

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of:)

)

Regular Meeting)

)

WEBCAST

THURSDAY, APRIL 21, 2022

9:30 A.M.

Reported by:

Martha Nelson

APPEARANCES

BOARD MEMBERS

Gregory Ferraro, Chairman

Oscar Gonzales, Vice Chair

Wendy Mitchell, Commissioner

Dennis Alfieri, Commissioner

Damascus Castellanos, Commissioner

Brenda Washington Davis, Commissioner

Thomas Hudnut, Commissioner

STAFF

Scott Chaney, Executive Director

Cynthia Alameda, Assistant Executive Director

Amanda Brown, Staff Counsel

Amanda Drummond, Policy, Regulations, and Administrative
Hearings Manager

Shawn Loehr, Chief of Licensing and Enforcement

Darrel McHargue, Chief Steward

Francisco Gonzales, Audit Supervisor

Zachary Voss, Regulation Analyst

Mike Marten, Public Information Officer

ALSO PRESENT

Carrie Finno, UC Davis School of Veterinary Medicine

Francisco Uzal, UC Davis School of Veterinary Medicine

Sue Stover, UC Davis School of Veterinary Medicine

Dr. Morgan, UC Davis School of Veterinary Medicine

APPEARANCES

ALSO PRESENT

Mary Forney, Thoroughbred Owners of California

PUBLIC COMMENT

Lynn Freudenberg, Kill Racing Not Horses

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| 3. | Discussion and action by the Board on whether to elect to collect and remit fees on behalf of the Horseracing Integrity and Safety Authority. | 24 |
| 4. | Discussion and action by the Board on the Application for renewal of License to Operate a Minisatellite Wagering Facility at the OC Tavern, San Clemente, for a period of up to but not exceeding five years. | -- |
| 5. | Discussion and action by the Board on the Approval for the continuation of a distribution from ADW Market Access fees for wagers placed by California residents on all live and imported races hosted by the signatory racing associations for the period May 1, 2022, through December 31, 2022, to be utilized to fund a California co-op | 39 |

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| 6. | Executive Director's Report. | 42 |
| 7. | Public Comment: Communications, reports, requests for future actions of the Board. Note: During the public comment period, a total of thirty minutes will be allowed for public comments via the teleconference line. After thirty minutes, no further comments will be accepted. Each person will be limited to two minutes. | 48 |
| 8. | 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. | 51 |
- 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

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PAGEClosed Session:

Litigation," and as authorized by Government Code section 11126(e).

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

Adjournment

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P R O C E E D I N G S

9:33 A.M.

WEBCAST, THURSDAY, APRIL 21, 2022

CHAIR FERRARO: Good morning, everyone. Thanks for coming. This is a regular meeting, noticed meeting, of the California Horse Racing Board conducted on Thursday, April 21st, 2022 at the Clubhouse at the California Exposition and State Fair Grandstand, Sacramento, California.

Present at today's meeting are myself, Dr. Gregory Ferraro, Chair; also, Oscar Gonzales, Vice Chair; Dennis Alfieri, Commissioner; Damascus Castellanos, Commissioner; Brenda Washington Davis, Commissioner; Thomas Hudnut, Commissioner; and Wendy Mitchell, Commissioner. Also with us is Scott Chaney, Executive Director.

Before we go to the business of the meeting, I need to make a few comments.

The Board invites comments on matters appearing on the meeting agenda. Procedurally, the Board will first hear from those directly involved in the agenda item. I will then invite public comment on the agenda item. The Board will not answer questions in this matter. This item is for comment only, not questions.

Unsolicited speakers are limited to two minutes

1 each. During all public a sign will be raised after the
2 first 90 seconds, meaning the speaker will have 30 seconds
3 remaining to conclude their remarks. At two minutes second
4 sign will be raised to indicate the speaker's time is up.
5 The Board may ask questions of individuals who speak which
6 may extend their two-minute time limit.

7 There are public comment sign-in sheets located on
8 the table by the entrance for each agenda item on which the
9 Board invites comments. There is also a sign-in sheet for
10 those wishing to speak during the public comment period for
11 matters not on the Board's agenda if it concerns horse
12 racing in California. Please print your name legibly on all
13 sign-in sheets.

14 When a matter is open for public comment, your
15 name will be called. Please come to the podium and
16 introduce yourself by stating your name and organization.
17 This is necessary for the court reporter to have a clear
18 record of all who speak. When your two minutes are up, I
19 will ask you to return to your seat so others can be heard.

20 I will insist that all speakers stay strictly on
21 the topic for each agenda item. If a speaker strays off
22 topic, I will ask to move on to the next speaker. If a
23 speaker repeats themselves, I will ask if the speaker has
24 any new comments to make. If there are none, the speaker
25 will be asked to let others make comments to the Board.

1 If anyone has comments of a more general nature
2 that are not specific to earlier agenda items, those
3 comments must wait until agenda item number seven, Public
4 Comment. There will be a 30-minute time limit for Public
5 Comment. In order to allow as many individuals to speak as
6 possible within that half-hour, I will strictly enforce the
7 two-minute time limit for each unsolicited speaker.

8 And with that, we will begin our meeting by
9 starting out with approval of the minutes.

10 May I have a motion for that, please?

11 COMMISSIONER DAVIS: Davis moves.

12 CHAIR FERRARO: Second?

13 COMMISSIONER HUDNUT: Second.

14 AV REPRESENTATIVE: Please turn on your mikes when
15 speaking. The button is at the bottom, facing the
16 microphone.

17 CHAIR FERRARO: Davis motions. Hudnut seconds.
18 Commissioner Gonzales?

19 VICE CHAIR GONZALES: Yes.

20 CHAIR FERRARO: Commissioner Alfieri?

21 COMMISSIONER ALFIERI: Yes.

22 CHAIR FERRARO: Commissioner Mitchell?

23 COMMISSIONER MITCHELL: Yes.

24 CHAIR FERRARO: Commissioner Hudnut?

25 COMMISSIONER HUDNUT: Yes.

1 CHAIR FERRARO: Commissioner Castellanos?

2 COMMISSIONER CASTELLANOS: Yes.

3 CHAIR FERRARO: Commissioner Davis?

4 COMMISSIONER DAVIS: Yes.

5 CHAIR FERRARO: Motion is approved.

6 We're fortunate today on our second item to have
7 an update from Dr. Stover, Francisco Uzal, and Carrie Finno
8 on the interdisciplinary investigation of sudden death in
9 racing thoroughbreds.

10 So we'll ask you to begin if you're ready.

11 DR. FINNO: So thank you to the Board. Can
12 everyone hear me?

13 AV REPRESENTATIVE: We'll need you to use the
14 microphone for the court reporter who is --

15 DR. FINNO: This one?

16 AV REPRESENTATIVE: Yeah. Yes, please. So you'll
17 need to push the button. That is not a portable microphone.
18 I'm sorry.

19 DR. FINNO: I wanted one. How does that work?

20 AV REPRESENTATIVE: I can hear you now.

21 DR. FINNO: We'll just hold onto that. Okay.

22 So thank you to the Board.

23 AV REPRESENTATIVE: No, you only need to push it
24 once. You can let it go.

25 DR. FINNO: Fantastic.

1 AV REPRESENTATIVE: There you go.

2 DR. FINNO: Thank you, sir.

3 Thank you to the Board and thank you to everyone
4 for the invitation from our group here at UC Davis to
5 present a brief update on our investigation into sudden
6 cardiac death in racehorses. So this is going to be a team
7 approach. We're going to have Dr. Uzal start us off, then
8 Dr. Stover, myself, and Dr. Morgan. It's a brief, about 25
9 to 30-minute presentation. And then we're happy to take
10 some discussion and comments at the end if the Board agrees.

