

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of:)

)

Regular Meeting)

)

CALIFORNIA EXPOSITION AND STATE FAIR GRANDSTAND CLUBHOUSE

1600 EXPOSITION BOULEVARD

SACRAMENTO, CA

THURSDAY, SEPTEMBER 15, 2022

9:30 A.M.

Reported by:

Elise Hicks

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

Amanda Brown, Staff Counsel

ALSO PRESENT

Craig Fravel, Santa Anita Park

Eric Sindler

Josh Rubinstein

Michael Brewer, Baker McKenzie

Tom Robbins

Jack Liebau

Larry Swartzlander, California Authority of Racing Fairs

Rick Pickering

James Morgan

Jerome Hoban, Alameda County Fair

Dino Perez

Christopher Schick, Watch and Wager Harness

APPEARANCES

PUBLIC COMMENT

Tweed Conrad

INDEX

PAGEAction Item:

1.	Approval of the minutes of July 14, 2022.	12
2.	Approval of the minutes of August 17, 2022.	3
3.	Presentation from the Race Dates Committee.	4
4.	Discussion and action regarding the handling of racing meet license applications submitted without Race Meet Agreements (RMA) between the California Thoroughbred Trainers (CTT) and racing associations pursuant to CHRB Rule 2044, Agreements to be Filed.	13
5.	Discussion and action by the Board regarding the Allocation of Racing Dates for racing year 2023.	48
6.	Discussion and action by the Board regarding Los Alamitos Equine Sale Company's request for authorization of its upcoming horse sale at Los Alamitos Race Course in Cypress, California, pursuant to CHRB Rule 1807, Authorized Horse Sales.	103
7.	Discussion and action by the Board on the Application for License to Conduct a Horse Racing Meeting of the Big Fresno Fair, at Fresno, commencing October 5, 2022 through October 18, 2022, inclusive.	104

INDEX

PAGEAction Item:

- | | | |
|-----|--|-----|
| 8. | Discussion and action by the Board on the Approval for the distribution from ADW market access fees for wagers placed by California residents on all live and imported races hosted by the Big Fresno Fair at Fresno for the period October 5, 2022, through October 18, 2022, to be utilized to fund a California co-op marketing program as permitted under Business & Professions Code section 19604(f) (5) (E) . | 107 |
| 9. | Discussion and action by the Board on the Application for License to Conduct a Horse Racing Meeting of the Pacific Racing Association, at Golden Gate Fields, commencing October 19, 2022 through December 20, 2022, inclusive. | -- |
| 10. | Discussion and action by the Board on the Application for License to Conduct a Horse Racing Meeting of the Del Mar Thoroughbred Club (T) at Del Mar, commencing November 9, 2022 through December 6, 2022, inclusive. | -- |
| 11. | Discussion and action by the Board regarding the distribution of race day charity proceeds of | 108 |

INDEX

PAGEAction Item:

- WatchandWager.com, LLC., combined 2021-2022 race meetings in the amount of \$4,000 to five beneficiaries.
12. Discussion and action by the Board regarding the proposed amendment of CHRB Rule 1500, Apprentice Jockey, and Rule 1619, Apprentice Allowance, to align with current health and safety standards for jockeys. 110
13. Discussion and action by the Board regarding the proposed amendment to CHRB Rule 1846.5, Postmortem Examination, and Rule 1846.6, Postmortem Examination Review, to require a necropsy and necropsy review of horses that die or are euthanized within 72 hours of leaving a CHRB regulated facility. 112
14. Reports ???
 A. Executive Director's Report.
15. Public Comment: Communications, reports, requests for future actions of the Board. Note: During the public comment period, a total of thirty minutes 119

INDEX

PAGEAction Item:

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.

16. Closed Session: For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by section 11126 of the Government Code. 120
- A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," and as authorized by Government Code section 11126(e).
- B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to

INDEX

PAGEClosed Session:

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

121

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

P R O C E E D I N G S

9:33 A.M.

THURSDAY, SEPTEMBER 15, 2022

CHAIR FERRARO: Good morning, ladies and gentlemen. This is the meeting of the California Horse Racing Board and we'll please come to order.

This is a regular noticed meeting of the California Horse Racing Board conducted on Thursday, September 15th, 2022, at the California Exposition and State Fair Grandstand in 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; Wendy Mitchell, Commissioner. And Mr. Thomas Hudnut, Commissioner, will arrive shortly. Also with us is Mr. Scott Chaney, our Executive Director.

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

The Board invites public comment 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. This item is

1 for comments only, not questions.

2 Unsolicited speakers are limited to two minutes.

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

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

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

22 I will insist that all speakers stay strictly on
23 topic for each agenda item. If a speaker strays off topic,
24 I will ask to move to the next speaker. If a speaker
25 repeats himself or herself, I will ask the speaker if the

1 speaker has any new comments to make. If there are none,
2 the speaker will be asked to let others make comments before
3 the Board.

4 If anyone has comments of a more general nature
5 that are not specific to earlier agenda items, those
6 comments must wait until Agenda Item Number 15, Public
7 Comment. There will be a 30-minute time limit for public
8 comment. In order to allow as many individuals to speak as
9 possible during that half-hour, I will strictly enforce the
10 two-minute time limit for each unsolicited speaker.

11 Please note, the Board received additional
12 documents for Agenda Item Number 5 after the Board materials
13 were published on the website. Those additional documents
14 have been provided to each Commissioner in attendance today.
15 And copies are available on the sign-in sheet table for each
16 for that agenda item. The digital Board meeting packet is
17 available on our website and was updated this morning as
18 well.

19 And with that, we will call the meeting to order.

20 Our first item of agenda, we're going to skip
21 number one because Mr. Hudnut's not here and we need his
22 vote to approve the minutes for that date.

23 And we go to Item Number 2, Approval of the
24 Minutes of August 17th, 2020.

25 The Commissioners involved in that meeting are

1 myself, Oscar Gonzales, Mr. Alfieri, Wendy Mitchell, and
2 Damascus Castellanos. Any discussion or corrections to
3 those minutes? May I have a motion to approve?

4 BOARD MEMBER MITCHELL: Move to approve.

5 BOARD MEMBER CASTELLANOS: Second.

6 CHAIR FERRARO: Do we have public comment on this?

7 No?

8 Commissioner Davis?

9 COMMISSIONER DAVIS: Abstain.

10 CHAIR FERRARO: Right. Sorry.

11 Commissioner Gonzales?

12 VICE CHAIR GONZALES: Yes.

13 Commissioner Alfieri?

14 MR. ANDERSON: Yes.

15 BOARD MEMBER MITCHELL: Commissioner Mitchell?

16 BOARD MEMBER MITCHELL: Yes.

17 Commissioner Damascus?

18 BOARD MEMBER CASTELLANOS: Yes.

19 And the Chairman.

20 Move on to Item Number 3, which is presentation
21 the from the Dates Committee yesterday.

22 VICE CHAIR GONZALES: Yes. Thank you very much
23 that Dr. Ferraro. Appreciated your attendance.

24 Apologies. Sorry about that.

25 Good morning, Dr. Ferraro. Appreciate you joining

1 us yesterday. I think you were able to observe a meeting
2 that is much different than in years past. I believe the
3 stakeholders and horsemen and horsewomen have really come
4 together, understanding, you know, our criteria, what we
5 look for.

6 Some of the highlights that I'll just give, as it
7 relates to adores in California -- and again, I want to
8 thank the Commissioners, Wendy and Damascus, for also the
9 good line of questioning, and also making sure that we're
10 putting the priorities of this Board at the forefront.

11 We started off with Northern California, hearing
12 really thoughtful presentations. CARF had the ability to
13 give highlights and what they thought was a really
14 successful racing seasons over the summer. They indicated a
15 couple of requests on the part of some of their members,
16 including referencing what Santa Rosa is interested in.

17 What we are looking at is a request from Humboldt,
18 Ferndale, that is, for an un-overlapped week, citing all of
19 the different reasons as to their field sizes, which were
20 challenging, but also sharing the upsides of what is turning
21 out to be a pretty good meet with regard to safety,
22 participation and local support.

23 In fact, yesterday at the Race Dates meeting, we
24 had several members that flew down from Humboldt. I had
25 indicated that I had not seen anything like this before,

1 where a combination of local elected officials, appointed
2 officials, business folks, just an overall level of
3 community of support. So Jim Morgan gave a presentation on
4 that.

5 We also heard from Santa Rosa as to their interest
6 in having an additional week, which would bring their total
7 to three weeks. And I think that was the extent of the
8 Northern California highlights.

9 Wendy, Damascus, if I left anything out as it
10 relates to Southern California, please share with, you know,
11 with the rest of the Board, maybe something I left out or
12 anything that comes to mind. Got you. Okay.

13 In terms of Southern California, it was, you know,
14 the calendar that that Scott put together for us, it was at
15 my direction, really just understanding that it was a
16 calendar that appeared to be working. You know, we are
17 still dealing with some of the aftermath of COVID-19, the
18 impact on racing.

