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, **Friday, March 19, 2010,** commencing at 10:30 a.m., at the **Arcadia City Hall,** 240 West Huntington Drive, **Arcadia,** California.

AGENDA

Action Items:

1. Presentation of the **California Horse Racing Board Resolution to Richard Shapiro.**

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

3. Approval of the **minutes of the regular meeting of** January 15, 2010.

4. Approval of the **minutes of the regular meeting of** February 19, 2010.

5. Discussion and action by the Board regarding the **proposed amendment/addition of the following CHRB rules in compliance with the provisions of Business and Professions Code section 19510, which classifies the outrider as a racing official:**

   (a) **Rule 1481, Occupational Licenses and Fees,** amend to add the occupational license class of "outrider" to the list of racing officials who must obtain an occupational license;
   (b) **Rule 1504.3, Qualifications for License as Outrider,** add rule to provide for the testing of applicants for an original license as outrider;
   (c) **Rule 1520, Racing Officials,** amend to add the occupational license class of "outrider" to the list of racing officials;
   (d) **Rule 1564, Duties of the Official Outrider,** add rule to specify the duties of the outrider;
   (e) **Rule 1693, Control of Horses and Jockeys on Entering the Track,** amend to clarify the role of the outrider with regards to horses entering the track prior to a race.

6. Discussion and action by the Board regarding the **proposed amendment of Rule 1766, Designated Races,** to require a jockey or driver to serve additional suspension days, similar to the caliber of the designated races, should a suspended jockey or driver participate in more than one designated race per day in California.

7. Report from the **Legislative, Legal and Regulations Committee.**

8. Report from the **Pari-mutuel/ADW and Simulcast Committee.**

9. Discussion by the Board regarding **a report on the ratification of amendment to the Collective Bargaining Agreement.**

10. Discussion and action by Board regarding a **report from the California Marketing Committee on its Budget for 2010 and 2011 and marketing and promotion plans.**

11. Discussion and action by the Board regarding **a report by a representative of the ownership of Hollywood Park as to its future status as a racing venue.**

12. Discussion and action by the Board on the **Application to Conduct a Horse Racing Meeting of the Hollywood Park Racing Association, LLC (T) at Hollywood Park,** commencing April 21, 2010 through July 18, 2010, inclusive.

13. Discussion and action by the Board regarding; **a) an update from Magna Entertainment Corporation concerning its bankruptcy filing, racing operation and the status of statutory funds that may still be owed money for pre and post bankruptcy petition debts and b) the proposed post bankruptcy business structure of Magna Entertainment Corporation and MID Developments, including officers and directors of both organizations and the cross share holdings of the entities.**

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

    A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," as authorized by Government Code section 11126(e).

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

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

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

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PENDING LITIGATION
MARCH 2010

CASE

Pamela A. Berg v. CHRB
Superior Court of California, County of Sacramento, Case No. 34-2008-00028104

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

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PENDING ADMINISTRATIVE ADJUDICATIONS
MARCH 2010

CASE

FITNESS FOR LICENSURE
Edgar Sparks

CALIFORNIA HORSE RACING BOARD

MARCH 19, 2010
REGULAR BOARD MEETING

There is no board package material for Item 1

CALIFORNIA HORSE RACING BOARD

MARCH 19, 2010
REGULAR BOARD MEETING

There is no board package material for Item 2

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Santa Anita Park Race Track, Baldwin Terrace Room**, 285 West Huntington Drive, Arcadia, California, on **January 15, 2010**.

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

MINUTES

Chairman Harris asked for approval of the minutes of the Regular Meeting of November 17, 2009. Commissioner Moss **motioned** to approve the minutes. Commissioner Rosenberg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE UPDATE FROM THE LOS ANGELES TURF CLUB, INC. OPERATING AT SANTA ANITA PARK RACE TRACK AND THE SIGNIFICANCE OF THE BANKRUPTCY FILING OF MAGNA ENTERTAINMENT CORPORATION ON ITS RACING OPERATIONS AND THE STATUS OF STATUTORY FUNDS THAT MAY STILL BE OWED MONEY FROM PRE AND POST BANKRUPTCY ACCOUNTS.

Gregg Scoggins, representing Magna Entertainment Corporation (MEC), said on January 11, 2010, an agreement in principal was reached between MI Developments (MID), the unsecured creditors committee and Magna Entertainment Corporation. The settlement had to do with claims the creditors committee made respecting debts owed to MID. The resolution was agreed to in principle, and there were contingencies and details being worked out, but its essence was that the unsecured creditors committee agreed to dismiss

its action against MID and to grant a release to MID, MEC and others in connection with its action against MID and MEC. In exchange, MID agreed to pay $75 million to the unsecured creditors committee and an additional $1.5 million to cover certain expenses incurred by the unsecured creditors committee's action. Mr. Scoggins stated a mechanism was provided to allocate the proceeds of the sale of certain assets. It was also agreed that MID could receive the proceeds of any sale of Portland Meadows in Oregon, or MID could receive the track itself. In addition, the parties agreed that MID would receive Santa Anita Park Race Track, Golden Gate Fields, XpressBet, AmTote and Gulf Stream Park. A reorganization plan would be submitted to the bankruptcy court for a hearing and resolution. Vice-Chairman Israel asked if HRTV was included in the considerations. Mr. Scoggins said there were other interests in HRTV and Tracknet; however, they were addressed in some way, but he did not know the specifics. Commissioner Brackpool asked if there were any other parties of interest that expressed significant opposition to the resolution. Mr. Scoggins stated actions were filed by parties who claimed they were not unsecured creditors. Those matters were still outstanding, so such ongoing collateral claims would need resolution. Commissioner Brackpool asked when the issues would be resolved. Mr. Scoggins stated that MID provided financing to allow MEC to continue operating through April 2010. He did not believe MID wished to extend such financing, so it would probably make an effort to resolve the chapter 11 proceedings on or before that time. Vice-Chairman Israel asked if that would affect the Santa Anita meeting. Mr. Scoggins said he could not make a prediction, but he expected that would be the case. Chairman Harris asked if the secured creditors agreed to the resolution. Mr. Scoggins stated the secured creditor had a position in front of the

unsecured creditors, and MEC or MID would be obligated to satisfy them. Commissioner Choper asked if the tentative settlement had contingencies for the resolution of other outstanding claims. Mr. Scoggins stated the reorganization plan had to be agreed upon, and as third party claimants would probably play a role in any agreement, there would be something for them. To the extent that there would be additional amounts to be addressed, that could move MID and the unsecured creditors committee back to the bargaining table. Chairman Harris asked if the actual operator of Santa Anita and Golden Gate Fields would remain the same. Mr. Scoggins said that was a detail for further analysis. MID had to decide how to assume the operations of the facilities. Chairman Harris asked if MID would receive San Luis Rey Downs. Mr. Scoggins said MID currently owned the San Luis Rey Downs property, which it was leasing to MEC. Richard Castro of Local 280 asked what would happen to labor agreements when MID took possession of the racing facilities. Mr. Scoggins stated the entity under chapter 11 bankruptcy had to decide how it would proceed with the successor business. Among the decisions would be whether to accept or reject contracts that were in place. If the MEC bankruptcy was settled as anticipated, MID would have the ability to make that decision. He said MID had not shared decisions it made with respect to labor agreements or many other issues. Commissioner Brackpool asked if it was an asset purchase out of chapter 11. Mr. Scoggins stated MID had not determined the nature of the purchase, as that would affect some of its rights. Mr. Castro said Local 280 would expect the Board not to license the track operator if labor was not taken care of and made whole. Vice-Chairman Israel said the Los Angeles Turf Club was operating under a license that assumed all the contracts were whole through the end of the meeting.

Mr. Castro said he understood that, but if in April MID was going to change its business model, labor did not wish to get lost in the process. Commissioner Brackpool said the Board could only deal in facts, and the facts were not currently known. Mr. Scoggins commented MID and MEC were aware of the labor issue.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE SCOTWINC **SHORTFALL AGREEMENT SUBMITTED BY THE THOROUGHBRED OWNERS OF CALIFORNIA AND THE LOS ANGELES TURF CLUB IN RESPONSE TO THE BOARD'S APRIL 29, 2009 APPROVAL OF A REQUEST FOR MODIFICATION OF CALIFORNIA ADVANCE DEPOSIT WAGERING (ADW) DISTRIBUTIONS ON THE THOROUGHBRED RACES AS PERMITTED UNDER BUSINESS AND PROFESSIONS CODE SECTION 19604(F)(5)(E).**

Mr. Scoggins stated Southern California Off Track Wagering, Inc. (SCOTWINC) was experiencing deficits, and in April 2009 the Board approved a request to modify the advance deposit wagering (ADW) takeout. The request was the result of an agreement entered into among Southern California commercial tracks and the Thoroughbred Owners of California (TOC). The parties agreed to relieve the SCOTWINC deficit by increasing the ADW distributions from 2.5 percent to 4.12 percent. At that time, the Los Angeles Turf Club (LATC) and the 2009/2010 Santa Anita meeting were not a part of the agreement. Mr. Scoggins said the issue was a continuation of the shortfall agreement between the LATC and TOC. The agreement would continue to provide 4.12 percent of the ADW handle for reimbursement of SCOTWINC for its operations. Chairman Harris commented that the 4.12 percent was just a larger percentage of the same handle that existed before. If there were $100 million in handle the fee assessed was 4.12 percent rather than 2.5 percent. Mr. Scoggins said there was a location fee that went directly to the satellite wagering facility, and there was an expense fund that was used to offset

payroll costs. The expense fund was set at 2.5 percent, but there was an accumulated deficit, so the agreement was designed to help offset the deficit and to provide SCOTWINC with more cash flow going forward. Mr. Scoggins added the only change in the fees was in the handle generated from ADW. The agreement did not increase the take-out; it was taken from someplace else, and was money that would normally go to horsemen's purses and the track. Chairman Harris said a concern was increasing funds dedicated to running satellite facilities and diminishing funds that went to purses and commissions. Commissioner Choper asked how long the agreement would last. Mr. Scoggins said the agreement would last the duration of the LATC meeting at Santa Anita. Guy Lamothe of TOC stated the agreement was intended to be a short-term solution to help fund SCOTWINC operations. TOC believed the industry needed a long-term solution to the SCOTWINC shortfall and other funds, so it requested that the industry work to arrive at fundamental changes in its business model. TOC hoped to have concepts in place by June 30, 2010. A working group of chief financial officers and controllers will assess data and make recommendations. Mr. Lamothe said one problem was the 2.5 percent cap on the rate for SCOTWINC, so the industry used the ADW handle, which was allowed by statute. Using one source to supplement another did not address the fundamental problem of the changes in the handle. The working group would attempt to address that issue. Commissioner Brackpool said there was an accumulated deficit and an ongoing deficit; if the agreement was only taking care of the ongoing deficit, who was carrying the accumulated deficit? Mr. Lamothe stated the agreement would cover the cash flow deficit and SCOTWINC was carrying the accumulated deficit. Chairman Harris commented that SCOTWINC had no equity; it was basically a flow

through for cash. Mr. Lamothe said SCOTWINC was a going concern with a balance sheet, but it was representative of all the tracks and the purses, so in a sense it was a flow through. Vice-Chairman Israel **motioned** to approve the shortfall agreement submitted by TOC and the Los Angeles Turf Club for modification of ADW distributions on thoroughbred races as permitted under Business and Professions Code section 19604(f)(5)(E). Commissioner Choper **seconded** the motion, which was **unanimously carried**. Commissioner Rosenberg asked if SCOTWINC was an actual entity, and if so, how was it formulated? Mr. Scoggins stated SCOTWINC was a nonprofit corporation whose shareholders were Del Mar Thoroughbred Club, Hollywood Park Racing Association, LATC, Oak Tree Racing Association, Fairplex Park Pomona, and TOC. The executive who ran SCOTWINC was Mr. Tom Varela. Commissioner Rosenberg asked if there were any discussions about changes to reduce the SCOTWINC deficits, other than raising more money. Mr. Varela said SCOTWINC was in discussions with the various stakeholders to find ways to reduce the deficits.

PRESENTATION OF THE CALIFORNIA HORSE RACING BOARD RESOLUTION TO RICHARD SHAPIRO.

Chairman Harris said Richard Shapiro was unable to be present, so the item would be **deferred**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO OPERATE A SATELLITE WAGERING FACILITY SUBMITTED BY THE SAN BERNARDINO COUNTY FAIR IN VICTORVILLE.

Jacqueline Wagner, CHRB staff, said in response to declining revenues and attendance, the San Bernardino County Fair in Victorville (SBCF) determined it would move its simulcast wagering facility to a smaller building on the fairgrounds. The current facility was opened in April 1989 and was approximately 8,000 square feet. The downsized facility would open on January 21, 2010, and would be approximately 3,000 square feet. Ms. Wagner stated the application was procedural, as SBCF currently was operating a simulcast wagering facility. There were some items missing from the application and staff would work with SBCF to obtain those documents which included the horsemen's agreement, the resolution of the governing body and a detailed scale plan of the facility. Vice-Chairman Israel asked if any objections had been raised. Ms. Wagner stated staff was not aware of any objections. Ken Alstott of SBCF said the current facility had been in operation since the mid 1980's. The new facility was smaller, and had been renovated to be more efficient and to reflect the number of patrons in regular attendance. Chairman Harris asked what the average daily handle was. Mr. Alstott stated the facility handled approximately $8.5 million in 2009. He added the Magna Entertainment Company (MEC) bankruptcy was significant, in that it took about 35 percent of the facility's net for the year 2009. Chairman Harris asked if SBCF was made whole in the bankruptcy proceedings. Mr. Alstott said SBCF was not made whole; however, MEC did help SBCF stay open through Southern California Off Track Wagering, Inc. The facility was still owed between $21,000 and $27,000 – which was the 2 percent commission and the advance deposit wagering funds. Chris Korby of California Authority of Racing Fairs

(CARF) stated there were still outstanding MEC debts. The monies owed were statutory location fees. Chairman Harris asked if CARF was a secured or unsecured creditor. Mr. Korby said CARF believed it was in a different category as the obligations were statutory and did not fall under the same category as a contractual creditor. Vice-Chairman Israel said he assumed there was a class of creditors that were contenders, and the court ruled they were unsecured creditors. Mr. Korby said that was the case, but CARF petitioned the court to change its ruling. He stated a group of California racing interests that were owed statutory funds were working together to ask the court to reconsider its ruling. The petition was to be heard by the bankruptcy court on January 25, 2010. Mr. Korby spoke in support of the SBCF application. He stated that instead of closing its facility, SBCF resized it, which CARF supported. Steve Schwartz of Thoroughbred Owners of California stated his organization supported the SBCF application. Commissioner Moss **motioned** to approve the application by SBCF to operate a satellite wagering facility. Commissioner Brackpool **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE **PROPOSED AMENDMENT TO CHRB RULE 1632, JOCKEY'S RIDING FEE,** TO REVISE THE JOCKEY RIDING FEE SCALE PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19501(B)(1).

Jacqueline Wagner, CHRB staff, said Assembly Bill 649, Chapter 605, Statutes of 2007, added Business and Professions Code section 19501(b)(1), which provided that effective January 1, 2010, the scale of minimum jockey riding fees for losing mounts would be increased by $10.00. The proposed amendment to Rule 1632, Jockey's Riding Fee, would increase the fee for second and third place mounts by $10.00. In addition, the proposed amendment would eliminate the gross purse categories of $599 to $1,499 as

racing associations currently did not offer gross purses that fell at or below $1,499. Ms. Wagner said no comments were received during the 45-day public comment period, and staff recommended the Board adopt the proposed regulation as presented. Commissioner Choper **motioned** to adopt the amendment to Rule 1632. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE **PROPOSED AMENDMENT TO CHRB RULE 1685, EQUIPMENT REQUIREMENT**, TO ALLOW THE USE OF AN ALTERNATIVE WHIP IN FLAT RACING.

Jacqueline Wagner, CHRB staff, said the proposed amendment to Rule 1685, Equipment Requirement, would allow for the use of a "kinder" alternative whip in flat racing. She stated the language of the proposed amendment mirrored the language adopted by the Association of Racing Commissioners International. Ms. Wagner said no comments were received during the 45-day public comment period, and staff recommended the Board adopt the amendment to Rule 1685 as presented. Vice-Chairman Israel **motioned** to adopt the amendment to Rule 1685. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING **RANDOM DRUG TESTING OF JOCKEYS**.

Jacqueline Wagner, CHRB staff, said staff conducted a survey of other racing jurisdictions to determine what they might be doing with regards to random drug testing. Illinois, Louisiana and Delaware currently had random drug testing programs. New York was in the process of considering random drug testing procedures, but it had not

completed the regulatory process and it was unable to share proposed language. In addition, the Association of Racing Commissioners International (ARCI) Model Rules provided for random drug testing. To adopt a regulation, including the ARCI Model Rule, the regular Administrative Procedures Act process would have to be completed. Ms. Wagner said staff recommended that if the Board wished to pursue the issue, it direct staff to develop language for further consideration. Chairman Harris stated there were probably few jockeys who took prohibited medications, but there were always rumors, and if a jockey did have a problem that got out of control, it would be detrimental for other riders and horses. The Board needed to address the issue, as there currently was no policy. Vice-Chairman Israel asked what California law provided for in employee related random drug testing. Barry Broad, representing the Jockey's Guild (Guild), stated the United States Department of Transportation (USDT) had regulations that dealt with the circumstances under which testing might occur. The USDT rules also addressed issues related to laboratory accreditation and split samples. Mr. Broad said the Guild did not fundamentally oppose random drug testing; however, it proposed the formation of a working group to investigate the possibility of adopting by reference the USDT regulations. There were also other issues to be addressed such as how often an individual may be tested – even if the draw was always random. Mr. Broad stated random drug testing was expensive, so the industry had to think about how it would pay for the testing, and how often it wished to test if there were few or no positives. Vice-Chairman Israel asked if an accident would constitute a reason to test. Mr. Broad said there was random testing and there was probable suspicion testing. Probable suspicion testing occurred when something happened. As an example, truck drivers were tested when there was an

accident. Mr. Broad stated, in answer to Vice-Chairman Israel's original question, that California did not have a statute; instead, random drug testing was conducted based on case law. However, generally speaking, employers had the right to test, and government agencies that regulated licensing could impose testing. Mr. Broad spoke generally about random drug testing, how it might be conduced, the integrity of the testing process, and the rights of those being tested. Commissioner Choper said he agreed with Mr. Broad, but the states that currently authorized random drug testing ought to be looked at because they were the best source of the problems particular to the population that might be tested by the Board. Vice-Chairman Israel commented it seemed counter intuitive that there would be a performance enhancing drug for jockeys. Mr. Broad said it was not so much performance enhancing drugs as diuretics. Vice-Chairman Israel stated the substances a jockey might abuse may be in a class that was not included or anticipated in any of the other drug testing protocols – such as the USDT procedures. Mr. Broad said there were pharmacological issues, and the transportation analogy might not hold. Diuretics were not generally a drug of abuse in the greater population. Chairman Harris commented some drugs were prescriptions, which would be a different category. Mr. Broad said that raised the issue of medical privacy. Chairman Harris said the issued needed to be explored, and a committee would be formed.

DISCUSSION AND ACTION BY THE BOARD REGARDING AN INCREASE IN THE TAKE-OUT ON CONVENTIONAL AND EXOTIC WAGERS ON RACES CONDUCTED BY QUARTER HORSE RACING ASSOCIATIONS AS PERMITTED PURSUANT TO ASSEMBLY BILL 246 (PRICE), CHAPTER 226, STATUTES OF 2009.