11 So Dr. Uzal?

12 AV REPRESENTATIVE: We can hear you, sir.

13 DR. UZAL: Great. Thank you. Good morning,
14 everyone. Good morning and thank you for having us.

15 And to start, I want to thank my colleagues, Dr.
16 Stover, Dr. Finno, Dr. Morgan.

17 So some of you may or may not know me. I am a
18 veterinarian. I work with the California Animal Health and
19 Food Safety Laboratory. And I coordinate the Postmortem
20 Program of Racehorses that UC Davis has been doing for CHRB
21 for the past, almost, 32 years. You probably know that
22 every horse that dies in a facility under the jurisdiction
23 of the Board is sent to our laboratory to do a full
24 necropsy. And we try to establish a cause of death when the
25 horse has not been euthanized.

1 And today, I just want to talk to you a little bit
2 about sudden death. And that's how we define sudden death,
3 we say it's an unexpected death in a closely observed and
4 previously apparently-healthy horse, not a horse that nobody
5 saw for 24 hours and suddenly found dead a horse that was
6 seen recently and it was okay and suddenly dies.

7 There's, curiously, not enough information around
8 the world about this. There's a study that we did more than
9 ten years ago that included six locations in four countries,
10 Australia, the U.S., of course, Hong Kong, and Japan with
11 248 cases. And this is just to set the tone of what we are
12 going to tell you.

13 Look, in 31 percent of the cases, 31 percent, and
14 this is around the world, we ended up not knowing what the
15 cause of death was. And in another 15 percent, so this
16 takes us to 46 percent, there was just a presumptive
17 diagnosis. The pathologist opened up the horse, thought it
18 was something but it couldn't be confirmed. And the 54
19 percent that these marker's definitive here, it's once again
20 up to the pathologist. And when different -- you know,
21 putting pathologists together in the same room is like
22 herding cats. It's a bit difficult to get in agreement, so
23 some of these -- some pathologists may not agree.

24 So the message to take home is about 50 percent of
25 the horses that die suddenly, we don't know the cause. We

1 think it's cardiac failure but we really don't know.

2 Of the definitive cases, and now I'm talking
3 about, see this part of the pie, this 54 percent,
4 hemorrhages, central nervous system trauma (indiscernible)
5 fractures, that type of thing, miscellaneous, and a bit more
6 than 50 percent cardiopulmonary failure, which we know it
7 happened but we don't know the cause. We know that was what
8 killed the horse but we don't know what caused the
9 cardiopulmonary failure.

10 So this is what we normally do with every horse
11 that comes to us we don't know the cause, we do a complete
12 necropsy. We do histopathology. That, for the non-
13 veterinarians, is we look at the tissues under the
14 microscope. We do extensive toxicology, do bacterial
15 cultures, do molecular tests. We do parasitology and other
16 tests as required.

17 So histopathology, we look at every tissue. But
18 in particular, we do what we call a cardiac necropsy. We
19 open the heart and we look at 11 specific parts of the
20 heart.

21 You know that in the heart there's an electrical
22 impulse that starts in a certain part and moves around that
23 makes your heart beat. So we look at the pathway of that
24 (indiscernible) and we look closely and under the
25 microscope. And this is a study we did a few years ago with

1 a number of sudden death horses. And we compare horses that
2 have sudden death and controls. These controls are, you
3 know, broken legs, horses that were healthy but had a
4 catastrophic fracture and were put down. And here, we saw a
5 difference. So 63 percent of the sudden deaths had no
6 inflammatory myofiber injury, these are the fibers within
7 the heart have some sort of injury, microscopic, which
8 was -- it's almost double than in the controls. That's the
9 good news.

10 The bad news is we don't know what caused it or we
11 don't even know if that's what caused the heart to stop, or
12 the heart stopped and as a consequence of the heart stopping
13 there were those changes that were very, very acute. And
14 when I mean acute, that means very, very quick. Everything
15 else, inflammation, fibrosis, and other lesions were equal
16 between the sudden death and the control horses. So that's
17 really the only one in which we saw a difference.

18 And the other thing I wanted to show you today is
19 the results of our toxicology. This is -- we do a lot. We
20 do an extended heavy metals screen that includes cobalt
21 that, years ago, some people thought that could be involved,
22 vitamin B12. We look at the eye fluid. We do a salt screen
23 and we look for illegal drug substances. We do the same in
24 urine and any fluids within the body. And we then -- we
25 don't do it all the time but, very frequently, we do a

1 thyroxine, which is a thyroid hormone T3 and T4. Thyroxine
2 is T4.

3 This is the result of a cobalt. And there you
4 have sudden death horses. The average is 72.5, the control,
5 59.8. This is statistically not significant. So if you do
6 your statistics, the values are the same.

7 This is T3, one of the thyroid hormones, same. No
8 difference between sudden death and controls.

9 And this is T4. This is thyroxine. That's a
10 name, I'm sure, you've heard recently. Again, no
11 significant difference. See, on the right you have the
12 normal range. And the sudden deaths were a little bit
13 above. But when you do statistics, there's no difference.

14 And this is, basically, I want -- what I want to
15 say is that so far, based on pathology alone and toxicology,
16 we don't know the cause of most of the cases of sudden
17 death. And that's why Dr. Stover, Dr. Finno, and Dr. Morgan
18 will be talking. We've been talking and they will be
19 talking to you about new approaches to try to solve this
20 out.

21 Okay. I can take questions now or, if you want,
22 at the end. Whatever you guys want.

23 CHAIR FERRARO: Why don't we hold the questions to
24 the end and we'll ask everybody at the same time.

25 DR. UZAL: Happy to.

1 CHAIR FERRARO: Thank you very much.

2 DR. UZAL: Thank you.

3 DR. STOVER: I'd like to concur that we really
4 appreciate the opportunity to be here. We appreciate your
5 input, as well as what we might have to share. It's really
6 important. It can give us clues on where to go and what to
7 do. And I wanted to share some information we have looking
8 at the exercise histories of these horses that incur sudden
9 death for an unknown reason at pathology.

10 So we looked at the CHRB necropsy database and we
11 looked at the exercise histories of horses from 2007 to
12 2020, and that was 105 thoroughbred horses that died of
13 sudden death of unknown cause. And in order to understand
14 how they might differ from horses that don't die from sudden
15 death, we select three control horses that are still living
16 from the same race or work that the horse, their matched
17 horse, died from. So they would be similar in ability,
18 usually gender, all thoroughbreds. And we looked at their
19 exercise histories and compared them.

20 Just to help understand what we mean by exercise
21 histories, we construct these graphs where the bottom axis
22 is time, so months in their career, for example, listed
23 here. And every time they perform an official timed work,
24 so a high-speed work or a race, we add the cumulative number
25 of furlongs that they exercised.

1 So for this horses, with the timed works in open
2 circles and races in solid circles, this horse has had five
3 timed works and one race. And each time later in their
4 career they race, we add the furlongs. So this particular
5 horse did high-speed activity at over 23 furlongs. That was
6 over a period of 64 days. And if we look at the slope of
7 that line, that gives us some idea of the intensity that
8 they're working. And so this particular horse was working
9 at an intensity of high-speed activity of 11 furlongs per
10 month.

11 So we follow a horse's career, activity throughout
12 their career, and we have used this in the past to, for
13 example, find risk factors for horses that have fetlock
14 breakdowns. And just as an example, I have two horses
15 graphed on this slide, one in the rectangles and one in the
16 ellipses. And you see the lines that are drawn through
17 portions of their career that indicate the rates of exercise
18 intensity.

19 And we've shown in other studies that if we look
20 at the horse that actually had a fracture and the other
21 horse did not, going back in time we can see that the slope
22 of that line is steeper, which means that horse was working
23 more intensely than the other horse. And not only that, if
24 we look at different periods in their careers, when that
25 line gets a little steep they go through a period of

1 inactivity or layup. And so this is how we've used that
2 information in the past to help understand how horses might
3 have a risk for injury, assuming that the layup is often a
4 mild musculoskeletal injury but, of course, not always. It
5 could be a respiratory disease or something else.