19 But one of the items that did stand out was the
20 week leading up to Del Mar. We heard from Jack Liebau of
21 Los Alamitos about consideration that he's asking that the
22 Board pay to awarding that week to Los Al. We're again
23 dealing with what most people would consider a dark week, no
24 racing. But we do know that there is wagering that
25 continues of which the track that is awarded that gets, you

1 know, gets a piece of the action.

2 We also heard from the Del Mar contingency. I
3 think everyone in this room, including this Board, knows
4 just how good of a job Del Mar has done. That kind of work
5 doesn't come cheaply, it requires leadership, the resources.
6 But we also heard from CEO Josh Rubinstein just about the
7 ongoing support that they would appreciate from the Board.

8 And it's important to note that we, I believe, are
9 in a steady course as it relates to non fatalities, of which
10 Del Mar was able to pull off another important meet without
11 any fatalities there.

12 So those are really, I think, if I could just kind
13 of summarize here what the Board if it so chooses -- again,
14 we do not take any action at the Race Dates Committee
15 meeting. But what we -- if this Board chooses to move on
16 the calendar -- and there is a -- and, Scott, you may
17 want -- to I did leave something out as it relates to
18 Northern California, is there was an adjustment that was
19 made on the Fresno dates. And I'll turn it over to you,
20 just for the record, Scott, where you could share with the
21 group.

22 But what we will be looking at here is, again, to
23 either award or not award Ferndale with an un-overlapped
24 week, realizing that they would be -- it would be impacting
25 Golden Gate because that would essentially be their -- it

1 would, just basically, would just impact Golden Gate.

2 And I want to just to also say that I did you know
3 comment that we were very appreciative of Golden Gate doing
4 what they had been trying to do for quite some time over the
5 summer which was to clear the premises so they can address
6 some a deferred maintenance issue. So we do know some of
7 the reviews that are coming in are positive. I read been
8 one of the letters that there may very well be a similar
9 operation underway this coming summer but more to come on
10 that.

11 So we're looking at the Humboldt overlapped, or
12 two over -- two weeks of racing that are not overlapped with
13 Golden Gate, and then the other one would be the Santa Rosa
14 request to have an extra week that would come at the expense
15 of Cal Expo. And then the Southern California week leading
16 up to Del Mar. So really, that's what we're looking at
17 fundamentally.

18 But, Scott, if you could, what was the correction
19 on the Fresno date for those who looked at the calendar?

20 EXECUTIVE DIRECTOR CHANEY: Yeah. So in the
21 proposed dates, Fresno, the Big Fresno Fair, should be 10/04
22 through 10/17 and, obviously, with the adjustments to Golden
23 Gate Fields as well. So it should be 10/04 to 10/17, which
24 is the 14 days of racing. And then, obviously, the Golden
25 Gate meet that precedes it would be one week shorter, I

1 think. And then the Golden Gate meet that follows it would
2 be one week shorter -- longer, rather.

3 And then a few other items that just to fill in
4 the rest of the report. We heard from Standardbreds. Their
5 dates tend not to be very controversial. Didn't hear from
6 Quarter Horses, although that, again, doesn't tend to be
7 very controversial on the southern side.

8 Santa Rosa, there was like some talk of Santa Rosa
9 region during CARF. There was some talk of auxiliary
10 stabling, as well, and that being challenging and needing
11 some planning for Northern California next year.

12 And that's all I had, Mr. Vice Chairman.

13 VICE CHAIR GONZALES: Okay. Great.

14 Any questions or comments? First from Commissioner
15 Witchell -- sorry, Commissioner Mitchell or Commissioner
16 Castellanos as it relates to race dates?

17 BOARD MEMBER MITCHELL: I had some comments. And
18 Witchell is, you know --

19 VICE CHAIR GONZALES: Yeah, I combined it.

20 BOARD MEMBER MITCHELL: -- the kind name --

21 VICE CHAIR GONZALES: I've never done that but --

22 BOARD MEMBER MITCHELL: -- some people call me,
23 but there you.

24 I just want to say thank you for the summary and
25 your leadership on this issue. When I joined the Board

1 three years ago, the Race Dates Committee was one of the
2 first that I attended. And to put it kindly, it was a hot
3 mess.

4 And now we really have just a few issues that
5 we're resolving. And I really appreciate all the work that
6 the stakeholders have done, but also the work of the Board
7 and leadership. Since I've been on this Commission, I've
8 advocated and I continue to advocate for a longer-term Race
9 Dates calendar for, you know, multiple years because in my
10 vast experience of three years on this Commission, it's the
11 same issues over and over again. Although we've whittled
12 them down, which is greatly appreciated, we can look at this
13 as a long term and create certainty for the industry of, you
14 know, what their dates will be, et cetera.

15 So I appreciate the leadership of this Board and
16 stakeholders on this issue and look forward to resolving
17 this.

18 VICE CHAIR GONZALES: Thank you. Damascus, you
19 have anything you'd like to share?

20 BOARD MEMBER CASTELLANOS: No.

21 VICE CHAIR GONZALES: Okay. Great.

22 Mr. Chairman, any thoughts from you?

23

24 CHAIR FERRARO: Well, just to summarize what you
25 said, it seems to me that you're proposing that we bifurcate

1 the acceptance of the racing schedule. So we're basically
2 going to accept Southern California, we're ready to accept
3 Southern California's proposed racing dates as proposed by
4 the staff, but we'd like to look into some possible
5 alterations in Northern California dates. Does that
6 basically summarize what we're trying to do here?

7 VICE CHAIR GONZALES: I would think so, in
8 conferring with Scott. I mean, I just want to defer to
9 staff, just in terms of some of the feedback that you picked
10 up on, maybe just some preliminary thoughts that you might
11 have.

12 EXECUTIVE DIRECTOR CHANEY: Right. I was just
13 thinking, this is the report from the Committee yesterday.
14 And so Item Number 5 is actually the allocation of the
15 dates.

16 VICE CHAIR GONZALES: Okay. Great.

17 EXECUTIVE DIRECTOR CHANEY: So maybe this
18 conversation is something we could have for 5 and we
19 actually --

20 VICE CHAIR GONZALES: Fantastic.

21 EXECUTIVE DIRECTOR CHANEY: -- the Board actually
22 discusses allocating them.

23 VICE CHAIR GONZALES: Great.

24 EXECUTIVE DIRECTOR CHANEY: And it doesn't
25 Require -- this item doesn't require public comment because

1 we took it yesterday.

2 VICE CHAIR GONZALES: You put it perfect. Okay.

3 EXECUTIVE DIRECTOR CHANEY: And this is
4 (indiscernible).

5 VICE CHAIR GONZALES: Thank you for that. Okay.
6 Thank you.

7 CHAIR FERRARO: Any further discussion?

8 VICE CHAIR GONZALES: No, sir.

9 CHAIR FERRARO: Can we move on?

10 VICE CHAIR GONZALES: Yeah.

11 CHAIR FERRARO: I'm going to go back to Item
12 Number 1 since -- Commissioner Hudnut welcome. Thank you.
13 I'm glad you're here.

14 COMMISSIONER HUDNUT: I apologize for being late.

15 CHAIR FERRARO: We have to approve the minutes for
16 July 14th, 2022. You were one of the members there, so I
17 need to have a motion to approve the minutes.

18 COMMISSIONER HUDNUT: So moved.

19 CHAIR FERRARO: Second?

20 COMMISSIONER DAVIS: I second. Davis seconds.

21 CHAIR FERRARO: Any public discussion on this? No?
22 Okay.

23 Chairman Gonzales?

24 VICE CHAIR GONZALES: Yes.

25 CHAIR FERRARO: Commissioner Davis?

1 COMMISSIONER DAVIS: Yes.

2 CHAIR FERRARO: Commissioner Hudnut?

3 COMMISSIONER HUDNUT: Yes.

4 CHAIR FERRARO: And the chairman votes yes. The
5 minutes are approved.

6 And moving on to Item Number 4, discussion and
7 action regarding the handling of race meet license
8 applications submitted without Race Meet Agreements between
9 the California Thoroughbred Trainers and the racing
10 associations, pursuant to CHRB Rule, Agreements to be Filed.

11 It's my understanding that there is no agreement
12 existing; is that correct?

13 VICE CHAIR GONZALES: I would, if I could, that
14 that that as of late last night, that is my understanding.
15 I do know -- and for the -- I think there was two
16 Commissioners that weren't at the last meeting at Del Mar,
17 there was quite a bit of discussion around the Race Meet
18 Agreement with the sense of urgency that those who were not
19 in attendance, we carried that message on. And we have now
20 given the Del Mar, Santa Anita and CTT leadership, which I
21 thought has been ample opportunity, but it seems to be
22 there's still some challenges around maybe just one key
23 item.

24 But I think if we could, if the Board wouldn't
25 mind, is perhaps hearing from all three representatives, I

1 think even an attorney or two maybe accompanying the teams,
2 just to kind of hear where they're at.