Rod Blonien, representing Los Alamitos Racing Association (LARA), said several satellite wagering facilities had indicated they would no longer take the night signal as they were losing money by staying open at night to take the quarter horse races. At the same time, the California Authority of Racing Fairs (CARF) indicated other satellites were contemplating closing. The night industry believed it had to do something to get more money to the satellites so they would remain open. LARA also found it was competing with other racing jurisdictions for quality quarter horses to race. Many of the jurisdictions had slot machines. LARA believed the solution was to raise the takeout by 2 percent, with 1 percent going to the satellites and the other 1 percent split between commissions and purses. Mr. Blonien stated the legislation that authorized the increase in handle applied to minisatellites as well as satellite wagering facilities, so it would provide increases in minisatellite commissions. He added California had the lowest take-out of any state that offered quarter horse racing. The proposal would raise the take out on win-place-show wagers and exotic wagers by 2 percent. Commissioner Choper asked if New Mexico, Oklahoma and Louisiana had higher take-out rates than California. Dr. Edward Allred of LARA stated those states had substantially higher takeout rates. He commented he was a persistent foe of increases in the take-out, so LARA's request was reluctantly made. If the Board wished, LARA would agree to a sunset on the increase so it could be examined to determine its efficacy. Dr. Allred stated something had to be done to keep the simulcast wagering facilities open. Vice-Chairman Israel asked if there

was a way to explain how the request benefited the consumer. Dr. Allred said the only benefit was keeping the satellite wagering facilities open. Commissioner Brackpool said the request had the feel of raising taxes in the worst recession. Dr. Allred stated that was correct, but the satellite wagering facilities would not otherwise remain open. Chairman Harris asked if out-of-state facilities would be allowed to keep the extra 2 percent. Dr. Allred said TVG agreed to return half of the increase. A number of contracts were written for out-of-state facilities, and some were returned unsigned with the proviso that if the increase were approved, they would keep the extra funds. LARA was in the process of deciding if it would eliminate some of the out-of-state facilities that wished to keep the funds, as they were pretty small. Vice-Chairman Israel asked if LARA conducted any studies to determine how much money would be lost if satellite facilities closed versus how much LARA might lose if its handle was reduced due to an increase in the take-out. Dr. Allred said a study was conducted in Kentucky many years ago, and it was not encouraging. However, the bulk of the funds wagered at night were from jurisdictions with higher take-out rates. Vice-Chairman Israel said the studies were done pre-advance deposit wagering (ADW). Dr. Allred stated that was true, but the situation was so complex that the only way to know the outcome was to take the action. If, in 30 or 60 days it did not work, LARA would return to the Board and ask to quit the experiment. Chairman Harris said he was troubled by the request, but at the same time, other jurisdictions had higher take-outs, so it was not as if California would be higher than anyone else. Commissioner Brackpool stated that was like punishing California because other jurisdictions had higher rates; it was still wrong to have higher rates. Chairman Harris commented he was not sure if the average fan knew what the take-out

was. Dr. Allred said the sophisticated professional gamblers knew the rates. He stated he spoke to several horseplayers who knew the increase would cut into their margins. Dr. Allred added he would otherwise oppose an increase, but LARA did not know what else to do, so he would ask the Board to approve the request. Chairman Harris asked how much money the satellite wagering providers were making on the quarter horse signal. Dr. Allred said the rates were established by statute, but he did not have exact figures. He stated LARA was paying some of the providers extra money, but LARA was at the point where it could not continue, as it was not making any money. Mr. Blonien said since September 2008 LARA had been losing money on its quarter horse operation. The association was putting its commissions into purses, and it was just a question of how much longer LARA could stand its deficit. Dr. Allred said everything LARA made went into the purse structure. LARA did not make a dime, as it was about $1.6 million overpaid. Dan White of the Big Fresno Fair said his organization supported LARA's request to increase the take-out. Jeff Platt of the Horseplayers Association of North America (HANA) spoke in opposition to an increase in the take-out. Vice-Chairman Israel asked if LARA had looked at selectively increasing the take-out on wagers that might generate significant revenue, versus an across the board increase. Dr. Allred said there was discussion about not increasing the win-place-show wager, not because of the impact, but because of how it would look. Dr. Allred stated he would rather cut the breakage for his customers, as that was far worse than the 2 percent increase. Mr. Platt stated that was actually a form of reduced take-out, which was something customers would support. He added not all wagers were as sensitive to the take-out. The win-place-show wager had a much higher sensitivity as opposed to a high payoff exotic

wager, such as a Pick 6 or a Pick 4. Commissioner Rosenberg asked if HANA surveyed its members to determine if they chose to wager in jurisdictions with lower take-out rates. Mr. Platt said "yes" – and HANA's members did wager in jurisdictions with lower take-outs. Commissioner Rosenberg asked if that was true in the thoroughbred take-outs among the states. Mr. Platt said California was the lowest with win-place-show wagers. Commissioner Rosenberg asked if that had helped California. Mr. Platt said that had helped California. Commissioner Rosenberg asked how much on average HANA members wagered per year. Mr. Platt said the average HANA member wagered $43,000 per year. Commissioner Rosenberg asked if HANA sorted out how members who wagered less voted. Mr. Platt said the vote was consistent throughout; HANA members were very aware of the take-out. Five hundred ten members completed the survey and two thirds of them stated they were aware of take-out rates, and the rates affected where they wagered. Commissioner Brackpool asked if there was a model that would demonstrate the effect of just raising the take-out on exotic wagers, as opposed to win-place-show wagers, rather than an across the board increase. Dr. Allred said he did not think the revenue generated by such a scenario would be sufficient to accomplish LARA's goals, which was to keep the simulcast facilities open. Vice-Chairman Israel asked if there was a benefit to raising the take-out and risking a loss of handle to keep the satellite facilities open. Were the satellite wagering facilities generating enough revenue to warrant taking such a chance? Dr. Allred said the satellite facilities were LARA's largest single source of handle. He stated several smaller facilities closed, but substantially larger places were going to close if nothing was done. Vice-Chairman Israel asked if the request was prompted by LARA'a belief that an increasing number of

simulcast facilities would cease to operate on a regular basis after the last race at Santa Anita. Dr. Allred said as long as LARA made them whole, they could not close. Without the increase, LARA could not expand the number of facilities it was making whole. LARA was taking funds out of purses and operating income to make the facilities whole. Vice-Chairman Israel asked if LARA had done a study or given thought to how ADW was eating into the survival of satellite wagering. Dr. Allred said LARA would not exist without ADW, but there was no question that it detracted from on-track handle. At the same time, there was no question that ADW contributed a lot of handle, so it went both ways. Dr. Allred commented he strongly supported just about everything the ADW providers did. Commissioner Derek asked if the satellite wagering facilities were closing because of competition. Dr. Allred said a couple of the satellites had casinos close by, but he could not speak for the satellites. Commissioner Derek said that even with the proposed increase, there should be some way for the satellites to educate the public about the better odds at their facilities. Rick Pickering of Alameda County Fair spoke in favor of LARA's request. Chris Korby of California Authority of Racing Fairs spoke in favor of LARA's request. Vice-Chairman Israel asked if there had been any movement with regards to the 20-mile radius requirement for minisatellite wagering facilities. Mr. Blonien stated the parties met in December 2009 and did not reach a final agreement. Letters were exchanged, progress was made, but the parties were not close to a conclusion. Vice-Chairman Israel and Mr. Blonien spoke about the possible benefits of minisatellite wagering for California horse racing. Dr. Allred said he supported any type of expansion. He commented he had consultants looking into putting a sports bar in Orange County within 10 or 12 miles of LARA. The old model of patrons driving 20 or

40 miles to the track no longer worked. He stated 80 percent to 90 percent of LARA's patrons lived within 10 miles of the track. However, the return on the minisatellites needed to be a bit more attractive. Chairman Harris **motioned** to approve the request by LARA to increase the take-out on conventional and exotic wagers on quarter horse races until September 8, 2010. Vice-Chairman Israel **seconded** the motion, which was **carried** with Commissioner Brackpool voting "**no**."

DISCUSSION AND ACTION BY THE BOARD REGARDING A REPORT FROM TRACKNET, WHICH SERVED AS REPRESENTATIVE OF SANTA ANITA PARK RACE TRACK AND GOLDEN GATE FIELDS, AND FROM ADVANCE DEPOSIT WAGERING (ADW) PROVIDER ODS TECHNOLOGIES, L.P. DBA TVG, ON THE RESOLUTION OF LITIGATION AND THE SUCCESSFUL CONCLUSION OF NEGOTIATIONS, WHICH RESULTED IN TVG CONTINUING TO ACCEPT WAGERS ON RACES AT SANTA ANITA PARK RACE TRACK AND GOLDEN GATE FIELDS, AND HOW THE SETTLEMENT IMPACTS THEIR RELATIONSHIP GOING FORWARD.

Scott Daruty representing TrackNet Media Group (TrackNet) said the item was an update regarding the litigation between TrackNet and TVG. He stated the lawsuit was settled prior to the opening of the Los Angeles Turf Club meeting at Santa Anita Park Race Track. Commissioner Moss said he was not sure if the lawsuit was settled or deferred. Mr. Daruty said the parties entered into an agreement in principal for the lawsuit to be settled. The actual settlement agreement was a work in progress, but TrackNet did not anticipate any problems. Melanie Frank, representing TVG, said once the settlement agreement was signed, the issue would not be raised again. Stephen Burn of Betfair and TVG stated Betfair inherited a lot of issues when it bought TVG, and it hoped to resolve them as quickly as possible. Commissioner Brackpool commented that it defied logic that the vast majority of satellite subscribers could not view a major California meeting.

Mr. Burn said it was a problem that existed in racing jurisdictions worldwide. Entities were protective of their exclusive rights. Some persons might say TVG behaved badly, while others would say it behaved sensibly in regards to its commercial interests. However, the customer had to come first, so although there was a business to run, the parties should try to work together to serve the customer. Chairman Harris said Direct TV did not carry HRTV. Was that due to an exclusive agreement with TVG? Mr. Daruty said prior to Betfair's acquisition of TVG there was common ownership between Direct TV and TVG. The common ownership led to HRTV having difficulties with Direct TV. However, it no longer existed, and HRTV was talking to Direct TV and perhaps something could be accomplished in the near term. The problem was that in horse racing television was structured as pay for distribution. HRTV could be on Direct TV within a day if it were willing to write a check with a lot of zeros. HRTV did not believe that was a good business model, so it was negotiating to be carried as a real network rather than an infomercial. Commissioner Brackpool said an alternative would be to cut a deal wherein the product would be interchangeable. Mr. Daruty stated with the lawsuit settled, that would be something HRTV would be interested in pursuing. Chairman Harris commented horse racing had been struggling with television for a while, and it was frustrating when one considered current television content. Much of the content did not have to pay to be broadcast, but horse racing had to pay the provider. Mr. Daruty stated the perception among cable and satellite companies was that horse racing was like a shopping channel. If someone was selling a product the cable or satellite company wanted a percentage. In the early years of broadcasting horse racing it was not much more than a simulcast feed. However, a lot had been done with providing a more

rounded package with entertainment, talent and analysis, and ancillary programming. Yet, the distributors still viewed horseracing as selling wagers, and they wanted a percentage. That was not a sustainable model in the long term. Television had the ability to help promote horse racing and increase wagering, but it would be more beneficial if it could be done in way that economically helped the industry. If horse racing interests could work together coverage should increase so not only tier one horses were shown. The customer should be able to choose. Vice-Chairman Israel said the entities might consider merging as the redundancy in television coverage was very expensive and counterproductive. Together a critical mass could be achieved that would be more attractive as a product. The current cannibalistic behavior of dividing the tracks between providers was not good for the industry. In Southern California alone horse racing fans had to remember that Santa Anita was on HRTV and Hollywood Park was on TVG. It was counterproductive because new customers were not created. People accidently came across television shows; they did not accidently find internet feeds. As long as HRTV and TVG were competing with each other in the television business, they were hurting the industry. Mr. Burn stated Betfair wanted to compete in a healthy way where it was appropriate, and to work with others as much as possible where there was agreement.

DISCUSSION AND ACTION BY THE BOARD REGARDING A **REPORT FROM SOUTHERN CALIFORNIA RACING SECRETARIES CONCERNING THE DIFFERENT CATEGORIES OF THE RACE HORSE POPULATION AT TRACKS AND SUBSIDIZED OFF SITE FACILITIES AND THE PARTICIPATION LEVELS IN ACTUAL RACES THAT MATERIALIZE.**

Chairman Harris said the real issue was how the industry quantified its horse inventory, and how it could better use the inventory or encourage more participation. A lot of

money was spent on stabling. Would that money be better used for purses or other needs, or was it necessary for stabling? Martin Panza of Hollywood Park said the report from Southern California racing secretaries demonstrated a drop in the horse inventory, and it provided a picture of why it was difficult to fill races. Mr. Panza explained the method used by the racing secretaries to determine the current horse population. The result showed fewer horses, and that there was less room for error when writing races for the number of race dates allocated by the Board. Chairman Harris commented that the racing secretaries seemed to be getting just about the same number of races out of fewer horses. Mr. Panza replied that on a four year average the number of races had gone from 9.6 and 9.2 to 8.6 and 8.2, so the field size was dropping, and different, cheaper races were being written in an effort to fill. Vice-Chairman Israel asked if the change was due to the economy, or was it the purse structure and a reaction to the synthetic tracks. Mr. Panza stated the racing surface was a difficult issue for a racing secretary to comment on. It cost $60 dollars a day to train horses, so simple economics had something to do with the problem. He said purse schedules in other racing jurisdictions also had an effect on Southern California. Tom Robbins of Del Mar Thoroughbred Club said about 50 percent of starters were from the California bred program. That program had experienced difficulties which were impacting the inventory, and which combined with other issues, resulted in a crisis situation. Vice-Chairman Israel asked how that was fixed, as the Board needed to look five years out. Mr. Robbins said a reduction in days was one response, although there was no simple answer. He stated the issue was not a California problem; it existed across the nation. He added some jurisdictions were cutting races and adjusted. Vice-Chairman Israel asked if too much was being spent on stabling if the

product was going to be resized. Could those funds go to purses? And, what if only the track that was operating provided stabling and horsemen did a user pay on all the rest? Mr. Panza said the net increase in purses would be approximately 6 percent and there were not enough stalls at Hollywood Park to accommodate every trainer participating in the meeting. He stated the industry should recognize the times it was in and figure a way to get through them. Vice-Chairman Israel asked if there was a long-term way to try to increase breeding in California. Mr. Robbins said there was no easy answer to that question. A meeting was held to discuss the issue, but no agreement could be reached. Vice-Chairman Israel asked how the industry would prevent a deficit so big that racing occurred only three days a week. Mr. Panza said the industry needed to provide a better product, and the more days it raced, the weaker the product. Vice-Chairman Israel said more money was wagered in California, and by fans in California, than any other state. An increasing amount of that money was wagered on the internet through ADW accounts. California benefited from being in the Pacific Time Zone, as racing fans who had a bad day in New York or Kentucky would try to make it up in California. However, at some point California would lose that benefit if it reduced its racing dates. California did not want to put out a bad product, but if it started racing three and four days a week instead of five and six days, another jurisdiction (such as Australia) would fill that gap. There was a fine line California did not wish to cross, and the Board and the industry needed to figure it out. Commissioner Brackpool stated the racing secretaries' report showed a consistent number of horses at Santa Anita, with a big decline in horses at Hollywood Park and Fairplex. Mr. Panza said the horse inventory shifted, as trainers who were stabled at Hollywood Park moved to Santa Anita as space became available.

Trainers wanted to be stabled at the track that was running, so during the summer the numbers would shift back to Hollywood Park. Another factor was proximity. Trainers who lived in Arcadia might prefer to be stabled at Santa Anita. Vice-Chairman Israel asked if the cap on horses at Santa Anita was still 40 horses. Mike Carlos of Santa Anita said the horsemen's agreement provided that if all the trainers applying for stalls were accommodated, Santa Anita could go over 40 horses per trainer. Chairman Harris stated he did not believe the Board could dictate a solution. The horsemen and the tracks needed to arrive at the best model because no matter how one looked at the issue the horse population was in decline. Mr. Panza said the industry faced a dilemma. If it ran unattractive fields it would not handle as much money, and the purses would go into decline, which would cause more horses to leave California, or would convince owners not to invest in new horses. Mr. Robbins said California was also faced with jurisdictions adjusting to reduced inventories by reducing their race days. Those jurisdictions had strong product, so California could lose even more market share. Essentially California and New York were the only jurisdictions running more days at a higher level of racing. New York had the advantage of a winter break. Chairman Harris said one problem with cutting back race days was that on dark days the tracks were importing races. However, if every track was cutting back, there were fewer races to import. There needed to be real cooperation in the industry to get imported signals.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE ALLOCATION OF 2010 NORTHERN CALIFORNIA FAIR RACE DATES.

Chairman Harris said after reviewing the possible scenarios he would propose giving the Humboldt County Fair (HCF) one week of non-overlapped racing. He stated HCF

needed the revenue, and considering the horse population, a one-week gap in racing would be generally beneficial to Northern California racing. Chairman Harris said he would propose that HCF would run non-overlapped August 18, 2010, through August 22, 2010. In addition, Pleasanton would run from June 23, 2010 through July 11, 2010, and Santa Rosa would run from July 28, 2010 through August 15, 2010. Following Santa Rose, Golden Gate Fields (GGF) would open August 25, 2010 through October 3, 2010, and Fresno from October 6, 2010 through October 17, 2010. Stewart Titus of HCF said horse racing was facing a shortage of horses, and if HCF were forced to run overlapped, HCF would also face a shortage of riders. Mr. Titus stated HCF had serious concerns about personnel and technical support if it ran simultaneously with Santa Rosa and Pleasanton. Northern California horse racing could no longer support simultaneous race signals. Therefore, HCF was appealing to the Board to have the opportunity to run at least one week without overlap. Mr. Titus said many people in Humboldt had expressed their support for HCF by writing to the Board, and HCF would appreciate the Board's consideration. Chairman Harris asked how old HCF was. Mr. Titus stated HCF was 114 years old. He said during that time, HCF was overlapped every year except during World War II when no racing occurred. Most of the overlap was with private racetracks, which created a different dynamic with regards to personnel and resources. The private tracks had their own employees while the fair utilize many of the necessary services through the California Authority of Racing Fairs (CARF). With the possibility of being overlapped by Santa Rosa and Pleasanton, HCF had been given assurances that at least some of those services could be sustained. However, HCF had not seen any detail that might provide a degree of confidence in such promises. Chris Korby of CARF stated the Board asked

Northern California stakeholders to meet and agree on a 2010 Northern California racing calendar. The parties, consisting of CARF (including HCF), Thoroughbred Owners of California (TOC), California Thoroughbred Trainers (CTT) and GGF met, agreed on a calendar and sent that recommendation to the Board. The negotiations were difficult, and unfortunately not everyone agreed. Mr. Korby said TOC, CTT, CARF and GGF stood by their original recommendation to the Board. The issue was not CARF versus HCF, it was all the Northern California stakeholders with the exception of HCF recommending a 2010 racing calendar. It was up to the Board to decide how it would allocate the race dates, but it had asked for a recommendation, and the parties that made a recommendation would support the calendar as submitted. Commissioner Choper stated in 2009 HCF overlapped with the CARF at GGF meeting, which had positive results for HCF. He asked why that overlap would not work for HCF in 2010. Mr. Titus said Northern California racing secretaries were being forced to write increasingly cheaper races, and over the last 20 years HCF was able to get by while running overlapped. The 2009 meeting was an exception because HCF was able to receive more assistance from the supplemental purse fund. Vice-Chairman Israel asked where the supplemental purse fund originated. Mr. Titus said the supplemental purse fund was governed by the CARF live racing committee. Commissioner Choper asked if the CARF live racing committee was proposing to provide assistance to HCF in 2010. Mr. Titus said the committee was proposing to assist HCF in 2010. Commissioner Choper said he understood the horse population was not the same, but HCF had more of the emerging breed races, while GGF had none during its two week meeting. Why was it not acceptable to run the 2009 race calendar in 2010? Chairman Harris said part of the problem was host fees. If one was

the sole operator in Northern California, one would receive the host fees from wagers made on Southern California races. Commissioner Choper said he understood why it was better not to be overlapped. However, HCF was overlapped in 2009, so why would a 2010 overlap not be as good. Mr. Titus said that the trends in horse racing demonstrated that at some point the industry could not support simultaneous racing meets. In addition, there was the idea of equal privileges to earn the same level of revenues as other entities; that would be huge for HCF. Vice-Chairman Israel asked why HCF was still a member of CARF if CARF were not working in HCF's best interests. CARF had benefited HCF for many years, and had provided HCF with supplementary purses and a number of savings. Now HCF did not like what appeared to be a majority decision by CARF, and it was claiming to be the aggrieved party. If that were the case, the right thing to do would be to quit CARF and go it alone. Mr. Titus said when the Supreme Court issued a decision justices who dissented did not quit the court. HCF had been a member of CARF for over 20 years, and probably more than any other fair depended on the core services CARF provided its members; HCF could not afford to quit CARF. Vice-Chairman Israel said a Supreme Court justice might have a dissenting opinion, but he or she accepted the opinion of the majority as the law of the land, and enforced that opinion. Mr. Titus said a better analogy might be people who decide they could not live together, but could not afford to live apart; HCF could not live without CARF. Commissioner Moss said times were difficult and every association wanted to make the most out of its meeting. Would it be possible for fairs to alternate dates? That might not be a popular idea, but it might cause fair managers to become more creative in finding ways to attract people – other than horse racing. With the horse population down, and everyone looking for ways to

reduce, that might be a way to cope considering the number of fair dates that had to be attached onto one another. Mr. Titus stated that was a concept the parties had not considered. However, in 2009 HCF did reduce its meeting by two race dates, and it made significant operational changes to reduce expenditures. Commissioner Moss stated that if one fair had ten racing dates one year and another had ten dates the next year, the dates could be consolidated without overlap. Perhaps the fairs could make enough money in one year to cover two years. Chairman Harris stated one problem with fair dates was that the fairs ran on a schedule. If the dates were suddenly changed that could cause a problem. Another factor was weather, which could turn bad in Humboldt. Mr. Korby stated the parties offered to allow HCF to run without overlap in September, but that was not acceptable to HCF. Mr. Titus said there were a number of local issues in any given year that would make such a change unsuccessful. Chairman Harris **motioned** to adopt the proposed Northern California 2010 racing calendar wherein HCF ran from August 12, 2010 through August 18, 2010, with the week of August 22, 2010 through August 15, 2010 un-overlapped. Jacqueline Wagner, CHRB staff, said the proposed 2010 Northern California race dates were: June 16, 2010 through June 20, 2010 at Stockton; June 23, 2010 through July 11, 2010 at Pleasanton; July 14, 2010 through July 25, 2010 at Cal-Expo; July 28, 2010 through August 15, 2010 at Santa Rose; August 12, 2010 through August 22, 2010 at HCF with August 12, 13 and 14 overlapped with Santa Rosa; August 25, 2010 through October 3, 2010 at GGF; October 6, 2010 through October 17, 2010 at Fresno. Commissioner Choper **seconded** the motion. Charlie Dougherty of CTT stated his organization endorsed the proposed 2010 Northern California race dates calendar as submitted by the CTT, TOC, GGF and CARF. Mr. Dougherty said HCF was a unique

racing venue with a lot of character; however, it was located far away from the hub of activity in the Bay Area, and it was costly to van horses to HCF. Few trainers participated in the HCF meeting because most did not have the type of horses that fit the HCF program. HCF ran a mixed breed meeting with a lot of low end claimers. The track was narrow and only certain horses could navigate it without accidents. The proposal would take racing from the Bay Area within the month of August, which was a recipe for disaster for the rest of the industry, and unless substantial sums were spent to upgrade HCF, running un-overlapped would not attract more horses. Commissioner Choper asked if giving Northern California horses a week off was that bad given the difficulties of the horse population. Mr. Dougherty said the CTT believed August was a prime month for racing in the United States' satellite network. The best tracks were running and there was a tremendous amount of interest. To take a week off in the month of August would substantially hurt the Northern California purse structure. The CTT did not believe it was in the best interest of Northern California racing to have HCF as the showcase satellite broadcast to the rest of the nation. Commissioner Choper asked if the out-of-state audience made a difference. Mr. Dougherty stated the CTT believed taking even a week off in August within the Northern California network could cause economic harm to an already fragile industry. The purse money that would be lost was the difference between what would be wagered on HCF races and what would be wagered on races run in the Bay Area. The CTT believed that could be a 50 percent reduction. Guy Lamothe of TOC said the situation needed to be looked at in terms of the entire State of California. From Del Mar Thoroughbred Club's (DMTC) perspective, when fans were wagering on non-overlapped versus overlapped content, there was a 50 percent difference

on average, daily, on the purses that were generated from wagering on northern content. Chairman Harris commented the statistics were kind of an isolated model. Mr. Lamothe said that was correct, but similar situations could be examined. Vice-Chairman Israel asked how much money was at issue. Mr. Lamothe said $22,000 daily non-overlap purse generation versus $30,000. Chairman Harris said if HCF was sustainable during the non-overlapped week, it should free up supplemental purse money. Mr. Korby said comparative handle numbers for 2009 showed HCF running eight days with a handle for Northern California and out-of-state of $3,200,000 for the meeting. Santa Rosa ran ten days with a comparable handle of $31,900,000. Commissioner Harris said the proposal would give HCF one week without overlap; if it did not work, it would not be repeated. Robert Hartman of GGF said he did not believe HCF could afford the purse program for the one week, nor did HCF have an estimate of how much in purses the week of non-overlap would generate. However, the mutual manager of Northern California Off Track Wagering, Inc. calculated that HCF would generate 40 percent less in purses than a comparable week at GGF. That would cause a considerable purse overpayment at HCF, which could be difficult for the fair to reconcile. Chairman Harris commented it depended on how HCF wrote its races. Mr. Hartman said horses needed a place to run in Northern California for that week in August. HCF could write races for $500 claimers and no one would ship to Ferndale. Chairman Harris stated in 2009 the meeting at GGF was overpaid by $300,000 because of the purses, and now there was big deficit. HCF would have to be realistic in its purses. Vice-Chairman Israel said he wondered why it was in the best interest of California horse racing to shut down the Bay Area, which was the fourth largest market in the nation, in the third or the last week of August. Chairman