6 So what intrigued our team as we were looking at
7 exercise histories from horses that died of sudden death,
8 this is one, was the activities that were occurring just
9 prior to that point in time. And we found -- well, let me
10 say that what we do is we quantify what happens in different
11 periods of time. And we quantify that in a lot of variables
12 on the left.

13 And if you can see where this particular horse
14 landed, we see for each of those variables where these spots
15 are, anything that's black and on the center is within the
16 norm. In this case, we're comparing it to 237 other horses.
17 And as it gets toward one extreme or the other, we visualize
18 that by making it red. And if it's really extreme, an X on
19 the outside. And this particular horse that died a sudden
20 death, what we noticed is that the distance in the last
21 month is relatively small compared to the cohort, yet the
22 distance the horse was doing in the past year up to that
23 time was relatively high.

24 So with all of the horses that we looked at, so
25 105 sudden death horses and 350 live controls, there were

1 some interesting findings. One is that they were slightly
2 older, so they had slightly longer career days. The second
3 was -- and these are slightly different but they're
4 statistically significant, meaning that there's a meaningful
5 pattern here, but they're actually performing more furlongs
6 per work than their matched controls, as well as in event.
7 And interestingly enough, they have more layup days. And
8 those are periods of time in that exercise history where
9 they have a lack of activity for 60 days or longer.

10 But I think the most interesting thing that we
11 found, which I think is hopeful for future research to
12 understand this problem, was looking at that activity just
13 before time of death. And when we looked at that, there
14 were statistically significant differences in the amount of
15 high-speed activity those horses did compared to the
16 controls, and that it was definitely smaller than the
17 control, so they were not doing as much. And that's,
18 actually, also reflected in these other statistics.

19 So just going back to that for a minute, so to me,
20 this is an important observation, something that we might
21 want to follow up on. The reason for that -- and let me
22 summarize first.

23 So these horses that have sudden death are a
24 little bit older. They're three months older, sorry, three
25 months older. They have longer careers. They're working

1 slightly harder than their controls. They've got more layup
2 time. But I think the key factors are the shorter distance
3 in the last month, that for some reason the trainers are
4 backing off on the distance on these horses. And I'm sure
5 that happens a lot, where their horse has a mild injury and
6 needs to get over it or has a respiratory disease.

7 But the fact that these -- that the trainers are
8 observing that these horses are not able to sustain the
9 activities that they've been doing and led up to means that
10 these horses may be having a problem that could be a sign
11 leading up to a sudden death.

12 So we have to remember that sudden deaths are
13 really rare events, so they're really hard to study and
14 they're really hard to catch. But because, I think, the
15 trainers are perceiving something with these horses of
16 unknown origin, again, it could be skeletal, it could be
17 respiratory, it could be anything, that these sudden death
18 horses may, in fact, be showing signs of what we call
19 prodromal, that means a sign that's happening before the
20 event, and could be an opportunity for further scrutiny.

21 And I'd just like to point out that -- so I'd just
22 like to point out that these types of studies are really
23 only possible because of the collaboration with the
24 California Horse Racing Board, it's Postmortem Program, our
25 diagnostic laboratory system, and the resources we have at

1 UC Davis. So thank you.

2 DR. FINNO: Great. So I'm actually just going to
3 show a little bit of, currently, what we're doing on the
4 research side in the field of genetics and to sudden cardiac
5 death. And then Dr. Morgan is going to wrap up with just a
6 few slides on some ideas we have on how we can prevent, so
7 that you screen these horses, if we do have this prodromal
8 period that Dr. Stover was talking about.

9 So I'm a geneticist, a veterinary geneticist, and
10 I'm very interested in the fact that there is sudden cardiac
11 death in humans that occurs. It occurs in people, generally
12 under 35 years of age, during exercise. And there's been a
13 tremendous amount of work in the human field to identify
14 genetic mutations that lead to arrhythmias in people that can
15 lead to sudden cardiac death.

16 And so in people, if there's an episode of
17 exercise-induced syncope, which effectively means as you're
18 exercising you, you know, pass out or you faint or you have
19 some sort of heart abnormality, they'll do an ECG. And
20 regardless of whether you find abnormalities on the ECG or
21 not, those people will undergo genetic testing. And they
22 will look for genetic variants that could lead to these
23 changes. And it's mostly in ion channels.

24 So there is, again, quite a lot of diseases that
25 have been recognized. In horses, to date, there is only one

1 study that looked at the genetics of sudden cardiac death.
2 And it integrated quite nicely some of these pathologic
3 features that Dr. Uzal was talking about earlier across
4 racetracks. But when they went and actually looked at the
5 genomics, this is a Manhattan plot where each color is a
6 chromosome, and so they're trying to look for a marker on a
7 chromosome. Even though that green one looks a little bit
8 high there on the right side, I can assure you that it
9 wasn't significant. So they really didn't find anything in
10 this cohort. But, again, they're using low-powered tools,
11 which were really what was available at the time.

12 So what we are currently doing now is, with the
13 advancement in sequencing, you can actually sequence an
14 entire horse's genome for \$1,200 per horse right now, which
15 is incredibly cost effective if you think about how much it
16 used to be to do the human genome.

17 So we have eight sudden cardiac death thoroughbred
18 samples, again, this came from the Necropsy Program, and
19 then eight controls, which doesn't sound like a lot of
20 horses but we're actually sequencing the entire genome. So
21 these horses are undergoing the sequencing right now. And
22 then we will look at those 20 genes we know in people that
23 cause sudden cardiac death and see if there's any changes in
24 these sudden cardiac death horses.

25 So that's coming down the line. And there may or

1 may not be an underlying genetic ideology. Anyone that
2 knows me will say that I think everything is genetic, so I'm
3 completely biased. But I think that this is well worth
4 looking into with what we know from the human side.

5 And so with that, we're just going to wrap up with
6 Dr. Morgan talking about screening some of these horses for
7 poor performance and just some tools we have, and then open
8 it up for discussion.

9 DR. MORGAN: I'm going to keep it pretty brief but
10 I just wanted to give you guys a few more hopeful thoughts
11 about the kind of things we could do. It's really exciting
12 that, as Dr. Stover mentioned, there's potentially a period
13 before these horses experience sudden death when someone's
14 aware that there's something different with them and to
15 change their exercise history.

16 And so some of the tools we have right now that
17 have been used in human athletes, so young athletes, as
18 screening in some countries that we, I think, could
19 potentially implement in horses to try to identify which
20 things are most helpful in identifying these horses before
21 they experience sudden death so we can intervene early would
22 be, first, to just do a really thorough physical exam, look
23 at their heart. When we know these horses are having a
24 decrease in performance or we're backing off of these
25 horses, we've gotten really good at looking at

1 musculoskeletal system and looking for lameness to try to
2 catch them before they have catastrophic musculoskeletal
3 injuries.

4 I think we can, potentially, do the same thing for
5 these sudden death horses by looking at their heart and
6 lungs. And that means just taking the time to do a longer
7 auscultation, so listening to their heart for a subtle
8 arrhythmia, ideally in the post-exercise period, and then
9 just back in the barn routinely. There are reports of
10 transient arrhythmias in horses after exercise.

11 So there's some work out of Japan by Jim Jones and
12 his colleagues that showed that one to two percent of
13 thoroughbred racehorses experience intermittent atrial
14 fibrillation immediately post-exercise, post-race in these
15 poor performance groups, so in these horses that are
16 dropping off.

17 And so looking for those horses, I think, would be
18 a good first step and a very practical one that we could do.
19 We're already looking at these horses.