3 So why don't we go ahead and do that? And so I
4 see, okay, here we go. Yeah, that's fine, gentleman. Yeah,
5 don't head -- if you want to pull up a chair, Sindler, if
6 you guys want to pull up a chair?

7 And, Alan, we could just get you guys all right
8 here, yeah, because I think the Board is going to have some
9 questions here.

10 EXECUTIVE DIRECTOR CHANEY: Yeah, I think just
11 from a 30,000-foot view, the Chairman and Vice Chairman
12 asked to have this agenda item put on the agenda this month.
13 So it's not tied to concerning a specific race meet
14 application.

15 VICE CHAIR GONZALES: Precisely.

16 EXECUTIVE DIRECTOR CHANEY: I think they were
17 sensing -- I don't mean to speak for you, of course --

18 VICE CHAIR GONZALES: Yeah. Thank you. No.

19 EXECUTIVE DIRECTOR CHANEY: -- but sensing
20 frustration in the entire Board, I thought it might be a
21 good idea to discuss this generally before tackling the
22 two -- well, there are three applications that we're
23 hearing later, two of which don't have an RMA.

24 VICE CHAIR GONZALES: Correct. Right.

25 EXECUTIVE DIRECTOR CHANEY: Fresno does, of

1 course.

2 CHAIR FERRARO: Right. And part of what -- the
3 rationale there is, why we're doing this as a standalone
4 item, is we want to be able to ask important, insightful
5 questions as it relates to the application rather than
6 having the conversation just all around the absence of a
7 race meet agreement.

8 But before we start, I just wanted to say thanks.
9 I know a lot of time and effort is going into this. But
10 If -- why don't we start off with Santa Anita, we'll go to
11 Del Mar, and then if you're okay, Alan, you know, being the
12 final. Alright.

13 MR. FRAVEL: Thank you, Mr. Vice Chairman,
14 Chairman Ferraro, Members of the Board.

15 First of all, I do want to thank the Vice Chair
16 for his attention to this matter. He has been very helpful,
17 encouraging, constructive, and a big help overall, so we
18 really do appreciate that.

19 We also fully appreciate the angst and anxiety
20 that's created by this issue and hope that both the Board
21 and Staff understand that we, meaning the racetracks, have
22 worked very hard to come to an agreement. I think we have
23 had constructive conversations. And I know the CTT has also
24 worked very hard.

25 So -- and unfortunately, at this point, we are

1 hung up on one issue. And I sent a communication yesterday
2 afternoon at the request of the Vice Chair that addressed,
3 essentially, the issue that was, is, and continues to be the
4 main point of contention, and that has to do with the
5 exclusion provisions, those provisions within the agreement
6 that pertain to the track's ability to take action against
7 trainers who are licensed but we believe to have committed
8 some form of misbehavior or omission to take adequate care
9 of horses or a variety of other things.

10 If you got a chance to read what I sent at the end
11 of the day yesterday, I think we, meaning Del Mar and Santa
12 Anita, presented a very reasonable proposal. We listened
13 extraordinarily carefully to the concerns the trainers had.
14 We tried very hard to be responsive to those concerns.

15 And so we provided what we thought was -- and as
16 of Friday morning when that was sent to -- or Thursday
17 afternoon when that was sent to the CTT, we were actually
18 very hopeful that we had overcome a lot of hurdles and bent
19 over backwards to try to come to an agreement. However,
20 that proposal, at least as I understand at this point based
21 on communication yesterday, has been rejected, so here we
22 are without the agreement.

23 I want to emphasize one other thing. The last
24 thing we want to do is exclude trainers. They are the
25 frontline in terms of horse care, safety and welfare. They

1 are also our principal recruiters of horses. And we all
2 know that for us to conduct race meets, to be successful, we
3 need horses, we need great horses. And our trainers are the
4 most important component of that, along with our owners.

5 So the notion that there is some agenda that we
6 have -- and I know this relates back to 201 and the events
7 that took place then -- but, again, the last thing we want
8 is for trainers to be offended by us. We want them to be
9 our patrons, our friends, our partners in progressing this
10 game forward. And without that, we don't really have much
11 of a game.

12 I do want to take some time, if you don't mind, to
13 walk through some sort of legal provisions.

14 Because, you know, bluntly, the notion has been
15 floated that we may be in a position to have licensed
16 denials, I think it's incumbent upon us to clearly state,
17 you know, our views on that and where we think the Board's
18 statutory provisions and regulations have some relevance
19 here.

20 The first thing I would point out to you -- and if
21 you don't mind, I have to preface this by telling you that
22 I'm a recovering lawyer. I am an inactive member of the
23 California Bar. So any comments that I make that sound like
24 being a lawyer, I am not licensed to practice law, so I have
25 Mr. Sindler up here, too, to be the real lawyer. I'm just

1 spouting off things that I believe that I know, but Eric can
2 correct me if I'm wrong.

3 The first provision I want to point out isn't
4 section 196.13.1 of the Business and Professions Code. And
5 that is the section that governs the authority of both the
6 TOC and the trainer's organization, and their
7 responsibilities in general with respect to subjects of
8 negotiation with the racetracks. I don't need to go through
9 the first two parts of that which divide those
10 responsibilities. But the last section says that,

11 "The Board shall resolve issues that are not settled
12 between the associations and the organization
13 representing owners and trainers."

14 So clearly, this Board has all the authority it
15 needs to resolve issues that are unresolved between us, and
16 we understand that, that's clearly in the statute. And
17 like -- but like all power and authority in this country,
18 that doesn't come unrestrained. We believe that that,
19 obviously, means that you can impose certain conditions or
20 resolve issues, but that needs to be in accord with the
21 Board's own Regulations.

22 And in that light, I want to point out section
23 2045 of the Board's Regulations, which is entitled
24 "Prohibited Provisions of Horsemen's Agreements. Item 4 of
25 that -- and it says,

1 "No agreement shall include provisions which are in
2 conflict with the Horse Racing Law or Rules of the
3 Board, or usurp the authority of the Board, including
4 but not limited to Number 4, provisions which may serve
5 to exclude participation at the meeting by any
6 individual holding a valid license issued by the
7 Board."

8 So I think it's pretty simple to state clearly
9 that what we've been arguing about is provisions that relate
10 to the exclusion of trainers that are licensed to be
11 trainers in California. And if you read that, clearly --
12 and I realized that the staff has not had a chance to review
13 these carefully -- but the way that provision very clearly
14 reads is this is not to be a provision that's contained
15 within the Horseman's Agreement.

16 I would also point out that there is a second
17 provision in Rule 1485 that says,

18 "Possession of a license does not confer any right upon
19 the holder thereof to employment or participation at a
20 race meeting, or to be within the enclosure."

21 In addition, and this is something we have stated
22 all along, the arguments that date back to actions taken in
23 2019 that had been the subject of a great amount of
24 litigation, and also underlying a lot of the discussion
25 we're having, relate to exclusions and section 1989 of the

1 Board's Regulations. Section (a) thereof specifies,

2 "A variety of behaviors that permit the association,
3 fair or simulcast facility to remove from its premises
4 any person who is disorderly, interferes with racing,
5 solicits or engages in prostitutions, begs, is
6 boisterous or otherwise offensive, commits public
7 offenses, intoxicated."

8 Section (b) thereof says that,

9 "Any person may be removed or denied access for any
10 reason deemed appropriate by the association, facility,
11 fair or simulcast facility, notwithstanding the fact
12 that such a reason is not specified in the Rules."

13 Our position all along in this has been that,
14 under Section 1989, we have extensive authority racing
15 associations to initiate and process removal processes.
16 That doesn't mean that we have complete unfettered authority
17 or discretion to do that. I mean, the word discretion has
18 been used frequently. I mean, we know that there are
19 constraints regarding fair process, the rights for anyone
20 accused or asked to leave to be heard, to present their side
21 of the case and, potentially, dispute resolution provisions.

22
23 But the argument that we have been having with the
24 trainers is -- relates to their desire to limit our
25 authority under section 1989, and our desire to preserve as

1 much possible authority with respect to conduct of our
2 business. I think in one of the court cases that relates to
3 this, it was said that the racetrack has the right to decide
4 who it's going to do business with. And I think that
5 applies within the trainer ranks, also.

6 Eric, was there one other provision that we?

7 Yeah. Where is 24? I don't have that one.

8 A/V REPRESENTATIVE: We need him to repeat that
9 into the microphone. Nothing can be off of the microphone.

10 MR. FRAVEL: Oh, alright. Okay. So anyway,
11 that -- yeah. Yeah.

12 So anyway, basically, I think, what you're hearing
13 from me is that I'd also like to suggest a constructive
14 approach to this. I really do feel like the appropriate
15 thing to do here, if the Board wants to impose an agreement,
16 is -- and we will undertake to deliver, by Monday afternoon,
17 to the Board and the trainer's assigned CTT agreement that
18 takes out the provisions that relate to exclusion, and
19 simply rely upon section 1989 of the Rules as -- in
20 accordance with section 2045.