Harris said racing would be available via simulcast. Vice-Chairman Israel said people on vacation, or visiting the Bay Area might want to go to the track. Chairman Harris said in 2009 GGF got 1,000 people a day during the week. Mr. Hartman stated those people wagered, while the HCF fans did not wager a lot of money, so the handle would suffer. Vice-Chairman Israel said he thought it was counter productive to shut down racing for a week in the Bay Area in August. Chairman Harris said if fans wished to wager they could still go to GGF. He was trying to keep HCF alive, because without adequate revenue it could go away. Commissioner Choper asked how the non-overlap would affect DMTC. Tom Robbins of DMTC said in 2008 HCF ran one day un-overlapped, and it cost DMTC $22,000 in purses. That day was a Monday and in 2008 the field sizes were not as bad as in 2009. Darrel Haire of the Jockey's Guild (Guild) said his organization did not support the proposal to run one week of HCF un-overlapped. Northern California jockeys needed mounts. Vice-Chairman Israel asked if any Guild members rode at HCF. Mr. Haire said Guild members did ride at HCF, but the week of no overlap would cost Guild members approximately 200 mounts over the five-day period. He conceded that some of the races could be picked up at HCF. Commissioner Moss said the Board directed the parties to agree on a proposal for a 2010 Northern California racing schedule. Mr. Hartman stated Commissioner Moss was correct, and he said the TOC, CTT, GGF and CARF proposal was originally a unanimous vote. HCF agreed to the proposal, but for some reason changed its vote. Mr. Titus said he did vote for the proposal, but the HCF board directed him to change the HCF position. Mr. Dougherty said if the Board did support the motion to allow HCF to run un-overlapped, it needed to take into consideration safety issues at the HCF track. Mr. Titus stated HCF

had a safety rail, as mandated by the Board, and it was a partner in the CARF track preparation and maintenance program. Mr. Korby said CARF provided track safety and maintenance for HCF. Mr. Lamothe stated TOC would like to know what the HCF purse program would look like if there was no overlap and no supplemental purse funds available. The supplemental purse funds kept the purses artificially high, so what would be different to attract trainers who would have even less incentive to go to HCF? Mr. Titus said HCF assumed it would meet with CARF to decide the distribution of the supplemental purse funds. HCF would look at its anticipated handle, what purses would look like and to what extent one or more fairs would need assistance from the supplemental purse fund. The distribution of the fund was negotiated, and ultimately the decision of the Secretary of Food and Agriculture. Mr. Korby commented that if CARF reached an agreement with its members, the Secretary of Food and Agriculture was always agreeable. Chairman Harris said purses were one issue, but if HCF were not overlapped, it could generate more revenue and be able to make improvements to its track. He asked if HCF could provide assurance that any additional income it made would go back into the track. Mr. Titus said HCF had a long list of improvements it wished to make to its track. He added one of his assumptions was that with a one week break in overlap the subsequent two weeks would be stronger and could result in a more robust September. Chairman Harris **called the motion**, which was **carried** with Chairman Harris, Commissioner Rosenberg, Commissioner Brackpool and Commissioner Moss voting "**aye**" and Vice-Chairman Israel, Commissioner Derek and Commissioner Choper voting "**nay**."

ELECTION OF BOARD CHAIRMAN AND VICE CHAIRMAN.

Vice-Chairman Israel **nominated** Commissioner Brackpool for Chairman. Commissioner Rosenberg **seconded** the nomination, which was **unanimously carried**. Commissioner Moss **nominated** Vice-Chairman Israel for Vice-Chairman. Commissioner Choper **seconded** the nomination, which was **unanimously carried**.

PUBLIC COMMENT

Richard Castro, representing Pari-Mutuel Employee's Guild Local 280, spoke about a possible software problem that caused tickets to be issued in error. He also spoke about the advance deposit wagering entity "DelMarBets.com."

MEETING ADJOURNED AT 2:41 P.M.

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

Chairman

Executive Director

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Santa Anita Park Race Track, Baldwin Terrace Room**, 285 West Huntington Drive, Arcadia, California, on **February 19, 2010**.

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

PRESENTATION OF **CALIFORNIA HORSE RACING BOARD RESOLUTION TO RICHARD SHAPIRO.**

Chairman Brackpool stated the item was **deferred** until the March 2010 Regular Meeting.

PUBLIC COMMENT: COMMUNICATIONS, REPORTS, REQUESTS FOR FUTURE ACTIONS OF THE BOARD.

Mike Wellman, an owner and breeder, spoke about his concerns regarding horse racing in California. In particular, he asked if granting a license to operate a horse racing meeting at Hollywood Park Race Track (HP) was in the best interest of horse racing considering the history and the intentions of the track's current owner. If the Board were to issue HP a license, Mr. Wellman suggested the imposition of conditions and criteria to protect owners and trainers - should HP close - while a contingency plan was developed and implemented. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding horse racing in California. Richard Bassett, an ex-pari-mutuel clerk and a horse owner, spoke about the possibility of offering alternative forms of wagering at California race tracks.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE **PROPOSED AMENDMENT TO CHRB RULE 1689, SAFETY HELMETS REQUIRED**, TO ESTABLISH AND/OR REVISE STANDARDS FOR SAFETY HELMETS WORN BY JOCKEYS, DRIVERS, EXERCISE RIDERS AND OTHER MOUNTED PERSONNEL TRAINING AND RACING ON CALIFORNIA RACETRACKS.

Jacqueline Wagner, CHRB staff, said Board Rule 1689, Safety Helmets Required, currently provided that a racing association may not permit any person to gallop a pony or horse, ride a horse in a race, or be mounted in or riding on a sulky unless that person was wearing a properly fastened safety helmet. The proposed amendment to Rule 1689 would add any person working as a member of the gate crew to the list of those who must wear a safety helmet. The amendment also set new standards for safety helmets by listing four separate product standards, one of which a safety helmet worn on the grounds of the association must meet. During the 45-day public comment period staff received one comment. The person who commented suggested the Board amend Rule 1689 to require any person mounted on a horse on a racetrack to wear a safety helmet. The suggestion was based on the claim that work related accidents for trainers exceeded those of jockeys. Ms. Wagner stated the Board discussed the same issue at its November 17, 2009 Regular Meeting. At that time the Board determined it would let individual tracks implement house rules if they wished all persons mounted on a horse to wear safety helmets. Hollywood Park Race Track (HP) previously indicated it would institute such a house rule. Ms. Wagner said if the Board chose to accept the comment and change the text of the amendment, an additional public comment period would be required. Commissioner Derek **motioned** to accept the suggested change to the text of Rule 1689, and to require any person mounted on a horse on the racetrack to wear a safety helmet. Commissioner Rosenberg asked if "on the track" meant only on the racetrack. He stated

he noted the Kentucky language provided that anyone on the grounds of the racing facility had to wear a safety helmet. Ms. Wagner said the Kentucky language was submitted with the comment. The Board could limit the requirement for a safety helmet to the racetrack, or it could use the Kentucky language and require helmets while mounted on the grounds of the racing facility. Commissioner Rosenberg said the proposed text of Rule 1689 did not state "on the racetrack." So it was not clear that safety helmets were required only on the racetrack. The Board needed a definition going forward of what was the racetrack. Was it anything inside the perimeter, or was it just the area on which the race was run and training occurred. Charlie Dougherty of California Thoroughbred Trainers (CTT) stated his organization requested that the proposed amendment to Rule 1689 be adopted as submitted by staff. Previous testimony on the proposed amendment resulted in compromise language, which was the language submitted by staff. The CTT believed that unless he or she were galloping a horse or performing the task of ponying, it was the responsibility of trainers to decide if and when they would wear a safety helmet. The CTT would work with the racing associations regarding house rules. Commissioner Derek said the requirement that all persons mounted on a horse wear a safety helmet was part of the National Thoroughbred Racing Association (NTRA) Safety Alliance accreditation, and she could not think why California would have lesser rules for its racetracks. Vice-Chairman Israel stated the debate reminded him of the debate over motorcycle helmets. In the end it came down to the public paying a penalty. If someone within the racing inclosure was thrown from a horse and suffered a severe head or spinal injury, or died, there would be public expense in maintaining that person, or the facility would be sued and bear the expense. Vice-

Chairman Israel asked how the CTT would account for that with other stakeholders and the government if a trainer suffered a severe injury after being thrown. Mr. Dougherty said the trainers were responsible for their own insurance and health coverage. If not covered by workman's compensation, they would have to purchase their own insurance. Vice-Chairman Israel said there would be litigation every time a claim of such magnitude was filed, and in the end it would drive up everyone's insurance costs. Commissioner Choper asked how many trainers voted on the issue. Mr. Dougherty said there was no formal vote of the trainers. It was a position taken by the CTT board. Vice-Chairman Israel asked if the vote was taken by the old board, or the new board. John Sadler of CTT said it was the position of the old CTT board. It was not an issue with the new CTT board, which desired to move forward with the proposed amendment. Jack Liebau of HP stated his organization had a house rule requiring the use of a safety helmet. After the last discussion of the issue, which took place on November 17, 2009, the NTRA sent a copy of the national study conducted by the United States Department of Health and Human Services. The study showed that between 1992 and 2006 there were more fatalities with trainers than with jockeys. He added Delaware, Illinois, New York, Ohio and Pennsylvania currently followed the Safety Alliance requirements, and Kentucky just filed the law. Commissioner Derek **motioned** to direct staff to amend the proposed text of Rule 1689 to require any person mounted on a horse to wear a safety helmet and to notice the modified text for public comment. Vice-Chairman Israel **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE **PROPOSED AMENDMENT TO CHRB RULE 1689.1, SAFETY VEST REQUIRED**, TO ESTABLISH AND/OR REVISE STANDARDS FOR SAFETY VESTS WORN BY JOCKEYS, DRIVERS, EXERCISE RIDERS AND OTHER MOUNTED PERSONNEL TRAINING AND RACING ON CALIFORNIA RACETRACKS.

Jacqueline Wagner, CHRB staff, said the proposed amendment to Board Rule 1689.1, Safety Vest Required, would add harness drivers and assistant starters to the list of those who must wear a safety vest. In addition, the amendment would update the current standard for a safety vest, and add new standards. This would have the effect of broadening the types of safety vests licenses may wear. The proposed amendment would also prohibit the altering of safety vests from the original manufactured design. Ms. Wagner stated the proposed amendment was put out for a 45-day public notice period, and no comments were received. Staff recommended the Board adopt the amendment as presented. Commissioner Derek **motioned** to adopt the amendment to Board Rule 1689.1, as presented. Vice-Chairman Israel **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **POSSIBILITY OF AMENDING CHRB RULE 1766, DESIGNATED RACES**, TO REQUIRE A JOCKEY OR DRIVER TO SERVE ADDITIONAL SUSPENSION DAYS SHOULD A SUSPENDED JOCKEY OR DRIVER PARTICIPATE IN MORE THAN ONE DESIGNATED RACE PER DAY IN CALIFORNIA.

Chairman Brackpool said a number of comments were received about jockeys picking and choosing suspension dates. Under Rule 1766, Designated Races, a suspended jockey may ride in designated stakes, futurities or futurity trials or other designated races. If a jockey were to receive three days of suspension, Thursday, Friday and Saturday, the jockey might chose to ride in one or more designated races on Saturday because Saturday

would have better racing. The penalty for riding that Saturday might be an additional Wednesday suspension day. There were those who believed that under such circumstances the penalty was not fitting because the Wednesday would not have races of the same quality as Saturday. Commissioner Rosenberg asked how the stewards actually assigned the suspension days. He stated the example of Thursday, Friday, and Saturday was used, and as Saturday had a big race card and Wednesday did not, it was obvious that a jockey would choose to rid on Saturday and take an extra day of suspension on Wednesday. Commissioner Rosenberg said a solution would be to match the day, so if the suspended jockey rode on a Saturday, he or she would receive the next Saturday as an additional suspension day. That would prevent jockeys from riding Saturday and taking Wednesday as an additional suspension day. Commissioner Moss said the concept of designated races was that if a jockey committed an infraction riding one owner's horse, another owner, who had a big stake, should not lose that jockey because of the infraction. The designated race allowed the jockey to fulfill his or her commitment. It was the second designated race that was the problem. Chairman Brackpool said that was correct. The fair answer might be to apply the suspension to the same day a week later. Jacqueline Wagner, CHRB staff, said the Board could direct staff to draft a proposal for an amendment to Rule 1766, and to put the text out for a 45-day public comment period. Commissioner Choper **motioned** to direct staff to prepare an amendment to Rule 1766. Commissioner Rosenberg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING A REPORT AND PRESENTATION FROM REPRESENTATIVES OF SOUTHERN CALIFORNIA OFF-TRACK WAGERING, INC. (SCOTWINC) REGARDING SCOTWINC'S ORGANIZATIONAL BACKGROUND, EXPENSES AND CURRENT FINANCIAL POSITION.

Tom Varela of Southern California Off Track Wagering, Inc. (SCOTWINC) said his organization was charged with disseminating the audio and visual signal and with overseeing wagering operations in the central and southern zones for the day associations. Mr. Varela added SCOTWINC also operated throughout California for the night industry. The racing associations affiliated with SCOTWINC were: Los Angeles Turf Club; Del Mar Thoroughbred Club; Fairplex; Oak Tree Racing Association; and Cal Expo Harness and Los Alamitos Racing Association. The SCOTWINC board was composed of Thoroughbred Owners of California (TOC), Pacific Quarter Horse Racing Association, California Harness Horsemen and the California Authority of Racing Fairs. Mr. Varela stated in the last few years SCOTWINC's revenues were down, and since the advent of advance deposit wagering (ADW) SCOTWINC's revenues were down about 40 percent. In 2005 & 2006 SCOTWINC started seeing deficits, but from 2007 through 2009 it started seeing serious deficits. Mr. Varela said there were many expenses involved in running the wagering operations of a race meeting. Commissioner Brackpool said the Board was aware of SCOTWINC's function. The Board's concern was the future of the business model, because it did not appear to be sustainable in the current environment. What changes would SCOTWINC propose to ensure the Board that the deficits would not become permanent and that the industry would not repeatedly go running to the Legislature to take money from elsewhere to fund the deficits? The Board did not wish to be in the business of promoting an unsustainable business model. The

Board wished to hear what changes SCOTWINC proposed to react to the fundamental shifts in horse racing's business and the economy that took place over the last five years. Mr. Varela said at the January 15, 2010 Regular Board Meeting the industry reported to the Board that it formed a working group, including SCOTWINC, to evaluate all the statutory funds. Chairman Brackpool said he was asking about SCOTWINC'S actions. Mr. Varela said SCOTWINC was working with the industry to evaluate satellites, and to look for efficiencies in operations and whether efficiencies could be achieved. Chairman Brackpool asked what SCOTWINC's deficit would be for the 2009 – 2010 fiscal year. Mr. Varela said the deficit for the current fiscal year was projected to be approximately $4 million dollars. Chairman Brackpool asked how SCOTWINC intended to fund its deficit. Mr. Varela said SCOTWINC was currently receiving a distribution from ADW. It was also participating in the industry review of statutory funds, and it hoped to have a plan in place by June 30, 2010. Vice-Chairman Israel asked if SCOTWINC ever made projections over a recurring five year period to project deficits and check its model. Mr. Varela stated in the past couple years SCOTWINC made projections, but not over five years. Vice-Chairman Israel asked if SCOTWINC ever showed a surplus in any of its models. Mr. Varela said not going forward. Chairman Brackpool asked if the first time the Board would see a business plan from SCOTWINC was June 2010. Mr. Varela said there would probably be a plan before June, but that was the deadline. Vice-Chairman Israel said SCOTWINC seemed to keep taking from one source to pay another. He asked how SCOTWINC would end that pattern. Jack Liebau of Hollywood Park said SCOTWINC and Northern California Off Track Wagering, Inc. (NCOTWINC) had problems with insolvency. Prior to the Board's adoption of the ADW deduction the

SCOTWINC deficit was about $24,000 a day, of which approximately 70 percent was labor costs. Mr. Liebau said the parties were in discussions with Local 280. The discussions went well, but had stalled. The parties would try again to reach a resolution that would reduce labor costs substantially. That was not a total solution, as the business model would have to change, but the industry was aware of the problem and was trying to find a solution with labor's help. Commissioner Choper asked what the deficit was with the revenue generated by ADW. Mr. Liebau said the deficit was covered and past bills were being paid. Vice-Chairman Israel asked if the parties were able to deal with the reassessment in a conceptual manner in addition to financially. He stated he did not mean how the handle was being distributed, but how it was being generated. That meant how customers were attracted, and perhaps following the model that was working for the Commerce Club, would smaller satellite facilities at venues that offered other forms of gambling work? Chairman Brackpool said if SCOTWINC intended to return to the Board for a July 1 extension of the ADW takeout it needed to provide a business plan that had absolute structural changes to the model because the current model was unsustainable. Chairman Brackpool stated he did not know if the industry understood the Board's position because it indicated it would return to the Board with a business plan by June 30, but would need an extension the following day. Marsha Naify of TOC said her organization agreed that a new business model for SCOTWINC and NCOTWINC needed to be implemented. She stated TOC agreed to partner with the organizations and request an increase in the ADW deduction on the condition that a long term solution to the problem was found. TOC was also involved in an industry group that was looking at SCOTWINC and NCOTWINC to find ways to gain efficiencies and reduce expenses.

Ms. Naify said the industry also needed to address other things, such as the "union problem" and Legislation to address the 20 mile radius for minisatellite wagering facilities. She claimed TOC was driving the discussion and it hoped to have real answers. Vice-Chairman Israel said the industry needed to start thinking it was expanding horse racing if it opened new facilities rather worrying about cannibalization. New sites would attract new customers, and they would probably do it better. If a current facility could not compete, it would go out of business – instead of the current monopoly that protected failure. Horse racing needed to be capitalistic and reward success. Chairman Brackpool stated the Innovative Marketing and Promotion of Horse Racing committee would meet with the parties to talk about necessary fundamental changes. In addition, the Budget and Finance Committee would preview what the next 12 to 24 months should look like. Richard Castro of Local 280 stated his organization was working with the industry to resolve the issue. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding SCOTWINC and NCOTWINC.

DISCUSSION AND ACTION BY THE BOARD REGARDING A REPORT AND PRESENTATION FROM REPRESENTATIVES OF NORTHERN CALIFORNIA OFF TRACK WAGERING, INC. (NCOTWINC) REGARDING NCOTWINC'S ORGANIZATIONAL BACKGROUND, EXPENSES AND CURRENT FINANCIAL POSITION.