20 Other things we could is look at their recovery
21 time.

22 And then ECG has gotten more and more available.
23 There's little handheld units. This picture here is a horse
24 in A-fib that was detected with a handheld unit right at the
25 site. Those run \$100 for us to purchase as veterinarians,

1 so they're practical for us to get and screen these horses.
2 It's something that you can easily email to a specialist if
3 it's not an area that you feel super comfortable
4 interpreting.

5 So I think these are practical tools that we can
6 use and help identify horses that should go on to more
7 intensive screening that could include echocardiography,
8 exercising ECGs, and those types of things, just like they
9 do in people where they identify an arrhythmia, they perform
10 an ECG, and then they use that ECG to target them for more
11 specific screening, whether they need an exercise test
12 because they didn't find anything, or that they found
13 something that could direct them to things like the genetic
14 testing or other testing. That would be the best way to
15 identify how risky it is to continue exercising these
16 horses.

17 This is just some pictures -- oops -- to show you
18 guys some of the different ways we get ECGs in horses. So
19 there's lots of different ways. And I think in the past
20 it's been a real barrier for us that these horses need to
21 go -- undergo really specialized exams. But with the advent
22 of these more available techniques, I think there's tools we
23 can use to identify these horses earlier.

24 And with that, I think I'll wrap up and take any
25 questions.

1 CHAIR FERRARO: We'll take questions from the
2 Board. We're not going to take public comments on this
3 since this is an educational session for the Board.

4 But do any of the Board Members have questions?
5 Go ahead, Tom.

6 COMMISSIONER HUDNUT: I have a question for Dr.
7 Stover. You can probably answer from back there because I
8 suspect it will be succinct.

9 I wonder whether there have been studies from
10 across the pond that correspond to yours where the horses
11 routinely train on grass rather than on dirt or artificial
12 tracks, as they do in this country?

13 DR. STOVER: Are you referring to --

14 AV REPRESENTATIVE: Can you use the microphone?

15 DR. STOVER: Yeah. I'm sorry. Is the question
16 related to sudden death horses?

17 COMMISSIONER HUDNUT: Yes, the 105 horses that
18 were --

19 DR. STOVER: Yeah.

20 COMMISSIONER HUDNUT: -- in your study.

21 DR. STOVER: I'm unfamiliar with any studies that
22 have been across the pond.

23 COMMISSIONER HUDNUT: Okay.

24 DR. STOVER: Um-hmm.

25 COMMISSIONER HUDNUT: Thank you. It might be

1 interesting.

2 CHAIR FERRARO: Sue, those horses that their work
3 rate falls off just before the sudden death, I'm assuming
4 that those are -- you've eliminated that that causes any
5 kind of unsoundness or lameness? You're talking about
6 horses that --

7 DR. STOVER: No, we have not eliminated any other
8 cause for the reduction, so there could be more than one
9 thing happening with those horses. But I think it's a very
10 consistent finding, highly statistically significant. I
11 mean, this is a very consistent finding that horses with
12 sudden death are falling off on their training just before
13 death compared to their matched control, so horses that have
14 been in the same race, the same workout, presumably of
15 roughly similar age and gender.

16 CHAIR FERRARO: Okay. Wendy?

17 COMMISSIONER MITCHELL: I'm assuming there was no
18 conversations with the trainers as to why they identified --
19 they started training less?

20 DR. STOVER: Well, I think this is another
21 opportunity because in California, California has instituted
22 reviews of the trainer and veterinarians --

23 COMMISSIONER MITCHELL: Um-hmm.

24 DR. STOVER: -- after results of the postmortem
25 and it provides an opportunity for asking more questions

1 that could be related to this, so each of those build on
2 each other.

3 But these are all horses that died from 2007 to
4 2020 and most of them would not have those reviews. But
5 it's actually a good question because I'll look up those if
6 we have recent reviews on the training of those horses.

7 COMMISSIONER MITCHELL: Right. Well, I mean, I
8 think, you know, from my perspective the trainers have a lot
9 of information and a lot of culpability in, you know, all of
10 this. So I, you know, think it's important that we get
11 their perspective on these sudden deaths.

12 DR. STOVER: Yeah, a very valid point.

13 COMMISSIONER MITCHELL: Thank you.

14 DR. STOVER: And I think that's the intent of the
15 postmortem review, is to do that in a very positive way so
16 that we can get information helpful for the future.

17 COMMISSIONER MITCHELL: Great. Well, I encourage
18 that.

19 DR. STOVER: Thank you. Yeah. Thank you.

20 CHAIR FERRARO: Anyone else?

21 Dr. Morgan, there was a company, I think they were
22 out of Switzerland, who were advertising for a while that
23 they had a cardiac monitor that could fit in the girth. Is
24 that still available or --

25 DR. MORGAN: There are a couple out there. There

1 are several on the market now that either fit in the girth,
2 or there's some saddle pad trackers that they've been using
3 in Australia in racing jurisdictions that look at heart
4 rate. They don't get a full ECG but they get a rate, which
5 can be really helpful because a lot of these horses get very
6 tachycardic when they experience an arrhythmia. And there are
7 some promising data coming out of the Australian group. I
8 think in the next couple years we'll know more.

9 But -- so, yes, they're available. The
10 practicalities of putting them on while horses are working
11 at speed and keeping them readable are still a big limiting
12 factor but they are there and, I think, are the future of us
13 getting this data. Because really getting this data during
14 racing events, I think, is going to be critical to us
15 identifying horses that are having ventricular arrhythmias
16 only at speed, just like when humans run on the treadmill
17 for a cardiac exam. Like we need a way to really detect
18 these horses that are having a problem during exercise --

19 CHAIR FERRARO: Correct.

20 DR. MORGAN: -- during exercise.

21 CHAIR FERRARO: Yeah. Okay. Thank you.

22 Anybody else?

23 VICE CHAIR GONZALES: Mr. Chairman, just more of a
24 comment.

25 I just want to just thanks to the team at UC Davis

1 School of Veterinary Medicine. They have been just a
2 tremendous partner of ours. And as we start to take a look
3 at what it's going to require to cut into the fatalities
4 that are going to be harder to detect, I mean, I think data
5 and, really, the leadership that each of you bring is going
6 to go a long way for us.

7 So we look forward to the continued partnership.
8 Hopefully we can have you all back here real soon.

9 Thank you.

10 CHAIR FERRARO: Thank you. I totally agree with
11 that statement.

12 As I said, I'm not going to take public comment on
13 this. This was for our education only. Those of you who
14 have some questions, you can probably button all these
15 speakers in the back of the room and ask them directly and
16 we'll move on to our next agenda item.

17 I thank you all for coming. It was a good
18 presentation and very informative for us. Thanks a lot.

19 DR. MORGAN: Thank you.

20 DR. UZAL: Thank you.

21 CHAIR FERRARO: We're skipping three; right?

22 EXECUTIVE DIRECTOR CHANEY: No, we're doing three,
23 not four.

24 CHAIR FERRARO: Oh, three? Okay.

25 Our next item, number three, discussion and action

1 by the Board on whether to select -- elect -- excuse me --
2 whether to elect to collect and remit fees on behalf of the
3 Horseracing Integrity and Safety Authority.

4 Scott, you want to talk about that for us?

5 EXECUTIVE DIRECTOR CHANEY: Sure. Good morning,
6 Commissioners. Scott Chaney, Executive Director, CHRB.

7 As you know, HISA passed congress and was signed
8 into law in December 2020. It is set to go into effect on
9 July 1st of this year, barring some legal intervention which
10 seems unlikely at this point.

11 The organization that HISA creates, the Authority,
12 is tasked with regulating in two areas, antidoping
13 medication control and racing safety. There will be delay
14 in the implementation of the antidoping medication control
15 portion as an agency to administer the program has yet to be
16 identified.