21 We would also undertake to immediately begin the
22 negotiation of a side agreement, a long-term side agreement
23 that would address, specifically, dispute resolution, the
24 rights of trainers in terms of notice, the opportunity to be
25 heard, and give them adequate notice of the kinds of

1 behaviors or lack of behaviors that would warrant or perhaps
2 trigger an exclusion action.

3 So now you might ask, well, what's the point of
4 that? Well, the point of that as, A, I think we can come to
5 a long term agreement. As both the trainers and us
6 indicated in our correspondents, we are not dramatically in
7 disagreement about the terms of the notice provisions, the
8 timing, the opportunity to be heard, and private arbitration
9 process to resolve disputes.

10 So I think it's in everyone's interest if we
11 immediately begin the negotiations on that, set aside from
12 the Race Meet Agreement, so we don't keep coming back to
13 this issue. And that we also then have a six-month
14 termination provision in there so that it continues ad
15 nauseam until we don't want it anymore. And that way -- and
16 we'd also invite the TOC, the Stabling and Vanning
17 Committee, and others to be part of that discussion so that
18 we can come up with a very clear program and policy and
19 resolve this issue once and for all. So I think that would
20 be a very constructive approach.

21 I apologize for not, you know, presenting this
22 specifically before but, you know, we haven't been in a
23 situation before where the conferring of our license has
24 been challenged. So I think it's incumbent upon us to state
25 clearly what we view on this subject.

1 VICE CHAIR GONZALES: Thank you, Craig.

2 MR. FRAVEL: Josh?

3 VICE CHAIR GONZALES: Josh?

4 MR. RUBINSTEIN: Good morning, CHRB Commissioners
5 and Staff. Just a couple of points.

6 I'd like to echo what Craig said about Vice Chair
7 Gonzales. He has been invaluable in trying and pushing us
8 to get to a solution. I wish we had better news for you
9 this morning.

10 But as Craig said, the last thing we want to do is
11 exclude trainers. We are in the business of running races.
12 And when there are more trainers at the track entering their
13 horses, that is good for business. But we also have a
14 business to run and must make difficult decisions that are
15 in the best interests of horse racing and our race meets.

16 So in terms of where we go from here, the path
17 that Craig just eloquently outlined, Del Mar is in agreement
18 with.

19 VICE CHAIR GONZALES: Thank you, Josh.

20 Alan?

21 MR. BALCH: Alan Balch, California Thoroughbred
22 Trainers. I'm accompanied here today by Michael Brewer of
23 Baker McKenzie.

24 Colin Murray, who has been representing us on this
25 matter, also with Baker, who is North American CEO of Baker

1 McKenzie, headquartered in San Francisco, a third-generation
2 horseman and owner himself. He can't be here today on sends
3 his apologies. He's actually keynoting and chairing a
4 nationwide, Baker McKenzie conference which has been long
5 scheduled in Chicago for lawyers of color. And so he wishes
6 he could be here.

7 But Michael is here because he's been designated
8 and brought up to speed very quickly, so he can speak to
9 many or all of the matters that Mr. Fravel mentioned.

10 I could be mistaken but I don't believe we
11 received any communication from Mr. Fravel or the tracks
12 yesterday.

13 Did we, Mike, as far as you know?

14 MR. BREWER: No.

15 MR. BALCH: And if something was sent to the
16 Board, which I understood Craig to say, we did get a copy of
17 it.

18 VICE CHAIR GONZALES: I'll give you just some
19 background on that.

20 I had emailed the group, asking for what I thought
21 was going to be a collective statement, of which you were
22 emailed on that.

23 MR. BALCH: Right.

24 VICE CHAIR GONZALES: And the reason I didn't pass
25 that along to the Board, although Scott Cheney was on that,

1 is because it was not complete. In fact, I didn't hear from
2 the CTT in terms of what their thoughts were. I heard some
3 replies back. So that's why we're here today. But you were
4 on the email chain. And I was hoping that there would be
5 some, as I said, just some agreement, or here's where we
6 don't agree.

7 MR. BALCH: Well, we did send a communication
8 yesterday by email to you and everybody on that chain prior
9 to two o'clock.

10 VICE CHAIR GONZALES: Okay.

11 MR. BALCH: And I think it --

12 VICE CHAIR GONZALES: I do recall your -- Michael;
13 right?

14 MR. BALCH: Right.

15 VICE CHAIR GONZALES: Yeah. Okay. Okay.

16 MR. BALCH: Mike Brewer sent that and copied
17 everybody.

18 VICE CHAIR GONZALES: Right.

19 MR. BALCH: But I just want to ask, was there a
20 communication to the (indiscernible) yesterday?

21 MR. BREWER: Yeah, we sent the communication to
22 the Vice Chair and the Executive Director. And I neglected
23 to copy you guys on it but there's nothing in there that you
24 didn't already know. Yeah.

25

1 VICE CHAIR GONZALES: Yeah, the reality is, is
2 where we're at right now, is we don't have an agreement.

3 MR. BALCH: No.

4 VICE CHAIR GONZALES: And I would even interpret
5 what I saw was just, you know, just continue some back and
6 forth between the parties.

7 MR. BALCH: Right.

8 VICE CHAIR GONZALES: But this is your time, Alan.

9 MR. BALCH: Okay.

10 VICE CHAIR GONZALES: I want you just to take full
11 advantage of it.

12 MR. BALCH: Well, I just want to make the point,
13 this is part of a problem with negotiating if positions are
14 stated or staked out that are not shared with us. Mr.
15 Sindler sent a letter to the Racing Board in May related to
16 the June meeting, stating that The Stronach Group would not
17 race under the 2019 agreement. That was then a subject of
18 the racing license at the following meeting or two. We
19 didn't get copied on that until we learned about the letter
20 and asked for a copy.

21 Now I ask you, is that good faith negotiating, not
22 to be copied on matters of significance?

23 So I don't want to go down that rabbit hole any
24 further I want to continue with this.

25 CHAIR FERRARO: I would suggest, Alan, that you

1 stake out your position as it currently exists/

2 MR. BALCH: We will. But I think it's important
3 to state those things for the record.

4 We have been negotiating on this matter in good
5 faith for a long time. The CTT took the initiative in
6 December of 2019 because the tracks advised us that they did
7 not like the consent language as to exclusion that was in
8 the 2019 agreement. We attempted to negotiate.
9 Commissioner Gonzales was assigned to it and did incredible
10 work, both with us and with the tracks, separately and
11 together ,and we felt that was productive. However, those
12 negotiations were suspended.

13 Then independently, on our own, we took the
14 initiative to embark on new race meet agreement negotiations
15 with the non-Del Mar, non-Stronach Group tracks. We have
16 new race meet agreements that have been in place now over
17 the last year with CARF, with the Sonoma County Fair, with
18 the Los Alamitos Racing Association itself, and with the
19 fair at Los Alamitos, the L.A. County Fair. So we've
20 demonstrated our ability to negotiate in good faith and
21 reach new race meet agreements with all of those
22 associations.

23 That race meet agreement has been provided to Del
24 Mar and to The Stronach Group, as well as to this Board with
25 these license applications. And we know from part of the

1 negotiations that Del Mar and Santa Anita, The Stronach
2 Group, have looked at those provisions and, to some extent,
3 has informed some of the negotiating positions they've
4 taken. That's my statemen.

5 Now on the legal, I think we need to hear from Mr.
6 Brewer.

7 VICE CHAIR GONZALES: Okay.

8 MR. BREWER: I'd like to thank the Board,
9 Chairman, Vice Chairman and Commissioners, for hearing. I'm
10 Michael Brewer from Baker McKenzie Law Firm.

11 We are where we are today, discussing an issue
12 having to do with the burden of proof regarding exclusion.
13 And our position, CTT's position, is if we can overcome that
14 hurdle, and we've made progress and we're close, we can get
15 a deal done.

16 In the absence of getting an agreement, our
17 request is for the Board to set a Rule 2044 hearing and make
18 the decision. My sense, however, is if that hearing date is
19 set, it is likely that the parties, based on that hearing
20 date, will reach an agreement before the hearing and the
21 Rule 2044 hearing wouldn't be necessary.

22 On some of the points made by Mr. Fravel today,
23 I'm hearing a lot of those for the first time. But with
24 regard to section 1989, I would point out that the preamble
25 to that chapter in the context in which that chapter was

1 written refers to removing persons who are within the
2 enclosure. The public enclosure and the backstretch and the
3 trainers are not within the public enclosure. That issue,
4 again, is something that the parties are likely to be able
5 to resolve. We have been negotiating, I know, for some time
6 in good faith.

7 But again our request would be, if the Board were
8 to set a hearing date for a Rule 2044 hearing, it is highly
9 likely that we would reach an agreement before that hearing
10 ever took place.

