the sport has paid off for modern-day horse racing, with fewer than 0.5 percent of all post-race tests returning a positive, and most of those are trace overages of therapeutic medications that would be legal, indeed at times not even tested for, in any human sport. This low violation rate is less than half of the number of violations reported in human sports, and it does not include the widespread practice of approved therapeutic use exemptions in human drug testing, in which otherwise prohibited drugs are permitted during competition for therapeutic use. The only area in which human testing has surpassed equine testing is in its common use of out-of-competition testing.

ERYTHROPOIETIN

Out-of-competition testing is important because some substances can exert an effect on an athlete long after the substance can no longer be detected in the typical post-race drug-testing sample. The poster-child drug for which out-of-competition testing is required is erythropoietin (EPO) and its analogues. EPO is a hormone produced by the kidneys in response to a reduced oxygen environment; it travels from the kidneys to the bone marrow, where it stimulates the production of red blood cells. This hormone is naturally present all the time in all horses, and the balance of EPO, iron and key vitamins folate and B12 combine to maintain a steady level of red blood cell production by the bone marrow.

This balance is important in maintaining the delivery of oxygen to exercising muscles—a key determinant of optimal racing performance. Horses are unique among athletes in that their blood moves with such great speed throughout their bodies and across their lungs during maximal effort that the blood cannot be fully saturated with oxygen as it traverses the pulmonary circulation. This exercise-associated hypoxemia is not observed in other species and likely contributes to the possibility of improvement in performance following EPO administration in horses. If you can increase the oxygen-carrying capacity of the blood, you can deliver more oxygen to the muscles.

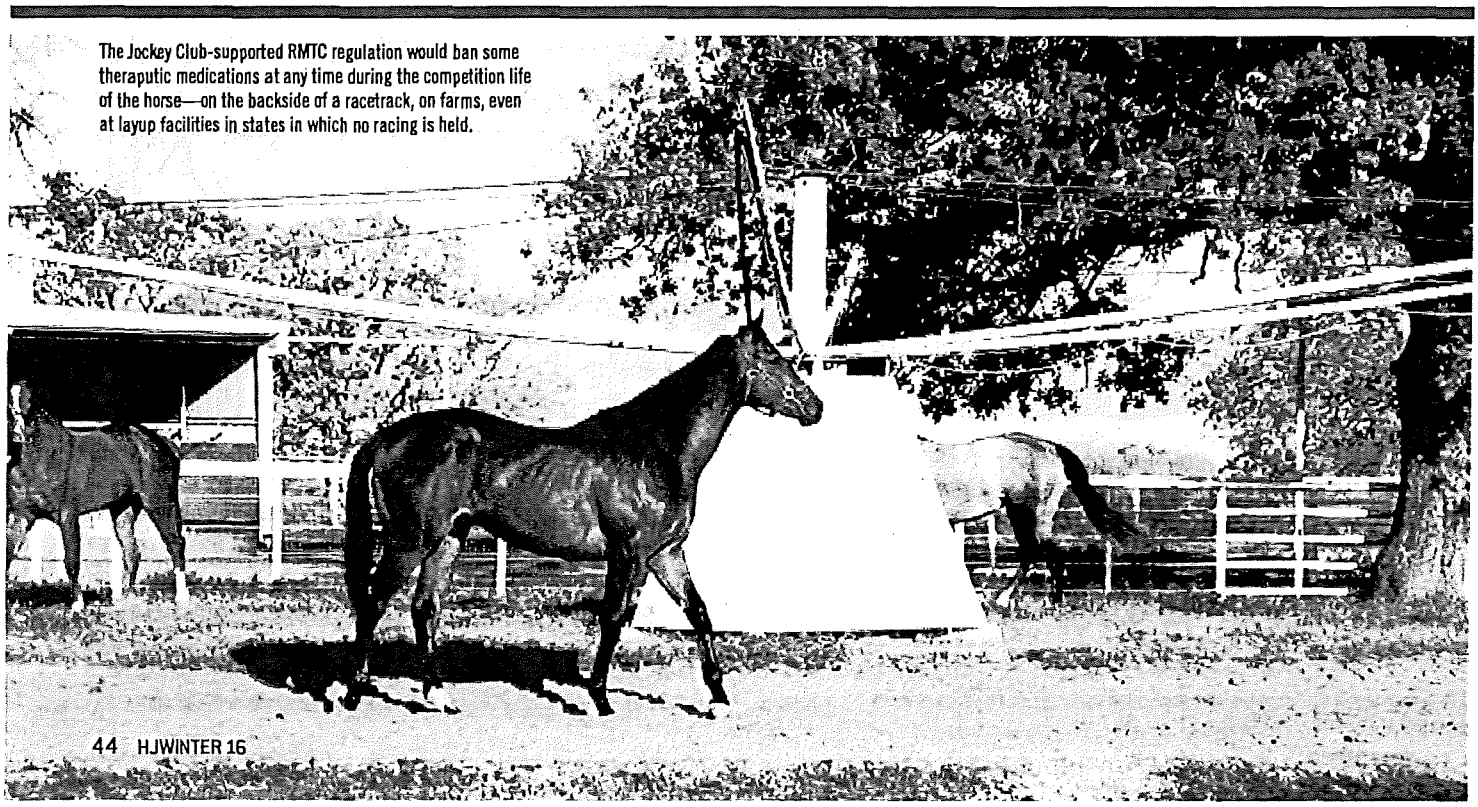
What makes EPO a hormone of great threat to the integrity of any sport is that small doses administered at regular intervals will stimulate the production of red blood cells, cells that persist in the bloodstream for months and far outlast the two- to three-day presence of detectable amounts of the EPO hormone in blood. In this way, any performance-enhancing effect of EPO would long outlive the ability of any testing laboratory to actually detect the offending EPO.

OUT-OF-COMPETITION TESTING

In 2007 the Association of Racing Commissioners International (RCI) adopted an out-of-competition testing regulation, which, for the first time, instituted a policy for the collection of blood samples for the detection of EPO outside of the post-race testing situation. This regulation represented a significant advance in the ability of racing commissions to address the problem of EPO misuse in horse racing. Since that time, out-of-competition testing has steadily increased, with a high of 3,805 such tests in 2015, of which 45 returned a laboratory finding (a 1.2 percent positive rate). None of those positives actually represented an illegal finding. Cobalt was responsible for 44 of those findings, which did not even represent an illegal finding at the time of the testing and could have resulted from the sampling of a horse shortly after an innocent administration of vitamin B12. The remaining finding was for the dewormer levamisole, a substance of invaluable use in horses as an immune modulator for such diseases as equine protozoal myelitis or Lyme disease. So the 1.2 percent positive rate from 2015 represented not a single real violation. Either racing is doing a great job in controlling illicit substance administrations or we are not testing a sufficient number of horses.

In a recent statement published in *Thoroughbred Daily News*, The Jockey Club President and COO Jim Gagliano challenged the racing industry to adopt the RMTC's far-reaching out-of-competition testing proposal to ensure "the integrity of competition."

Surely, if out-of-competition testing could be expanded, we as an industry could confidently proclaim that all is being done to ensure the integrity of horse



The Jockey Club-supported RMTC regulation would ban some therapeutic medications at any time during the competition life of the horse—on the backside of a racetrack, on farms, even at layup facilities in states in which no racing is held.

racing. As outlined above, EPO poses a substantial threat to the integrity of horse racing, and every stakeholder in the industry should stand firmly behind the expansion of out-of-competition testing. Or should they? First, let's look carefully at the actual RMTC proposal.

THE RMTC PROPOSAL

The RMTC's proposal would expand out-of-competition testing well beyond EPO and related agents and directly into routine practice of veterinary medicine. First, it bans all non-FDA-approved substances, an apparently noble goal on its surface; after all, drug companies have expended millions to demonstrate that their FDA-approved drugs are safe and effective, and our industry should be in support of making sure that our athletes receive only the highest-quality medicines. The first exception is that our federal and state governments have made numerous provisions for the use of medications that were in widespread use at the time that the current system of FDA approval was introduced, as well as for the use of compounded medications, which are legal when there is no FDA-approved alternative available. Strict restrictions are already in place for the control of such substances in post-race testing, but The Jockey Club-supported RMTC regulation would ban them at any time during the competition life of the horse—on the backside of a racetrack, on farms, even at layup facilities in states in which no racing is held. Aside from the negative impact on the athlete itself, when treatment options for any number of conditions would be limited, trainers and owners could be held liable for the actions of any manager or veterinarian, unlicensed by any commission, acting innocently and in good faith in the best interests of the health and welfare of the horse.

The list of prohibited substances appears to have been slightly modified from the list that appears on the World Anti-Doping Agency website (wada-ama.org/en/what-we-do/prohibited-list) and includes cytokines and growth factors, which are specifically used in regenerative medicine, such as Interleukin-1 Receptor Antagonist Protein and platelet-rich plasma, for which, incidentally, no detection technology, out-of-competition testing or otherwise, currently exists. In human sports, such methods of promoting better and faster healing from sports injuries are considered illegal, taking an unfair advantage over competitors. This concept of "cheating" is inappropriate in equine sports, where failing to allow a horse to recuperate to its fullest extent could both predispose the horse and its rider to catastrophic injury and prevent the equine athlete from having a successful second career after racing. The use of such growth factors as targeted therapies for joints, tendons and ligaments should be encouraged in our athletes rather than added to a long list of prohibited substances.

Thyroxine, adrenocorticotropin and human chorionic gonadotropin, substances in common use for the purpose of treating specific conditions in horses, are included on the RMTC's proposed rule. The RMTC provides no evidence that the use of any of these substances poses a risk to the integrity of racing. These substances are currently prescribed pursuant to a specific diagnosis in horses both on and off the track on a daily basis. This regulation seeks to permit the use of thyroxine only after permission is given by the regulatory authority. So if your vet pulls a blood test and determines that the horse has a low level of thyroxine, you cannot supplement the horse until permission is received by the regulatory authority. The RMTC's regulation would put bureaucrats in the place of your own veterinarian in making health and welfare decisions for your horse.

There are many issues with this scenario of regulatory permission being required to use a legal medication during training or recuperation. For example, say the state that you requested permission from refuses to allow the medication. After the refusal, you ship to another state, again request permission, have it granted and medicate your horse. Then the state that refused permission tests your horse out of competition. Obviously, it would be positive. Who is liable? State budgets are constrained enough without looking for lawsuits. Another issue would be the timeframe between requesting permission and receiving it. It would put the commission in the untenable position of being able to refuse or delay approval in order to tacitly punish a horseman who, without any proof, they "felt" was cheating.