17 The Racing Safety Regulations were approved by the
18 Federal Trade Commission and will go into effect on July
19 1st. They are broken into two parts. The 2100 series of
20 regs are accreditation-based best practices. And the
21 Authority has stated that they will work with associations
22 and state regulators to implement them over time. As you
23 are probably aware, California will see little change in
24 this area as our current regulations were largely the model
25 for the Authority's structure.

1 The 2200 series of the Safety Regs are more
2 definitive regulations that each state will be required to
3 implement on July 1st, and they include such areas as
4 shoeing, riding crop, electro shockwave therapy, safety
5 vests, jockey testing, and others. Again, for the most
6 part, the rules mirror ours with two notable exceptions.
7 The shoeing rule is more restrictive than our current one,
8 which I applaud. And second, the crop rule is less
9 restrictive than our current rule, which I find very
10 troubling.

11 Essentially, the Authority's crop rule mirrors
12 ours except that the rider's six strikes, they are permitted
13 to use the crop in an overhand manner. In California,
14 that's currently not permitted. In this area, the Authority
15 has chosen uniformity over safety, animal welfare, and
16 public perception.

17 Earlier this month, California received the amount
18 of our share of the Authority's budget based on starts and
19 purses. It is ultimately -- it is appropriate \$1.4 million
20 for calendar year 2022, representing just over ten percent
21 of the Authority's total budget.

22 Today's agenda item represents a threshold
23 question for the Board, and that is whether California
24 chooses to opt in? By opting in, the state regulator, in
25 this case the CHRB, would remit the fees to HISA, or the

1 Authority.

2 Should the CHRB not opt in, the Authority will
3 send a bill to each association for it to decide how to pay
4 its fair share. Associations could structure this in any
5 way but most seem to be contemplating a fee-per-start paid
6 by the owner. And I can say that many tracks are worried
7 about this approach as it may create a competition among
8 tracks based on how much the Authority fee is to start in a
9 particular race. Other states simply lack the statutory
10 authority to remit fees to the federal government and cannot
11 or will not seek it.

12 We, the California Horse Racing Board, do not
13 currently have that authority but are seeking it through
14 budget trailer language which would amend the B&P Code to
15 allow us to do this, in addition to a BCP, budget change
16 proposal, which would give us the spending authority to
17 include the Authority's fee in our budget.

18 Staff has been in communication with stakeholders
19 regarding this decision. And I am not aware of any who
20 disagree with our recommendation that California opt in.

21 There are some question marks that still linger,
22 notably, how much the antidoping medication control part
23 will cost.

24 Despite this uncertainty, in working with
25 stakeholders, I believe the CHRB remitting the fees obtained

1 from the industry through a portion of the market access
2 fees would be the best approach. The market access fee
3 approval would take place at a future Board meeting,
4 possibly as early as May.

5 A few other notes.

6 The Authority will not be covering breeds other
7 than thoroughbreds. And, therefore, our current regulatory
8 protocol would remain in place for those other breeds,
9 mostly Quarter Horses and Standardbreds. Mixed-breed races
10 will not be governed by the Authority's rules, although the
11 thoroughbreds that compete in them would still be covered
12 horses for all other purposes.

13 Additionally, Staff has been working on a plan for
14 stakeholder outreach over the next few months so that the
15 impact of this new regulatory structure is minimal. Make no
16 mistake, the transition will be bumpy. But as regulators,
17 we view our job as an educational and informative one,
18 rather than I gotcha or punitive one, as we will adjust to
19 this new -- as we all adjust to this new reality.

20 To date, New Jersey and Maryland have both opted
21 out, citing lack of statutory authority to remit fees.
22 Kentucky and Minnesota appear to be leaning toward opting
23 in, while other states have yet to make a decision.

24 I'm happy to try to answer any questions from the
25 Board. As you can imagine, there are lots of moving parts

1 and logistics to this. And answers and direction are
2 constantly evolving but we are doing our best to understand
3 and address the implications for racing in California.

4 Thanks, Mr. Chairman.

5 CHAIR FERRARO: Thank you, Scott.

6 It is my understanding in your discussions with
7 the racetrack management staff in California that they seem
8 to be in favor of your idea of opting in and using the ADW
9 funds; is that correct?

10 EXECUTIVE DIRECTOR CHANEY: It is. We had a
11 meeting with associations/owner groups/CTT last week and
12 most voiced a support for this because tracks, it's my
13 impression, don't want to be burdened with getting a bill
14 and having to figure out who is going to pay it and how
15 they're going to pay it.

16 CHAIR FERRARO: Questions from the Board?
17 Wendy?

18 COMMISSIONER MITCHELL: More of a comment.

19 Thank you, Scott, for the presentation. It seems
20 to me like this is, you know, it's kind of a no-brainer,
21 only because if we're not -- if we don't opt in, then it
22 goes directly to the tracks and we don't have a say. And
23 certainly, you know, you can't fight city hall, so we should
24 be part of the process versus opting out and having the
25 direct relationship with the tracks or the --

1 EXECUTIVE DIRECTOR CHANEY: I think that's right.
2 In fact, if we don't opt in, then the tracks will be tasked
3 with --

4 COMMISSIONER MITCHELL: Right.

5 EXECUTIVE DIRECTOR CHANEY: -- enforcing the
6 rules, meaning we will no longer have that ability.

7 COMMISSIONER MITCHELL: Exactly.

8 EXECUTIVE DIRECTOR CHANEY: And I think, at least
9 in California, tracks actually appreciate us doing it rather
10 than having to be the ones to do the --

11 COMMISSIONER MITCHELL: Right.

12 EXECUTIVE DIRECTOR CHANEY: -- play the bad guy.

13 COMMISSIONER MITCHELL: And while I'm all for
14 everyone being happy, I think it's our job as regulators to
15 do this.

16 So I would move that we opt in to the HISA.

17 COMMISSIONER ALFIERI: I would guess that by not
18 opting in, it will also be much more expensive.

19 EXECUTIVE DIRECTOR CHANEY: I think that's the
20 case. I had a meeting with HISA officials last week and
21 they've indicated that the first states that opt out and the
22 Authority has to supply like another set of stewards and all
23 the things that it's going to take to actually enforce these
24 safety regulations, that they will also be billed for that
25 additional expense.

1 So I think while short term, some
2 States, it feels good to opt out and kind of be
3 obstructionists, I mean, at least the ones that don't have
4 the -- that do have the statutory authority, in the long run
5 I think this is actually a cost savings for the industry.

6 CHAIR FERRARO: Tom?

7 COMMISSIONER HUDNUT: I concur with my fellow
8 Commissioners in suggesting that we should opt in. but I do
9 want to register concerns about the lack of clarity thus far
10 when it comes to antidoping measures. I think giving it to
11 USADA, which was an on again-off again proposition is
12 probably not very good.

13 We have a record of being the leader in this state
14 in testing. The Maddy Labs and UC Davis are the recognized
15 top dogs in the field. And I think it would be a great
16 disservice, not only to our state but to racing in general,
17 were they not a part of the solution

18 And I don't know what leverage we have to see to
19 it that that happens. But I think it would be unfortunate,
20 just as I think I think it would be unfortunate that other
21 states and HISA did not come up to California standards in
22 matters of safety and medication regulations.

23 EXECUTIVE DIRECTOR CHANEY: Yeah. I think opting
24 in gives us some leverage. Clearly, the Authority would
25 prefer that states opt in so they don't have to do, you

1 know, the regulating themselves, so I think that gives us a
2 little leverage.

3 The other thing that provides leverage is,
4 frankly, Davis's reputation and ability. I don't think
5 there's any real question about whether the Maddy Lab will
6 do testing once they identify an agency and start that
7 program. The question is: What will we look at?