Patrice VanDussen of NCOTWINC stated her organization's issues were similar to those of Southern California Off Track Wagering, Inc. Chairman Brackpool said the Board wanted to know when NCOTWINC's business plan would be ready. He added the industry's previous deadline of June 30, 2010 was no longer acceptable. Robert Hartman of Golden Gate Fields said the Board would soon receive the information it requested,

and NCOTWINC would work with the Board committees as needed. Mr. Hartman commented the closure of Bay Meadows was a significant blow to NCOTWINC, as the track generated a surplus that offset some of the northern deficit. The San Mateo County Fair (SMCF) filled some of the void, but it was not at the level of the Bay Meadows satellite. The other issue faced by NCOTWINC was that its potentially largest market, San Francisco, had been shut off by SMCF. Two minisatellite applications for San Francisco locations were rejected because SMCF would not waive the 20-mile radius rule. In addition, the San Jose satellite, which was in the largest growing market in the state, was an embarrassment to the industry. Mr. Hartman said the San Jose satellite had a monopoly on its market, which was under served. Chairman Brackpool asked how large NCOTWINC's deficit was. Ms. VanDussen stated the deficit was about $1.2 million for the year 2009. She said it was generated by the associations as the fairs ran with a surplus. Chairman Brackpool asked how the deficit was funded. Ms. VanDussen said the deficit was carried by Golden Gate Fields, which was the association that generated the deficit. Commissioner Choper asked how much would be generated if the Board approved an increase in the advance deposit wagering (ADW) deduction as proposed by NCOTWINC. Ms. VanDussen said an estimated $1.7 million would be raised. The funds would be used to retire prior deficits and the remainder would make January 2010 through June 2010 whole. She added the funds were projected to make up all of the post petition bankruptcy monies. Mr. Hartman said as the handle dropped the deficit would increase. Chairman Brackpool stated that was because the business model failed, and the solutions were just short term band aids. He stated NCOTWINC, like SCOTWINC, would be asked to appear before committees of the Board to explore

changes in the model. Commissioner Moss asked if there were any legislation to change the 20-mile radius rule. Rod Blonien stated there was legislation to shrink the 20-mile radius to 15 miles. The bill would also redact the word "radius" and replace it with "street miles." Additionally, the bill would allow the Board to license a minisatellite facility closer than 15 miles on a test basis. The impact of the minisatellite would be examined before it was continued or discontinued, or some impact fees for the preexisting satellite might be required at the Board's discretion. Mr. Blonien said the bill would have to be negotiated. It was difficult to find a sponsor as three tribal casinos could be impacted, so it would be good if the Board expressed its opinion. Peter Tunney of Golden Gate Fields said the industry has not lost its enthusiasm for finding locations for minisatellite wagering facilities. It was not easy to find a bar or restaurant willing to change its existing business model. It was easier to find an existing card club such as the Commerce Club. Vice-Chairman Israel said he understood. The industry had a system that established legally enforceable monopolies with no incentive to succeed. Chairman Brackpool stated there were two issues. The industry needed to fundamentally change how it did business. It also had a short term need to stay in business while it worked through change. Any business plans brought before the Board needed to address both of those things. Chairman Brackpool said the Board did not want to hear the industry was going to run a bill that would take more money from somebody else to solve the deficit. That was why the work was going through the marketing committee and then the budget committee to determine how the next 12 months could be navigated without the situation deteriorating. John Bucalo of the Barona Casino spoke about his concerns regarding legislation to reduce the 20-mile radius rule. He stated the Barona Casino could support a

15-mile radius, but anything less might be problematic, as it might lead to market saturation. Commissioner Brackpool said market saturation with a 15-mile radius was a "chicken and egg" situation. The industry needed to start promoting its product and not restrict the ability of the public to watch or participate. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding satellite wagering. Chris Korby of California Authority of Racing Fairs (CARF) said his organization agreed that the current business model was not working. He said there were many factors and it was important to take a global perspective that included satellite wagering and ADW. Each facet of the industry had an effect on the other. Mr. Korby said one issue was the satellite commissions, which were not sufficient to keep them viable. In addition, with the advent of ADW patrons no longer needed to leave their homes to wager. Vice-Chairman Israel stated that was a fact, but to combat such changes the satellites needed to become social experiences that convinced fans it was better to spend time at a satellite than at home in front of a computer. One could drink beer at home, but that did not mean one did not go to bars for a different experience.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **NORTHERN CALIFORNIA OFF TRACK WAGERING, INC (NCOTWINC) SHORTFALL AGREEMENT SUBMITTED BY THE THOROUGHBRED OWNERS OF CALIFORNIA (TOC) AND THE PACIFIC RACING ASSOCIATION IN RESPONSE TO THE BOARD'S APRIL 24, 2009 APPROVAL OF A REQUEST FOR MODIFICATION OF CALIFORNIA ADVANCE DEPOSIT WAGERING (ADW) DISTRIBUTIONS ON THOROUGHBRED RACES AS PERMITTED UNDER BUSINESS AND PROFESSIONS CODE SECTION 19604(F)(5)(E).**

Jacqueline Wagner said at its April 24, 2009 Regular Meeting, the Board approved a motion to alter the advance deposit wagering (ADW) distribution from ADW wagers made by California residents while Thoroughbred Associations conducted race meetings.

The motion was made pursuant to Business and Professions Code section 19604(f)(5)(E) and set a period of July 1, 2009 through June 30, 2010. Ms. Wagner said the Thoroughbred Owners of California (TOC) and Pacific Racing Association (PRA) crafted a formal agreement to implement the modification. Ms. Wagner stated staff recommended the Board accept the agreement as presented. Vice-Chairman Israel **motioned** to accept the TOC/PRA shortfall agreement. Commissioner Choper **seconded** the motion, which was **unanimously carried.**

DISCUSSION AND ACTION BY THE BOARD REGARDING A REPORT FROM THE CALIFORNIA THOROUGHBRED TRAINERS (CTT) REGARDING THE RESULTS OF ITS RECENT BOARD ELECTION AND CTT'S PLANS FOR 2010 AND BEYOND.

John Sadler of the California Thoroughbred Trainers (CTT) stated a new CTT president and board had been elected. He said he was elected president and he named the new members of the CTT board. Mr. Sadler spoke about the role of the CTT, which was to represent California's thoroughbred trainers, and the state of California's thoroughbred racing industry as viewed by CTT. Mr. Sadler said the CTT held a special election because its members felt their voices were not being heard and that the tracks had not been as helpful as they might. The new CTT leadership was resolved to lead the healing process and to get California thoroughbred racing back where it belonged. One of the first goals of the CTT was unification with the Thoroughbred Owners of California (TOC). The CTT and TOC held discussions regarding reunification and the CTT remained optimistic it could occur. Mr. Sadler stated the CTT also was interested in developing strategies for strengthening California horse racing, and it looked forward to working with the Board and other industry organizations to revitalize the industry.

Chairman Brackpool said he had a productive meeting with the CTT, and he hoped the CTT would continue to have a presence at Board and committee meetings. If the CTT were part of every discussion, it would at least understand the rational for the Board's decisions. Vice-Chairman Israel asked if there was a time frame for a CTT/TOC merger. Mr. Sadler said the time frame was "as soon as possible." Vice-Chairman Israel asked if a merger would require legislation. Darrell Vienna CTT stated that would depend on how the issues were resolved. However, the process had begun, and the parties were resolved to bring about a reconciliation of the interests. Commissioner Choper asked if the CTT was waiting to merge with TOC before it proposed some solutions to the declining horse population. Mr. Saddler said the CTT was developing ideas that should soon be ready for presentation. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding horse racing in California.

DISCUSSION AND ACTION BY THE BOARD REGARDING A REPORT FROM THE THOROUGHBRED OWNERS OF CALIFORNIA (TOC) REGARDING ITS MANAGEMENT PLANS FOR 2010 AND BEYOND.

Marsha Naify of Thoroughbred Owners of California (TOC) explained the organizational structure of the TOC. She concluded by stating that Guy Lamothe had been appointed temporary Chief Operating Officer, and that no changes would be made within the next few months, depending on discussions with the California Thoroughbred Trainers (CTT). Vice-Chairman Israel asked if the TOC believed the best possible result for horse racing was a merger with CTT. Ms. Naify said the TOC board had not had a chance to meet and discuss the issue. There were some informal discussions, but within the next few weeks the TOC board would thoroughly discuss the issue. Ms. Naify commented the owners

certainly wanted to ensure that their representation was not diluted, as that was why the two organizations were formed. The TOC appreciated that the horsemen wanted to join the organizations so horsemen in general would have a stronger voice, and that was why the TOC would give the concept due diligence. However, the TOC's primary concern was to represent owners' interests. Chairman Brackpool said the Board was respectful of the process, and its role was not do dictate to the industry, but it was strongly encouraging the industry to come together. The only chance the industry had for fundamental change was a concerted, concentrated voice.

DISCUSSION AND ACTION BY THE BOARD REGARDING A REPORT FROM THE REPRESENTATIVE OF THE COMMERCE CLUB MINISATELLITE WAGERING FACILITY REGARDING THE FACILITY'S DAILY HANDLE.

Rod Blonien, representing the Commerce Club Minisatellite Wagering Facility (Commerce Club) said the Commerce Club performed quite strongly from July 2009 through January 2010. The facility started with one room dedicated to minisatellite wagering, and grew to two rooms. Mr. Blonien said the management of the Commerce Club was quite happy with the result. Vice-Chairman Israel asked if the yield on a square foot basis compared favorably to the facility's other operations. Mr. Blonien said he did not know what the yield was per square foot, but there was a buffet near the original room and a food court nearby. The revenue for both was up, so the Commerce Club believed the facility was good for business. Commissioner Choper asked if there were parallel opportunities for minisatellite wagering facilities. Mr. Blonien stated the Lucky Chance Casino, the largest card club in Northern California, would love to open a minisatellite wagering facility, and the Thunder Valley tribal casino also was interested.

Chairman Brackpool said there had been discussions regarding compacts for horse racing, but the Governor's office was reluctant to open the compacts. He urged any party with access to contact the Governor's office to see if someone could sit down and see what could be done. Chairman Brackpool stated the Legislative committee would soon hold a meeting where the issues could be examined in greater detail. Commissioner Choper asked Mr. Blonien if there was a legitimate reason for those who opposed minisatellite wagering facilities to feel they might be cannibalized by new facilities. He stated it might be worth getting professionals to make some determination. Commissioner Rosenberg said it appeared the minisatellite wagering facilities were handling about $500 a day per person. That was significantly higher than the race track or satellite facilities. Mr. Blonien said he believed the minisatellite facilities were capturing some persons who otherwise used "alternative" means of wagering on horse races. There was some cannibalization, but also some growth.

DISCUSSION AND ACTION BY THE BOARD REGARDING A REPORT AND PRESENTATION FROM THE LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION AND CALIFORNIA EXPOSITION AND STATE FAIR HARNESS RACING ASSOCIATION REGARDING THE STATUS OF THE NIGHT INDUSTRY AND PROMOTIONAL PROGRAMS FOR HARNESS AND QUARTER HORSE RACING.

Dr. Edward Allred, representing Los Alamitos Racing Association (LARA), stated that in the 40 years he had attended CHRB meetings there were occasional critiques of the industry's promotional efforts. He said, however, the industry faced a very hard test when it came to making new fans. That might not have been the case in the first half of the 20th Century, when horse racing was the only game in town, but those fans were dying off and were not being replaced. Dr. Allred illustrated his point by stating he was

once in the habit of bringing 500 of his medical practice employees to LARA every year for a Christmas party. Those employees would have a great time, but he would not see one of them return to the track until the next Christmas party. Dr. Allred also spoke about a past marketing effort aimed at the zip codes surrounding LARA. Approximately 25,000 brochures with $5 vouchers were hand-delivered within the 15-mile target area, and only 47 came back. He stated only 15 percent of the handle was on-track, with the remainder from simulcasting. LARA's biggest day was "Doggie Day" with Dachshund races. That day attracted 10,000 to 12,000 persons, but they wagered next to nothing, and those persons never came back. Chairman Brackpool said he agreed with the points made by Dr. Allred. A lot of the industry did a great job of getting people to the track, but that did not convert into handle, and that was what the industry needed to work towards. Dr. Allred said what LARA could do was attract thoroughbred fans by advertising in the Racing Form, and in the Santa Anita and Hollywood Park programs. LARA also took time on thoroughbred television programs and advertised on TVG. However, that amounted to milking the existing fan, not creating new fans. Vice-Chairman Israel stated it appeared that instead of working together in a coherent effort to attract customers, the tracks acted as competitors and had to pay each other. Dr. Allred said he believed the tracks had a cooperative relationship. The industry did not overcharge for advertising space, and the tracks tried to promote each other to the extent they could. The problem was that LARA was overpaid $1.4 million in 2009 and would probably end 2010 overpaid by $2.5 million. The problem was finding enough horses to run, and owners that could afford to run them. Chairman Brackpool asked how going from four nights a week of racing to three nights had worked for LARA. Dr. Allred said

it was a temporary move, and it would probably be resolved by April 2010. He stated it was working, but TVG did not like it and LARA's employees were not making as much money. Dave Elliot, representing Cal-Expo, said his organization went from four nights of racing a week to three nights of racing. The change worked well for Cal-Expo, and the Thursday handle (not including advance deposit wagering) increased $200,000. Mr. Elliot added Cal-Expo just finished a $10,000 handicapping contest of which the top five finishers were women. Cal-Expo appointed an independent industry marketing task force composed of owners and others involved in the harness industry. The task force was charged with formulating marketing ideas, and would make a presentation to Cal-Expo within a few weeks. Cal-Expo was also creating a Blog, and it was creating a presence on Facebook. Chairman Brackpool asked when Cal-Expo would go back to racing four nights a week. Mr. Elliot said he did not anticipate returning to four nights. He stated three nights a week was the formula that worked since March 2008. Cal-Expo only went to four nights a week because of an influx of horses, and that turned out to be a disaster.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **ALLOCATION OF RACE DATES FOR THE CALIFORNIA EXPOSITION AND STATE FAIR HARNESS RACING ASSOCIATION (H) COMMENCING AUGUST 13, 2010 THROUGH DECEMBER 18, 2010.**

Jacqueline Wagner, CHRB staff, said in October 2009 the Board approved the allocation for the winter harness race meeting at Cal Expo. The race dates allocated were from December 26, 2009 through June 19, 2010. Cal-Expo subsequently submitted a request for the allocation of 2010 summer/fall race dates. The dates requested were from August 13, 2010 through December 18, 2010, which was 55 days. The race calendar would run Thursday through Saturday, weekly. Vice-Chairman Israel **motioned** to approve the

allocation of race dates for Cal-Expo commencing August 13, 2010 through December 18, 2010. Commissioner Choper **seconded** the motion, which was **unanimously carried.**

DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF HOLLYWOOD PARK RACING ASSOCIATION IN THE AMOUNT OF $160,000 TO 23 BENEFICIARIES.**

Jacqueline Wagner, CHRB staff, said the Hollywood Park Racing Association (HPRA) was requesting approval to distribute its race day charity proceeds in the amount of $160,000 to 23 beneficiaries. Ms. Wagner stated 57 percent of the proceeds would be distributed to racing related organizations, and staff recommended the Board approve the request as presented. Commissioner Choper **motioned** to approve the request by HPRA to distribute its race day charity proceeds. Vice-Chairman Israel **seconded** the motion, which was **unanimously carried.**

DISCUSSION AND ACTION BY THE BOARD REGARDING AN **UPDATE AND REPORT FROM SANTA ANITA PARK RACE TRACK ON DRAINAGE ISSUES ASSOCIATED WITH ITS PRO-RIDE TRACK, THE CURRENT CONDITION OF THE RACETRACK AND THE FINANCIAL IMPACT RESULTING FROM THE LOSS OF RACING AND TRAINING DAYS.**

George Haynes, representing Santa Anita Park Race Track (SA), said it was well documented that when SA had torrential rain on its race course, it had drainage problems. SA currently had legal proceedings against Cushion Track for a defect in the manufacturing of the race course surface. Additionally, SA was doing everything possible to traverse the periods of inclement weather when it experienced trouble with its track. The surface was being aerated by punching holes down to the rock base to assist

drainage. SA even went to the extent of placing tarps over the problem areas. Chairman Brackpool said the Board wished to hear about the financial impact of the track's problems. Mr. Haynes said when SA cancelled its live racing it remained open for simulcast wagering. He commended the cancelled days were called "minimal days" because SA would have had minimal attendance due to the rain. Vice-Chairman Israel said SA lost up to six days of training, which meant exercise riders and others lost income. Was there a process by which those people could be made whole, because they did not have representation and were living on very little. Mr. Haynes said there was no process to make such persons whole. He added SA was open for training on its training track. There were fewer horses on the track, but it was not unlike when SA had a dirt track. Training would be cancelled repeatedly during torrential rains. Vice-Chairman Israel asked how SA reallocated purse money so the owners, trainers and jockeys were made whole. Mr. Haynes said SA was open for simulcast wagering and was still generating purse money, which went into live racing when it commenced. Chairman Brackpool asked how many races SA made up. Mr. Haynes said one race was made up out of as many as 35 races. SA intended to make up the lost races where it could and it would run a ten-race program on Saturdays and Sundays. Commissioner Choper asked what Pro-Ride had to say about the issue. Mr. Haynes said the track was not a Pro-Ride track; it had been amended by Pro-Ride product. The track was still originally a Cushion Track. Commissioner Choper said Pro-Rides' answer then was that the problems were all a product of the original Cushion Track. Commissioner Rosenberg asked if it was all the drainage system, not the track, or both? Mr. Haynes said it was the track material itself. Chairman Brackpool said the Board was interested in the financial impact of the

closures. He asked if the Thoroughbred Owners of California or California Thoroughbred Trainers (CTT) had any comments. John Sadler of CTT said the SA racing office worked hard to put the lost races back, so the CTT had no complaints. Mike Wellman, a horse owner, asked if SA had business interruption insurance, and had there been any thought to making whole owners whose horses had pre-race medication? Gina Lavo of SA said her organization did have business interruption insurance, but the deduction period was such that it did not make sense to make a claim. In addition, SA was still offering simulcast wagering, so it was still operating. By the time SA would wait for the deduction period and it filed a claim, it was better off just operating as a satellite. Mr. Haynes stated SA did pay for the horses that were medicated pre-race.

DISCUSSION AND ACTION BY THE BOARD REGARDING AN UPDATE FROM MAGNA ENTERTAINMENT CORPORATION CONCERNING ITS BANKRUPTCY FILING, RACING OPERATION AND THE STATUS OF STATUTORY FUNDS THAT MAY STILL BE OWED MONEY FOR PRE AND POST BANKRUPTCY PETITION DEBTS.

Greg Scoggins, representing Magna Entertainment Corporation (MEC), said the plan of reorganization was filed the week of February 15, 2010. Mr. Scoggins stated he was also prepared to speak about the status of the motion MEC filed in the bankruptcy court regarding its request to pay the statutory payments. Chairman Brackpool said the Board still wanted to know which category of claims would not be paid in full under the current plan, and what the magnitude of those claims was. Mr. Scoggins said he could not give a full answer to that question, but he would obtain the balance and return with the information. Chairman Brackpool said the Board would like to receive supplemental responses to any questions Mr. Scoggins could not answer so it did not have to wait until

its next Regular Meeting. Mr. Scoggins said that would be done. He stated the reorganization plan was filed the week of February 15, 2010, and it categorized the various types of creditor claims. Mr. Scoggins listed the types of claims and said the secured claims would be made 100 percent whole, as would the priority claims. There was also litigation by certain entities, such as RGS, involving settlement fees. The parties were taking the position that the fees were not part of the bankruptcy estate and they were entitled to be paid regardless of the ultimate plan, because the fees were not the property of MEC. Chairman Brackpool asked if the issue had to be ruled on before the disclosure statement could be approved. Mr. Scoggins said that was the case. Chairman Brackpool said if the judge decided the parties were right, it would be a continuing obligation of MEC to pay under contractual law. Would the plan then contend the obligation should fall into the unsecured creditor category? Mr. Scoggins said that was his understanding. Chairman Brackpool stated it was difficult to determine what percentage on the dollar unsecured creditors would receive because the funds were generated with the auctioning of the different facilities. Mr. Scoggins said creditors were being paid in two ways. Holders of bond notes would be paid on a prorated basis. Then, the $75 million MID Developments (MID) was committed to paying would go to unsecured creditors that did not include holders of bond notes. Chairman Brackpool asked what the range of claims was that fell within the second category of unsecured creditors. Mr. Scoggins said the range was between $250 million and $300 million, however he did not know what the estate contended was the exact sum. Chairman Brackpool said the Board was interested in what the estate claimed, because if the number were $250 million, and the unsecured creditors were getting $75 million, that

was 30 cents on the dollar. Commissioner Choper said to the extent there may be outstanding statutory claims, was there anything the Board could do to bring to the attention of the bankruptcy judge the importance to the industry of satisfying such claims? Mr. Scoggins stated MEC asked for the right to pay statutory claims, but was denied. Chairman Brackpool said the Board should consult the Attorney General's office. He asked what the timeline was. Mr. Scoggins stated the plan was submitted in February 2010, and the disclosure statement would be argued in March 2010, with a hearing on the plan in April 2010. Chairman Brackpool asked who in California was going to be in the unsecured pool, or who was MEC arguing should not be a valid claim. Mr. Scoggins said he did not have the full list of California based claims, but he would supply it as a supplemental response. He stated that based on the bankruptcy court's ruling, the statutory fee recipients would be considered unsecured creditors and they would participate in the $75 million prorated distribution. If the rebate shops, such as RGS lost their claims, they would be added to the unsecured creditor pool, which would raise the total amount of unsecured debt – assuming the plan was confirmed. Jack Liebau of Hollywood Park said the parties who claimed statutory fees were disappointed that the MEC motion failed. Since the failure of the motion, the parties filed a complaint similar to that filed by RGS. The claim stated the funds owed were statutory and never were part of the bankrupted estate. The complaint was held in abeyance pending the motion that MEC filed to pay the fees. Mr. Liebau stated the parties would appreciate the Board's help in representing to the court that the payments were statutory and held in trust. Commissioner Choper said the Board received an opinion from the Attorney General's office that stated the parties were not entitled to any preferential treatment. Mr. Liebau

said he read the opinion in a different light. Commissioner Choper said Mr. Liebau should consider making a specific suggestion to the Board with reasons, including discussion of the Attorney General's report. It should include what the Board ought to do, what to submit to the bankruptcy court, and when to submit. Chairman Brackpool said there was a short timeline and the Board believed protecting the statutory payments was important. So, the parties should give the Board a practical suggestion, which would be added to the Attorney General's advice, and go forward from there. Commissioner Rosenberg asked if a written ruling was issued. Mr. Scoggins said a factual hearing was held at which Tom Varela from Southern California Off Track Wagering, Inc., testified. RGS opposed the motion and the judge ruled from the bench. The basis of the ruling was that the testimony did not demonstrate the debtors were in imminent danger as a result of their inability to pay those fees. The judge also took it as significant that the plan was about to be approved, or that a settlement was in place whereby MID would take ownership of MEC. Mr. Liebau said the real thrust of the matter was MEC's position with respect to payment of the statutory fees. Mr. Scoggins said the answer depended on the theory under which the request was made. MEC did ask for the right to pay the fees – based on its theory that the parties were critical vendors, but the court disagreed. The MEC theory assumed the fees were part of the estate. MEC did not ask that the fees be treated as a trust fund. Commissioner Choper commented that would make MEC liable after the discharge of the bankruptcy. Chairman Brackpool said MEC was making a terrible error in the promotion of its continuing business by shorting the parties. However, the Board would like to see the details; Mr. Liebau should give the Board

additional information, and after conferring with the Attorney General, the Board would make a motion to the court.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE ASSIGNMENT OF BOARD MEMBERS TO CHRB STANDING COMMITTEES FOR 2010.