Anabolic steroids would be further restricted in this out-of-competition testing regulation well beyond their current restrictions within proximity to racing. Horses are unique among athletes in that we geld our athletes, for which there is no corollary in human sports. Anabolic steroids may be required for normal recovery from injury and disease, and like growth factors, any intervention we can provide to horses that may lead to a fuller and more rapid recovery should be encouraged. Any human bodybuilder or weight lifter can attest that using cycles of anabolic steroids will enhance performance, but the existing minimum withdrawal of 60 days from racing prevents such abuse. This regulation would require placing the horse on the vet's list for six months, which is lightyears in horse racing, and would effectively ban the use of these substances at any time in a racing horse. Further, stanozolol, the only FDA-approved anabolic steroid that provides the benefits of anabolic steroids without the disadvantage of causing studdish behavior, would be banned at all times. This regulation would prevent the beneficial use of anabolic steroids based solely on the premise that it looks good to the public.

THERAPEUTIC SUBSTANCES

In addition to the restrictions on specific widely used therapeutic substances, an even more sinister provision is hidden within this proposed regulation. A provision calls for out-of-competition testing to be used to police other racing regulations not contained within the language of the out-of-competition testing regulation. On the surface, this sounds innocuous enough, but a careful review reveals the following possible intent in the regulation. If a horse tests positive for a therapeutic substance—for example, methocarbamol or dexamethasone—and there is no vet record or prescription for that substance for that horse, a violation has occurred. In the current environment of picogram identifications at the laboratory, where most methocarbamol and dexamethasone identifications are the result of inadvertent environmental contamination, trainers will be penalized for trace medication levels over which they have no control.

A further issue with this scenario would be for a medication of which trace levels may be found for an extended period of time after the last administration. For example, horses in training can be purchased at auction, leading to the question of who is liable when a horse that recently has been purchased tests positive and only has been in its new barn for a few weeks. New York takes this into account and has a provision through which the new owner may void the purchase within 10 days of notification. However, what if the sale was months ago? The conditions of sale for both Keeneland and Fasig-Tipton do not take a position through which a horse may be returned months later. Again, this could be an expensive litigation scenario for both states and horsemen. There is even a provision in the proposed RMTC regulation for hair testing, in which substances could be found for up to a year later, and other biologic samples as yet undefined.

EXISTING REGULATIONS

A racing commission that is considering adopting the RMTC's recommendation should carefully evaluate the validity of the out-of-competition testing rules; they need to consider whether it falls within the scope of the

jurisdiction conferred by their legislature. Each state has its own enabling statute concerning horse racing. In general, the proposed rule must have a rational and reasonable basis and be based on objective science. It must safeguard the constitutional rights and ensure fairness to all horsemen. In 2006 Ontario was the first jurisdiction to launch an out-of-competition testing program, and many jurisdictions followed suit. These adopted rules range from the very narrow, in which there are defined parameters of which horses are eligible and what is tested for, to extremely broad, in which a state could make a case to test the majority of the horse population in the United States—even if that horse had never been in that specific state.

Some states test only for the blood doping substances and limit the eligible horses to jurisdiction grounds or to horses that are racing in the state. Some test only blood, and others allow urine and hair testing. Other states, however, are testing for a very broad range of substances, some of which include drugs that can be a result of inadvertent environmental contaminations, such as zilpaterol and ractopamine.

Delaware falls into the narrow out-of-competition testing rule category. The state tests for blood doping on any entered horse, any horse that raced there within the past 60 days, any horse that showed the presence of blood doping antibodies at some point, a horse with a trainer who has ever had a horse test positive for EPO and any horse that dies or is euthanized on association grounds for any reason.

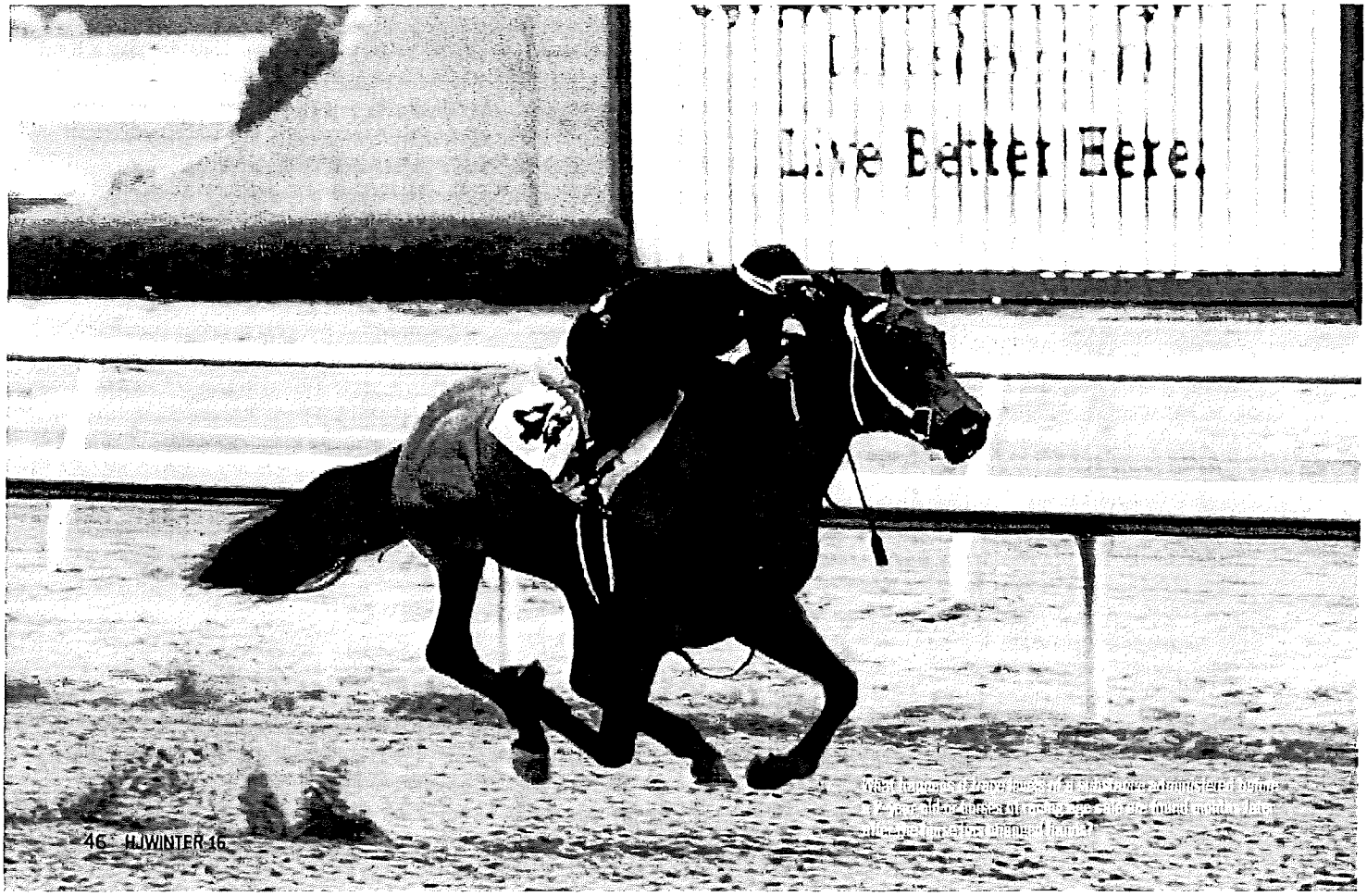
Kentucky falls into the latter category; "any horse eligible to race in Kentucky" is its guideline. Kentucky defines this as a horse being eligible if the owner or trainer is licensed in that state, if it is nominated to a race in that state or if it raced in Kentucky within the past 12 months, if it is stabled at a racetrack or licensed training facility or if it is nominated to the Kentucky Thoroughbred Development Fund. Kentucky testing is supposed to be limited to natural or synthetic types of blood doping substances, venoms and growth hormones.

New Mexico is broader in what it tests for but slightly limited more to horses in its area. The state may test horses on the grounds, horses with papers that are on file, horses nominated to stakes or horses with an owner or trainer licensed in the state. New Mexico also tests for clenbuterol and anabolic steroids in addition to the Kentucky list. It also may test urine and hair, in addition to blood. Illinois tests for blood and gene doping but specifically added the following wording: "This Section does not apply to therapeutic medications approved by the FDA for use in the horse."

Gagliano, in his statement to the *Thoroughbred Daily News*, bemoaned the fact that only 19 out of 38 states have out-of-competition testing. Perhaps the states that are not currently doing this testing are waiting for a good rule to follow. Racing commissions are woefully underfunded. Adopting a specific rule just because it has the RMTC's blessing does not mean it will stand up in a court challenge. New York had an expensive, protracted legal fight on this issue, the outcome being that the lawsuit was dropped when New York amended its rule. The states that wait may be better off; they can create a fair and legally validated rule, one that targets the cheaters and only the cheaters, and a rule that will stand up when challenged in court.

All these states have a noble idea—get rid of the cheaters in the industry and make it an even playing field for all horsemen. However, in the RMTC's quest to make the public think they are getting "tough on racing," they actually may be diluting the effectiveness of out-of-competition testing.

As it stands, California has the highest percentage of out-of-competition testing, at 10 percent of all drug testing. Contrast this to Kentucky, where



a generous estimate is 2 percent of all drug testing. The RMTC regulation heralded by Gagliano expands out-of-competition testing to routine therapeutic medications, rather than expanding the number of horses tested for EPO analogues or providing funding to develop testing for designer drugs. In support of its regulation, the RCI recently sent out a survey that asked whether respondents were in favor of expanded testing. What RCI failed to define was "expanded." Rather than expanding testing for substances that might actually damage the integrity of horse racing, the proposed regulation seeks to expand out-of-competition testing to legitimate therapeutic medications. By expanding this testing to legitimate therapeutic medications, the proposed rule gives chemists something to report in their out-of-competition testing reports and thereby justifies the out-of-competition testing process and the entire regulatory process itself and as such points to the claimed efficacy of the rule. Financially, this approach has only one result. There will be fewer horses tested.