8 As this Board knows, the entire budget for Davis
9 is paid by the California Horse Racing Board through, you
10 know, through stakeholders. Part of my meeting with HISA,
11 and probably the main part, was there will be an opportunity
12 for real negotiation once they come up with the medication
13 control antidoping. And at that point, we'll be able to
14 negotiate to do a lot of the work, sample taking, testing,
15 investigation, I think at least first-level adjudication.

16 And so I think -- so by opting in, I think it
17 actually gives us leverage in that negotiation. But I mean,
18 the biggest leverage is Davis's reputation.

19 COMMISSIONER HUDNUT: Good. Thank you very much.

20 CHAIR FERRARO: Anyone else?

21 COMMISSIONER ALFIERI: Is there any indication on
22 what New York will do? I know you said --

23 EXECUTIVE DIRECTOR CHANEY: Yeah. I think
24 originally they -- and, you know, I feel like a little
25 gossipy; right? But initially they indicated that they were

1 opting out. From what I understand in talking to some of
2 their officials, it's an open question now. They're kind of
3 warming more up to the concept as it became more clear.

4 I mean, frankly, like this has really come into a
5 much better focus in the last month. And so everyone is
6 trying to get up to speed with respect to the implications
7 to their particular state. A lot of states would have to go
8 to their state legislature and ask for more money in order
9 to cover this incremental excess expense, which is a
10 difficult thing in 2022. Fortunately, we have a little
11 different funding model in the sense that we're funded by
12 the industry, so we just need this statutory authority.

13 So I should say to the Board, should we choose to
14 opt in, should you choose to opt in, it would be on the
15 condition that we obtain the statutory authority to remit
16 fees.

17 CHAIR FERRARO: Would we make that determination
18 now or after you have the statutory --

19 EXECUTIVE DIRECTOR CHANEY: We're supposed to make
20 the decision before May 1st. So I would, if the Board's
21 pleasure is to opt in, would do that with the condition that
22 we obtain statutory authority. We've already come up with
23 the language and been working with agency and the Governor's
24 Office to get that done.

25 VICE CHAIR GONZALES: Thanks, Scott. Can you give

1 us an example of what will need to be done in the area of
2 statutory authority? Like what kind of levers are going to
3 be needed so that we have what we need?

4 EXECUTIVE DIRECTOR CHANEY: Yeah. The idea is
5 that we would amend the B&P Code to allow us to do a few
6 things, A, remit fees to the federal government, which we
7 just don't have that authority right now, and secondly, to
8 have -- to be able to enforce federal regulations and use
9 state employees in order to do that; right?

10 So if we're doing an investigation of a drug
11 positive, once the medication control comes into effect, our
12 current CHRB investigators would do the investigation and, I
13 believe, probably do first-level adjudication before, you
14 know, the Authority takes over with the appeals process.

15 VICE CHAIR GONZALES: Great.

16 COMMISSIONER MITCHELL: But this is not a
17 complicated legislative process that we need to go through?
18 It's going to be part of the May revise. The language will
19 go and it will be part of the Budget Act, so it won't be --

20 EXECUTIVE DIRECTOR CHANEY: Yeah, it will just be
21 trailer bill language on the --

22 COMMISSIONER MITCHELL: -- trailer bill language,
23 exactly.

24 EXECUTIVE DIRECTOR CHANEY: -- on the Budget --

25 COMMISSIONER MITCHELL: So --

1 EXECUTIVE DIRECTOR CHANEY: -- Act.

2 COMMISSIONER MITCHELL: -- I don't think it should
3 be controversial or an issue, I mean, given we have agency
4 and industry, so --

5 EXECUTIVE DIRECTOR CHANEY: Yeah. And I must say,
6 the state's been, both Agency, Department of Finance has
7 been very supportive. Assistant Executive Director Cynthia
8 Alameda has kept them informed kind of throughout the
9 process like over the eight months that this is coming. And
10 even though it's sort of a new animal intended for state
11 government, they've been really accommodating for this, so
12 I'm hopeful that it wouldn't be a big deal.

13 COMMISSIONER MITCHELL: Cynthia, apparently, is
14 the Department finance whisperer because that's not
15 something that people normally say about the Department of
16 Finance, but there you go.

17 CHAIR FERRARO: Damascus?

18 COMMISSIONER CASTELLANOS: Yeah. Scott, a
19 question. You mentioned the ADW would be used.

20 EXECUTIVE DIRECTOR CHANEY: Um-hmm.

21 COMMISSIONER CASTELLANOS: Now is there -- which
22 I'm in favor of us opting in. I get it.

23 The thing is, we have a lot of nonprofits that are
24 kind of attached to that. That won't affect any of those --

25 EXECUTIVE DIRECTOR CHANEY: No. So --

1 COMMISSIONER CASTELLANOS: -- within our industry;
2 right?

3 EXECUTIVE DIRECTOR CHANEY: No. So there are
4 several distributions from market access fees. Those
5 wouldn't change. What would happen is the stakeholders
6 would come up with a separate formula for -- to pay this
7 particular expense, as well.

8 COMMISSIONER CASTELLANOS: Thank you.

9 CHAIR FERRARO: Anyone else?

10 Not to change the subject but just as an aside,
11 regarding the crop rule regulation that HISA is pushing,
12 it's my understanding that in spite of the fact that
13 Woodbine and California has demonstrated that the underhand
14 use of the crop is safety, effective, and humane, HISA is
15 going to force this state to take a step backward and go
16 back to the overhand use of the crop; is that correct?

17 EXECUTIVE DIRECTOR CHANEY: That is correct,
18 except for, you know, Standardbreds have their own rule, and
19 Quarter Horses will stay under the current California rule
20 because they're not being -- we're not permitted to opt
21 those other breeds in, but yes.

22 CHAIR FERRARO: And we have no choice in the
23 matter, is my understanding; is that correct?

24 EXECUTIVE DIRECTOR CHANEY: We have tried at every
25 point of contact. We commented on the regs before they were

1 sent to the FTC. We sent a formal comment to the FTC.
2 Senator Feinstein did the same thing, you know, objecting to
3 the current incarnation of the crop rule. And whereas on
4 the medication antidoping side, we can actually apply to be
5 stricter, on the safety side that doesn't exist under HISA,
6 the legislation itself.

7 So the short answer is there will be more whipping
8 in California starting July 1st. I don't know how else to
9 put it.

10 CHAIR FERRARO: So, basically, we're sacrificing
11 humanity on the alter of conformity; is that correct?

12 EXECUTIVE DIRECTOR CHANEY: I mean, the crop rule
13 is kind of near and dear to my heart. But I don't -- I
14 agree with you, Mr. Chairman.

15 CHAIR FERRARO: All right. I've said enough.
16 I'll keep quiet now.

17 VICE CHAIR GONZALES: Just a follow up to your
18 point. That's a good point you raise, Dr. Ferraro, is it
19 just the overhand versus underhanded or is it the other
20 elements of the rule?

21 EXECUTIVE DIRECTOR CHANEY: To be fair to the
22 rule, it is basically our rule, six strikes, two times in a
23 row with a chance to respond, but any of those six strikes
24 can be overhand. So more cropping, if that's a term --

25 VICE CHAIR GONZALES: Yeah.

1 EXECUTIVE DIRECTOR CHANEY: -- might not be
2 accurate. It's more aggressive cropping, so --

3 VICE CHAIR GONZALES: Understood.

4 EXECUTIVE DIRECTOR CHANEY: Yeah.

5 VICE CHAIR GONZALES: Okay.

6 CHAIR FERRARO: Okay. Do we have any public
7 comments on this matter from anyone? We don't have anyone
8 on the list here.