Chairman Brackpool said over the years committees of the Board performed a useful role. He stated Board members had been assigned to committees, which would each be composed of two Commissioners. Chairman Brackpool stated he asked each committee chair to hold a meeting within 60 days so that by April 2010 the Board would have feedback. He said the Pari-Mutuel, ADW and Simulcast Committee would be chaired by Commissioner Moss with Commissioner Choper as a member; the Legislative, Legal and Regulations Committee would be chaired by Chairman Brackpool with Commissioner Choper as a member; the Medication and Track Safety Committee would be chaired by Commissioner Derek with Commissioner Harris as a member; the Budget Finance and Audit Committee would be chaired by Vice-Chairman Israel with Commissioner Rosenberg as a member; the Stewards Committee would be chaired by Chairman Brackpool with Vice-Chairman Israel as a member; and the Committee on Innovative Marketing and Promotion of Horse Racing would be chaired by Commissioner Rosenberg with Commissioner Derek as a member. Chairman Brackpool said he looked forward to hearing from the committees.

MEETING ADJOURNED AT 1:45 P.M.

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

Chairman

Executive Director

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT/ADDITION OF THE FOLLOWING CHRB RULES IN COMPLIANCE WITH THE PROVISIONS OF BUSINESS AND PROFESSIONS CODE SECTION 19510, WHICH CLASSIFIES THE OUTRIDER AS A RACING OFFICIAL:

(A) RULE 1481, OCCUPATIONAL LICENSES AND FEES, AMEND TO ADD THE OCCUPATIONAL LICENSE CLASS OF "OUTRIDER" TO THE LIST OF RACING OFFICIALS WHO MUST OBTAIN AN OCCUPATIONAL LICENSE;

(B) RULE 1504.3, QUALIFICATIONS FOR LICENSE AS OUTRIDER, ADD RULE TO PROVIDE FOR THE TESTING OF APPLICANTS FOR AN ORIGINAL LICENSE AS OUTRIDER;

(C) RULE 1520, RACING OFFICIALS, AMEND TO ADD THE OCCUPATIONAL LICENSE CLASS OF "OUTRIDER" TO THE LIST OF RACING OFFICIALS;

(D) RULE 1564, DUTIES OF THE OFFICIAL OUTRIDER, ADD RULE TO SPECIFY THE DUTIES OF THE OUTRIDER;

(E) RULE 1693, CONTROL OF HORSES AND JOCKEYS ON ENTERING THE TRACK, AMEND TO CLARIFY THE ROLE OF THE OUTRIDER WITH REGARDS TO HORSES ENTERING THE TRACK PRIOR TO A RACE.

Regular Board Meeting
March 19, 2010

BACKGROUND

Assembly Bill (AB) 1575, Chapter 650, Statutes of 2009, amended Business and Professions Code section 19510 to define the outrider as a racing official. This necessitates the amendment/addition of Board Rules to provide for the licensing of persons who wish to obtain a license as an outrider. The following are proposed amendments/additions that pertain to the outrider classification:

A. **Rule 1481, Occupational Licenses and Fees**. The proposed amendment to Rule 1481 changes subsection 1481(b)(6) to provide that "*Racing Official as defined in Rule 1520 of this division*" is a class of persons who must obtain an occupational license. The current regulation merely states "Racing Official" but it does not state what persons are racing officials, or where one may find a list of racing officials. Rule 1520, Racing Officials, lists the classes of occupational license considered racing officials. Rather than list each racing official in Rule 1481, Rule 1520 is referenced to provide such information. The reclassification of the outrider under Rule 1481 also has the effect of increasing the cost of an outrider license from $75 to $150 for a three year period.

B. **Rule 1504.3, Qualifications for Outrider**. The proposed addition of Rule 1504.3 states what an applicant for original license as outrider must do to receive a license. Applicants must pass a written examination administered by the Board, as well as provide evidence that he or she has been licensed as a pony rider in good standing for a period of not less than three years. This is in lieu of a practical examination. Pony riders generally lead horses to the gate and pony horses for training at the track. A competent pony person is a very good rider and has plenty of experience ponying horses at the gallop with and without a rider. Pony persons must be able to control their horses, and the horses they are ponying, even in heavy traffic. A pony rider who has held a license for three years should be able to catch a horse that has run off. Under Rule 1504.3(b), an applicant must submit a recommendation card that has been signed by the stewards. This certifies that the stewards have spoken to the applicant, the applicant has passed the written examination, and that the stewards have reviewed the applicant's qualifications and found him or her qualified. Additionally, applicants for license who holds a current outrider license in another jurisdiction must appear before the stewards who may subject the applicant to a written examination.

C. **Rule 1520, Racing Officials**. The proposed amendment of Rule 1520 adds outriders to the list of racing officials of a race meeting.

D. **Rule 1564, Duties of the Outrider**. The proposed addition of Rule 1564 describes the general duties of the outrider. Under Rule 1564 the outrider, who is responsible to the stewards, has supervisory authority over the conduct of horses and all persons who are mounted or who are sitting on a sulky, and who enter the racetrack to train or participate in a race. The outrider watches to ensure that all horses and riders are following the rules of the racetrack, and he or she is there to assist if a mishap occurs.

E. **Control of Horses and Jockeys on Entering the Track**. The proposed amendment of Rule 1693 provides for the role of the outrider, who is in charge of the post parade. The rule also allows the outrider to allow for the care of a horse during a delay caused by an accident.

RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board direct staff to initiate a 45-day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 4. OCCUPATIONAL LICENSES
PROPOSED AMENDMENT OF
RULE 1481. OCCUPATIONAL LICENSES AND FEES

Regular Board Meeting
March 19, 2010

1481. Occupational Licenses and Fees.

No person required to be licensed shall participate or attempt to participate in a race meeting without holding a valid license authorizing that participation.

(a) A person acting in any capacity within the restricted area of an inclosure, simulcast facility or auxiliary stabling area shall procure the appropriate license(s) and pay the fee required.

(b) A person acting in any of the following capacities shall procure the appropriate license(s) and pay the fee required:

(1) Horse Owner by Open Claim.....$250

(2) Officer, Director, Partner or any individual or person who holds 5% or more of the outstanding shares of a racing association, simulcast service supplier or totalizator company. $200

(3) Horse Owner $150

(4) Trainer, Assistant Trainer, Driver, Jockey, Apprentice Jockey, Jockey Agent $150

(5) Veterinarian.....$150

(6) Steward, Associate Steward, Steward (Veterinary Service), Simulcast Facility Supervisor, Assistant Simulcast Facility Supervisor, Racing Official <u>as defined in Rule 1520 of this division,</u> Administrative or Managerial personnel including General Manager of a racing association, simulcast organization or an intrastate guest association, who exercise control over other licensees, horse racing, pari-mutuel wagering or simulcast operations, or whose duties routinely require access to restricted areas of the inclosure $150

(7) Bloodstock Agent.....$150

(8) Valet, Jockey Room or Drivers' Room Attendant or Custodian or Service Person, Colors Attendant, Paddock Attendant.....$75

(9) Assistant to a Racing Official or Official, Assistant General Manager of a racing association, simulcast organization or an intrastate guest association, Assistant Starter, Assistant to the Veterinarian, Assistant Manager, Announcer, Paymaster of Purses, Superintendent, Starting Gate Driver, Flagman, Marshal, Stewards' Aide.....$75

(10) Exercise Rider, Pony Rider~~, Outrider~~.....$75

(11) Horseshoer, Stable Agent, Vendor or Vendor's Employee when duties require access to the restricted area, Stable Foreman.....$75

(12) Pari-mutuel Employee, Totalizator Technician, Video Operator, Photofinish Operator.....$75

(13) Security Officer, Security Guard, Stable Gateman, Fire Guard, Security Investigator.....$75

(14) Clerical Employee or Uncategorized Employee of a racing association, intrastate guest association, simulcast organization, simulcast service supplier, totalizator company, horsemen's organization or concessionaire when employed in a restricted area.....$75

(c) A person acting in the capacity of Backstretch Event Personnel, Groom, Stable Employee or Stable Assistant shall procure the appropriate annual license. The fee for an original license is $35, and the annual renewal of license is $20.

(d) A person acting in the capacity of Authorized Agent shall register an authorized agent agreement and registration of authorized agent and pay a fee of $25 for each registration.

(e) A person or persons electing to conduct racing operations by use of a Stable Name, or stable name group, shall register the Stable Name, or stable name group, and pay a fee of $300.

(f) A person or persons conducting racing operations as a syndicate, an entity running under a stable name group or as a partnership having more than ten general partners or having one or

more limited partners shall register the syndicate, entity running under a stable name group or partnership as a multiple ownership and pay a fee of $300.

(g) A person participating in any capacity required to be licensed under this rule who participates or attempts to participate at a mule racing meeting shall procure an annual Mule Racing Participant license and pay an annual fee of $25. A license for participating in a mule racing meeting is valid only at mule racing meetings and any license otherwise valid for horse racing meetings is not valid for mule racing meetings.

(h) A person whose license-identification card is lost, destroyed or mutilated shall procure a replacement license-identification card and pay a fee of $15.

(i) A person who elects to participate in the Association of Racing Commissioners International (ARCI) Licensing Reciprocity Program shall pay the associated costs charged by the ARCI and the Federal Bureau of Investigation.

(j) The date the payment of the required fee is received and recorded by the Board is the effective date of issuance of a continuous occupational license for the capacity in which licensed. The fees required herein are for the entire period for which the issued license is to be valid.

Authority: Sections 19440, 19510, 19520 and 19704, Business and Professions Code.

Reference: Sections 19510, 19512 and 19704, Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 4. OCCUPATIONAL LICENSES
PROPOSED ADDITION OF RULE
1504.3. QUALIFICATIONS FOR LICENSE AS OUTRIDER

Regular Board Meeting
March 19, 2010

1504.3. Qualifications for Outrider

Except as otherwise provided under this article, an applicant for an original license as an outrider shall take and pass an outrider examination prior to issuance of a license. An applicant shall:

(a) Complete and pass a written examination as prescribed by the Board and administered by its agents.

(1) A score of 80 percent shall constitute a passing grade on the written examination.

(2) An applicant who fails the written examination may apply to retake the examination at the next regularly scheduled outrider examination.

(b) At the time of application for license as outrider, the applicant shall submit a recommendation card form California Horse Racing Board CHRB-59 that has been signed by the stewards. The recommendation card is available at Board licensing offices at live race meetings, and Board headquarters offices. By signing the recommendation card the stewards certify that the applicant has:

(1) Completed and passed the written examination as described in subsection (a) above.

(2) Provided evidence that prior to application for license as outrider he or she has held a pony rider license in good standing in California or in another racing jurisdiction for a period of not less than three years.

(c) An applicant for license as outrider who holds a current outrider license in another racing jurisdiction, and has held such license in good standing for at least one year, shall make an application for license as outrider under rules 1481 and 1483 of this division. The applicant shall appear before the board of stewards and they may subject him or her to a written examination.

Authority: Sections 19440, 19510 and 19562, Business and Professions Code.

Reference: Sections 19440, 19510 and 19562, Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 5. RACING OFFICIALS
PROPOSED AMENDMENT OF
RULE 1520. RACING OFFICIALS

Regular Board Meeting
March 19, 2010

1520. Racing Officials.

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

Authority: Sections 19440, 19510 and 19562,
Business and Professions Code.

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

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 5. RACING OFFICIALS
PROPOSED ADDITION OF
RULE 1564. DUTIES OF THE OUTRIDER

Regular Board Meeting
March 19, 2010

1564. Duties of the Outrider.

(a) The outrider shall be responsible to the stewards and shall have general supervisory authority over the conduct of all horses and all persons who are mounted on a horse, or who are sitting on a sulky, who participate in:

(1) the workout of horses on the racetrack, or at an authorized training facility,

(2) the post parade from the time the horses exit the paddock until they reach the starting gate,

(b) During the running of the race, the outrider shall gain control of the horse in cases where a jockey or driver has been unseated.

Authority: Sections 19420, 19440, 19460 and 19510, Business and Professions Code.

Reference: Sections 19420, 19440, 19460 and 19510, Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 8. RUNNING THE RACE
PROPOSED AMENDMENT OF
RULE 1693. CONTROL OF HORSES AND JOCKEYS ON ENTERING THE TRACK.

Regular Board Meeting
March 19, 2010

1693. Control of Horses and Jockeys on Entering the Track.

The horses are under the control of the ~~starter~~ outrider from the time they enter the track until they reach the starting gate ~~dispatched at the start of the race~~. After entry on the track or race course, the horses are not entitled to further care from their attendants, except in case of accident the outrider or the starter may permit the jockeys to dismount and the horses to be cared for during the delay; otherwise, no jockey shall dismount until after the finish of the race. The horse must be started by the jockey, but with the sanction of the starter it may be led to its position in the gate by an assistant starter. With the sanction of the starter an assistant starter may enter the gate to handle a fractious horse. No assistant starter shall in any way impede, whether intentionally or otherwise, a fair start.

Authority: Sections 19420, 19440 and 19562, Business and Professions Code.

Reference: Sections 19420, 19440 and 19562, Business and Professions Code.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT OF RULE 1766, DESIGNATED RACES, TO REQUIRE A JOCKEY OR DRIVER TO SERVE ADDITIONAL SUSPENSION DAYS SHOULD A SUSPENDED JOCKEY OR DRIVER PARTICIPATE IN MORE THAN ONE DESIGNATED RACE PER DAY IN CALIFORNIA

Regular Board Meeting
March 19, 2010

BACKGROUND

Business and Professions Code section 19460 provides that all licenses granted under this chapter are subject to all rules, regulations, and conditions from time to time prescribed by the Board. Business and Professions Code section 19461 states every license granted under this chapter is subject to suspension or revocation by the Board in any case where the Board has reason to believe that any condition regarding it has not been complied with, or that any law, or any rule or regulation of the Board affecting it has been broken or violated. Business and Professions Code section 19520 provides that every person who participates in, or has anything to do with, the racing of horses, including a jockey shall be licensed by the Board pursuant to rules and regulations that the Board may adopt. No person required to be licensed by this article may participate in any capacity in any horse race meeting without a valid and unrevoked license authorizing the participation. Board Rule 1766, Designated Races, states that the Board of Stewards shall, immediately prior to the commencement of a meeting, designate the stakes, futurities or futurity trials or other races in which a jockey or a driver who is under suspension for ten days or less for a riding or driving infraction will be permitted to compete, notwithstanding the fact that such jockey or driver is technically under suspension at the time the designated race is run. A day in which a suspended jockey or driver participates in one designated race in California shall count as a suspension day. A day in which a suspended jockey or driver participates in more than one designated race in California shall not count as a suspension day.

At its February 19, 2010 Regular meeting the Board discussed the possibility of amending Rule 1766 to prevent suspended jockeys and drivers who participate in more than one designated race from "picking and choosing" their additional suspension days. The issue centered around suspended jockeys and drivers who might choose to participate in a designated race on a Friday, Saturday or Sunday – days with better race cards – and then serve their additional day of suspension on a Wednesday or Thursday, which are days that traditionally might not have the better races. The Board determined that it would direct staff to develop an amendment to Rule 1766 to require that a jockey or drive serve an additional day of suspension that was equivalent to the day in which the jockey or driver rode in designated races.

ANALYSIS

The proposed amendment to Rule 1766 adds a new subsection 1766(h), which provides that a suspended jockey or driver who participates in more than one designated race in California, or one or more designated race in another jurisdiction, must complete his or her suspension on the

equivalent day of the week following the day on which the jockey or drive participated in the designated race(s). This means that if a suspended jockey participates in two designated races on a Saturday, he or she would complete their suspension with an "additional day" of suspension on the following Saturday.

RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board direct staff to initiate a 45-day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 11. OBJECTIONS AND PROTEST; APPEALS
RULE 1766. DESIGNATED RACES

Regular Board Meeting
March 19, 2010

1766. Designated Races.

(a) The Board of Stewards appointed for a race meeting shall, immediately prior to the commencement of that meeting, designate the stakes, futurities or futurity trials or other races in which a jockey or a driver who is under suspension for ten ~~(10)~~ days or less for a riding or driving infraction will be permitted to compete, notwithstanding the fact that such jockey or driver is technically under suspension at the time the designated race is to be run.

(b) Official rulings for riding or driving infractions of ten ~~(10)~~ days or less shall state: "The term of this suspension shall not prohibit participation in designated races in California." However, the Board of Stewards may prohibit a jockey or a driver from participating in designated races if such jockey or driver has previously been suspended at least twice during the race meeting specified in subsection (a) of this rule.

(c) Prior to the commencement of a meeting, a listing of the races designated in accordance with subsection (a) of this rule shall be submitted in writing to the Board. A copy of the list of designated races shall be posted in the Jockey or Driver's Room, and any other such place deemed appropriate by the stewards.

(d) A suspended jockey or driver must be named at the time of entry to participate in any designated race.

(e) A day in which a suspended jockey or driver participates in one designated race in California shall count as a suspension day.

(f) A day in which a suspended jockey or driver participates in more than one designated race in California shall not count as a suspension day.

(g) Notwithstanding the above, a day in which a jockey or a driver participates in one or more designated races in another jurisdiction while under suspension in California shall not count as a suspension day.

(h) A jockey or driver who participates in more than one designated race under subsection (f) of this regulation, or in one or more designated race under subsection (g) of this regulation, shall complete his or her term of suspension on the equivalent day of the week following the day on which the jockey or drive participated in the designated race(s).

Authority: Section 19460,
Business and Professions Code.

Reference: Sections 19460, 19461 and 19520,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD

MARCH 19, 2010
REGULAR BOARD MEETING

There is no board package material for Item 7

CALIFORNIA HORSE RACING BOARD

MARCH 19, 2010
REGULAR BOARD MEETING

There is no board package material for Item 8

DISCUSSION BY THE BOARD REGARDING A REPORT ON THE RATIFICATION OF AMENDMENT TO THE COLLECTIVE BARGAINING AGREEMENT

Regular Board Meeting
March 19, 2010

BACKGROUND

The current Pari-Mutuel Employees Guild Local 280 (Guild) collective bargaining agreement, which is valid through 2011, guarantees the Guild a specific number of workers and hours per day regardless of need or finances. The California horse racing industry and the Guild have engaged in negotiations to amend the agreement to provide some relief to the satellite wagering facilities. On February 1, 2010 Guild members voted down an agreement that would have cut staffing hours. However, On March 8, 2010 the Guild membership ratified an amendment to its labor agreement. The amendment provides for a 22.5 percent reduction in required staffing.

RECOMMENDATION

This item is presented for discussion by the Board. The Board may wish to hear from interested parties.

STAFF ANALYSIS
DISCUSSION AND ACTION BY BOARD REGARDING A REPORT FROM THE CALIFORNIA MARKETING COMMITTEE ON ITS BUDGET FOR 2010 AND 2011 AND MARKETING AND PROMOTION PLANS.

Regular Board Meeting
March 19, 2010

BACKGROUND

Business and Professions Code section 19605.73 states that racing associations, fairs, and the organization responsible for contracting with racing associations and fairs with respect to the conduct of racing meetings, may form a private, statewide marketing organization to market and promote thoroughbred and fair horse racing, and to obtain, provide, or defray the cost of workers' compensation coverage for stable employees and jockeys of thoroughbred trainers. The California Marketing Committee (CMC) is that organization.

Business and Professions Code section 19605.73(b) requires the CMC to annually submit to the Board a statewide marketing and promotion plan and a thoroughbred trainers' workers' compensation defrayal plan for thoroughbred and fair horse racing that encompasses all geographical zones in the state, and which includes the manner in which funds were expended in the implementation of the plan for the previous calendar year.

These activities are funded from the deduction of 0.4 percent of the amounts available to commissions and purses from the total amount handled by each satellite wagering facility. No more than one-sixth of the total amount available each year shall be used to defray the cost of workers' compensation insurance. Moneys not expended in the year collected may be expended the following year, and when the expenditures from a particular year are greater that the revenues collected into the fund, expenditures for the following year shall be reduced by the excess amount.

Business and Professions Code section 19605.73 (d) states this section shall remain in effect until January 1, 2011 unless a later enacted statue is implemented. Currently, Senate Bill (SB) 1072 provides for an extension of the law until January 1, 2014. SB 1072 has not yet been passed by the Legislature.

ANALYSIS

Financial statements from the CMC for year 2008 shows the majority of the revenues the organization received were used on expenses related to marketing and promotion of thoroughbred and fair horse racing. The CMC has not provided audited financial statements for 2009. However, according to CMC, the programs are essentially the

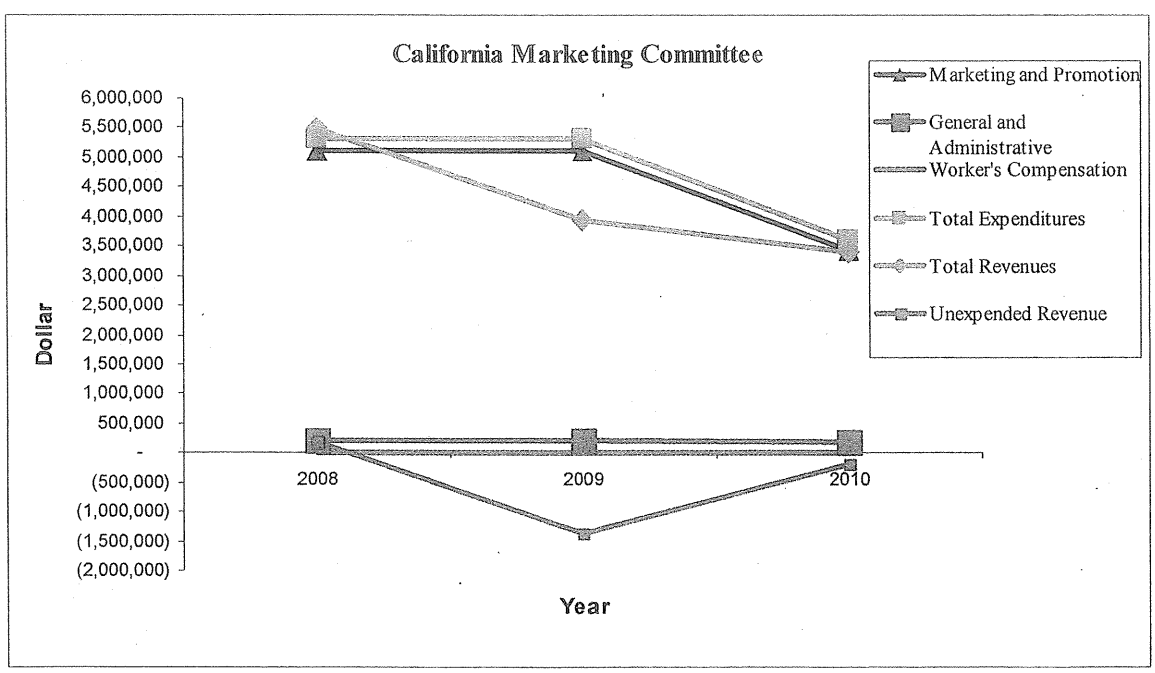
same since 2008. The CMC has indicated that the 2009 audited financial statements will be sent to the CHRB as soon as the 2009 books are closed. For this analysis, the CHRB used CMC's budgets for years 2009 and 2010. At the July, 2008 CHRB Board Meeting, the CMC agreed to provide the Board with program information so the Commissioners could review them. The Commissioners agreed that if there was something they wanted to bring back to discuss further they would do that.