During the 2013 University of Arizona Global Symposium on Racing and Gaming, Alan Foreman, chair of the Thoroughbred Horsemen's Association, said out-of-competition testing is designed to detect the use of substances like blood-doping agents and "emerging drugs" like peptide venoms that can have pain-killing effects. Testing for these illicit substances is "more important than testing for 24 therapeutic drugs. Those aren't the drugs compromising racing."

CONCLUSION

As Gagliano suggests, the expansion of out-of-competition testing is a goal worthy of widespread industry support. However, the details of the current RMTC proposal, supported by The Jockey Club, fall short of actually improving the integrity of horse racing. There are currently more than 80 EPO analogues, and technology is only capable of identifying a handful. Designer anabolic steroids and peptides can only be detected in limited numbers, because the technology for finding anything is only now being developed. There is a need for expanded out-of-competition testing and more widespread adoption of the current regulations by racing jurisdictions but not for expanding this testing into the administration of legitimate therapeutic medications. The proposed regulation only criminalizes legal activity without providing even the tiniest of steps toward addressing the true threats to the integrity of horse racing. In the meantime, horsemen and vets have to waste precious resources and time fighting the implementation of overly broadly drafted rules when our efforts, one and all, would be better spent focusing as a united industry on ways to identify true cheating. The mission of The Jockey Club would be better served if its executives would emerge from their offices in the shade of the oak trees and walk the backsides of our racetracks talking to the actual people who keep them in their jobs. ĵn

UPDATE: NATIONAL HBPA WORKING HARD FOR POSITIVE CHANGE

Immediately following the Global Symposium on Racing and Gaming in Tucson, Arizona, the Association of Racing Commissioners International (RCI) scheduled meetings on December 8 and 9 at the Omni Resort, also in Tucson. The National HBPA was present and represented by Dave Basler, executive director of the Ohio HBPA, along with National HBPA President and Chair Leroy Gessmann and CEO Eric Hamelback. The RCI Model Rules Committee met first, followed by the RCI Board of Directors.

The RCI Model Rules Committee convened to discuss several topics. One of those was the proposed changes submitted by the Racing Medication and Testing Consortium (RMTC) to the current Multiple Medication Violation (MMV) phase of the National Uniform Medication Program (NUMP). Significant work went into reevaluating the current MMV phase by a subcommittee of the RMTC, which was composed of a wide array of industry stakeholders. Following the subcommittee's changes and recommendations, the RMTC board approved the amendments, which were then proposed in writing to the RCI with the intention to amend the current model rule.

The changes that were amended to the MMV allowed for decreases in the amount of time that points remain on a trainer's record as well as a decrease in the number of points assigned for medications that are not performance-enhancing. More importantly, the changes would allow stewards to have discretion in how many—if any—points are awarded in cases where a positive test is the result of contamination and proven through mitigating circumstances.

The significant progress made to improve the MMV component of the NUMP now allows for support given to this phase by the NHBPA.

The changes were supported by a wide range of industry participants, including the NHBPA and RMTC. The only opponent of the changes was The Jockey Club.

"With the sensitivity of today's testing, trainers are at a constant risk of having a positive test from a miniscule amount of a substance a horse might have ingested through contaminated feed, hay or other environmental factors or through human contact," said Hamelback. "Furthermore, these positives are sometimes called at levels and for medications that could not possibly affect performance on the track, so this is certainly a step in the right direction. We thank the RCI, RMTC and all the other industry groups who came together to improve the MMV and make it a fair system for all."

Another topic discussed by the RCI Model Rules committee was the proposed model rule discussed in this article to allow for out-of-competition testing. While the NHBPA has been on the record supporting out-of-competition testing, it was important to note horsemen's concerns related to the drafted proposed model rule. The intention of the NHBPA's presence at the meeting was to state the organization's opposition to the current content and to express apprehension regarding the overreaching intent, which would cause concern for horsemen's rights.

Working together with Alan Foreman of the Thoroughbred Horsemen's Association, the NHBPA was successful in presenting opposition to the original proposed model rule and thus initiating significant changes. While concerns can still be voiced, the changes initiated by the Model Rules Committee were very much in the favor of horsemen's rights. Of particular importance was the change made to the new out-of-competition testing draft going before the RCI full board that involved the exclusion of results found regarding therapeutic medications as non-relevant findings.

The NHBPA believes the progress made in the past few months has been very encouraging. While it is important to say that we are working together with many other stakeholders to initiate uniformity, it is also very important to note that the voices and concerns identified for many years by the NHBPA are finally getting proper recognition and orchestrating positive change for our industry.

ARCI-011-015 Prohibited Practices

(1) No person may possess or use a drug, substance or medication on the premises of a facility under the jurisdiction of the Commission for which

(a) a recognized analytical method has not been developed to detect and confirm the administration of such substance; or

(b) the use of which may endanger the health and welfare of the horse or endanger the safety of the rider or driver; or

(c) the use of which may adversely affect the integrity of racing; or,

(d) no generally-accepted use in equine care exists.

(2) Prohibited Substances and Methods:

(a) The substances and methods listed in the annexed Prohibited List may not be used at any place or time, and may not be possessed on the premises of a racing or training facility under the jurisdiction of the Commission, except as a restricted therapeutic use.

(b) *Restricted Therapeutic Use.* A limited number of medication on the Prohibited List shall be exempted when the administration occurs in compliance with the annexed Required Conditions for Restricted Therapeutic Use:

(i) *Report When Sampled* means the administration of the substance must be reported to the commission when the horse is next sampled, if the horse is sampled within 24 hours after the administration;

(ii) *Pre-File Treatment Plan* means that if the commission where the horse is located requires the filing of treatment plans, then a treatment plan for the substance must be filed by the time of administration in a manner approved by such commission;

(iii) *Written Approval from Commission* means the commission has granted written approval of a written treatment plan before the administration of the substance;

(iv) *Emergency Use (report)* means the substance had to be administered due to an acute emergency involving the life or health of the horse, provided the emergency use is reported to the commission as soon as practicable after the treatment occurs;

(v) *Prescribed by Veterinarian* means the substance has been prescribed by an attending veterinarian, in compliance with ARCI 011-010 Veterinary Practices, and recorded in the veterinary records in the manner required by the commission;

(vi) *Report Treatment* means the treatment must be reported to the commission by the trainer at the time of administration to provide the commission with information for the Veterinarian's List. The trainer may delegate this responsibility to the treating veterinarian, who shall make the report when so designated; and

(vii) *Other Limitations* means additional requirements that apply, such as a substance may be used in only fillies or mares or a horse that is administered a

substance shall be reported immediately to the commission and placed on the Veterinarian's List for a specific minimum period of time.

The use of the substance must comply with other applicable rules of the Commission.

(c) No person shall at any time administer any other doping agent to a horse except pursuant to a valid therapeutic, evidence-based treatment plan.

(i) *Other doping agent* means a substance that is not listed in the annexed Prohibited List, has a pharmacologic potential to alter materially the performance of a horse, has no generally accepted medical use in the horse when treated, and is:

(A) capable at any time of causing an action or effect, or both, within one or more of the blood, cardiovascular, digestive, endocrine, immune, musculoskeletal, nervous, reproductive, respiratory, or urinary mammalian body systems; including but not limited to endocrine secretions and their synthetic counterparts, masking agents, oxygen carriers, and agents that directly or indirectly affect or manipulate gene expression; but

(B) not a substance that is considered to have no effect on the physiology of a horse except to improve nutrition or treat or prevent infections or parasite infestations.

(ii) The commission may publish advisory warnings that certain substances or administrations may constitute a violation of this rule.

(iii) *Therapeutic, evidence-based treatment plan* means a planned course of treatment written and prescribed by an attending veterinarian before the horse is treated that:

(A) describes the medical need of the horse for the treatment, the evidence-based scientific or clinical justification for using the doping agent, and a determination that recognized therapeutic alternates do not exist; and

(B) complies with ARCI 011-010 Veterinary Practices, meets the standards of veterinary practice of the jurisdiction, and is developed in good faith to treat a medical need of the horse.

(iv) Such plans shall not authorize the possession of a doping agent on the premises of a racing or training facility under the jurisdiction of the commission.

(3) The possession and/or use of the following substances or of blood doping agents, including but not limited to those listed below, on the premises of a facility under the jurisdiction of the Commission is forbidden:

(a) Aminoimidazole carboxamide ribonucleotide (AICAR)

(b) Darbepoetin

(c) Equine Growth Hormone

(d) Erythropoietin

(e) Hemopure ®

(f) *Myo*-Inositol Trispyprophosphate (ITPP)

(g) Oxyglobin®

(h) Thymosin beta

(i) Venoms or derivatives thereof

(j) Thymosin beta

(4) The use of Extracorporeal Shock Wave Therapy or Radial Pulse Wave Therapy shall not be permitted unless the following conditions are met:

(a) Any Extracorporeal Shock Wave Therapy or Radial Pulse Wave Therapy machine, whether in operating condition or not, must be registered with and approved by the Commission or its designee before such machine is brought to or possessed on any racetrack or training center within the jurisdiction of the commission;

(b) The use of Extracorporeal Shock Wave Therapy or Radial Pulse Wave Therapy within the jurisdiction:

1. shall be limited to veterinarians licensed to practice by the commission;
2. may only be performed with machines that are:
   (i) registered and approved for use by the commission; and
   (ii) used at a previously-disclosed location that is approved by the commission
3. must be reported within 24-hours prior to treatment on the prescribed form to the official veterinarian.

(c) Any treated horse shall not be permitted to race or breeze for a minimum of 10 days following treatment;

(d) Any horse treated with Extracorporeal Shock Wave Therapy or Radial Pulse Wave Therapy shall be added to a list of ineligible horses. This list shall be kept in the race office and accessible to the jockeys and/or their agents during normal business hours and be made available to other regulatory jurisdictions.

(e) A horse that receives any such treatment without full compliance with this section and similar rules in any other jurisdiction in which the horse was treated shall be placed on the Steward's List.

(f) Any person participating in the use of ESWT and/or the possession of ESWT machines in violation of this rule shall be considered to have committed a Prohibited Practice and is subject to a Class A Penalty.

(5) The use of a nasogastric tube (a tube longer than six inches) for the administration of any substance within 24 hours prior to the post time of the race in which the horse is entered is prohibited without the prior permission of the official veterinarian or his/her designee.

Ask the Vet

By Rick Arthur, DVM

How do anabolic steroids work in horses, and what are the latest rules regarding their use in California?