11 Thank you.

12 MR. BALCH: Thank you, Mike.

13 I'd like to add one further point on the whole
14 exclusion issue.

15 We all, if we're candid with each other, realize
16 that this issue started with a Stronach track, Santa Anita,
17 excluding a trainer for life, affecting that trainers
18 livelihood, which thereafter was subject to lengthy two
19 years worth of multimillion dollar litigation. Whatever the
20 race meet agreement said about exclusion, in our opinion,
21 was not followed.

22 So I know that Mr. Fravel has cited the rule about
23 what can be in a race meet agreement. But I would suggest
24 to you all that that is exactly the reason we need to have a
25 race meet agreement because we need to have a clear

1 understanding of what procedures should be followed should a
2 trainer misbehave or alleged to have misbehaved.

3 We have suggested a meet and confer process which
4 is comparable to other types of professional situations
5 leading to arbitration. We have had in effect the last
6 several years, in fact leading up to 2019 even, where we are
7 summoned by the race racing officials, by the management, to
8 meetings when a trainer is suspected of misbehavior. In
9 every single case of which I am aware in the last 12 years,
10 the -- except for one, the CTT has agreed with the position
11 of the management, that we do not want misbehaving trainers.
12 We believe in the highest standard of professionalism and
13 adherence to the license.

14 But we do have to have, we believe, a race meet
15 agreement that takes into account a trainer's livelihood and
16 being given a chance to express his side of the story if
17 he's alleged to have misbehavior. That's really what this
18 boils down.

19 Mike, have I misstated anything?

20 MR. BREWER: No.

21 MR. BALCH: Thank you.

22 CHAIR FERRARO: Thank you all.

23 I know the Commissioners are going to have a lot
24 of questions and comments, but I'm going to depart from the
25 usual protocol for just one second.

1 Do we have public comment on this? No public
2 comment? Okay.

3 Do we have got questions or comments from the
4 Board Members regarding this issue?

5 COMMISSIONER DAVIS: First of all, I would like to
6 thank Oscar, Vice Chair, For all of the efforts that you've
7 put into this. It's been a long haul, feeling very
8 frustrated, and that has been adequately conveyed. I'm
9 still not hearing anything new that hasn't been hashed out
10 before.

11 So my question is: Why would we continue to kick
12 this can down the road instead of just saying, okay, let's
13 just have something in hand and move forward, whatever that
14 looks like for the group? But I'm just not hearing any new
15 issues, unless I'm missing something.

16 CHAIR FERRARO: Wendy?

17 BOARD MEMBER MITCHELL: I concur with Commissioner
18 Davis.

19 CHAIR FERRARO: Thomas?

20 COMMISSIONER HUDNUT: I have no comment, other
21 than to suggest that denying the current applications or
22 invoking the 2044 Regulation, as mentioned, either one of
23 those would be an effective way of forcing the parties
24 together to come to a conclusion so that we don't have to
25 kick the can down the road. I agree with my fellow

1 Commissioners on that.

2 Thank you.

3 CHAIR FERRARO: Damascus?

4 BOARD MEMBER CASTELLANOS: My only concern is that
5 I feel that the negotiations have been going on for some
6 time, three years, I believe, and something needs to happen.
7 And I'm being told, I don't know the specifics from separate
8 and apart from what you guys just told us right now, but I
9 think that you're very close and something should be done.

10 So I mean, this is affecting -- this will affect
11 anything moving forward, so something really needs to happen
12 and move forward with that.

13 Oscar, I know, has been involved and that's
14 fantastic. But it really needs to talk some more to get
15 something done.

16 CHAIR FERRARO: Commissioner Alfieri?

17 COMMISSIONER ALFIERI: What's frustrating to me is
18 I would really like to understand exactly what we're so hung
19 up on. I mean, because I hear both sides and I've, you
20 know, and I've got it right here. And I would love to
21 understand what exclusionary -- what's the hang up,
22 specifically?

23 MR. FRAVEL: (Off mic.) It's not working. Oh,
24 there we go.

25 So let me tell you what our objective in this has

1 been, which is to provide clear guidance in terms of the
2 things that we're looking at, along with CTT, in terms of
3 the kinds of behavior that would warrant some form of
4 action.

5 And I believe, based on an exchange from Tuesday
6 morning after our proposal to them on Thursday of last week,
7 that there is fundamental agreement on that. And that
8 provision basically requires that the track, in making any
9 decision, has to do so in good faith based upon a fair or
10 substantial reason and in a nondiscriminatory fashion
11 towards any individual. And it also preserves the track's
12 ability to operate on the basis of a reasonable belief that
13 certain activities or omissions have taken place.

14 Again, I sent that around yesterday. It is no
15 different than I sent to the trainers on Thursday of last
16 week, so it's not like they you guys have any information
17 that they don't have.

18 What was then requested by the trainers was that
19 we be required, as a racetrack, to prove by a preponderance
20 of the evidence that the activities that are the basis of
21 the action be proven by preponderance of the evidence. Now,
22 that sounds like, you know, an easy thing, happens in
23 courtrooms all the time. But the fact of the matter is, in
24 our view, we are not like a government organization. We
25 don't have subpoena power. We don't have the kind of powers

1 that the Racing Board has. And, essentially, we're dealing
2 with private property here.

3 The standard really has to be: Are we acting
4 reasonably from a business standpoint? We may just simply
5 think trainer doesn't fit. You know, a guy has got horses
6 that don't belong on the Southern California racing circuit.
7 That's not, you know, telling them they're a bad person, it
8 means they just don't -- and that happens all the time as
9 part of our racing operation.

10 In our view, the standard requested by the
11 trainers, basically, puts us in a position where we're never
12 going to be able to exclude anyone and, basically, precludes
13 any kind of exclusion action. And I think we've all said,
14 that's not a situation we want.

15 We have to be able to manage our business. There
16 are times -- we have track rules, the things that relate to
17 notifying us of workouts, availability for, you know,
18 medical exams by our staff, which, you know, we're all put
19 in because we were all struggling to come up with a better
20 way to operate this business. And, unfortunately, from time
21 to time there are individuals who don't play ball. And
22 absent the ability to take action, we're helpless.

23 If we have a set of breakdowns at Golden Gate over
24 a weekend, I get a call from the Chairman asking me,
25 "Fravel, what the hell's going on at Golden Gate?"

1 And I'm like, "I don't know. I didn't -- I wasn't
2 there training those horses, you know?"

3 And, you know, "So what are you going to do about
4 it?"

5 Well, sometimes the answer is the trainers are
6 responsible for their animals. And if they're not being
7 responsible, we need to take action. But if we aren't able
8 to do that, you know, our hands are tied. And we believe
9 that the request by the CTT ties our hands, too,
10 dramatically. Again, we don't mind the fair process, an
11 opportunity to be heard, but we believe that it's based upon
12 a reasonable belief that the grounds that we're acting upon
13 are, are valid.

14 And secondly, we put a provision in that proposal
15 that said, any punishment, for want of a better term, has to
16 be proportional to the grounds that upon which the action
17 was taken. So if a guy's got, you know, three parking
18 tickets that he didn't pay, you know, it wouldn't be
19 rational or proportionate to exclude him for 60 days; right?
20 But it's almost impossible to predict. And we've had unique
21 and new circumstances come up routinely, so it's virtually
22 impossible to write these agreements to contemplate every
23 particular action and sentencing guidelines that would have
24 to be employed.

25 So our objective is to try and come up with the

1 fairest process. And all of this would be subject to
2 arbitration. I mean, that's where, you know, we -- my own
3 view is that the arbitration process will give plenty of
4 comfort to people that were -- we may make the initial
5 decision, we will meet with them, we'll hear their side,
6 we'll make our subsequent decision. And then if they
7 disagree with that, they have the opportunity to take it to
8 an independent arbitrator. You know, we think that's very
9 fair.

10 And I think the difference is that the CTT would
11 like to impose additional limitations on us, and we just
12 don't think those are valid.

13 MR. BREWER: (Off mic.) If I might comment?

14 Yeah, we have been working very hard.

15 A/V REPRESENTATIVE: Your mic's not on.

16 MR. BREWER: Hello? There we go. I just need to
17 be closer to it.

18 We have been working very hard with the tracks for
19 the basis of exclusion. But the hang-up is on the burden of
20 proof. And the tracks maintain that when they make an
21 accusation against a trainer, that the trainer then would
22 have the burden of proof, and that flips, you know, about
23 230 years of American jurisprudence on its head.

24 MR. FRAVEL: If I may?

25 MR. BREWER: There's a fundamental principle that

1 the party making the accusation has to carry that burden.
2 That's the hang-up. If we can resolve that issue -- and
3 what we've proposed -- CTT has proposed adopting a version
4 of NYRA Rule 12, and it's not a very high burden. But
5 again, we're not in a position where, you know, a trainer is
6 guilty until proven innocent. That just -- doesn't happen
7 in the law. It's not right. It's not fair. It shouldn't
8 happen here.