9 EXECUTIVE DIRECTOR CHANEY: Staff is indicating
10 there's nobody on the list.

11 CHAIR FERRARO: Okay. So we have a motion to
12 approve, pending legislative correction for the rule.

13 COMMISSIONER ALFIERI: So move.

14 COMMISSIONER CASTELLANOS: Second.

15 CHAIR FERRARO: Who was the motion?

16 COMMISSIONER CASTELLANOS: Castellanos seconds.

17 CHAIR FERRARO: Okay. Great.

18 Commissioner Gonzales?

19 VICE CHAIR GONZALES: Yes.

20 CHAIR FERRARO: Commissioner Alfieri?

21 COMMISSIONER ALFIERI: Yes.

22 CHAIR FERRARO: Commissioner Castellanos?

23 COMMISSIONER CASTELLANOS: Yes.

24 CHAIR FERRARO: Commissioner Washington Davis?

25 COMMISSIONER DAVIS: Yes.

1 CHAIR FERRARO: Commissioner Hudnut?

2 COMMISSIONER HUDNUT: Yes.

3 CHAIR FERRARO: Commissioner Mitchell?

4 COMMISSIONER MITCHELL: Yes.

5 CHAIR FERRARO: And the Chairman votes yes.

6 Moving on, item number four, we will discuss next
7 month.

8 And we move on to item number five, which is
9 discussion and action by the Board on the approval for the
10 continuation of a distribution from ADW market access fees
11 for wagers placed by California residents on live and
12 imported races hosted by the signatory racing associations
13 for the period May 1, 2022 through December 31, 2022, to be
14 utilized to fund a California co-op marketing program as
15 permitted under Business and Professions Code section
16 19604(f) (5) (E).

17 And my understanding is that Mary Forney is going
18 to present this to us.

19 Is that correct; Mary? Thank you.

20 MS. FORNEY: Good morning, Chairman Ferraro and
21 Commissioners. My name is Mary Forney. I'm the Executive
22 Director of the TOC.

23 This agreement is based on a program that was
24 formerly statutory known as the California Marketing
25 Committee, where a percentage of money is deducted from

1 satellite wagering each year to support joint marketing
2 efforts of the tracks and the horsemen. That statute
3 sunsetted in 2018. But the TOC has, since then, been
4 working with The Stronach Group and Del Mar for a voluntary
5 continuation of that program for the last three years. It's
6 primarily focused on three areas, horse recruitment, player
7 rewards, and the Cal Racing Cares Program.

8 So this is the same process that we've gone
9 through, filing with the CHRB, for the last three years
10 where the horsemen and the tracks identify how much money
11 they would like to go towards the program each year. Then
12 we propose a voluntary deduction from the ADW handle, which
13 is allowed under Business and Professions Code 19604, that
14 we expect will be sufficient to cover the cost of these
15 programs.

16 So for the program this year, we'd be looking at
17 appropriate \$1 million for horse recruitment, \$440,000 for
18 player rewards, and another \$527,000 for Cal Racing Cares,
19 which makes approximately \$1.96 million total to be split
20 equally from the purse account and the track commissions.
21 And those numbers back into the percentages that are shown
22 on the document in your packet. They also mirror the
23 amounts spent in 2021, with the exception of a slight
24 increase of about \$30,000 for Cal Racing Cares.

25 The Cal Racing Cares Program is a communication

1 campaign to increase the awareness of the industry's
2 comprehensive equine health and safety initiatives. And it
3 includes PR, social media, and website services for
4 calracing.com, calracingcares.com, and the newly added
5 californiahorsepower.com which seeks to inform legislators
6 about the importance of our workers and horse safety.

7 Happy to answer any questions.

8 CHAIR FERRARO: Questions from the Commissioners?

9 Scott, do you have comments?

10 EXECUTIVE DIRECTOR CHANEY: No. Nobody on the
11 list.

12 CHAIR FERRARO: No public comments?

13 EXECUTIVE DIRECTOR CHANEY: Zach's indicating
14 nobody on the list.

15 CHAIR FERRARO: Okay. Thank you, Mary.

16 MS. FORNEY: Thank you.

17 CHAIR FERRARO: Can we have a motion to accept?
18 Can we have a motion to accept, please?

19 COMMISSIONER HUDNUT: So moved.

20 CHAIR FERRARO: Second?

21 COMMISSIONER DAVIS: Davis seconds.

22 CHAIR FERRARO: All right.

23 COMMISSIONER DAVIS: And Davis seconds.

24 CHAIR FERRARO: Motion and a second.

25 Mr. Gonzales?

1 VICE CHAIR GONZALES: Yes.

2 CHAIR FERRARO: Commissioner Alfieri?

3 COMMISSIONER ALFIERI: Yes.

4 CHAIR FERRARO: Commissioner Castellanos?

5 COMMISSIONER CASTELLANOS: Yes.

6 CHAIR FERRARO: Commissioner Davis?

7 COMMISSIONER DAVIS: Yes.

8 CHAIR FERRARO: Commissioner Hudnut?

9 COMMISSIONER HUDNUT: Yes.

10 CHAIR FERRARO: Commissioner Mitchell?

11 COMMISSIONER MITCHELL: Yes.

12 CHAIR FERRARO: And the Chairman votes yes.

13 That moves us to our Executive Director's Report;
14 is that correct?

15 EXECUTIVE DIRECTOR CHANEY: It is. That's item
16 number six. Thank you, Mr. Chairman, and again, good
17 morning, Commissioners.

18 I'll begin with the handle report. In January,
19 night racing was down three percent on the same number of
20 programs. Day racing was up three percent on three more
21 programs. And total handle was up two percent as compared
22 to February 2022.

23 Year to date, as compared to last year, day racing
24 was up four percent, night racing was down eight percent,
25 and total handle was up three percent year to date.

1 Last week, I attended the ARCI Annual Conference
2 in Lexington, Kentucky. As you know, the CHRB rejoined ARCI
3 this past January. The meeting was informative and
4 productive. I gave a talk on the animal welfare and safety
5 reforms our state has undertaken over the last few years.
6 California was selected to sit on the Board of Directors of
7 ARCI. And lastly, I met with the CEO, Chief Counsel, and
8 California Liaison of the Authority as created by HISA. I
9 relayed much of what I learned in agenda item number three.

10 On the animal welfare front, we continue to make
11 significant progress. Year to date, catastrophic injuries
12 related to racing and training have decreased 45 percent
13 compared to this period last year, a year in which they were
14 already down significantly from 2020. Total fatalities have
15 decreased 48 percent. Make no mistake, there's still work
16 to be done. But I think it is fair to aver that California
17 is the safest racing state in the country. However, both
18 the CHRB and stakeholders continue to work to reduce the
19 incidents of injuries through research, education, and
20 regulatory reform.

21 On the medication front, I'm happy to report that
22 after closed session today we will have no live Class 1s, 2
23 or 3 positive test finding or cases. I attribute this both
24 to the deterrent effect that the Maddy Lab creates but also
25 the efficient manner by which staff has moved these matters

1 through the adjudicatory process.

2 Lastly, a note for stakeholders and the public on
3 future Board meetings, as everybody knows, the Governor's
4 emergency order allowing for meetings to be held remotely
5 expired last month. As you might also know, the legislature
6 is considering amendments to Bagley-Keene to require both an
7 in-person and remote option for participation but there is
8 no timeline for this legislation.

9 Given these moving parts, we are not planning too
10 far in advance with respect to location and form of our
11 meetings. I believe the May meeting will again be here in
12 Sacramento at Cal Expo. And the July meeting may be moved
13 up a week and held in Southern California.

14 We will endeavor to keep the website as up to date
15 as possible regarding future meetings to afford both
16 stakeholders and the public ample time to plan.