As the name implies, anabolic steroids are a class of drugs which mimic the male hormone testosterone. Anabolic steroids have a long history of abuse in human athletic and sporting events. Internationally, anabolic steroids have been regulated in horse racing for decades; from the international perspective anabolic steroids are simply performance enhancing drugs and are banned. But anabolic steroids have been pervasive in American racing.

National surveys showed over 60% of the horses had some anabolic steroids in post-race tests. In fact, the use of multiple anabolic steroids was common; one horse was found with five different anabolic steroids in his post-race urine. A survey in California earlier this year also showed a similar 60% anabolic steroid use rate.

A national movement to regulate anabolic steroids in American horse racing began at the Racing Medication and Testing Consortium (RMTC) several years ago. Recent scandals in human professional sports relating to anabolic steroids highlighted the issue and brought horse racing under the spotlight of Congress. To the public, anabolic steroids are performance enhancing drugs, and even racing fans were surprised to discover anabolic steroids weren't already banned.

National surveys showed over 60% of the horses had some anabolic steroids in post-race tests. In fact, the use of multiple anabolic steroids was common; one horse was found with five different anabolic steroids in his post-race urine. A survey in California earlier this year also showed a similar 60% anabolic steroid use rate.

The RMTC modified the international anabolic steroid rules for US racing, which were subsequently adopted by the ARCI into their model rule program. The RMTC recommended regulation of anabolic steroids rather than an outright prohibition. While controversial, this approach recognized anabolic steroids have legitimate veterinary medical uses while preventing their use in racing. Anabolic steroids are controlled substances and as such are subject to state and federal laws and regulations which supersede CHRB authority.

Three anabolic steroids present regulatory difficulties because they are endogenous; that is, they are naturally occurring in the horse. Testosterone is present in all horses including geldings, fillies and mares. Boldenone and nandrolone are present in non-gelded males. CHRB rules for these three anabolic steroids mimic international rules. All three are also available as pharmaceuticals. Boldenone is Equipoise; nandrolone is Durabolin; and testosterone is available as generic testosterone. A major exception to international anabolic steroid rules in the US and California is a threshold for stanozolol. Stanozolol is Winstrol. Stanozolol is a synthetic, pharmaceutical anabolic steroid. Stanozolol was the cause of Ben Johnson's disqualification at the 1988 Seoul Olympics 20 years ago.

There are no official withdrawal time recommendations for testosterone, nandrolone, boldenone and stanozolol. This is no different than any other drug, therapeutic or other. However, [illegible] should look at a [illegible] 30 days for stanozolol [illegible] for nandrolone, boldenone and testosterone. [illegible] The CHRB is [illegible] anabolic steroid screening [illegible] will end soon after the Breeder's Cup.

The CHRB began discussing anabolic steroid regulation early in 2007. An outline of the rather complicated regulatory sequence was laid out at a public hearing last fall and has been closely followed. For such a monumental undertaking with so many steps and pitfalls, the process has gone quite well. The CHRB had anticipated a number of potential problems and responded quickly when appropriate. In the near future, anabolic steroids will be primarily regulated by testing blood rather than urine. There are a number of technical advantages to using blood. Using blood will also give us the ability to test a large number of sale horses for anabolic steroids, which would not have been possible with urine testing.

Australia had a similar history of unregulated anabolic steroid use in horse racing and subsequently banned the drugs. During a discussion of anabolic steroids at the Racing Forum at the AAEP, Dr. Treve Williams stood up and explained he had fought the Australian anabolic steroid ban tooth and nail. He was sure racing couldn't survive without anabolic steroids; but when anabolic steroids were banned in Australia, racing and the horses never missed a step.

At the same AAEP meeting, trainer/veterinarian John Kimmel – a practicing racetrack veterinarian for several years before he became a trainer – stood up in front of 100 race track veterinarians and asked, "When are we going to ban anabolic steroids?" He went on to say anabolic steroids allow a trainer to train a horse harder than would otherwise be possible naturally and, for that reason, should be eliminated. Keep in mind intensity of exercise has been related to catastrophic musculo-skeletal race horse injuries.

In spite of all our problems, horse racing has a good story to tell in drug testing. We've tested our athletes longer and for more drugs than any other sport with one glaring exception. The exception is anabolic steroids and that has changed.

Dr. Arthur is Equine Medical Director for the California Horse Racing Board. A world-renowned expert in the field of veterinary medicine, Arthur was a practicing veterinarian on the Southern California Thoroughbred circuit for 30 years.

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Stewards: Yearling Not Positive for Steroids

Racing Queensland stewards conclude altrenogest is not an anabolic steroid.

By BloodHorse Staff

February 5, 2015

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s a result of veterinary advice during an investigation into whether a yearling sold at public auction tested positive for a

A prohibited anabolic steroid, Racing Queensland stewards have determined altrenogest is not so classified.

The conclusion was made following a sample taken from a yearling colt sold at this year's Magic Millions January sale that showed the presence of altrenogest.

As a result of its conclusion, there will be no sanctions on the ability of the yearling to race.

The Australian Racing Board banned steroids in May 2014. Under that ban, a horse testing positive for steroids is prohibited from competition for one year and the person(s) administering them banned two years.

The Sydney *Herald-Sun* said a prominent trainer purchased the yearling and would return it because of the one-year prohibition on a horse testing positive being able to race. The trainer said he did not want to be unfairly associated with the medication issue should the horse test positive again, according to the *Herald Sun*.

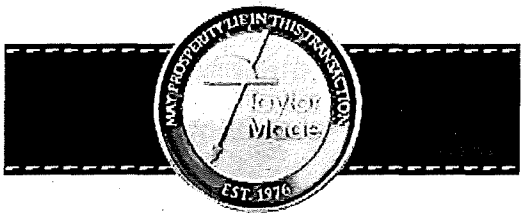
Wade Birch, RQ general manager of stewards and integrity operations, said upon the sample's return that stewards had sought the advice of the Veterinary and Analysts Committee and a prominent Queensland professor of veterinary pharmacology to determine whether altrenogest was an anabolic androgenic steroid.

Stewards also considered the newly-introduced Australian Rule of Racing 15D and 177B(2), pertaining to the testing of horses out of competition, and an Australian Racing Board notice containing a list of substances

prohibited by the new rules. The notice also advised that altrenogest was permitted for use in female horses to regulate their cycles.

"Upon considering veterinary advice and the Australian Racing Board notice, stewards determined that altrenogest is not an anabolic androgenic steroid, and is therefore not prohibited in male horses if present in a sample taken out of competition," Birch said in a statement on the RQ website. "Despite having a similar chemical structure to an anabolic androgenic steroid, the advice we received satisfies us that altrenogest does not have a similar biological effect.

"Accordingly, no bans will be imposed on the colt in question. As a result of these findings, Racing Queensland will compile a report for the Australian Racing Board advising of its considerations and the advice received in the course of the investigation."



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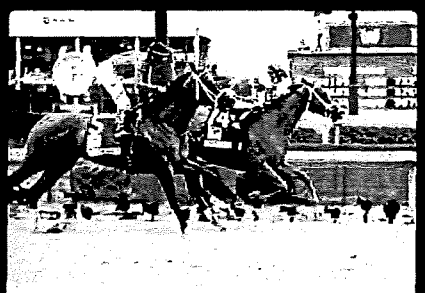

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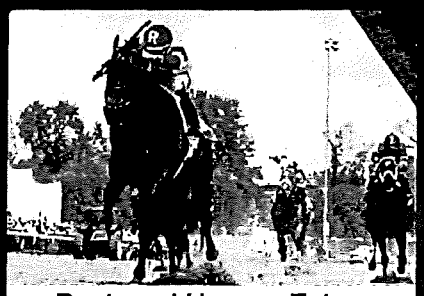

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Scientific Research

Electrochemical Detection of Zeranol and Zearalenone Metabolic Analogs in Meats and Grains by Screen-Plated Carbon-Plated Disposable Electrodes

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ABSTRACT

Zeranol (Z) is an estrogenic growth-promoting agent synthesized from mycotoxin zearalenone (Zen). Inadvertent consumption of Z and its structural analogs from meat or grain products remain a food safety concern. An economic and rapid high performance liquid chromatography method with electrochemical detection using disposable screen-printed carbon electrode is developed for determination of Z, Zen and 3 major metabolic analogs α-zearalenol (α-Ze), β-zearalenol (β-Ze), and β-zearalanol (β-Za). The electrochemical method was validated for application in food matrices including beef, pork, feed and cereal after optimized liquid and/or solid-phase extraction procedures. All 5 Z analogs were separated in 10 minutes with the limits of detection ranging from 15 ng/ml for α-Ze and 25 ng/ml for Z and Zen; the limit of quantitation ranged from 40 - 50 ng/ml. The recoveries were all above 75% regardless of matrix types and extraction procedures. The intra and inter day variations were both less than 6% at the nominal concentration of 1 μg/ml and less than 13% at 100 ng/ml level. Chromatographically time-matched peaks of Z, α-Ze and β-Za were observed in moldy feed, cereal and rice with high productivity, indicating possible grain-specific Zs exposure for animals and human. Proper exercise of preservative procedures for grain and grain products to prevent it from mold production is imperative. The simplicity and reproducibility of this method affords quick and reliable quantitation of multiple types of Z analogs in food products and can offer semi-confirmative information comparable to UV detection and supplementary to ELISA screening.

Keywords: Zeranol; Moldy; Grain; Electrochemical; Carbon Electrode

1. Introduction

Zearalenone (Zen) is one of the few fungal resorcylic acid lactones characterized with estrogenic activity back in 1979 [1]. Known as a myctoxin, Zen is produced by several species of *Fusarium* spp. that grows on grains including maize, oat, barley, wheat, and sorghum [2-4]. The major metabolites of Zen are α-zearalenol (α-Ze), β-zearalanol (β-Za), β-zearalenol (β-Ze) and zeranol (Z) [3-5]. These compounds exhibit distinct estrogenic and anabolic properties, resulting in diverse endocrine disruptions effects to human and animals [6-8]. Among the metabolic analogs, Z is semi-synthesized by chemical reduction of Zen to be used for improvement of feed conversion efficiency and promotion of growth rates in livestock production. It has been widely used in the cattle industry in the United States and believed to also possess endocrine disruptive effects in human consumers [9-11] as well as in rats, dogs, and monkeys effecting predominantly changes in mammary glands and organs of the reproductive system [1,7,10,12]. The mutagenic, teratogenic, and carcinogenic properties of Z were also suggested [8,10,13], therefore, application of Z was banned in the European Union (EU) since 1985 [14] and was monitored for imported meat derived from countries where cattle was given this synthetic hormone. Therefore, not only Zen and its metabolic analogs (Zs) may contaminate food commodities from moldy grains, animals consuming contaminated feeds [15] or veterinary use of Z-implantation could also result in residual Zs in meat

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products. These unexpected exposures are potentially hazardous to human consumers and remain a food safety concern.