Since 2005 no funds have been spent to defray the cost of workers' compensation coverage for stable employees and jockeys of thoroughbred trainers. Business and Professions Code section 19605.73 (c) provides that no more that one-sixth of the total amount available annually be used to defray the cost of worker's compensation.

The table and graph below outlines the audited and budgeted CMC's revenues, and expenses including marketing and promotional, general and administrative, and worker's compensation for years 2008, 2009, and 2010.

California Marketing Committee

	a	b	c	d=a+b+c	e	f=e-d
Year	Marketing and Promotion	General and Administrative	Worker's Compensation	Total Expenditures	Total Revenues	Unexpended Revenue
2008	5,123,890	196,831	0	5,320,721	5,486,044	165,323
2009	5,102,282	215,000	0	5,317,282	3,949,550	(1,367,732)
2010	3,409,833	186,046	0	3,595,879	3,395,927	(199,952)



RECOMMENDATION

Staff recommends the Board hear from the CMC representative and other interested parties on their marketing and promotion and other expenditure plans.

DISCUSSION AND ACTION BY THE BOARD REGARDING A REPORT BY A REPRESENTATIVE OF THE OWNERSHIP OF HOLLYWOOD PARK AS TO ITS FUTURE STATUS AS A RACING VENUE

Regular Board Meeting
March 19, 2010

BACKGROUND

In July 2005 the Bay Meadows Land Company, LLC, the owner of Bay Meadows Race Track in San Mateo, bought the Hollywood Park Race Track (HP) from Churchill Downs. At that time, the parent company of Bay Meadows Land Company, Stockbridge Real Estate Fund, indicated that if within three years state law was not changed to allow multiple forms of gaming at the racetrack, HP would be shut down and redeveloped. In July 2009, the Inglewood City Council approved a mixed-use project at HP. The vote would allow Hollywood Park Land Development LLC to develop the 238-acre property and build housing, retail and mixed-use projects. In October 2009 HP was allocated race dates for the 2010 racing year. To date HP continues to operate as a California thoroughbred racing venue, and has applied to conduct a horse racing meeting from April 21, 2010 through July 18, 2010.

A representative of the ownership of HP is prepared to present a report to the Board regarding the future status of HP as a racing venue.

RECOMMENDATION

This item is presented for Board discussion and action.

STAFF ANALYSIS
March 19, 2010

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE HOLLYWOOD PARK RACING ASSOCIATION, LLC AT HOLLYWOOD PARK APRIL 21, 2010 THROUGH JULY 18, 2010.

Hollywood Park Racing Association, LLC filed its application to conduct a thoroughbred horse racing meeting at Hollywood Park:

- April 21 through July 18, 2010, or 60 days. The association proposes to race a total of 516 races, or 8.60 per day. In 2009 they raced 8.84 races per day with an average of 7.97 runners per race. In 2009 they were allocated to race 55 days the (actual) average daily purse for the meet was $435,000. The (estimated) average daily purse for this meet is $386,000.

- The proposed race dates are different from what was originally allocated to Hollywood Park. At the October 15, 2009 regular meeting of the Board, Hollywood Park was allocated race dates from April 21, 2010 through July18, 2010, for a total of 65 racing days. Hollywood Park is requesting to eliminate live racing and offer simulcast wagering only on the following Thursdays: April 22, 29; June 3; July 1, 8, and 15th. They would like to add Wednesday, July 7, 2010 decreasing the number of racing days from 65 to 60.

April - 2010

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	

May - 2010

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					

June - 2010

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			

July - 2010

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	29	30

- Racing 5 days per week, Wednesdays through Sunday, with 8 races on Wednesday, Thursdays, Fridays and 9 or 10 races on a selected basis on Saturdays, Sundays and holidays, with 9 races on April 23, 11 races on May 1, 15, and June 5 (Triple Crown).

- First post 1:00 p.m. daily.
  - 7:05 p.m. post Fridays with the exception of the April 30.
  - 11:00 a.m. post Saturday, May 1st Kentucky Derby, May 15th Preakness and June 5th Belmont Day.
  - May 1, 15 and June 5th post times will be adjusted to coordinate with Triple Crown races.

- A $10,000 certified check payable to the Treasurer of the State of California to secure the payment of any license fees, pursuant to Business and Professions Code section 19490 is on file.

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.

- Hollywood Park Racing Association, LLC's 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) Hollywood Park Racing Association 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 Hollywood Park $100,000 surety bond on file will expire April 1, 2011.

- Request Jennifer Paige be appointed horse identifier pursuant to CHRB Rule 1525.

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

  - Inspection of backstretch worker housing completed.

- Wagering program will use CHRB rules.
  - Early wagering 8:30 a.m. on the day of racing and advance-day wagering.
  - $1 trifecta in any race that complies with Rule 1979 and a $ .10 superfecta in any race that complies with Rule 1979.1.
  - Pick 6 on last 6 races - 70% of net pool to be retained for the jackpot and no cap be set.
  - Pick 4 on first 4 races and last 4 races - designate the major share as 0%.
  - Offering option of an alternate selection in the place pick all, pick 6 and pick 4.
  - Super High Five on the last race in accordance with ARCI Pick(n) Position(x) pools rules.

- The Advance Deposit Wagering (ADW) providers are TVG, Youbet, Xpressbet and Twinspires.

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

  Summary of B&P code 19604(b)(1)(A)(B)(C)
  *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.

  Summary of B&P code 19604(b)(2)(A)(B)
  *To accept wagers on races **conducted outside of California** from a resident of California.*
  - The ADW provider must be licensed by the Board.
  - There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

Documents received in compliance with Business and Professions code 19604:

- A copy of the hub agreement between Hollywood Park and YouBet; and written approval from the Thoroughbred Owners of California (TOC) consenting to the intrastate simulcast of races conducted at the track for the purpose of ADW wagering to HWP's proposed ADW providers as required pursuant to B&P Code 19604(b)(1)(C) have been provided to the CHRB.

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

Specific information still needed to complete this application includes:

1. Pertinent contract and/or agreements required pursuant to Business and Professions Code section 19604 that allows Hollywood Parks designated ADW providers to accept wagers on races conducted in and outside of California for the applied license term.
2. 2009 Audited Financials
3. Promotional Plans
4. Fire clearance
5. Track safety inspection

RECOMMENDATION:

Staff recommends the application be approved contingent upon the submission of outstanding items and recommends the applicant be required to appear again before the Board to address the status of the outstanding documents and to remove the contingency status from the Board's approval.

STATE OF CALIFORNIA
CALIFORNIA HORSE RACING BOARD
APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING
CHRB-17 (Rev. 12/06)

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

1. APPLICANT ASSOCIATION

A. **Hollywood Park Racing Association, LLC**
1050 South Prairie Avenue
Inglewood, California 90301
(310) 419-1500 phone (310) 671-4460 fax

B. Breed of horse: ☒ TB ☐ QH ☐ H

C. Racetrack name: **Hollywood Park**

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

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

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: **April 21 through July 18, 2010.**

B. Actual dates racing will be held: **April 21, 23, 24, 25, 28, 30 May 1, 2, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, June 4, 5, 6, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 30, July 2, 3, 4, 5, 7, 9, 10, 11, 14, 16, 17, 18**

C. Total number of days or nights of racing: **60**

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

Racing Monday, May 31 and Monday, July 5. Dark Wednesday June 2. Simulcast wagering only – Thursday, April 22, Thursday, April 29, Thursday, June 3, Thursday, July 1, Thursday, July 8, & Thursday, July 15

E. Number of days or nights of racing per week: **5 (except as noted above)**

3. RACING PROGRAM

A. Total number of races: **516**
B. Number of races for each day or night: **8 races on Wednesdays, Thursdays and Fridays; 9 or 10 races on a selected basis on Saturdays and Sundays and holidays, with 9 races on Friday, April 23; 11 races on Saturdays May 1, May 15, June 5 (Triple Crown days).**

CHRB CERTIFICATION

Application received: 1/22/10
Deposit received: on file
Reviewed: [illegible]

Hearing date: 3/19/10
Approved date:
License number:

C. Total number of stakes races: Stakes 33 Overnight Stakes 8: Total 41

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**

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

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

Race	All days except (Friday nights, Saturdays May 1, 15, & June 5)	Fridays (except April 30)	**Saturday May 1 (Kentucky Derby Day) Saturday May 15 (Preakness Day) Saturday June 5 (Belmont Day)
1st	1:00 pm	7:05 pm	11:00 am
2nd	1:30 pm	7:35 pm	11:30 am
3rd	2:00 pm	8:05 pm	12:00 noon
4th	2:30 pm	8:35 pm	12:31 pm
5th	3:00 pm	9:05 pm	1:02 pm
6th	3:30 pm	9:35 pm	1:34 pm
7th	4:00 pm	10:05 pm	2:06 pm
8th	4:30 pm	10:32 pm	2:44 pm
9th*	5:00 pm	10:59 pm	3:40 pm
10th*	5:30 p.m.		4:11 pm
11th *			4:40 pm

* When applicable
** May 1, May 15 & June 5 post times will be adjusted to coordinate with the Triple Crown tracks races

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

4. RACING ASSOCIATION

A. Association is a:
☐ Corporation (complete subsection C)
☒ LLC (complete subsection D)
☐ Other (specify, and complete subsection E)

B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. **On file**

HOLLYWOOD PARK
2010 SPRING/SUMMER STAKES SCHEDULE

DATE	STAKE	PURSE/DISTANCE
Wed. April 21	HARRY HENSON STAKES Three Year Olds	$60,000 Added Six Furlongs (Turf)
Sunday May 23	FRAN'S VALENTINE STAKES Fillies & Mares, Three Year Olds & Upward Bred In California	$60,000 Added One Mile (Turf)
Sunday May 30	MANHATTAN BEACH STAKES Fillies, Three Years Old	$60,000 Added Six Furlongs (Turf)
Mon. May 31	WILLARD L. PROCTOR MEMORIAL STAKES Two Year Olds	$60,000 Added Five & One Half Furlongs
Saturday June 5	REDONDO BEACH STAKES Fillies & Mares, Three Year Olds & Upward Non-winners of a Grade I or II in 2010 at one mile or over	$60,000 Added One Mile (Turf)
Wed. June 9	CINDERELLA STAKES Fillies, Two Years Old	$60,000 Added Five & One Half Furlongs
	DESERT STORMER HANDICAP Fillies & Mares, Three Year Olds & Upward	$60,000 Added Six Furlongs
Sunday June 27	ROBERT K. KERLAN MEMORIAL HCP. Three Year Olds & Upward	$60,000 Added Six Furlongs (Turf)

HOLLYWOOD PARK
2010 SPRING/SUMMER STAKES SCHEDULE

DATE	STAKE	PURSE/DISTANCE
********** GOLD RUSH **********		
Saturday April 24	SNOW CHIEF STAKES Three Year Olds, Bred in California	$200,000 One Mile & One Eighth
	MELAIR STAKES Fillies, Three Years Old, Bred in California	$150,000 @ One Mile & One Sixteenth
	B. THOUGHTFUL STAKES Fillies & Mares, Four Year Olds & Upward Bred in California	$125,000@ Seven & One Half Furlongs
	TIZNOW STAKES Four-Year-Olds & Upward, Bred in California	$125,000@ Seven & One Half Furlongs
*******	**********	**********
Sunday April 25	INGLEWOOD HANDICAP (GRADE III) Three Year Olds & Upward	$100,000 One Mile & One Sixteenth (Turf)
Saturday May 1	WILSHIRE HANDICAP (GRADE III) Fillies & Mares, Three Year Olds & Upward	$100,000 One Mile (Turf)
Sunday May 2	SENORITA STAKES (GRADE III) Fillies, Three Years Old	$100,000 One Mile (Turf)
Saturday May 8	MERVYN LEROY HANDICAP (GR. II) Three Year Olds & Upward	$150,000 One Mile & One Sixteenth
Sunday May 9	RAILBIRD STAKES (GRADE III) Fillies, Three Years Old	$100,000 Seven Furlongs
Saturday May 15	JIM MURRAY HCP. (GRADE II) Three year Olds & Upward	$150,000 One Mile & One Half (Turf)
Sunday May 16	MILADY HANDICAP (GII) Fillies & Mares, Three Year Olds & Upward	$150,000 One Mile & One Sixteenth
Saturday May 22	LAZARO S. BARRERA MEM. STKS (GIII) Three Year Olds	$100,000 Seven Furlongs
Saturday May 29	THE GAMELY STAKES(GR I) Fillies & Mares, Three Year Olds & Upward	$250,000 + One Mile & One Eighth (Turf)

Monday May 31	**SHOEMAKER MILE (GR I)** Three Year Olds & Upward	$250,000+ One Mile (Turf)
	HONEYMOON HCP (GRII) Fillies, Three Years Old	$150,000 One Mile & One Eighth (Turf)
Saturday June 5	**CHARLES WHITTINGHAM MEMORIAL HCP (GR I)** Three Year Olds & Upward	$250,000 One Mile & One Quarter (Turf)
	LOS ANGELES HANDICAP (GR. III) Three Year Olds & Upward	$100,000 Six Furlongs
Sunday June 6	**HOLLYWOOD OAKS (GII)** Fillies, Three Years Old	$150,000 One Mile & One Sixteenth
Saturday June 12	**THE CALIFORNIAN (GRADE II)** Three Year Olds & Upward	$150,000 One Mile & One Eighth
Sunday June 13	**VANITY HANDICAP (GRADE I)** Fillies & Mares, Three Year Olds & Upward	$250,000* One Mile & One Eighth
Saturday June 19	**AFFIRMED HANDICAP (GRADE III)** Three Year Olds	$100,000 One Mile & One Sixteenth
Sunday June 20	**WILL ROGERS HANDICAP (GR III)** Three Year Olds	$100,000 One Mile & One Sixteenth (Turf)
Saturday June 26	**BEVERLY HILLS HANDICAP (GRADE III)** Fillies & Mares, Three Year Olds & Upward	$100,000 One Mile & One Quarter (Turf)
Saturday July 3	**AMERICAN OAKS (GRADE I) – INVITATIONAL** Three Year Old Fillies (Invitational)	$250,000 One Mile & One Quarter (Turf)
	ROYAL HEROINE MILE (GII) Fillies & Mares, Three Year Olds & Upward	$150,000 One Mile (Turf)
Sunday July 4	**AMERICAN HANDICAP (GRADE II)** Three Year Olds & Upward	$150,000 One Mile & One Eighth (Turf)
Monday July 5	**HOLLYWOOD JUVENILE CHAMPIONSHIP (GR III)** Two Year Olds	$100,000 Six Furlongs
Saturday July 10	**HOLLYWOOD GOLD CUP (GRADE I)** Three Year Olds & Upward	$500,000 One Mile & One Quarter
	TRIPLE BEND HCP. (GI) Three Year Olds & Upward	$250,000 + Seven Furlongs
Sunday July 11	**LANDALUCE STAKES** Fillies, Two Years Old	$100,000 Six Furlongs
Saturday	**SWAPS STAKES (GR. II)**	$200,000*

July 17	Three Year Olds	One Mile & One Eighth
	A GLEAM HANDICAP (GR. II)	$150,000
	Fillies & Mares, Three Year Olds & Upward	Seven Furlongs
Sunday	**SUNSET HCP (GRADE III)**	$100,000
July 18	Three Year Olds & Upward	One Mile & One Half (Turf)

* $ 50,000 from Breeders' Cup Fund. + $25,000 from Breeders' Cup Fund
@ $25,000 from California Bred Fund.

HOLLYWOOD PARK
2010 SPRING/SUMMER STAKES SCHEDULE

DATE	STAKE	PURSE/DISTANCE
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	DESERT STORMER HANDICAP Fillies & Mares, Three Year Olds & Upward	$60,000 Added Six Furlongs
Sunday June 27	ROBERT K. KERLAN MEMORIAL HCP. Three Year Olds & Upward	$60,000 Added Six Furlongs (Turf)

C. CORPORATION – N/A

D. LLC

1. Registered name of the LLC: **Hollywood Park Racing Association, LLC**
2. State where articles of organization are filed: **Delaware**
3. Registry or file number for the LLC: **3993456**
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:

Terrence Fancher, Chairman & Director	**0**
Jack Liebau, President	**0**
Kristin Renaudin, Secretary	**0**
Charlene Kiley, Vice President & Chief Financial Officer	**0**
Eual Wyatt, Vice President	**0**
Barbara Helm, Vice President, Finance	**0**
Martin Panza, Vice President	**0**
Bernie Thurman, Vice President	**0**
Dyan Grealish, Vice President Sales & Marketing	**0**

5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each: N/A
6. Are the shares listed for public trading? [ ] Yes [x] No
   If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
   Stockbridge Real Estate Partners II, LLC is the general partner of the Fund which owns the Applicant
8. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the California Corporations Commission. **2008 Balance sheet on file with the CHRB.**

E. OTHER – N/A

F. Management and Staff

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

   F. Jack Liebau, President
   Eual G. Wyatt, Jr., Vice President & General Manager
   Charlene Kiley, Vice President & Chief Financial Officer
   Dyan Grealish, Vice President Sales & Marketing
   Barbara Helm, Vice President, Finance
   Martin Panza, Vice President-Racing
   Bernie Thurman, Vice President
   Don Barney, Director of Security & Safety
   Benoit & Associates, Inc., Track Photographers
   Cleon Bounds, Property Manager
   Bernie Eastridge, Turf Course Superintendent
   Diane Hudak, Horsemen's Liaison
   Russell Hudak, Timer, Morning Line Maker
   Dal Jones, Director of Marketing
   Michael Mooney, Director of Media Relations
   Dennis Moore, Track Surface Consultant
   Robert Poole, Director of Pari-Mutuels

F. Management and Staff (continued)

Roger Roman, Director of Broadcasting
Vic Stauffer, Track Announcer
Mark Tomes, Plant Superintendent
Susan Winter, Paymaster of Purses
Cole Younger, Operations Manager
Kerlan-Jobe Orthopedic, Jockeys' Physician

2. Name and title of the person(s) authorized to receive notices on behalf of the association and the mailing address of such person(s) if other than the mailing address of the association:
F. Jack Liebau, President, 1050 So. Prairie Avenue, Inglewood, CA 90301

5. PURSE PROGRAM **Please note that there were 55 race days during the prior meeting compared to 60 race days for the current meeting. Numbers rounded to the nearest 000**

A. Purse distribution:

1. All races other than stakes
Current meet estimate: **$15,245,000**
Prior meet actual: **$14,752,000**

Average Daily Purse (5A1 ÷ number of days):
Current meet estimate: **$254,000**
Prior meet actual: **$268,000**

2. Overnight stakes:
Current meet estimate: **$480,000**
Prior meet actual: **$490,000**

Average Daily Purse (5A2 ÷ number of days):
Current meet estimate: **$8,000**
Prior meet actual: **$9,000**

3. Non-overnight stakes:
Current meet estimate: **$4,600,000**
Prior meet actual: **$6,077,000**

Average Daily Purse (5A3 ÷ number of days):
Current meet estimate: **$ 77,000**
Prior meet actual: **$110,000**

B. Stakes races:

1. Purse distribution for all stakes races:
Current meet estimate: **$5,080,000**
Prior meet actual: **$6,567,000**

Average Daily Purse (5B1 ÷ number of days):
Current meet estimate: **$ 85,000**
Prior meet actual: **$119,000**

2. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:
   Current meet estimate: 11.5%
   Prior meet actual: 13.5%

C. Funds to be generated for all California-bred incentive awards:
   Current meet estimate: **$2,300,000**
   Prior meet actual: **$2,031,000**

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	**$200,000**	**$210,000**
CTT – Pension	**$200,000**	**210,000**
CTT – Admin	**$100,000**	**105,000**
NTRA	**$ 59,000**	**59,000**
Total	**$559,000**	**$584,000**

E. Amount from all sources to be distributed in the form of purses or other benefits to horsemen (5A+5C+5D):
   Current meet estimate: **$23,184,000**
   Prior meet actual: **$23,934,000**

   Average Daily all sources amount (5E ÷ number of days):
   Current meet estimate: **$386,000**
   Prior meet actual: **$435,000**

F. Purse funds to be generated from on-track handle and intrastate off-track handle:
   Current meet estimate: **$14,662,000**
   Prior meet actual: **$14,806,000**

   Average Daily Purse (5F ÷ number of days):
   Current meet estimate: **$244,000**
   Prior meet actual: **$269,000**

G. Purse funds to be generated from interstate handle:
   Current meet estimate: **$5,661,000**
   Prior meet actual: **$5,639,000**