9 Anyhow, if we can resolve that issue, all the
10 other issues should fall in line pretty easily.

11 MR. FRAVEL: Just to be clear -- and I think Mike
12 got it, so if you didn't, my apologies -- we did send a
13 subsequent communication after their request on the NYRA
14 rule that said we would bear the initial burden of
15 establishing that our decision was reasonable, made it in
16 good faith, and nondiscriminatory in any arbitration
17 proceeding, not in our initial decision making. We think
18 that's our business decision and we don't have to prove
19 something to ourselves, we just have to be reasonable in
20 making that decision.

21 And Eric is pointing out to me, we're not charging
22 trainers with a crime, we're making business decisions. So
23 I mean, that goes to my point.

24 The NYRA situation, look, NYRA is a quasi-
25 governmental entity. They operate in a much different world

1 than we do. I would point out, you know, it's a nice
2 comparison, because it suits where they'd like to get to.
3 But I would also point out the tracks like Oaklawn,
4 Churchill Downs, places where we have lost horses, too,
5 because there may be easier medication rules or riding crop
6 rules or the like, basically have a 48hour provision that
7 says any trainer who we don't like gets to be out of here in
8 48 hours, and you have nothing to say about it.

9 So personally -- and I, you know, I want to assure
10 you, and I'll be happy to go through everything we sent with
11 you individually personally, I think our position has been
12 incredibly attentive to what the trainers have asked for.
13 But we feel very strongly that we need to maintain the right
14 to conduct our business on our property. And if we're
15 constrained well beyond the provisions of Rule 1989, that's
16 not something we are in agreement with. We think the rule
17 itself prevails.

18 COMMISSIONER ALFIERI: One other question.

19 You have racetracks in other states. Are we the
20 only state that this is the big issue?

21 MR. FRAVEL: Yes.

22 COMMISSIONER ALFIERI: I don't -- I mean, what am
23 I missing here? I mean, I'd love to see what those --

24 MR. FRAVEL: Well, look --

25 COMMISSIONER ALFIERI: -- agreements look like.

1 MR. FRAVEL: -- let's say, I think this is
2 something we can all agree on. And this is why I've
3 suggested we take this language out of the race meet
4 agreement, let the race meet agreement deal with things like
5 how many stalls there have to be, what our obligations are
6 to provide those, how much straw and manure needs to be
7 there, and what all those important things that really
8 relate to the conduct of the race meet agreement. And let's
9 sit down and come up with a policy that protects us within
10 California.

11 Look, California is different. A jury trial in
12 Los Angeles Superior Court is a lot riskier proposition for
13 an employer or a large corporation than a jury trial in
14 South Florida. And, and in many cases, the overall laws are
15 much more specific in terms of private property rights.

16 So you know there's a piece of litigation going on
17 visa vie Churchill Downs challenging their ability to
18 exclude a certain California trainer. But the law is, you
19 know, in my belief, pretty well established in places like
20 Kentucky and Arkansas, that the private property owner has,
21 you know, a great deal of rights in determining who they let
22 on and who, you know -- we live together; right?

23 I mean, you know, I know you've all been to the
24 racetrack. And we're in a fundamentally dysfunctional
25 family. I mean, we kind of put the funk in dysfunctional.

1 But, by and large, we coexist together and we have to be
2 able to, you know, work with one another and work with
3 people that we trust. And it's in, you know, I honestly
4 believe, it's in the other trainers interests that the track
5 be able to take appropriate action in cases where there are
6 problems.

7 I mean, and that's why I think we can come up with
8 a process if we could resolve this, separate and apart from
9 the race meet agreement, that simplifies the process, makes
10 it quicker, makes it more understandable, gives trainers
11 better notice, and saves us all millions of dollars in
12 litigation costs when actions are taken. And that's why I
13 think that's far preferable.

14 VICE CHAIR GONZALES: You know -- oh, I'll go
15 after you, Mr. Hudnut.

16 COMMISSIONER HUDNUT: Thank you.

17 It sounds to me as though a separate agreement
18 could be used to cut CHRB out of the deal altogether.

19 MR. FRAVEL: You're more than welcome to be a
20 party to it, to enter into the discussions, be part of the
21 meetings. I have no issue with that. I think the words of
22 the regulations give it some authority over exclusions no
23 matter what, so I don't think that, you know, we would try
24 to cut you out.

25 COMMISSIONER HUDNUT: Well, I think one of the

1 virtues of the race meet agreement as currently structured
2 is that it makes sure we don't get cut out

3 VICE CHAIR GONZALES: If I could just follow up to
4 Commissioner Alfieri's question about -- it looks like we
5 are really down in burden of proof -- who at this table can
6 provide -- give us an example of where there would be a
7 hang-up?

8 Just say, without using -- because I know there's
9 some litigation and there may be some recent examples, I
10 know Santa Anita, you probably lead the nation in terms of
11 surveillance, boots on the ground, together with our
12 investigated. I really believe Santa Anita has to be given
13 proper credit, because we can talk about how well Del Mar
14 has done, but had it not been for, I think, some very hard
15 decisions that Santa Anita leadership has made as it relates
16 to what we're not going to tolerate, I think -- so I've got
17 to, I just want to just say, at least in terms of approach,
18 could you give me an example, Craig?

19 MR. FRAVEL: Well, let me, first of all, clarify
20 one thing, I think, and I'm not 100 percent sure how this
21 argument goes.

22 VICE CHAIR GONZALES: Okay.

23 MR. FRAVEL: But as I said earlier, our view is
24 that, under the way this document that we provided has been
25 written, is the track can act under certain circumstances,

1 as long as it reasonably believes that certain conditions
2 exist. And our view also is that the arbitrator, in
3 adjudicating that ultimately, would be making a decision,
4 just like a court would if we were going to court, on
5 whether we acted reasonably or not, you know, did we have a
6 fair process? Was there enough there to substantiate our
7 reasonable belief that the action was warranted? And was
8 the actual action taken proportionate to the offense?

9 Our understanding of what the trainers have
10 proposed is you not only have to have a reasonable belief,
11 but you have to prove the existence of all the facts
12 underlying that particular allegation.

13 Now, as I said, we don't have the power to do a
14 lot of the things that allow you to reach those kinds of
15 burdens of proof. And, you know, it basically means we
16 don't have much business leeway.

17 One of the provisions we wrote said that if
18 trainer takes actions that cast racing in an improper
19 light -- I can't remember the exact words -- you know, do we
20 have to go back and do all kinds of market research and do,
21 you know, studies of patron perceptions of whether a
22 particular trainer was a bad or good person or not? Or are
23 we allowed to say, you know, what this guy is coming in here
24 and he's got a horrendous reputation based upon 20 different
25 violations in Arkansas and we don't want to give him any

1 stalls here.

2 I mean, I think that's the decision we should be
3 allowed to make and base it upon reasonable and give him a
4 chance to tell us why he wasn't -- he or she wasn't
5 deserving of such treatment, and we have to be reasonable
6 and listening to that and understanding it and giving them a
7 chance to rebut it. But, ultimately, we think that should
8 be our business decision.

9 VICE CHAIR GONZALES: You gave me an example of
10 the kind of example I was looking for, an out-of-state
11 trainer wants to come in, they've got a reputation, you're
12 going to deny it, CTT will come in, and then there'll be
13 some level of determining whether that trainer should be
14 allowed. So that I just wanted just to have an example.

15 Could somebody -- you know, I don't know, maybe
16 it's our staff or you, Scott, section 2044, is that -- can
17 somebody just elaborate? Because it seems like that may be
18 an option. One, it sounds like CTT would be okay with that.

19 Would, Craig and Josh, would you be okay if there
20 was a CHRB 2044 hearing where we would come in and, it
21 sounds to me, like decide that terms that are not agreed
22 upon? So just any -- first, I'll give Staff an opportunity
23 here.

24 But first, Craig and Josh, what -- how would you
25 feel if we did a 2044 hearing on, what sounds to me like,

1 really what burden of proof is and how maybe the CHRB can
2 help out in the actions?

3 MR. FRAVEL: I certainly think that it's the
4 Board's prerogative to hold a 2044 hearing if they so
5 choose. And we would, yes, we would support coming to that
6 meeting and hashing it out there. I do.

7 You know, we would want the opportunity to present
8 our views on the consistency of that action with the
9 existing regulations. And that's why I wanted to just point
10 out, you know, where we're coming from and on those terms.

11 VICE CHAIR GONZALES: Okay. Sure thing.

12 Any thoughts, Scott, on 2044? Is that something
13 that can be done?

14 EXECUTIVE DIRECTOR CHANEY: Yeah. I mean, just
15 for the Board's benefit, and Rob can correct me if I get off
16 base here, but 2044, basically when there's a lack of
17 agreement on the RMA, it allows the Board to, after a
18 hearing, which that's what they're talking about, to assign
19 the agreement itself.