In order to protect consumers from risks related to the drug residue, Joint FAO/WHO Expert Committee on Food Additives (JECFA) proposed maximum residue levels of 2 μg/kg in muscle [16]. The US Food and Drug Administration (FDA) established safe concentration levels for total Z residues in uncooked edible tissues of cattle with values ranged from 150 μg/kg in muscle to 600 μg/kg in fat [17]. Limits allowed for Zen in maize and other cereals were established at 50 - 100 μg/kg in Africa, Latin America, Asia and EU countries [18]. To reach the desired level of protection, the official methods in EU for Zs detection was enzyme-linked immunosorbent assay (ELISA) for screening followed by gas chromatography (GC) for confirmation. While such dual processes are common for monitoring purposes, the levels of Z in grains are usually higher and a single analytical method with confirmatory nature is very desirable. Various analytical techniques have been developed for screening and confirmative determination of Z and metabolic analogs. In addition to the abovementioned ELISA [19,20] and GC [21,22], thin-layer chromatography (TLC) [23], and high performance liquid chromatography (HPLC) with UV [24,25] and mass spectrometry [26-28] detections have also been reported. Both ELISA and TLC are cost-effective methods suitable for larger scale initial sample screening, but neither provides enough selectivity to differentiae among Z analogues [20,23]. In contrast, GC and LC based analysis in combination with mass spectrometry have been used to provide sensitivity and confirmation of residual Zs, however the high maintenance and cost have prevented them from being a routine practice. Consequently, HPLC with UV detection is still the most common combination currently employed in the determination of Zs residuals in food or tissue [24, 25], very few studies were done using electrochemical (EC) detector [22,29]. In 2008, an EC method with carbon nanotube-modified glassy carbon electrode was reported to determine Zs in urine [30], more recently, dual detection of Zs in moldy rice, soybean and cornflakes using series connection of UV and EC detectors was reported [31]. It was noted that differences in specificity and sensitivity to different Z analogs existed and either HPLC-UV or HPLC-EC is superior to the other. In addition, the screen-printed technology used in EC detection is very attractive because it is inexpensive and disposable [32-34]. Therefore, EC detection mode presents an attractive alternative to UV and warrants more study. The purpose of this study is to develop an electrochemical liquid chromatographic method that is complimentary to UV detection, for selective determination of Z and Zen metabolic analogs in meat and grain products (feeds and cereals), using a special disposable screen-printed carbon electrode (SPCE).

2. Materials and Methods

2.1. Chemicals and Solutions

All chemicals used were ACS-certified grade, methanol and pure water were HPLC grade. Zeranol, α-Ze, β-Ze, β-Za and Zen were purchased from Sigma (St. Louses, MO, USA). Methanol and ammonium acetate were obtained from Merk (Darmstadt, Germany). Standard stock solutions (1 mg/ml) were prepared by dissolving appropriate amount of each compound in methanol and stored at −20°C in dark brown centrifuge vials (stable for more than 3 months). The mobile phase consisted of 40 mM ammonium acetate buffer with 66% methanol, pH = 7.0. Working solutions (8 approximately spaced concentrations from 10 ng/ml to 50 μg/ml) were freshly prepared before use by dilution of the stock solutions in methanol-water (w/w 50/50) and stored at 4°C up to 1 week.

2.2. Flow Injection Analysis System for Electrochemical Detection

Cyclic voltametric and chrono-amperometric experiments were conducted similar to previous reports [31,33]. Briefly, the EC analysis was carried out by a flow injection analysis (FIA) system (**Figure 1**, schematic drawing and pictures) connected to a CHI 627 electrochemical workstation. The three-electrode system consists of a

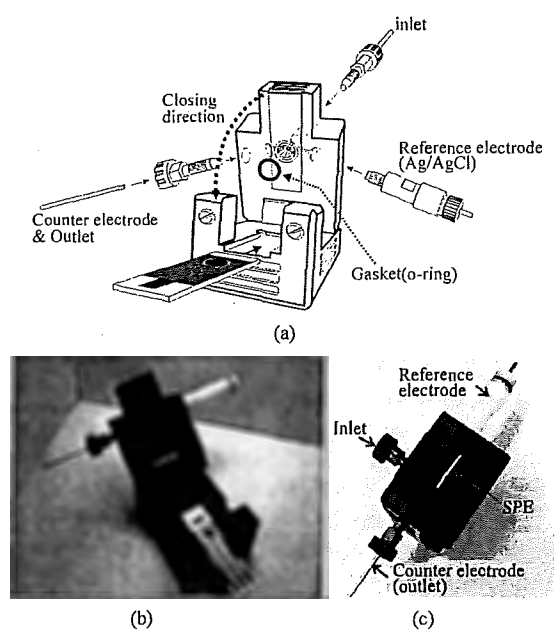

Figure 1. The schematic drawing (a) and pictures of the open (b) and closed (c) view of the FIA system.

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working electrode (SPCE, screen-printed carbon electrode, geometric area = 0.2 cm^2), an Ag/AgCl reference electrode and a platinum auxiliary electrode (geometric area = 0.07 cm^2). The HPLC system consists of a Hitachi L-6200 intelligent pump drive, a Rheodyne model 7125 sample injector (20 μl sample loop) with an inter-connecting Teflon tube and the flow cell. The disposable SPCE electrode (Zensor R & D, Taichung, Taiwan) was placed in the center of the specially designed electrochemical flow cell, first washed by deionized water and followed by pre-anodization with a potential of 20 V for 20 sec. The electrode was then equilibrated in mobile phase at 1 V until the current become constant. Chromatographic separations were performed using a Cosmosil C18 AR-II column (150 mm × 4.6 mm *i.d.*, Nacalai tesque, Inc., Japan). Various potentials (from −800 mV to 1200 mV) and flow rates (400 to 1000 μl/ml) were tested for optimal conditions. Chromatographic data were analyzed with CHI system software (CH Instruments, Inc., USA).

2.3. Assay Validation

Accuracy and precision of the method were accessed for each analog at 3 spiked concentrations (100 ng/ml, 1 and 100 μg/ml) in water/methanol (w/w 50/50). The validation was assessed by carrying out 4 replicate analyses daily for at least 3 different days. Recoveries of liquid and solid-phase extraction (SPE) procedures at 4 different matrices were carried out in triplicate at 2 nominal concentration levels (1 and 10 μg/ml). Precision was expressed as the relative standard deviation (RSD) of the mean from the quadruplicated runs. The limit of detection (LOD) was set as 3-times the averaged baseline noise level (S/N > 3) while the limit of quantitation (LOQ) was set as 10 times the averaged baseline noise level (S/N > 10).

2.4. Sample Preparation and Extraction Procedure

A total of 112 meat samples including beef (45 imported, 20 domestic samples), pork (34 samples) and chicken (13 samples) were purchased from the supermarkets in the north, middle, south and east regions of Taiwan (covering more than 10 counties). 10 feed samples were collected from collaborating pig farms. Cereals were purchased from local food chain stores. For analysis of meat, feeds and cereals, samples were first grounded before homogenization with 5 volumes (2 g/10ml) of methanol for 90 sec. The mixture was then placed on a reciprocal shaker for 3 min before it was centrifuged at 3000 rpm for 10 min. The supernatant was aspirated and 20 μl was used for HPLC-EC injection. Solid phase extraction was carried out using 3 ml of the supernatant obtained from the abovementioned extraction procedure and diluted 5 folds in pH 4.0 acetic acid water as starting solution. Bond-Elute SPE cartridges (500 mg, 3 ml, Varian Inc.) were first conditioned with 2 ml of methanol followed by 2 ml of acetic acid water (pH 4.0) before sample application. After washing by 10 ml of distilled water, the target compounds were eluted by 1 ml of methanol and 20 μl was injected into HPLC-EC system. Meat samples were first screened for immunoreactive Z activity by a commercial EIA (Euro-Diagnostica, Spain); samples exhibiting Z concentration greater than 1 ng/ml by EIA were further subjected to the developed HPLC-EC confirmation. To prepare moldy samples, 5 g of feed, rice and cereals were moistened with 5 ml tap water and incubated at 37°C for 2 weeks. The moldy sample was then extractedand chromato graphically analyzed as stated above.

3. Results

3.1. Electrode Response and Linearity

Representative cyclic voltammograms (CV) for Zs in 40 mM ammonium acetate buffer with 66% methanol, pH = 7.0 using SPCE is shown in **Figure 2** (left panel). In comparison to mobile phase alone, the addition of Zs induced an increase in anodic current at the potential of 0.7 to 1.2 V. Accordingly, the optimal detection potential was set at 1 V to maximize the increase of target signal without significantly increase the background current. Four different flow rates (400, 600, 800 and 1000 μl/min) was tested and 1000 μl/min was selected in view of better peak resolution and shorter retention time (data not shown). The amperometric current responses were linear from 50 ng/ml to 25 μg/ml for all 5 Zs (**Figure 2**, right panel). The optimum analytical conditions were determined to be: detection potential 1 V, flow rate 1 ml/min, injection volume 20 μl. Separations were carried out on a Cosmosil C18 AR-II column with a mobile phase consisted of 40 mM ammonium acetate buffer with 66% methanol, pH = 7.0. The quantification of all samples was achieved by measuring the oxidation current from chronoamperometric signals.

3.2. Validation of HPLC-EC Method

The quantitative responses of Zs, including retention time, limit of detection (LOD), limit of quantitation (LOQ) and linear working range, are summarized in **Table 1**. All of the Zs peaks were resolved within 10 minutes as shown in the typical HPLC-EC chromatograms (**Figure 3**, lower panel).

The retention times in the order of appearance were β-Za, β-Ze, Z, α-Ze, and Zen. The LOD of Zs ranged from 15 ng/ml for α-Ze to 25 ng/ml for Z and Zen, while the

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Table 1. The quantitative responses of Z and its metabolites by HPLC-EC method ($n = 6$).