17 And that, Mr. Chairman, is my report.

18 CHAIR FERRARO: Thank you, Scott.

19 Any questions, comments from the Board Members?

20 Tom?

21 COMMISSIONER HUDNUT: I have a question.

22 Thank you for your remarks about the improved
23 safety protocol for racing in California.

24 We, which is to say the CHRB and you, receive
25 reports of all the thoroughbred fatalities --

1 EXECUTIVE DIRECTOR CHANEY: Um-hmm.

2 COMMISSIONER HUDNUT: -- do we not?

3 EXECUTIVE DIRECTOR CHANEY: We do.

4 COMMISSIONER HUDNUT: Then is the statement that
5 was in the letter yesterday that you shared with the Board
6 from The Stronach Group correct that there has been a single
7 racing fatality at Santa Anita since December 26th? Because
8 my recollection is that there had been a couple.

9 EXECUTIVE DIRECTOR CHANEY: I think there's, if
10 I'm not mistaken, there's been one racing-related one and
11 two training-related ones if I'm not mistaken.

12 COMMISSIONER HUDNUT: Well, that was what was in
13 the letter. I was questioning whether that was entirely
14 accurate?

15 EXECUTIVE DIRECTOR CHANEY: I believe it is.

16 COMMISSIONER HUDNUT: Okay.

17 CHAIR FERRARO: Anyone else?

18 VICE CHAIR GONZALES: Mr. Chairman, I just want to
19 just take a moment to thank Scott and his entire team at the
20 CHRB over the last couple of years.

21 I know this is your first in-person meeting,
22 Scott. And it just seems like yesterday when we were
23 interviewing you in the back of the room. And you just have
24 been doing a great job. But I know the accommodations and
25 the support that has been extended to the industry and to

1 us, as Commissioners, under very difficult and trying
2 circumstances has not been easy. So I just want to just say
3 thank you to you and your team.

4 And to those who joined us today, the public
5 participation, I want to also say thank you, whether you're
6 coming from near or far. This is a Board that really values
7 and appreciates engagement, so you being here really matters
8 to us. So hopefully we'll get on a regular routine of these
9 in-person meetings and not get derailed by things that are
10 out of control.

11 But again, Scott, just a big thanks to you and
12 your team.

13 EXECUTIVE DIRECTOR CHANEY: I appreciate it.

14 VICE CHAIR GONZALES: Sure.

15 EXECUTIVE DIRECTOR CHANEY: Thank you, Vice
16 Chairman.

17 CHAIR FERRARO: Anyone else? I think we have a
18 public comment from Lynn -- excuse my pronunciation --
19 Freudenberg. Go ahead. Come to the -- yeah.

20 MS. FREUDENBERG: Good morning, Board. Thank you
21 for listening to me. I know you're not answering questions
22 but my request is to maybe consider adding in an Equine
23 Medical Director's report with the meetings, just to keep
24 current on situations, any research that's being done, and
25 basically keeping us updated with everything that's

1 happening.

2 And thank you very much for the Executive
3 Director. I was just hoping we could get a medical side to
4 it, also.

5 CHAIR FERRARO: Unfortunately, our Equine
6 Medication Director is on administrative leave. Normally,
7 we would have that report.

8 MS. FREUDENBERG: Okay. Perfect. Yeah. I didn't
9 know --

10 CHAIR FERRARO: We'll, hopefully, get it back as
11 soon as we can.

12 MS. FREUDENBERG: Okay. Perfect. I didn't know
13 if your part-time people could take it over but --

14 CHAIR FERRARO: Thank you.

15 MS. FREUDENBERG: -- thank you so much.

16 CHAIR FERRARO: Thank you very much.

17 VICE CHAIR GONZALES: Thank you.

18 CHAIR FERRARO: Any other comments? We don't need
19 a motion, since it's the Executive Director's Report.

20 So before we go into the public comment section, I
21 think we would be remiss if we didn't take time to
22 recognize the death of our former chairman, Chuck Winner.
23 He did a lot for this organization and for California horse
24 racing. He was a very special guy, well liked and loved,
25 and he passed kind of suddenly last month. And so I want to

1 recognize that.

2 And maybe some of the other Commissioners have
3 comments on it.

4 COMMISSIONER ALFIERI: Well, I would echo that.
5 And I came onto this Board not knowing a lot about how this
6 operates and our mission and everything but Chuck took me
7 kind of in under his wing and, you know, sat me down and
8 said, you know, here's what we do and kind of, you know,
9 gave me a full -- kind of a full briefing on kind of some of
10 the history, too, because he went back so many years.

11 But he was a very kind person, very thoughtful,
12 and he will be missed. And, you know, and he was our last
13 chairman, so thank you.

14 CHAIR FERRARO: I may be your very last Chairman.
15 You never know.

16 All right, do we have -- public comment period.
17 Do we have anyone from the public who wishes to talk?

18 Again, Lynn, do you have something else you wanted
19 to say?

20 MS. FREUDENBERG: For public comment, one of the
21 first thing, I want to request that you consider having
22 remote access. For the past couple years you've been doing,
23 you know, Zoom call-in, and I was hoping we could get that.
24 Because it's kind of rough for the -- oh, I can't speak --
25 advocates to get here.

1 So anyways, but my public comments, basically, is
2 the southwest in part, Arizona is known as a dumping ground
3 for California racehorses. Just last -- in February, at
4 Rillito, opening weekend, February 26th and 27th, four
5 horses were killed and it garnered a lot of attention in the
6 non-racing and the pro-racing press. Arizona Racing
7 Commission Rory Goree even wrote to the Paulick Report.
8 This is a quote from his letter.

9 "On Saturday, I was at Rillito, watching the races on
10 opening day. There were two horses that suffered life-
11 ending injuries on opening day. I did something I have
12 not done in the past. I walked back to observe both
13 situations.

14 "I went behind the curtain. The breakdowns were
15 horrific, disturbing, and something I will never be
16 able to erase from my memory. I witnessed the horse's
17 leg dangling like skin and the bone protruding out.

18 "On Sunday, Rillito had to more dead horses, one during
19 racing and another during an incident in the paddock."

20 Two of these four horse deaths were former
21 California horse races -- racehorses, Matika (phonetic), a
22 filly just shy of her fourth birthday. She had six starts
23 at Golden Gate and one at Fresno. She was dumped in Arizona
24 in 2021. On February 26th, she suffered a catastrophic
25 injury during the race.

1 The next day, Irish Cream and Café was killed in a
2 paddock accident. She flipped and sustained life-ending
3 injuries. This mare was born 02/26/15, so she was killed
4 the day after her seventh birthday. She was raced at Santa
5 Anita, Los Al Thoroughbreds, and Del Mar before being dumped
6 in New Mexico in 2018 of September.

7 These animals are nothing more than business
8 transactions. The CHRB continues to grind up and spit out
9 horses. You're always allowing for horses to be dumped out
10 of state where you conveniently wash your hands of any
11 responsibility.

12 But the public does not see it that way. They are
13 living, breathing, sentient animals that are supposed to
14 have oversight by you and I feel like they are being failed.

15 CHAIR FERRARO: Thank you very much.

16 MS. FREUDENBERG: Um-hmm.

17 CHAIR FERRARO: Your two-minute time limit is up.

18 MS. FREUDENBERG: Okay. Thank you.

19 CHAIR FERRARO: Do we have any other people who
20 would like to speak at this time?

21 If there are none, the Board will now go into
22 executive session. At its conclusion we will reconvene the
23 public meeting for the sole procedural purpose of adjourning
24 the meeting without further comment. Anyone wishing to hear
25 that meeting adjournment can use the link to audio webcast

1 on the CHRB website or remain in the meeting room until the
2 Board returns from the closed session.

3 (The regular meeting of the California Horse Racing Board
4 recessed into closed session and was later adjourned
5 at 11:12 a.m.)

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CERTIFICATE OF REPORTER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of April, 2022.



MARTHA L. NELSON, CERT**367

CERTIFICATE OF TRANSCRIBER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.



MARTHA L. NELSON, CERT**367

April 27, 2022