20 VICE CHAIR GONZALES: Okay.

21 EXECUTIVE DIRECTOR CHANEY: It's not unlike what
22 you did in 2019. I think there's an open argument about
23 whether that constitutes an actual hearing.

24 VICE CHAIR GONZALES: Okay.

25 EXECUTIVE DIRECTOR CHANEY: But I think you were

1 the person assigned by the Board --

2 VICE CHAIR GONZALES: Right.

3 EXECUTIVE DIRECTOR CHANEY: -- to conduct a 2044.
4 And since then, we've been sort of piggybacking off of that.

5 VICE CHAIR GONZALES: Got it. Understood

6 EXECUTIVE DIRECTOR CHANEY: If we had a 2044,
7 they -- presumably, the Board would decide who's going to
8 hear it. It can be one person, it can be the whole Board,
9 whoever.

10 VICE CHAIR GONZALES: Okay. Understood.

11 EXECUTIVE DIRECTOR CHANEY: And then that person
12 or people would decide what the, you know, what the standard
13 is in this case, because that seems to be the major dispute.

14 VICE CHAIR GONZALES: Okay. I have no further
15 comments now.

16 CHAIR FERRARO: Well, this has been going on for
17 three years-plus. I've listened to your arguments, they're
18 all good arguments, both sides have a point of view. But
19 the bottom line is we're getting nowhere for three-and-a-
20 half years. We keep kicking the can down the road, as
21 Commissioner Davis says. We're not coming to a resolution.
22 Wee get promises, we're very close, we think we can resolve
23 this, we think we can do that, but we're getting nowhere.

24 Sooner or later, something has to happen.

25 Something has to be done to get this issue settled. And my

1 proposal to the Board, and I will put this in the form of a
2 motion, that the Board will entertain -- will not entertain
3 nor allocate any racing applications that don't have a
4 signed RMA agreement between the track, given track, and CTT
5 without a signed agreement. So basically, no agreement, no
6 racing.

7 That gives you one month to solve this issue. You
8 could probably solve it back there in the corner in about
9 ten minutes. But sooner or later, somebody has to pull you
10 up and say enough is enough, solve the problem or we don't
11 race. And that I would caution you not to come back here in
12 a month and say we still have -- we're very close but we
13 still haven't resolved it, because then you're faced with
14 explaining to your Board of Directors why you're taking a
15 big financial hit with no race meet. And CTT, you have to go
16 back to your constituents and say and explain to them why
17 there's no place to race their horses.

18 So I move, as I previously stated, that we neither
19 entertain nor allocate any racing dates without an RMA
20 agreement between CTT and the given tracks.

21 BOARD MEMBER MITCHELL: I'll second that.

22 I would like to offer a friendly amendment that we
23 also, at the same time, calendar for the October meeting the
24 2044 hearing and make it of the whole Commission --

25 CHAIR FERRARO: Yes.

1 BOARD MEMBER MITCHELL: -- so that if it's --
2 thank you -- so that if it's not resolved by then, we don't
3 -- that then we will impose. So that way, you know, it's
4 we're not ending racing for an extended period of time,
5 we're simply saying you guys have a month, come back with
6 it, and then we'll entertain your racing agreement, but if
7 not we're going to impose our decision on the burden of
8 proof issue.

9 COMMISSIONER HUDNUT: I like that.

10 CHAIR FERRARO: Let's have a vote.

11 Commissioner Davis?

12 COMMISSIONER DAVIS: Yes. Commissioner Mitchell?

13 BOARD MEMBER MITCHELL: Yes.

14 CHAIR FERRARO: Commissioner Gonzales?

15 VICE CHAIR GONZALES: Yes.

16 Commissioner Alfieri?

17 COMMISSIONER ALFIERI: No.

18 CHAIR FERRARO: Commissioner Damascus?

19 BOARD MEMBER CASTELLANOS: Yes.

20 CHAIR FERRARO: Commissioner Hutton?

21 COMMISSIONER HUDNUT: Yes.

22 CHAIR FERRARO: And the Chairman votes yes. That
23 solves the matter.

24 Thank you all.

25 MR. FRAVEL: Oh, it's solved? Oh, perfect.

1 CHAIR FERRARO: It solves our matter.

2 We're moving on to Item Number 5, discussion and
3 action by the Board regarding the allocation of racing dates
4 for racing year 2023.

5 VICE CHAIR GONZALES: Yes. I appreciated the
6 opportunity to give a readout from yesterday's Race Dates
7 Committee meeting. I did a good enough job of recapping --

8 A/V REPRESENTATIVE: Your microphone is not on.

9 VICE CHAIR GONZALES: -- oh, sorry -- just turn in
10 terms of recapping what some of the action items were.

11 So, Scott, if I can, you know -- I mean, if
12 there's anything that you can help to tee this up, that
13 would be helpful in terms of what our options and, you know,
14 what format we should follow.

15 EXECUTIVE DIRECTOR CHANEY: Yeah, so this is the
16 agenda item that actually allocates racing dates for the
17 next calendar year or racing year, if you will, because I
18 think it's technically starts on the 21st of December, if
19 I'm not mistaken.

20 There was a proposed calendar that's in your Board
21 packets. The one change I will reiterate to the Board and
22 sort of any discussion going forward at any vote, I just
23 want to make clear, should say Fresno is 10/04 to 10/17.
24 And then Golden Gate is basically moving up in the calendar
25 one week from what's in the proposed schedule.

1 They're kind of -- and the Board can kind of
2 tackle this any way it wants. There's sort of two pieces of
3 the Northern California schedule, the Standardbred one, and
4 then the thoroughbred, you know, CARF/Golden Gate Fields
5 schedule. And then Southern California, kind of the same
6 way, thoroughbreds which includes Del Mar, Santa Anita, Los
7 Alamitos, as well as the County Fair.

8 And then separately, Quarter Horse racing, Quarter
9 Horses in the south and Standardbreds in the north. And at
10 least in terms of date allocation, it usually is less
11 controversial. That seems ready to go. There was almost no
12 discussion yesterday. The thoroughbreds in North and South
13 tend to be like the more heart of the matter and where some
14 of the open issues still exist.

15 VICE CHAIR GONZALES: Okay. Well, thank you.

16 Well, if we were to -- would it be okay if we just
17 looked at Southern California and just opened it up for a
18 discussion around Southern California? What's on the table
19 is the calendar as proposed by Scott. As we heard
20 yesterday, and as I've reiterated today, the issue of
21 concern to Los Alamitos was that the week leading up to Del
22 Mar, a dark week but that has revenue streams that goes to
23 Del Mar because they are allocated that. So what the
24 request was is that -- so that will be an issue, I believe,
25 that that we would have to address or just be mindful of as

1 we looked at the Southern California calenda.

2 Did I tee that up okay, Scott?

3 EXECUTIVE DIRECTOR CHANEY: You did.

4 VICE CHAIR GONZALES: So I will now just leave
5 that open for any discussion.

6 COMMISSIONER HUDNUT: Alright, Mr. Vice Chair,
7 referring to the calendar for proposed Southern California
8 race dates, please identify the week that would be the so-
9 called simulcast week.

10 VICE CHAIR GONZALES: Yes. I'll defer to Scott.

11 EXECUTIVE DIRECTOR CHANEY: Sure. It's in the --
12 if you look at the first page, it's probably the easiest
13 one, the then -- I think it's nine weeks or so, they're
14 allocated to Del Mar or 12/17 through 09/12. So sort of the
15 one that Los Al is challenging would be that first week, so
16 it's 09/12 through -- I mean, sorry, 07/12 through 07/19.
17 This past year, Del Mar was assigned that week and they did
18 not run, they used as a simulcasting week to, you know, to
19 gain the commissions and purse money, and then ran for the
20 consecutive eight weeks, I think, after that.

21 Los Alamitos, I think from what we heard
22 yesterday, would like that first week 07/12 through 07/19,
23 to be assigned to them. I think they've always wanted to
24 run but yesterday their pitch was to use that for
25 simulcasting and not run, also.

1 COMMISSIONER HUDNUT: How was the decision made to
2 give that week to Del Mar?

3 VICE CHAIR GONZALES: I can give you just a -- oh,
4 go.

5 BOARD MEMBER MITCHELL: No. Go ahead.

6 VICE CHAIR GONZALES: Well, I'll just give you a
7 little bit of background.

8 When the decision was made last year, we took into
9 account, Commissioner, what had preceded what we felt was
10 unacceptable levels, fatalities at Los Alamitos. I'll give
11 you an example what went into the consideration.

12 We also felt that Del Mar, as what I would
13 describe as perhaps the anchor meet in terms of where there
14 is the best yield, therefore the most investment that is
15 made by the racetrack, Ship and Win, purse rates, competing
16 with other tracks. So it was, I think, a pretty healthy
17 discussion, you know, but there was nothing that alluded to
18 any kind of, you know, permanency in that.