	RT	LOD	LOQ	Linear range	Linear Equation	R^2
Zeranol	461	25	50	0.05 - 25	f(x) = −3.066e−8x + 3.384e−7	0.999
α-zearalenol	531	15	40	0.05 - 25	f(x) = 1.779e−8x + 2.810e−7	0.999
β-zearalanol	301	20	45	0.05 - 25	f(x) = 2.937e−8x + 2.880e−7	0.996
β-zearalenol	351	20	45	0.05 - 25	f(x) = −7.956e−9x + 2.896e−7	0.997
zearalenone	593	25	45	0.05 - 25	f(x) = −9.194e−9x + 3.048e−7	0.999

Note: RT = retention time (sec); LOD = limit of detection (ng/ml); LOQ = limit of quantitation (ng/ml); Linear range (μg/ml).

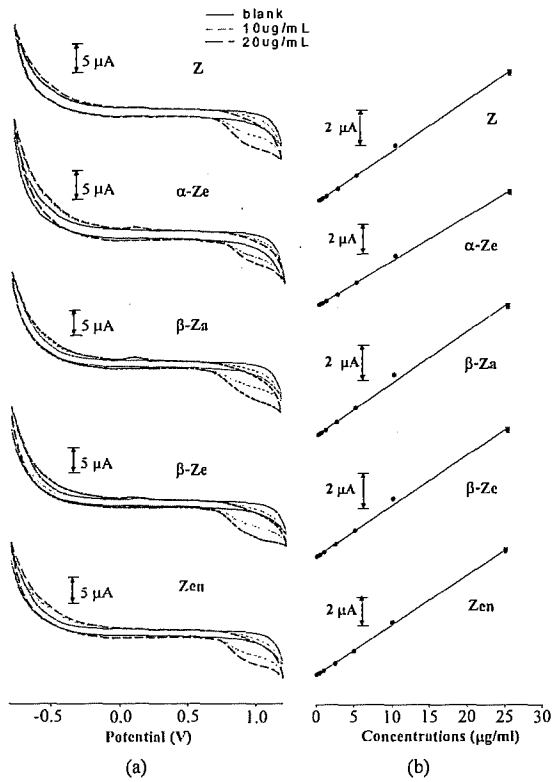

Figure 2. Cyclic voltammogram (a) and linearity (b) of Z and its metabolites. Solid-line indicating background and short dash-lines representing Zs at 10 μg/ml and 20 μg/ml. SPCE electrode, potential window −0.8 to 1.2 V, scan rate, 10 mV/s.

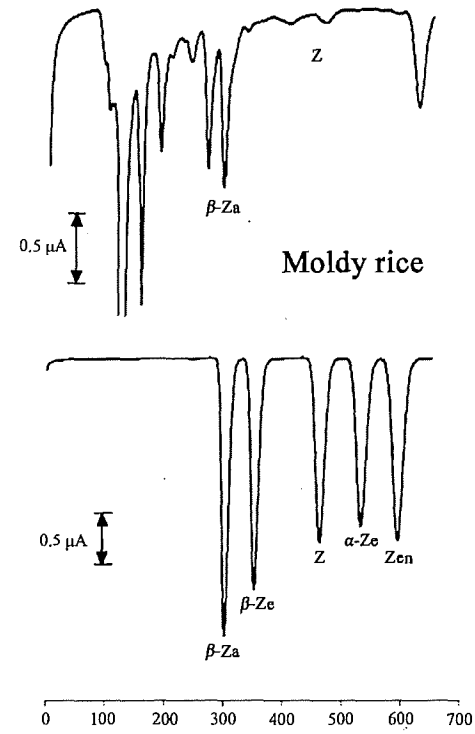

Figure 3. Standard chromotogram of Z and its metabolites using the SPCE. Mobile phase: 40 mM ammonium acetate with 67% methanol, pH = 7.0. Detection potential was set at 1 V. Representative chromatograms of moldy rice extracts by HPLC-EC detection using SPCE.

LOQ ranged from 40 ng/ml for α-Ze to 50 ng/ml for Z. The working linear range covers 500 folds of concentration difference (50 ng/ml to 25 μg/ml) and the correlation coefficients of at least 0.99 were obtained for each Zs. The intra and inter day variations of the developed EC detection of Zs at three nominal concentrations are listed in **Table 2**. The average inter and intra day variations were all below 13% at 100 ng/ml level and less than 6% at 1 μg/ml level. The recoveries of 5 Zs standards from various food matrices at 2 nominal concentrations (1 and 10 μg/ml) after liquid and solid-phase extractions were shown in **Table 3**. All metabolic analogs had good percent recoveries (above 75%) with methanol extractions in general showed slightly higher percentage than the SPE. Differential recoveries across Z and analogs or among different matrices were observed. At 1 μg/ml level, while α-Ze, and Zen tended to have higher recovery than the other analogs, the recovery of Zs in pork was also higher than in beef and cereal (**Table 3**).

3.3. Applications to Meat, Feed, Cereal and Rice Samples

One hundred and twelve meat samples were first screened

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Table 2. Intra-day and inter-day variations of EC method.

	Intra-day (RSD%)			Inter-day (RSD%)		
	100 ng/ml	1 μg/ml	100 μg/ml	100 ng/ml	1 μg/ml	100 μg/ml
Zeranol	12.45	4.88	3.80	10.26	4.20	2.78
α-zearalenol	12.40	5.98	4.29	11.08	5.04	2.96
β-zearalenol	9.63	5.28	4.84	10.76	4.86	3.11
β-zearalanol	9.67	4.08	5.22	10.56	4.05	3.05
zearalenone	8.58	5.50	4.65	7.12	3.55	2.59

for immunoreactive Z activity by a commercial EIA. The results indicated that only 6 of 112 meat samples (5.3%) exhibited Z immunoreactivity greater than 1 ng/ml but below 2 ng/ml. Since all samples contain total Zs well below the LOD of each Z analog, the HPLC-EC quantitation/confirmation was not performed in these samples. Similar to meat samples, freshly obtained feed and cereal samples did not yield any peaks chromatographically coincide with Z standards in retention time. However, chromatographically time-matched peaks of Z and β-Za in moldy rice and Z and α-Ze in moldy feed and cereal (**Figures 3** and **4**) were detected and preliminarily confirmed with co-injection of suspected Z standards. These moldy grain samples exhibited high yields of Z and certain analogs, namely up to 80 μg/ml of α-Ze and 500 μg/ml of Z were detected in moldy cereal, while about 2 μg/ml α-Ze and 80 μg/ml of Z was detected in moldy feed.

4. Discussions

A reverse-phase HPLC method with EC detection using a disposable screen-printed carbon electrode was developed for the determination and confirmation of Z and Zen analogs in food commodities, namely meat, cereal and rice. Feeds from swine farms are also investigated in view of the fact that animals consuming *Fusarium*-infected feed could also leave metabolic Zs residues in the meat, Quick analysis was achieved by resolving 5 Zs peaks within 10 minutes. The LOD and LOQ are comparable to those of the UV detection and the method showed good linearity range and precision. The development of EC method using carbon electrode is advantageous due to its low cost in comparison to other electrodes (boron-doped diamond, multi-wall carbon nanotube modified glassy carbon, copper, and gold) [30] such that a single-use purpose disposable designed is possible. In this study, a disposable electrochemical sensor, pre-anodized screen-printed carbon electrode (SPCE), is developed with low cost, good stability and satisfactory sensitivity as semi-confirmative analytical tools. By employing a reverse-phase separation, compound with a higher polarity eluted first and lower polarity the latter, this is demonstrated in the elution order such that β-Za has the shortest retention time while Zen the longest. Interestingly, the rank order of amperometric current strength (β-Za > β-Ze > Z > α-Ze = Zen) correlated well with the rank order of elution time, *i.e.*, the rank order of amperometric responses coincided with the order of po-

Table 3. Recovery of zeranol and metabolic analogs in different matrices by liquid (methanol) or solid phase extractions (SPE) $n = 3$.

	1 μg/ml (%)				10 μg/ml (%)			
	Beef	Pork	Feed	Cereal	Beef	Pork	Feed	Cereal
Zeranol								
Methanol	75.4 ± 2.6	113.4 ± 13.4	86.4 ± 14.3	85.0 ± 9.4	77.3 ± 6.0	109.2 ± 6.1	84.4 ± 3.0	77.1 ± 2.2
SPE	86.8 ± 12.5	96.6 ± 7.8	50.4 ± 3.3	74.5 ± 17.8	103.9 ± 4.5	123.1 ± 8.3	74.5 ± 8.9	73.4 ± 3.1
α-zearalenol								
Methanol	100.7 ± 8.7	115.1 ± 10.3	105.3 ± 19.5	92.9 ± 1.0	82.2 ± 5.1	110.7 ± 5.2	87.8 ± 5.0	75.8 ± 3.4
SPE	76.9 ± 7.8	99.8 ± 10.5	78.4 ± 15.1	65.8 ± 10.0	100.1 ± 3.4	124.7 ± 7.6	87.6 ± 11.2	70.8 ± 3.1
β-zearalenol								
Methanol	81.7 ± 1.9	103.0 ± 2.3	109.3 ± 9.8	72.1 ± 1.1	80.3 ± 6.8	107.7 ± 6.6	81.1 ± 3.9	78.5 ± 3.5
SPE	103.3 ± 7.8	97.5 ± 5.8	60.9 ± 3.5	75.6 ± 11.8	101.1 ± 3.0	121.1 ± 8.1	88.3 ± 9.2	70.1 ± 3.1
β-zearalanol								
Methanol	88.4 ± 7.9	104.2 ± 8.5	92.8 ± 6.4	71.2 ± 4.3	77.8 ± 7.5	105.7 ± 4.2	75.0 ± 5.3	78.6 ± 4.5
SPE	90.5 ± 7.1	101.8 ± 5.2	30.4 ± 11.7	85.5 ± 6.7	97.3 ± 3.2	117.9 ± 8.0	68.9 ± 6.4	69.5 ± 3.0
Zearalenone								
Methanol	89.7 ± 13.7	115.6 ± 8.9	107.2 ± 18.0	97.1 ± 2.8	74.8 ± 6.7	107.9 ± 4.3	76.9 ± 2.0	78.3 ± 4.6
SPE	100.8 ± 13.0	85.1 ± 7.9	52.8 ± 7.4	71.6 ± 11.1	102.1 ± 4.7	118.5 ± 7.9	71.9 ± 6.0	72.0 ± 4.0