   Average Daily Purse (5G ÷ number of days):
   Current meet estimate: **$ 94,000**
   Prior meet actual: **$103,000**

H. Bank and account number for the Paymaster of Purses' purse account: **Union Bank of CA #On file**

I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meet: **Bowen & Mc Beth Inc. 10722 Arrow Highway, Suite 110, Rancho Cucamonga, Ca. 91730 909/944-6465**

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

6. STABLE ACCOMMODATIONS

A. Number of usable stalls available for racehorses at the track where the meeting is held: **1,950**

B. Minimum number of stalls believed necessary for the meeting: **1,950**

C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **2,000**

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

Santa Anita	**1,500**
San Luis Rey Downs	**500**

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. **On file**

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

F. Total number of usable stalls made available on-site for the **1986** meeting: **2,000**

G. Estimated cost to provide off-site stalls for this meeting: **$1,513,000.** Show cost per day per stall: **Average cost: $11.33**

H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: **$375,000**

Roundtrip from:	**Santa Anita**	**$180**
	San Luis Rey	**$320**
	Los Alamitos	**$180**

7. PARI-MUTUEL WAGERING PROGRAM

A. Pursuant to B&P Code Section 19599, and with the approval of the CHRB, associations may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of

both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each:

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

	TYPE OF WAGERS	APPLICABLE RULES
Race #1 *	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PPN	CHRB 1976.8 (Covering Races 1 – 10)
	$1PK3	CHRB 1977
	$2Q	CHRB 1958
	$1 PNP (Pick 4)	CHRB 1976.9
Race #2 *	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PK3	CHRB 1977
	$2Q	CHRB 1958
Race #3 *	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PK3	CHRB 1977
	$2Q	CHRB 1958
	$2 PNP (Pick 6 when 8 races)	CHRB 1976.9
Race #4 *	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PK3	CHRB 1977
	$2Q	CHRB 1958
	$2 PNP (Pick 6 when 9 races)	CHRB 1976.9
Race #5 *	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PK3	CHRB 1977
	$2Q	CHRB 1958
	$2PNP (Pick 6 when 10 races)	CHRB 1976.9
	$1PNP (Pick 4 when 8 races)	CHRB 1976.9
Race #6 *	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PK3	CHRB 1977
	$2Q	CHRB 1958
	$2PNP (Pick 6 when 11 races)	CHRB 1976.9
	$1PNP (Pick 4 when 9 races)	CHRB 1976.9
Race #7 *	$2DD	CHRB 1957
	$1E	CHRB 1959
	$1PK3 (when 9 or more races)	CHRB 1977
	$2Q	CHRB 1958
	$1PNP (Pick 4 when 10 races)	CHRB 1976.9
Race #8 *	$2 DD (when 9 or more races)	CHRB 1957
	$1E	CHRB 1959
	$1PK3 (when 10 races)	CHRB 1977
	$2Q	CHRB 1958
	$PNP (Pick 4 when 11 races)+	CHRB 1976.9

7. PARI-MUTUEL WAGERING PROGRAM (continued)

Race #9 *	$1E	CHRB 1959
	$2Q	CHRB 1958
	$2 DD (when 10 races)	CHRB 1957
	$1PK3 (when 11 races)+	CHRB 1977
Race #10*	$1E	CHRB 1959
	$2Q	CHRB 1958
	$2 DD (when 11 races)+	CHRB 1957
+Race 11		
	$1E	CHRB 1959
	$2Q	CHRB 1958

* $1Trifecta in any race when we can comply with CHRB Rule 1979. 10 cent Superfecta in any race when we can comply with CHRB Rule 1979.1. The Pick 6 [P(n)P] will be offered on the last 6 races of the card. In accordance with CHRB Rule 1976.9 we designate that seventy percent (70%) of the net Pick 6 pool be retained for the jackpot and that no cap be set on the jackpot. A Pick 4 (PnP) will be offered on the first 4 and last 4 races of the card. In accordance with CHRB Rule 1976.9 we designate that major share of the Pick 4 pool be designated as 0%. Additionally, we will offer our patrons the option of an alternate selection pick in the place Pick All and Pick 6 and Pick 4. We will also offer the Super High Five on the last race of the card in accordance with the ARCI Pick(n) Position(x) pools rule.

NOTE: Applicant reserves the right to offer or substitute additional wagers approved prior to or during its meeting.

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **Closing day, July 18, 2010**

C. List any options requested with regard to exotic wagering: **B & P Code Section 19611.5**

D. Will "advance" or "early bird" wagering be offered? [X] Yes [ ] No
If yes, when will such wagering begin: **8:30 am on the day of and advance-day wagering.**

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

8. ADVANCE DEPOSIT WAGERING (ADW)

A. Identify the ADW provider(s) to be used by the association for this race meeting: **TVG, YouBet, Xpress Bet & Twinspires.com (Television provider will be TVG)**

9. SIMULCAST WAGERING PROGRAM

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

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

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

NORTHERN CALIFORNIA	SOUTHERN CALIFORNIA
Alameda County Fair, Pleasanton	Barona Valley Ranch Resort & Casino, Lakeside
Big Fresno Fair, Fresno	Cabazon Fantasy Springs Casino, Indio
California State Fair & Exposition, Sacramento	Commerce Casino Racebook, Commerce
Club One, Fresno	Derby Club, Seaside Park, Ventura
Golden Gate Fields, Albany	Fairplex Park, Pomona
Jockey Club at San Mateo, San Mateo	Horsemen's Club, Santa Barbara
Kern County Fair, Bakersfield	Los Alamitos Race Course, Los Alamitos
Monterey County Fair, Monterey	Santa Anita Park, Arcadia
San Joaquin County Fair, Stockton	Shalimar Sports Center, Indio
Santa Clara County Fair, San Jose	Sports Center, San Bernardino
Shasta District Fair, Anderson	Sports Pavillion at The Farmers Fair, Lake Perris
Solano County Fair, Vallejo	Sports Pavillion, San Bernardino Cty. Fair, Victorville
Sonoma County Fair, Santa Rosa	Surfside Race Place at Del Mar, Del Mar
Stanislaus County Fair, Turlock	Sycuan Gaming Center, El Cajon
Tulare County Fair, Tulare	Viejas Casino & Turf Club, Alpine
	Watch & Wager, Antelope Valley Fgds, Lancaster

And any other similar site that becomes duly licensed by the California Horse Racing Board

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

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

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

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track Race Dates Full Card or Selected Feature and/or Stakes Races

F. 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": N/A

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

Name of Host Track Race Dates Full Card or Selected Feature and/or Stakes Races

G. 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": N/A

H.

HARNESS SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races

I. For ALL racing associations, list imported simulcast races the association plans to receive which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported: **Wagering will be offered on all races conducted or imported by Los Alamitos (Quarter Horse) and Cal Expo (Harness)**

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

J. For ALL racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in B&P Code Section 19596.2 and 19596.3, attach a copy showing the agreement by the appropriate racing association(s). N/A

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

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

10. CHARITY RACING DAYS

A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association: **Hollywood Park Racing Charities, 1050 South Prairie Avenue Inglewood, California 90301 310-419-1518**

B. Names and addresses of the trustees or directors of the distributing agent:

Tirso del Junco, M.D.
Chairman & President
761 Terminal St. #1
Los Angeles, CA 90021

Miss Angie Dickinson
Treasurer
P. O. Box 369
Inglewood, CA 90306

Mr. Willie D. Davis
Vice-President
P. O. Box 369
Inglewood, CA 90306

Mrs. Barbara Knight
Secretary
P. O. Box 369
Inglewood, CA 90306

Rick Baedeker
c/o Hollywood Park
1050 South Prairie Ave
Inglewood, CA 90301

Alvin Segel, Esq.
Irell & Manella
1800 Avenue of the Stars, #900
Los Angeles, CA 90067

C. Dates the association will conduct races as charity racing days OR:

D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)? ☒ Yes

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

11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:

Association Veterinarian(s)	**Dana Stead, D.V.M.**
Clerk of Scales/Film Specialist	**Ruben Hernandez**
Clerk of the Course	**Melanie Stubblefield**
Horse Identifier	**Jennifer Paige**
Horseshoe Inspector	**Louis Damore**
Paddock Judge/Patrol Judge	**Ken Goldberg**
Patrol Judge	**Heather Correa**
Placing Judges	**Bob Moreno**
	Kevin Colosi
Starter	**Gary Brinson**
Timer	**Russell Hudak**

B. Management officials in the racing department:

Director of Racing	N/A
Racing Secretary	**Martin Panza**
Assistant Racing Secretary	**Richard Wheeler and Daniel Eidson**
Paymaster of Purses	**Susan Winter**
Others (Asst. Clerk of Scales)	**Charles McCaul**

C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: **Weinstein Court Reporters, 9582 Hamilton Avenue, Suite 265 Huntington Beach, California 92646 (714) 964-7102**

D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract: **Plusmic, USA 12/31/11**

E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks. **Association provides its own service and equipment. Equipment utilized is described in Attachment "C"**

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: **American Teletimer, 12/31/10**

12. SECURITY CONTROLS

A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers. **Don Barney, Director of Security 310/419-1395 – organizational chart attached.**

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

35 Uniformed Officers
3 Agents
1 Firemen
10 Gatemen
3 Communication Operators

1. Attach a written plan for enhanced security for graded/stakes races, and races of $100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns. **The security for stakes races will be deployed in accordance with our agreement with TOC in conjunction with the direction of the CHRB.**

2. Detention Barns:

   A. Attach a plan for use of graded stakes or overnight races.
   Detention barn is used as required by the CHRB.

   B. Number of security guards in the detention barn area during a 24-hour period.
   As needed at the direction of the CHRB.

   C. Describe number and location of surveillance cameras in detention barn area.
   There are currently 10 cameras over the stalls and 2 covering the shedrow. We have additional cameras on site ready for installation.

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 **Will follow CHRB directives.**

   C. Plan for detention barns for repeat offenders. **Will follow CHRB directives.**

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

C. Describe the electronic security system:

1. Location and number of video surveillance cameras for the detention barn and stable gate.
   Camera at each of our two stable gates, also see 2C above

D. For night racing associations: Describe emergency lighting system: **The track lighting system, which is used primarily for Friday night racing is on a preferred electrical current provided by Southern California Edison. Additionally we have an emergency lighting system powered by two karolite 125 k.w. 277/480 volt generators which are activated and placed on line during the running of every race run after dark.**

13. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races: **Huntington Ambulance Service, Box 145 Sunset Beach, California 562/904-1550**

B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: **Santa Anita- Huntington Ambulance Service, Box 145 Sunset Beach, California 562/904-1550; San Luis Rey Downs- North County Fire Protection District, Fallbrook, California-760/723-2006 While Los Alamitos is not named as an auxiliary site, let it be known that its ambulance provider is Huntington Ambulance Service.**

C. Describe the on-track first aid facility, including equipment and medical staffing: **Our first aid facility is located on the ground level in the hallway between the paymaster of purses and the track photographer offices. The rear entrance to the first aid facility opens to tunnel 1A and is approximately 12ft from the Jocks' room entrance. During training hours two certified EMTs are stationed in an ambulance located on the backstretch just off the main track. They have access to the first aid facility should the need arise. During racing hours two certified EMTs staff and maintain the first aid facility with an addition team of two EMTs stationed in an ambulance on the race track. Also during racing hours there is a medical doctor on duty who provided through Kerlan-Jobe clinic.**

The facility is equipped with the following: beds, stethoscope, otoscope, flash light, forceps, clamps, scissors, scalpel, tourniquet, sterile syringes, blood pressure kit, oxygen, eye flushes, splints, bandages, trauma dressing, hydrogen peroxide etc., nasal packing, topical anesthetic, thermometer, Silver nitrate sticks (AgNO3), ice packs, backboards for spinal precautions, cervical collars, immobilization straps hare traction splints for closed femur fractures, KED splints, bag valve mask for CPR, Automated external defibrillator., oxygen masks, cannula tubing and a variety of addition supplies and over the counter drugs (aspirin etc.)

D. Name and emergency telephone number of the licensed physician on duty during the race meeting: **Dr. John Goff 310/419 1562 There will be other doctors who will be pre scheduled to relieve Dr. Goff from time to time during the race meeting . That schedule will be provided to the CHRB when it becomes available.**

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: **Centinela Hospital, 555 East Hardy Street, Inglewood, Ca- Dr Lee Wise - Chief of staff 310/697-9180**

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: **Refer to Attachment "D"**

G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B& P Code 19481.3(d): **Don Barney Safety Manager- Randy Touburen, Assistant Safety Manager**

H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Inspection scheduled for March 15, 2010.

I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **Commerce & Industry Insurance Company WC# On file**

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. **Attached**

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

14. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:
To be submitted under separate cover.

B. Number of hosts and hostesses employed for meeting: **During the meet, we will employ up to 14 hosts and hostesses to handle group business and between 12 and 15 guest service personnel. We add another 15-20 people on promotional days for giveaways and sign-ups for the Hollywood Park Gold Club.**

C. Describe facilities set aside for new fans:

- **On Friday nights, we will again utilize the spacious North Park Lawn as the location for concerts after the races. The North Park Lawn was first used for this purpose during the Spring 2009 meet. It proved to be a very successful concert venue, and allowed much larger crowds (than we had been able to host in the past) to attend concerts featuring popular bands. The North Park Lawn is located on the far turn so people can view races and stay on track afterwards for the concert. During the races we will be staff customer service representatives to answer racing related questions that fans may have.**
- **Saturday Handicapping Seminar with Kurt Hoover**
- **Sunday Handicapping Seminar with George Ortuzar**

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 09/28/2009

PRODUCER

877-945-7378

Willis Insurance Services of California, Inc.
26 Century Blvd.
P. O. Box 305191
Nashville, TN 37230-5191

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC#
INSURER A: Commerce & Industry Insurance Company	19410-100
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

INSURED

Stockbridge Capital Group, LLC
dba Hollywood Park
4 Embarcadero Center, Suite 3300
San Francisco, CA 94111

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
		GENERAL LIABILITY				EACH OCCURRENCE	$
		COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurence)	$
		CLAIMS MADE / OCCUR				MED EXP (Any one person)	$
						PERSONAL & ADV INJURY	$
						GENERAL AGGREGATE	$
		GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC				PRODUCTS - COMP/OP AGG	$
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	$
		ANY AUTO					
		ALL OWNED AUTOS				BODILY INJURY (Per person)	$
		SCHEDULED AUTOS					
		HIRED AUTOS				BODILY INJURY (Per accident)	$
		NON-OWNED AUTOS					
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS / UMBRELLA LIABILITY				EACH OCCURRENCE	$
		OCCUR / CLAIMS MADE				AGGREGATE	$
							$
		DEDUCTIBLE					$
		RETENTION $					$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		9/23/2009	9/23/2010	X WC STATUTORY LIMITS / OTHER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N				E.L. EACH ACCIDENT	$ 1,000,000
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
						E.L. DISEASE - POLICY LIMIT	$ 1,000,000
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

CHRB
1010 Hurley Way
Suite 300
Sacramento, CA 95825

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

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- **Customer Service Booths – Throughout the facility there are Customer Service booths staffed to assist patrons with any requested information**
- **Group Events – The track hires handicappers each day there are groups attending the races to educate new fans regarding handicapping.**

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

1. Horsemen

2. Fans

3. Facilities in the restricted areas

16. SCHEDULE OF CHARGES

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

1) General Admission	**$ 8.00**
a. 17 yrs. old and under	**Free**
b. Wed & Thurs Senior Citizens	**$ 5.00**
(2) Clubhouse Admission	**$ 10.00**
(3) Turf Club	**$ 20.00**
(4) Reserved seating	**$ 2.00**
(5) General Parking	**Free**
(6) Preferred (Premium) Parking	**$ 5.00**
(7) Valet Parking	**$10.00**
(8) Programs	**$2.25**

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

Box Seats		*Turf Club Membership	
4 seat Box	**$1,600**	**Single Turf Club**	**$ 800**
6 seat Box	**$2,000**	**Double Turf Club**	**$ 1,250**
8 seat Box	**$2,600**	**Corporate Membership**	**$ 2,400**
8 seat SuperBox	**$3,000**		

***Includes Spring/Summer, Fall Meets and Simulcast**

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

17. JOCKEYS/DRIVERS' QUARTERS

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

☒ Corners (lockers and cubicles) How many **80**

☒ Showers ☒ Steam room, sauna or steam cabinets ☒ Lounge area

☒

☒ Masseur Food/beverage service ☒ Certified platform scale

B. Describe the quarters to be used for female jockeys/drivers: **Separate quarters including restroom facilities, showers, cubicles, scale, televisions, couch, food services, etc.**

18. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing was completed by CHRB Investigator Phil Miyazaki **on 1/20/10.**

B. Number of rooms used for housing on the backstretch of the racetrack: **Approximately 450**

C. Number of restrooms available on the backstretch of the racetrack: **77 including: 155 toilets, 81 urinals and 167 sinks.**

D. Estimated ratio of restroom facilities to the number of backstretch personnel: **Minimum of 1 to 10 including non-resident personnel.**

19. TRACK SAFETY

A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: **Main Track - 1 mile & 1/8 – 5,940 feet, Turf Track – 1 mile 165 feet – 5,445 feet**

B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course. **Main Track – aluminum gooseneck post, aluminum railing, as well as aluminum safety panels covering the gooseneck post. Turf Course – inner rail – Fontana turf rail 40" in height, outer rail – metal uprights.**

C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Dennis Moore**

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

E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of $3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. **N/A**

20. DECLARATIONS

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

B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. **To be submitted under separate cover.**

C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). **On File.**

D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): **No exceptions**

E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): **No exceptions**

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

21. CERTIFICATION BY APPLICANT

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

Eual G. Wyatt
Print Name

Signature

Vice President & General Manager
Print Title

1/21/2010
Date

Hollywood Park - Spring/Summer Meet					ATTACHMENT A	
April 21 - July 18, 2010						
COMMINGLED POOL SITES						
Amwest Entertainment	ADW	Harrington Raceway			Racing2Day LLC	ADW
Riders Up (SD)		Hawthorne Race Course			Raceway Park	
Time Out Lounge (SD)		Hazel Park			Raynham Taunton Greyhound	ADW
Triple Crown OTB (SD)		Hinsdale Greyhound		ADW	Remington Park	
Arapahoe Park		Hipodromo Presidente Remon (Pan)			Retama Park	
Arima Race Club		Hoosier Park @ Anderson			Racing & Gaming Services, Inc.	ADW
Arlington International		Horsemen's Park			River Downs	
Atlantic City Race Course		Indiana Downs			Rockingham Park	ADW
Atokad Downs		Clarksville OTB			Seabrook Greyhound	
Balmoral/Maywood Park		Evansville OTB			Rosecroft Raceway	
Bangor Historic Track/Millers OTB		Jackson Harness Raceway			Royal Turf Club	
Bet Pad Ltd.		Keeneland			Royal River Racing	
Bet America		Kentucky Downs			Ruidoso Downs	
Betfair International Wagers		Kentucky OTB			Running Aces Harness Park	
Beulah Park		Lebanon Raceway			Sam Houston Race Park	
Birmingham Race Course		Les Bois Park			Valley Greyhound Park	
Bluffs Run Greyhound Track		Lewiston Raceway/OTB-ME			Saratoga Raceway	
Bordertown		Lien Games			Scarborough Downs	
Buffalo Raceway		Chips Lounge and Casino			Scioto Downs	
Calder Racecourse		El Rancho Motor Hotel OTB			Sol Mutuel Ltd	
Amwest Entertainment ADW		Idaho Falls Racing OTB			Southland Greyhound Park	
Canterbury Park		North Dakota Horse Park			Suffolk Downs	
Capital District OTB		- Clubhouse Lounge			Suffolk Downs ADW	
Catskill Regional OTB		Rumors OTB			Pat's Pizza OTB (ME)	
Charles Town Race Course		Aberdeen Racing OTB (SD)			Suffolk Regional OTB	
Churchill Downs		Mitch's Grandstand OTB			Sunland Park	
Chester Downs & Marina LLC		SkyDancer Casino			SunRay Park & Casino	
Choctaw Racing Services, LLC		Lincoln Greyhound Park			Tampa Bay Downs	
Coeur d'Alene Casino		Lone Star Park			The Greyhound Park @ Post Falls	
Coeur d'Alene Acct. Wagering	ADW	Louisiana Downs			The Lodge @ Belmont	ADW
Colonial Downs		LVDC			The Meadows	ADW
Colonial Downs	ADW	Atlantis Paradise Casino			The Racing Channel	
Columbus Raceway		Cities of Gold / Pojoaque			Thistledown	
Connecticut OTB	ADW	Foxwoods Resort Casino			Tioga Downs	
Divi Carina Bay Casino		Meskwaki Bingo			Tri-State Greyhound	
Pony Bar Simulcast Center		The Stables			Turf de Venezuela	
Randall James Racetrack		Avatar			Turf Paradise	
Royal Beach Casino		Elite Turf Club #1			Turfway Park	
Tote Investment Racing Service		Elite Turf Club #2			TVG	ADW
Millenium Racing Sites		Elite Turf Club #3			Twin Spires	ADW
Fair Chance Racing Service		Elite Turf Club #4			Vernon Downs	
Comtch International		Elite Turf Club #6			Western Regional OTB	
Shoreline Star OTB		Elite Turf Club #7			Wheeling Downs	