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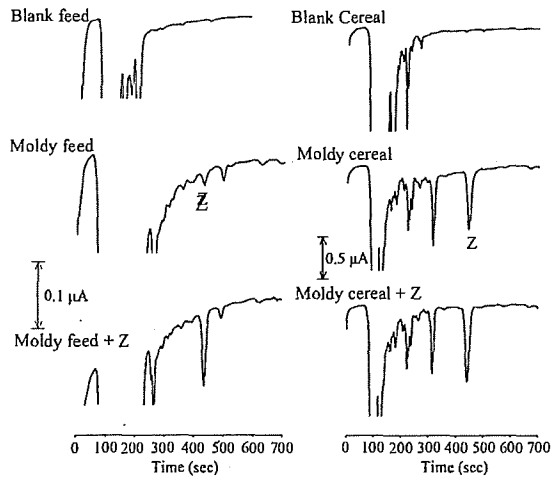

Figure 4. Representative chromatograms of blank and moldy feed and cereal extracts by HPLC-EC detection using SPCE. Co-injection of Z standard was performed to confirm the presence of suspected Z peak. Analytical conditions refer to the materials and methods.

larity, suggesting that the electrical current of each Zs is associated with its hydrophilicity. The stronger oxidative currents of β-Za and β-Ze than α-Ze and Zen might be related with the stereo-structural differences in the esterial group. Feasible explanations of differential signal strength may also include the closer association of the hydroxyl group on carbon 6 to the surface electron of SPCE, resulting in higher affinities and oxidative currents for β-Za and β-Ze. The polarity of these Z analogs may also influence their recovery efficiencies in methanol extraction. Higher percentage recoveries were observed in α-Ze and Zen, which are less hydrophilic among the 5 Zs. The recovery of Zs is generally higher in liquid extraction, with the exception that the recovery for meat samples are higher after further SPE, this is likely resulting from the better cleaning effect of more complicated meat matrix. Putting together, the efficiency in the EC detection of Zs is different from that observed for UV detection [21,31], suggesting the complementary nature of these 2 detection modes and underlines the importance of this method development.

Past studies have suggested that long-term consumption of low, but biologically active levels of Zs post potential health risk to human [10,11,35], therefore, it is important to understand if such levels of Zs contained in our daily food. The rice products have been investigated in a previous study [31], since beef from Z-implanted cattle is regularly imported to Taiwan, a total of 112 meat samples (including 45 import beef and some domestic beef, pork and chicken samples) were under investigation in the current study. The samples were first screened for immunoreactive Z activity by a commercial EIA and the results indicated that only 6 of the 112 meat samples (5.3%) exhibited Z immunoreactivity greater than 1 ng/ml and all 6 Z-positive samples were below 2 ng/ml, suggesting that the residual levels of Zs in meat in Taiwan is very low. In fact, all Zs levels detected were below the 50 - 1000 ng/ml FAO-established regulatory level, indicating the consumption of these meat products are likely with guarded safety. On the contrary, the naturally molded feeds (which contain various grain ingredients), cereal and rice samples presented high levels of suspected Zs and/or analogues. Among the tested samples, similar distribution of Zs in moldy feed and cereal were discovered. The results indicated that while both Z and α-Ze were found in these 2 moldy matrices, β-Za and Z was found in moldy rice (**Figures 3** and **4**). However, the percentage to which specific Zs metabolites were produced in feed and cereal was different, further comparison suggested that cereal had higher yield of Z than the feed and moldy rice produced the least level of Z. These observations suggest that different metabolite pattern might be presented in different grain matrices, it is also possible that feed contains less percentage of grain matrices that could be utilized by the fungi for Z production. These data was consistent with a previous study in which corn flakes and rice had the highest and lowest yield of Z, respectively [31]. The estimated production of Z and α-Ze in moldy cereal and feed was very high, which were more than 1000-folds higher than the total Z allowed in EU regulations for edible grains. Although the high productivity were found in raw materials and produced under experimental conditions, exposure to any kind of moldy grains should be carefully avoided and it is imperative to exercise proper preservative procedures for grain and grain products to prevent it from mold production.

In the current natural molding experiment, 3 Z metabolites were detected with the exception of Zen, which is distinct from the general recognition that Zen is the major mycotoxin produced after *Fusarium* contamination. Since *Candida tropicalis*, and *Saccharomyces* also have the ability to metabolize Zen to become other Zs [36,37], it is likely that the growth of not only one *Fusarium* spp. but also other fungi in the environment also contributed to the metabolism of Zen to Z. The variation in fungi species in Taiwan may also partly explain why rice had the lowest ability of producing Zs. Nevertheless, multiple Z analogs could be detected in a natural occurring moldy feed, cereal and rice culture in Taiwan, and it is important to utilize the developed method to routinely survey the prevalence of each Z analogs in grain and meat products in Taiwan.

In conclusion, the developed method is very useful for

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a direct and fast routine analysis of Z and Zen metabolic analogs in various food matrices. Spiked liquid matrices such as beer and pig urine samples were also tested for direct injection to the developed EC system, suggesting that this method can also be applied to the surveillance of beer samples contaminated with Zs and to detect urinary metabolites of Z and analogs. In addition, with a single liquid extraction (methanol) procedure, or in combination with a SPE procedure, satisfactory chromatographic separation of commonly seen Z analogs can be achieved in 10 min. The sensitivity of this EC method was well below the regulatory levels set by international regulatory agencies and the LOD can be further lowered with sample pre-concentration after SPE. Therefore, the developed HPLC-EC method should be a desirable semi-confirmative tool capable of differentiating individual Zs to complement the most commonly used ELISA screening which does not differentiate Zs among themselves.

5. Acknowledgements

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STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL OF THE FISCAL YEAR 2018-19 AGREEMENT PROVIDING FUNDING SUPPORT FOR THE BOARD

Regular Board Meeting
June 21, 2017

ISSUE: CHRB SUPPORT FORMULA FOR FISCAL YEAR 2018-2019

The CHRB support formula is developed in consultation with the horse racing industry. Historically, the formula is based upon the license fees that would have been paid to the State of California had Senate Bill 16, Statutes of 2009 (SB16) not been enacted. The following mechanism is 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 the fiscal year 2018-19.
- The CHRB support formula percentages were calculated by dividing the CHRB approved budget by the estimated pre SB16 license fees. The formula calculated rate for the 2018-19 fiscal year will be 68.00 percent.

CHRB Support Rate Fee calculated pursuant to the formula is 67.46 percent; however, the horse racing industry recommends increasing the rate to 68.00 percent. This will allow industry to pay the CHRB approved budget before the end of fiscal year 2018-19.

Fiscal year 2018-19 is the tenth year the CHRB support formula has been in effect. Table 1 below shows the CHRB approved budgets and the CHRB support fee rates used to fund CHRB operations.

Table 1. Historical Percent of formula fee rates to support the CHRB budget

Fiscal Year	CHRB Approved Budget	CHRB Support Fee Rate
2009-10	$11,833,000	42.60%
2010-11	$11,734,000	48.80%
2011-12	$11,716,000	57.80%
2012-13	$11,590,000	52.65%
2013-14	$11,639,000	52.65%
2014-15	$11,912,000	52.65%
2015-16	$13,263,000	59.25%
2016-17	$13,469,000	61.00%
2017-18	$13,799,000	68.00%
2018-19	$14,245,000	68.00%

The CHRB support fee rate is an estimate, and depending on handle activity there will be a variance at the end of the fiscal year. The industry agreement provides for a reconciliation at the end of the fiscal year to ensure the industry obligations under the industry agreement are met.

The following attachments show how the formula was developed as well as the industry agreement to provide for the CHRB support.

- Attachment I- Board Support Formula Model for 7/1/2018- 6/30/2019
- Attachment II- Industry Agreement
- Attachment III- Industry Projection

As of June 14, 2018 industry representatives agreed to the CHRB support formula and most industry representatives have signed the agreement with the exception of representatives from Santa Anita, Golden Gate Fields, and the Thoroughbred Owners of California.

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, 1949.5, 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 the 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) Adjustment to the funding in subsequent budget years may only be made by an act of the Legislature.

For the 2018-19 fiscal year, the CHRB's operating budget as determined by the Governor's Budget, is $14,245,000 and such amount shall be subject to change in future years.

RECOMMENDATION

Staff recommends that the Board approve the funding formula for fiscal year 2018-19.

Attachment I Board Support Formula Model for 7/1/2018- 6/30/2019

16-3

Method assumes that board support and F & E recapture are calculated on the basis of old style commingled license fees. No license fees would be paid on non-merged host fees

	Prior Year time frame (5/30/17 through 5/29/18)					Projected July 1, 2018 - June 30, 2019 based on projected live race days				
									98.500%	
Host	Notes	Live Days	Commingled Handle	Commingled License	Commingled License %	Notes	Live Days	Projected Commingled Handle	Projected Pre SB 16 License %	Projected Pre SB 16 License
Alameda County Fair		11	29,086,735	167,579	0.58%		15	39,068,774	0.58%	225,089
California State Fair		11	23,464,950	129,025	0.55%		11	23,112,976	0.55%	127,089
Del Mar	Host BC	52	734,961,709	5,454,872	0.74%		52	579,143,987	0.81%	4,679,802
LA County Fair		12	60,201,573	330,090	0.55%		12	59,298,550	0.55%	325,139
Fresno District Fair		9	17,718,171	106,217	0.60%		9	17,452,399	0.60%	104,623
Golden Gate Fields		146	459,267,406	2,445,250	0.53%		151	467,870,806	0.53%	2,491,057
Humboldt County Fair		7	4,528,958	16,263	0.36%		7	9,958,930	0.36%	35,761
Los Alamitos Quarters		149	246,288,895	799,395	0.32%		148	240,966,410	0.32%	782,119
Los Alamitos TBs		19	113,969,873	959,101	0.84%		21	124,077,202	0.84%	1,044,158
Santa Anita		123	1,347,369,584	10,887,487	0.81%		127	1,370,318,684	0.81%	11,072,928
Oak Tree at Pleasanton		7	14,289,986	67,268	0.47%		-	-	0.47%	-
Sonoma County Fair		11	28,613,789	158,728	0.55%		8	20,497,878	0.55%	113,707
Watch & Wager		54	55,964,573	115,705	0.21%		54	55,125,105	0.21%	113,969
Total:		611	3,135,726,204	21,636,978	0.69%		615	3,006,891,700	0.69%	21,115,442

Estimated pre SB 16 lic. 7/1/18 - 6/30/2019 on commingled handle, excluding	
F & E section 19614:	21,115,442

Board Support:	% of Pre SB 16 Lic. Fees:	
From Outs	-	
From old style License	14,245,000	67.46%
Total to Board	14,245,000	

F/E Recapture Payments		0.00%
Per year for six years	% of Pre SB 16 License	
-	0.00%	

Estimated Board Support by Meet 7/1/2015 - 6/30/2016	Notes	2016-17 Days	Projected Old Style License Generated	To CHRB	To F & E	Distributable SB 16 Savings (Old Style License less BS/F& E)	To Purses	To Breeders	To Tracks
Alameda County Fair		15	225,089	151,850	-	73,238	35,521	2,197	35,521
California State Fair		11	127,089	85,738	-	41,352	20,056	1,241	20,056
Del Mar		52	4,679,802	3,157,110	-	1,522,692	738,505	45,681	738,505
LA County Fair		12	325,139	219,347	-	105,792	51,309	3,174	51,309
Fresno District Fair		9	104,623	70,581	-	34,042	16,510	1,021	16,510
Golden Gate Fields		151	2,491,057	1,680,529	-	810,528	393,106	24,316	393,106
Humboldt County Fair		7	35,761	24,125	-	11,636	5,643	349	5,643
Los Alamitos Quarters		148	782,119	527,637	-	254,482	123,424	7,634	123,424
Los Alamitos TBs		21	1,044,158	704,415	-	339,743	164,775	10,192	164,775
Santa Anita		127	11,072,928	7,470,072	-	3,602,857	1,747,386	108,086	1,747,386
Oak Tree at Pleasanton		-	-	-	-	-	-	-	-
Sonoma County Fair		8	113,707	76,709	-	36,997	17,944	1,110	17,944
Watch & Wager		54	113,969	76,887	-	37,083	17,985	1,112	17,985
Total:		615	21,115,442	14,245,000	-	6,870,442	3,332,164	206,113	3,332,164

Attachment II

Agreement for CHRB Support Fiscal Year 2018-2019

This will serve to memorialize agreement among the undersigned with respect to funding of the California Horse Racing Board, ("CHRB"). 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 2018-2019 fiscal year, the CHRB's operating budget has been determined by the enactment of Section 19616.51 to be $14,245,000 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 depositing the necessary funds in the California 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 16XX 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 2018-2019 fiscal year such percentage shall be 68%. Thus, during the 2018-2019 fiscal year, the undersigned shall each pay 68% of the License Fee that would have otherwise been payable by each if SB 16 XX 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 in the current fiscal year 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 returned to each association in the following fiscal year.

2. The CHRB is a third party beneficiary of the payments to be made by the undersigned pursuant to paragraph 1 hereof, 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. 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.

3. This Agreement may be signed in counterparts.

4. California Horse Racing Industry Organizations which have agreed to participate in the funding described above include: California Authority of Racing Fairs, Del Mar Thoroughbred Club, Los Angeles County Fair Association, Los Alamitos Racing Association, Los Alamitos Quarter Horse Racing Association, Los Angeles Turf Club, Pacific Racing Association, Sonoma County Fair, Watchandwager.com LLC, California Harness Horsemen's Association, California Thoroughbred Breeders Association, Pacific Coast Quarter Horse Racing Association, and Thoroughbred Owners of California.

Agreement for CHRB Support -Fiscal Year 2018-2019

California Authority of Racing Fairs

By _____

Los Alamitos Racing Association

By _____

Los Alamitos Quarter Horse Racing Association

By _____

Pacific Racing Association

By _____

Watchandwager.com LLC

By _____

California Harness Horsemen's Association

By _____

Pacific Coast Quarter Horse Racing Association

By _____

Agreed and Accepted:

By _____
California Horse Racing Board

Del Mar Thoroughbred Club

By _____

Los Angeles County Fair Association

By _____

Los Angeles Turf Club

By _____

Sonoma County Fair

By _____

Thoroughbred Owners of California

By _____

California Thoroughbred Breeders Association

By _____

Agreement for CHRB Support -Fiscal Year 2018-2019

California Authority of Racing Fairs

By_____

Del Mar Thoroughbred Club

By_____

Los Alamitos Racing Association

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Los Angeles County Fair Association

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Los Alamitos Quarter Horse Racing Association

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Los Angeles Turf Club

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Pacific Racing Association

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Sonoma County Fair

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Watchandwager.com LLC

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Thoroughbred Owners of California

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California Harness Horsemen's Association

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California Thoroughbred Breeders Association

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Pacific Coast Quarter Horse Racing Association

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Agreed and Accepted:

By _____
California Horse Racing Board

Agreement for CHRB Support -Fiscal Year 2018-2019

California Authority of Racing Fairs

By_____

Del Mar Thoroughbred Club

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Los Alamitos Racing Association

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Los Angeles County Fair Association

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Los Alamitos Quarter Horse Racing Association

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Los Angeles Turf Club

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Pacific Racing Association

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Sonoma County Fair

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Watchandwager.com LLC

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Thoroughbred Owners of California

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California Harness Horsemen's Association

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California Thoroughbred Breeders Association

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Pacific Coast Quarter Horse Racing Association

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Agreed and Accepted:

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California Horse Racing Board

Agreement for CHRB Support -Fiscal Year 2018-2019

California Authority of Racing Fairs

By_____

Del Mar Thoroughbred Club

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Los Alamitos Racing Association

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Sonoma County Fair

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Watchandwager.com LLC

By_____

Thoroughbred Owners of California

By_____

California Harness Horsemen's Association

By_____

California Thoroughbred Breeders Association

By_____

Pacific Coast Quarter Horse Racing Association

By_____

Agreed and Accepted:

By _____
California Horse Racing Board

Agreement for CHRB Support -Fiscal Year 2018-2019

California Authority of Racing Fairs

By_____

Del Mar Thoroughbred Club

By_____

Los Alamitos Racing Association

By_____

Los Angeles County Fair Association

By_____

Los Alamitos Quarter Horse Racing Association

By_____

Los Angeles Turf Club

By_____

Pacific Racing Association

By_____

Sonoma County Fair

By_____

Watchandwager.com LLC

By_____

Thoroughbred Owners of California

By_____

California Harness Horsemen's Association

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Sonoma County Fair

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California Thoroughbred Breeders Association

By_____

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California Horse Racing Board

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Agreement for CHRB Support -Fiscal Year 2018-2019

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By _____
California Horse Racing Board

16-13

Attachment III Board Support Model for 7/1/2018 - 6/30/2019

CHRB Funding Requirement 14,245,000

Board Support calculations based upon Pre SB 16 comingled license fees.

	Prior 12 month time frame for comparison: Tuesday following Memorial Day in 2017 through Memorial Day in 2018 **Tuesday, 5/30/17 - Monday, 5/28/18**						**Projected 7/1/18 - 6/30/19** Projection is based on anticipated live race days and prior period averages; Del Mar Fall adjusted for BC host days The handle and resulting Pre SB 16 license fees incorporate an average daily decline of -1.50%					
Meet:	Notes	Live Cards	Comingled Hosted Handle	Comingled Pre SB 16 License Fees	Comingled Pre SB 16 License Fee %	Board Support	Projection Notes	Live Cards	Projected Commingled Handle	Assumed Pre SB 16 License Fee %	Projected Pre SB 16 License Fees	Projected Board Support at Break Even Rate
Alameda County Fair		11	29,086,735	167,579	0.58%	109,928		15	39,068,774	0.58%	225,089	151,850
California State Fair	Two 4-day wks plus one 3-day wk	11	23,464,950	129,025	0.55%	87,736	Two 4-day wks plus one 3-day wk	11	23,112,976	0.55%	127,089	85,738
Del Mar	36 summer, 16 fall incl BC in 2017	52	734,961,709	5,454,871	0.74%	3,709,312	Handle est adjusted to replace BC event days with normal Fri/Sat	52	579,143,987	0.81%	4,679,802	3,157,110
Fresno District Fair		9	17,718,171	106,217	0.60%	72,228		9	17,452,399	0.60%	104,623	70,581
Golden Gate Fields		146	459,267,406	2,445,250	0.53%	1,649,905	24 summer, 32 fall, 95 winter/spring; incl 3 overlap with Ferndale	151	467,870,806	0.53%	2,491,057	1,680,528
Humboldt	2017 incl 6 overlap days with GG	7	4,528,958	16,263	0.36%	11,059	Incl 3 overlap days w/GG, 4 solo	7	9,958,930	0.36%	35,761	24,125
Los Angeles County Fair		12	60,201,573	330,090	0.55%	224,461		12	59,298,550	0.55%	325,139	219,347
Los Alamitos Quarter Horse		149	246,288,895	799,395	0.32%	538,065		148	240,966,410	0.32%	782,119	527,637
Los Alamitos Thoroughbred	8 days July '17, 11 days Nov/Dec '17 (1 card canc-SLRD fire)	19	113,969,873	959,101	0.84%	652,189	9 days in July '18, 8 days in Dec '18, 4 days in June, '19	21	124,077,202	0.84%	1,044,158	704,415
Oak Tree at Pleasanton		7	14,289,986	67,268	0.47%	45,743		-	-		-	-
Santa Anita	18 WS-2017,19 SAA-2017, 86-WS 2018	123	1,347,369,584	10,887,487	0.81%	7,313,387	24 Autumn 2017, 103 WS 2018	127	1,370,318,684	0.81%	11,072,928	7,470,072
Sonoma County Fair	Two 4-day wks plus one 3-day wk	11	28,613,789	158,728	0.55%	107,935	Two 4-day weeks	8	20,497,878	0.55%	113,707	76,709
Watch and Wager		54	55,964,573	115,705	0.21%	78,678		54	55,125,105	0.21%	113,969	76,887
Total:		611	3,135,726,204	21,636,978	0.69%	14,600,626		615	3,006,891,700	0.70%	21,115,442	***14,245,000***
Estimated percentages of Pre SB 16 License Fees needed to generate Board Support												*67.46%*
Suggested Percentage												**68.00%**