John Martin's Manor		Elite Turf Club #8		Will Rogers Downs	
Ho-Chunk Casino		Manor Downs		Wonderland Greyhound	
Milford OTB		Maryland Jockey Club		Woodlands	
Mohegan Sun Casino		Meadowlands/Monmouth	ADW	Wyoming OTB	
Oneida Bingo		Montana Simulcast Partners		XpressBet	ADW
Paragon Casino Resort Racebook		Monticello Raceway		Yavapai Downs	
Corpus Christi Greyhound Park		Mountaineer Park		Yonkers Raceway	
Cyprus Bayou OTB		Mount Pleasant Meadows		Youbet I	ADW
Dairyland Greyhound Park		Nassau Regional OTB		Youbet	ADW
Delaware Park		Nebraska State Fair Park		Zia Park	
Delta Downs		Nevada Pari-Mutuel Ass'n			
Dover Downs		New Jersey Casino Ass'n			
Downs at Albuquerque		Newport Jai Alai			
eBet Online		New York City Off-Track Betting			
Ellis Park		New York Racing Association	ADW		
Emerald Downs		Northfield Park			
Euro Offtrack		Cedar Downs OTB			
Evangeline Downs		Northville Racing Corp.			
Fair Grounds		Oaklawn Park			
Fair Meadows		Ocean Downs			
Finger Lakes		Penn National	ADW		
Fonner Park		Philadelphia Park	ADW		
Freehold Raceway		Phumelela Gold			
Gillespie County Fair		Pinnacle Racecourse			
Global Wagering Solutions (MEC)		Plainridge Racecourse	ADW		
MagnaBet		Pocono Downs	ADW		
Greenetrack		Portland Meadows			
Gulf Greyhound Park		Potawatomi Casino		SEPARATE POOL SITES	
Gulfstream Park		Prairie Meadows		Caymanas Park (Jam)	
		Premier Turf Club		Hipodromo Camarero (PR)	
		Presque Isle Downs		MIR/Caliente book locations Mexico, Latin America	

COMMINGLED – CANADIAN SITES		
Assiniboia Downs		Kawartha Downs
Barrie Raceway		Marquis Downs
Charlottetown		Mohawk Racetrack
Clinton Teletheatre		Northlands Park – Edmonton
Dreseden		Picov Downs
Elmira Raceway		Quinte Raceway
Evergreen Park Grande Prairie		Rideau Carleton
Exhibition Park		Rocky Mountain Turf Club
Flamboro Downs		Royal Britania Hub
Fort Erie		St. John's
Fraser Downs		Stampede Park
Fredericton Raceway		Sudbury Downs
Georgian Downs		Summerside-PEI
Grand River		TBC Sandown
Hanover Raceway		TBC Teletheaters
Hastings Park		Truro Raceway
Hiawatha		Western Fair Raceway
Hippodrome De Montreal		Windsor Raceway
Hippodrome De Quebec		Woodbine
Hippodrome De Trois-Rivieres		Woodstock-Ontario
Inverness Raceway		

DRAFT – 12/21/10
Attachment B – Section 9F

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Arlington	4/21/10 – 7/18/10	Full Card or Partial Cards
Assiniboia	4/21/10 – 7/18/10	Full Card or Partial Cards
Australian Racing	4/21/10 – 7/18/10	Full Card or Partial Cards
Beulah	5/10/10 – 7/18/10	Full Card or Partial Cards
Calder	4/21/10 – 7/18/10	Full Card or Partial Cards
Canterbury	5/15/10 – 7/18/10	Full Card or Partial Cards
Churchill Downs	4/25/10 – 7/5/10	Full Card or Partial Cards
Delaware Park	4/25/10 – 7/18/10	Full Card or Partial Cards
Ellis Park	7/11/10 – 7/18/10	Full Card or Partial Cards
Emerald	4/21/10 – 7/18/10	Full Card or Partial Cards
Evangeline Downs	4/21/10 – 7/18/10	Full Card or Partial Cards
Fort Erie	5/2/10 – 7/18/10	Full Card or Partial Cards
Hastings Park	4/21/10 – 7/18/10	Full Card or Partial Cards
Hawthorne Park	4/27/10 – 7/18/10	Full Card or Partial Cards
Indiana Downs	4/21/10 – 7/15/10	Full Card or Partial Cards
Keeneland	4/21/10 – 4/24/10	Full Card or Partial Cards
Lone Star	4/21/10 – 7/18/10	Full Card or Partial Cards
Louisiana Downs	5/15/10 – 7/18/10	Full Card or Partial Cards
Monmouth	5/09/10 – 7/18/10	Full Card or Partial Cards
Mountaineer Park	4/21/10 – 7/18/10	Full Card or Partial Cards
Northlands Park	5/1/10 – 7/18/10	Full Card or Partial Cards
NYRA-Aqueduct	4/21/10 – 4/26/10	Full Card or Partial Cards
NYRA-Belmont	4/29/10 – 7/18/10	Full Card or Partial Cards
Penn National	4/21/10 – 7/18/10	Full Card or Partial Cards
Philadelphia Park	4/21/10 – 7/18/10	Full Card or Partial Cards
Pimlico	4/21/10 – 5/23/10	Full Card or Partial Cards
Prairie Meadows	4/22/10 – 7/18/10	Full Card or Partial Cards
Presque Isle	5/8/10 – 7/18/10	Full Card or Partial Cards
River Downs	4/21/10 – 7/18/10	Full Card or Partial Cards
South American Racing	4/21/10 – 7/18/10	Full Card or Partial Cards
Suffolk Downs	5/2/10 – 7/18/10	Full Card or Partial Cards
SunRay Park	4/21/10 – 6/28/10	Full Card or Partial Cards
Tampa Bay	4/21/10 – 5/3/10	Full Card or Partial Cards
Thistledown	4/30/10 – 7/18/10	Full Card or Partial Cards
Turf Paradise	4/23/08 – 5/3/10	Full Card or Partial Cards
United Kingdom	4/21/10 – 7/18/10	Full Card or Partial Cards
Woodbine	4/21/10 – 7/18/10	Full Card or Partial Cards
Yavapai Downs	5/23/10 – 7/18/10	Full Card or Partial Cards

Subject to change.

VIDEO EQUIPMENT

CAMERAS

Eight DXC-35 Sony Cameras
Six DXC-637 Sony Cameras
One BRC-H700 Sony remote control camera
Pan (Wide) w/44X1 Fuji Lens
Pan (Close up) w/55X1 Fuji Lens
7/8 Dirt Tower w/45X1 Canon Lens
7/8 Turf Tower w/22X1 Fuji Lens
1/4 Tower w/26X1 Angenieux Lens
3/16 Sony robo cam 16x1 Lens
3/8 Dirt Tower w/45X1 Canon Lens
3/8 Turf Tower w/33X1 Canon Lens
One Autodome PTZ Day/Night Color Camera 23X 1 lens for Turf Chute Backside
Winner's Circle w/18X1Canon Lens
Paddock view Camera w/18X1
Ground Level Finish w/18X1 Canon Lens
Gate Start Camera w/15X1 Fuji Lens
Horse Tunnel Camera w/15X1 Canon Lens
Studio Camera w/15X1 Canon Lens
Paddock view Camera w/15X1

VIDEO TAPE RECORDING EQUIPMENT

12 - Channels Leitch 300 Video Servers
2 - BVW - 75 Beta SP (slo-mo)
4 - PVW – 2800 Beta Sp
1- DPS Velocity video edit system

DISTRIBUTION/SWITCHING EQUIPMENT

Utah 132X132 A/V Router
Ross Synergy 3 Production Switcher
Ross "Squeeze & Tease" four Channel Digital Video Effects Unit

OTHER

Four "Autotote" VGS Units - Betting Screens
Data links wagering system
Dekocast Graphic System with Pegasus Datalinks software
Clear-com "Matrix" Intercom System
Approximately 1,100 Color Televisions

MEMORANDUM

From: Don Barney, Director of Security & Safety

Subject: Emergency Medical Action Plan for Injured Jockeys

Since May 1, 2003 we at Hollywood Park have had in place an emergency medical action-plan for injured jockeys. There is now a new law requiring such an action plan. Pursuant to the Business and Professions Code section 19481.3 (b) each racing association shall adopt and maintain an emergency medical action plan for injured jockeys and shall be posted in English and Spanish within the jockeys room.

The system we have in effect follows the exact guidelines required by the above statute. The emergency action plan we deploy goes as follows:

"Upon the observed or reported injury of a jockey, medical assistance will be immediate. The responding medical technician, track doctor or security will contact communications (via hand held radio or calling 310 4191555). Security will then activate the emergency contact procedure. This procedure will be the responsibility of the Safety Director or his designee. The Safety Director will contact the Chief of Medical Staff at Centinela Hospital and prepare for the injured jockeys arrival. The phone number of Centinela Hospital is 310- 4198636 and is located at 555 East Hardy Street, Inglewood.

The Chief of Staff will ensure that his personnel are standing by to receive the injured jockey. The Chief of Staff will also contact any specialists who are contracted for the care of an injured jockey. This will lay the foundation for a rapid admittance and treatment of the injured Jockey. A Security Agent will also be dispatched to respond to the emergency room to assist family members of the injured jockey and to also maintain the integrity of the injured jockeys needs. It will also be the responsibility of the Security Agent to keep the Director of Safety informed as to the condition and progress of the injured jockey. It will be the responsibility of the Security Agent to obtain a copy of the accident from the T.V. department. The Security Agent will prepare a report as to the accident and treatment. The agent will also ensure that all workers compensation information pertaining to the jockey is accurate and current."

From: Don Barney, Director of Security & Safety

Subjecto: Emergencia Medica Accion de plan para el Jinete Lastimado

Desde Mayo 1, 2003 Hollywood Park a tenido un plan de Emergencia Medica para los jinetes lastimados. Hay nueva ley que requiere accion de plan. Siguiendo las leyes del negocio y Profesion Codigo secsion 19481.3(b) cada asociado de carrera tiene que adaptar y mantener el plan de emergencia en el cuarto de los jinetes.

El sistema en efectivo que tenemos sigue exactamente todas las reglas y guias. El plan de emergencia se dirige asi:

"Asistencia medica sera inmediata al observar o reportar un jinete lastimado. El medico tecnico, el doctor de hipodromo o seguridad se comunicara via radio o llamara (310)419-1555. Seguridad activara el proceso de el contacto de emergencia. Este proceso sera la responsabilidad de el Director de Seguridad o su designado. El Director de Seguridad contactara al Jefe Medico de Centinela Hospital localisado en la 555 East Hardy

El Jefe de Estafa se asegurara que su personal se encargue de recibir al jinete herido y contactar a otros especialistas en el contrato y cuidado de el jinete. Este fundamento sera rapido para admitir y tartar al jinete herido. Un agente de seguridad sera despachado al cuarto de Emergencia para asistir a la familia y mantener la integridad y necesidades de el jinete herido. Sera la responsabilidad del agente, reportar e informar al Director de Seguridad de la condicion y el progreso de el jinete. Es la responsabilidad del agente de obtener copia del accidente de el Departamento de Television. El agente se asegurara que toda la informacion de compensacion de trabajo que pertenezca a el jinete sea fija y corriente."

Concessionaires and Service Contractors

Levy Premium Food Service Limited Partnership 980 North Michigan Avenue, Suite 400 Chicago, IL 60611	Food, Beverage, Liquor
Harry Aqurarelli Duke Racing Selections 6632 West 87th Street Los Angeles, California 90045	Tip Sheet
Winners Toby Turrell 14112 Enfield Circle Westminster, California 92683	Tip Sheet
Bob's Card, Inc. Tiffany Boland 6288 Highland Meadows Medina, Ohio 44256	Tip Sheet
Today's Racing Digest P. O. Box 85007 San Diego, California 92138	
Thorograph 541 Hudson Street New York City, New York 10014	
New World Service, Inc. 1050 South Prairie Inglewood, California 90301	Janitorial

Miscellaneous

Ann Roper Silks
c/o Ann Roper
P. O. Box 3547
Lennox, CA 90304

Western Saddlery
c/o A. Liederman
206 E. Hillsdale Blvd.
San Mateo, CA 94403

December 16, 2009

Captain Dave Wilson
Area 1 Fire Prevention
Fire Station 161
4475 West El Segundo Blvd.
Hawthorne, CA 90250-4411

Dear Captain Wilson:

Hollywood Park Racing Association is filing an application for its 2010 Thoroughbred Spring Summer meeting to be conducted at Hollywood Park Racetrack. The dates of meeting will be from April 21 through July 18, 2010.

We would appreciate your scheduling an inspection of our facilities at Hollywood Park Race Track and submit the necessary report to the California Horse Racing Board prior to the commencement of this race meeting.

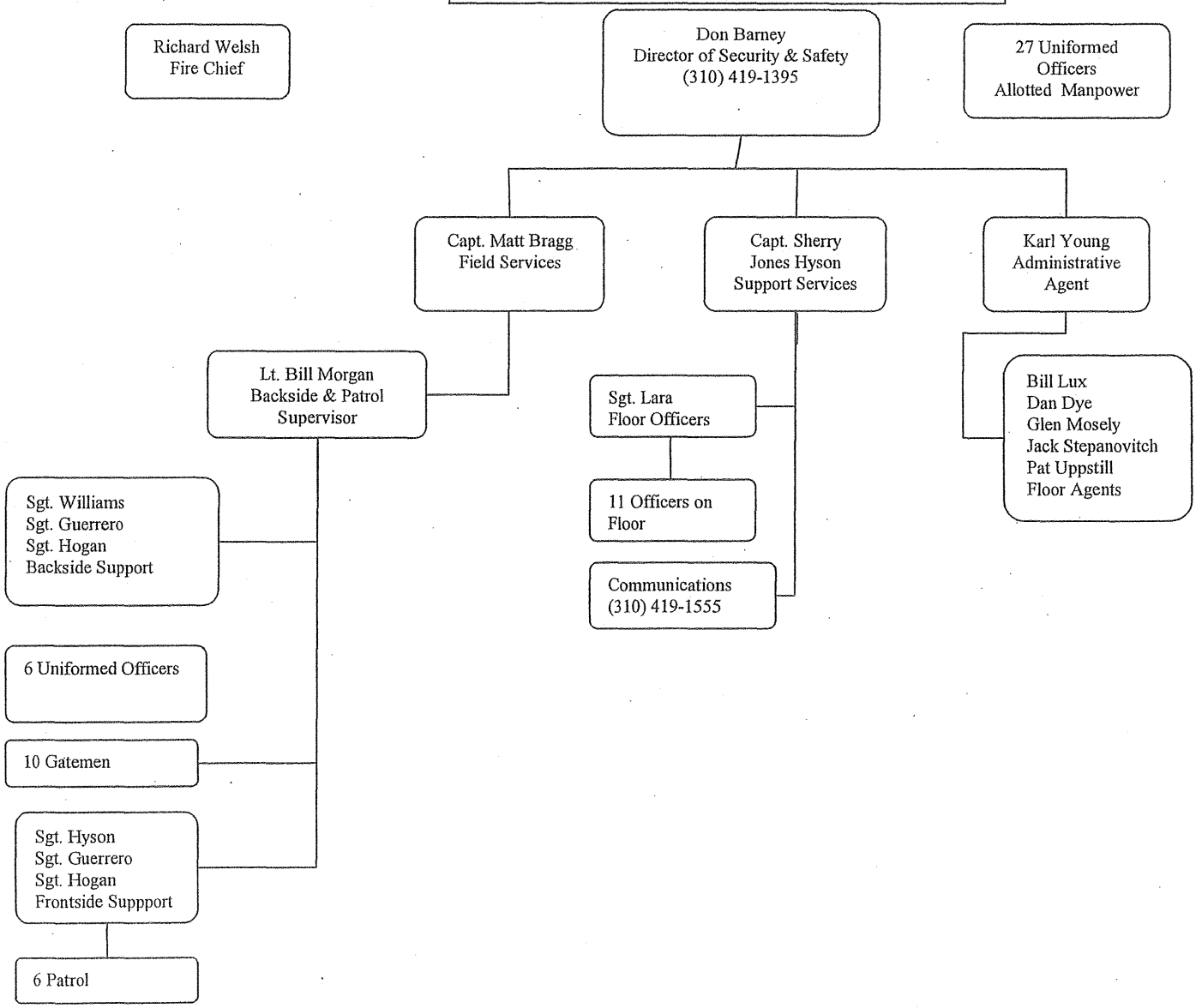
If you would kindly advise us of your inspection date, we will make arrangements for someone to accompany you.

Very truly yours,

Eual G. Wyatt, Jr.
General Manager

cc: California Horse Racing Board
Cleon Bounds

Hollywood Park Security Department



DISCUSSION AND ACTION BY THE BOARD REGARDING: A) AN UPDATE FROM MAGNA ENTERTAINMENT CORPORATION CONCERNING ITS BANKRUPTCY FILING, RACING OPERATION AND THE STATUS OF STATUTORY FUNDS THAT MAY STILL BE OWED MONEY FOR PRE AND POST BANKRUPTCY PETITION DEBTS AND B) THE PROPOSED POST BANKRUPTCY BUSINESS STRUCTURE OF MAGNA ENTERTAINMENT CORPORATION AND MID DEVELOPMENTS, INCLUDING OFFICERS AND DIRECTORS OF BOTH ORGANIZATIONS AND THE CROSS SHARE HOLDINGS OF THE ENTITIES

Regular Board Meeting
March19, 2010

BACKGROUND

On March 5, 2009, Magna Entertainment Corporation (MEC) filed voluntary petitions for relief under Chapter 11 of the US Bankruptcy Code. At the March 19, 2009, Regular Board Meeting, the Board discussed the significance of the bankruptcy filing of MEC on its subsidiaries operating in California, Los Angeles Turf Club, Inc., and Pacific Racing Association. At its April 24, 2009, and June 5, 2009, Regular Meetings, the Board heard presentations by MEC representatives and interested parties regarding the progress of the bankruptcy proceedings and the sale of certain MEC California assets.

At the June 5, 2009, Regular Board Meeting MEC representatives reported that definitive bids for the assets identified for sale were to be filed on July 31, 2009. The bids would be evaluated between July 31, 2009 and August 7, 2009, to determine the highest and best offer, which would then be designated the stalking horse bidder for the particular asset or group of assets. On September 8, 2009, a bidding auction would allow other parties to offer higher bids or better terms than the stalking horse bid. The auction would result in the final successful bidder for any asset or assets; however, the bankruptcy court would ultimately decide whether it would approve the winning bidder. The Board also heard an extensive discussion regarding an industry petition that was filed with the bankruptcy court to force the distribution of pre-petition funds, such as advance deposit wagering fees and satellite wagering fees, and MEC's objection to the petition. The Board urged the parties to present their positions: why MEC felt its objection to the petition was appropriate, and why the industry believed the funds owed were different from funds owed general creditors and should have a priority position.

At its July 23, 2009 Regular Meeting the Board heard from representatives of MEC regarding the MEC bankruptcy proceedings. The dates for the bidding auction process, as reported at the June 5, 2009, Regular Board Meeting, had not changed. The Board was informed that industry and Board staff met with MEC representatives to discuss the Southern California Off Track Wagering, Inc. claims; however, no resolution was reached. An extensive discussion of payment of priority claims was heard. Priority tax claims and claims for fees would be paid in full over a five-year period with interest at the prevailing interest rate. The Board was informed that the State had filed its proofs of claim regarding taxes and fees owed it by MEC.

At the August 27, 2009, Regular Board Meeting an MEC representative reported that Mi Developments, Inc. (MID), MEC's principal creditor, filed a proposed modified credit agreement with the Ontario, Canada, Securities Commission. The agreement would be heard in mid-September 2009, and would add up to $28 million to the MEC loan that was currently in place. The additional funds would extend MEC's operational abilities through April 2010, and allow MEC to continue its operations and meet its obligations. The agreement contained milestones that pertained to some of MEC's California operations: 1) by October 31, 2009, MEC would obtain bankruptcy court orders approving the sale of various assets, including XpressBet and AmTote; 2) by November 30, 2009, there would be a sales order in place with respect to Golden Gate Fields and Santa Anita Park Race Track. MID reserved the right to credit bid on Golden Gate Fields and Santa Anita Park Race Track if it believed the sale price was not adequate. By mid-September 2009 MEC would know the extent to which the amended credit arrangement would be in place, which should provide a sense of MEC's ability to meet its obligations going forward.

At the October 15, 2009, Regular Board Meeting an MEC representative stated that on October 14, 2009, a bankruptcy court hearing was held in Delaware. The court heard a motion regarding a $26 million credit agreement between MID and MEC, which would provide funds to allow MEC to operate through April 2010. One of the creditors had some questions, so the court granted an additional three weeks to confirm that there were no issues. The motion would be reheard on October 28, 2009. In the interim, the court granted MEC $2 million under the MID credit agreement to allow MEC to meet its obligations through the balance of October 2009. The court did not deal with auction deadlines for Golden Gate Fields and Santa Anita Park Race Track. In addition, the MEC representative reported MEC paid its tax obligations to the State of California. The payment satisfied all outstanding pre-petition tax obligations.

At the November 17, 2009 Regular Board Meeting a representative of MEC reported that the motion to amend the credit agreement between MID and MEC was approved in late October 2009. The agreement would provide MEC with $26 million and allow it to operate through April 2010. A February 10, 2010 deadline was set for receipt of definitive bids on Santa Anita Park Race Track and Golden Gate Fields. A stalking horse bidder for each of the properties would be announced by February 17, 2010 and an auction would be held on February 25, 2010, at which time a sale order would be entered by the court. In addition, bids were being solicited for the sale of the advance deposit wagering provider, XpressBet. Once the sale order was entered, the buyer would proceed to obtain the Board's approval for ownership.

At the January 15, 2010 Regular Board Meeting an MEC representative reported that MID , the parent company and largest creditor of MEC, had reached an agreement with the creditors' committee, subject to court approval, that would allow MID to take possession of Santa Anita Park Race Track, Golden Gate Fields, and other significant MEC holdings. There was no certain date when the transactions might be completed, nor could the MEC representative provide information concerning future racetrack operations.

At its February 19, 2010 Regular Meeting the Board heard from an MEC representative regarding the ongoing MEC bankruptcy proceedings. The MEC representative stated a reorganization plan was filed with the bankruptcy court during the week of February 15, 2010.

The plan would be heard in April 2010. The MEC representative also discussed the categories of creditors, and how they would eventually be paid, as well as the results of MEC's request to pay statutory fees, which was denied by the court. After discussing the issues, it was determined that California horse racing interests that were owed statutory fees would provide the Board with information regarding their position on payment of statutory fees. After conferring with the Attorney General's office, the Board would consider making a motion to the court in support of the parties.

RECOMMENDATION

This item is presented for Board discussion and action.