19 COMMISSIONER HUDNUT: Well, it seems to me that we
20 are missing an opportunity to do something for the least
21 financially strong track in the state, which is Los Al,
22 while doing a favor for the most financially successful
23 track in the state. And I just wonder about the fundamental
24 fairness of that decision.

25 And perhaps my outlook is colored by the fact that

1 I'm the youngest and the shortest of five boys in my family,
2 but I worry about the little guy not getting a fair shake
3 here. And especially when I see that the Los Al share to
4 the purse account would be twice the current share to the
5 purse account, which seems to me would inure to the benefit
6 of all. And I understand the argument, because it was made
7 to be only last Saturday at Del Mar, that half of that goes
8 into the Ship and Win Program, which is a very successful
9 program, but which is now so successful that it pays for
10 itself.

11 So I'm just wondering at the rationale for
12 continuing to give the simulcast week to Del Mar.

13 BOARD MEMBER MITCHELL: I would like to respond to
14 some of that or just my comments on it.

15 We had a long discussion about this yesterday at
16 the Race Dates meeting. And a couple of points is -- I
17 appreciate your leadership and relationship with the Los
18 Alamitos folks. But what Del Mar has done is helping, is
19 benefiting the entire industry in California with their Ship
20 and Win and bringing in new horses. They've shown
21 tremendous leadership.

22 When I first got on this Board, Oscar and I, we
23 raised that concern about Los Alamitos and the need for
24 fairness, et cetera. And what leadership we've seen from
25 Los Alamitos, post that advocacy on their behalf, is that

1 when there were horse fatalities, and we had a special
2 hearing under the new legislation, they came with lawyers
3 and aggressive and weren't addressing it, where Santa Anita
4 and Del Mar, in conversations that we've had on this same
5 very subject, which is why I would argue that, you know,
6 this part of the Board was appointed to the Commission in
7 the -- during the rash of horse deaths, was to resolve that
8 problem.

9 And so both the leadership that Del Mar has shown
10 with the Ship and Win, and that has been replicated by Santa
11 Anita, leads to us making that decision and advocating on
12 their behalf. I think it's better for the state.

13 In addition, the Del Mar track is a state-owned
14 facility and Los Alamitos is a private individual. So I
15 realized that they would like the \$400,000, I would like the
16 \$400,000, but that's not the way the world works.

17 So this is based on our experience on this Board,
18 the leadership that's been shown, and the proof that what
19 Del Mar has been doing is working for, overall, the benefit
20 of the state, so --

21 COMMISSIONER HUDNUT: Historic antipathy can work
22 its way into prejudice very easily and morph into a
23 permanent ban on other tracks participating in the simulcast
24 week benefits.

25 BOARD MEMBER MITCHELL: I appreciate that. And I

1 don't think it's antipathy. It's simply an acknowledgment
2 of the concerns around leadership and what we're trying to
3 do with this industry.

4 Having said all of that, I was put on this Board
5 because I have no agenda or relationships with existing --

6 COMMISSIONER HUDNUT: Right.

7 BOARD MEMBER MITCHELL: -- tracks. I came in as
8 someone who had been on commissions, someone who knew and
9 understood the regulation, and that's not the case with
10 everyone, but that's my decision and my opinion, based on
11 that experience of having worked with the state, been a
12 state regulator, based on commissions, and looking at the
13 actors and making decisions based on that, not based on
14 antipathy of an individual.

15 COMMISSIONER HUDNUT: No, I --

16 BOARD MEMBER MITCHELL: I'm sure all of them are
17 wonderful human beings. I don't have a personal
18 relationship with any of them.

19 COMMISSIONER HUDNUT: Based on facts.

20 BOARD MEMBER MITCHELL: Right.

21 COMMISSIONER HUDNUT: The facts, when you came on
22 the Board, were that there were many more horse deaths,
23 horse fatalities, during the course of the year at each of
24 the tracks than is true today. And no track has had a more
25 dramatic drop in fatalities than Los Alamitos.

1 BOARD MEMBER MITCHELL: When I came on the Board,
2 we -- that is very true. We have, as a Commission, shown
3 great leadership in dropping the horse fatalities by 50
4 percent, which I appreciate that when you all went up for
5 Senate confirmation, got all the accolades, even though it
6 was all done prior to your work, and we all have the arrows
7 in our back because of it.

8 It's, again, it's not antipathy, it's looking at
9 the stakeholders, their leadership and what it does for the
10 industry, which is our responsibility as regulators, not
11 based on personal bias towards any particular track or
12 personal relationships prior to.

13 BOARD MEMBER MITCHELL: I have no objection to
14 that. I think that the most lucid arguments that have been
15 presented before this Board in the last week's have been for
16 Mr. Liebau.

17 BOARD MEMBER MITCHELL: Respectfully disagree.

18 COMMISSIONER HUDNUT: That's fine.

19 CHAIR FERRARO: Are there any other comments from
20 any of the Commissioners?

21 Do we have a public comment on this? No?

22 Someone want to make a motion.

23 EXECUTIVE DIRECTOR CHANEY: Maybe the stakeholders
24 want to say anything or --

25 CHAIR FERRARO: Do you want to hear from the

1 stakeholders, Del Mar and --

2 VICE CHAIR GONZALES: I think we need to just
3 narrow this down --

4 CHAIR FERRARO: -- Mr. Liebau?

5 VICE CHAIR GONZALES: -- to Los Al and Josh for --

6 CHAIR FERRARO: Yeah.

7 VICE CHAIR GONZALES: -- brief statements.

8 Josh, would you like to go first?

9 MR. RUBINSTEIN: Yeah. Thank you.

10 So I heard yesterday and again today, the Ship and
11 Win Program pays for itself. And there was a reference
12 yesterday, the \$400,000 of commissions that is generated
13 during that dark week, Del Mar redirects into horse
14 recruitment, and then we spend another \$1.1 million -- \$1.5
15 million.

16 As great as a season we had, extremely safe, no
17 fatalities in 31 days of racing, we were actually overpaid
18 in purses. So I'm having a hard time understanding that
19 what we're spending is paying for itself. We believe long
20 term it is. We believe it's necessary long term to make
21 this commitment for the industry. But make no mistake, in
22 terms of in a vacuum, this \$1.5 million that the horsemen
23 and women match through the purse account, so it's \$3
24 million, that's not paying for itself, okay? That is a
25 long-term commitment to the industry.

1 Tom, anything you'd like to add?

2 MR. ROBBINS: Yeah, I would.

3 Not every Commissioner was present yesterday when
4 Josh gave some of the statistics of the Ship and Win
5 Program. And I think that the key part of this, and this
6 has been going on for 12 years, and we have the stats to
7 show that, that it's not just Del Mar that benefits from
8 these horses, that either are attracted by local owners and
9 trainers or new stables that come to California and run at
10 Del Mar. These sources, we track them, they follow. They
11 follow and run at Los Alamitos meets, Santa Anita meets.
12 Santa Anita has now joined into the program. And we work
13 closely with them because we feel it's important.

14 We heard yesterday, several times, about how the
15 horse population, not just in California but in the country,
16 is dwindling. We just had a race meet where the field size
17 hit 9.1. I've been doing this for 40 years at Del Mar and
18 we haven't come close to that number. So something's going
19 on right.

20 Mr. Liebau can speak to their field size and
21 population. I feel California as we are and have been for
22 many, many years an islands, so to speak, that if we don't
23 have a successful race meet, we get swallowed up. This
24 year, we finally were talked about in the same vein that
25 people talk about Saratoga, and that's who we're up against.

1 And I think we proved, not just in terms of the product that
2 we put out there, the numbers that we put out there, the
3 safety of the program that we have at Del Mar.

4 And as Josh said, I don't see how it pays for
5 itself. We were overpaid this year. We have to figure out
6 how we can offer the same programs. It's not just Ship and
7 Win. We have other programs that attract horses to
8 California. We feel we're doing our part and we feel like
9 we've done it very well. And to just not hear all of the
10 facts about what we contribute to just Del Mar, if we don't
11 listen to what we're doing for Santa Anita and Los Alamitos,
12 then I think we're missing something.

13 Thank you

14 MR. LIEBAU: (Off mic.) First of all, I'd like to
15 speak to the fatality issue. There's no question that
16 fatalities in 2020 at Los Alamitos were (indiscernible).

17 A/V REPRESENTATIVE: Your microphone is off.

18 MR. LIEBAU: Is it on now?

19 VICE CHAIR GONZALES: Can you hear him now?

20 A/V REPRESENTATIVE: There should be a green
21 light.

22 MR. LIEBAU: Hello?

23 CHAIR FERRARO: Yeah. Now you're good.

24 MR. LIEBAU: I said I'd like to speak to the
25 fatalities. As I mentioned --

1 VICE CHAIR GONZALES: Hold on.

2 MR. LIEBAU: Okay. I'd like to speak to the
3 fatalities since that was brought up. The fatalities were
4 unacceptable in 2020. Those fatalities were mainly Quarter
5 Horses. They were all Quarter Horses, as a matter of fact.
6 As far as thoroughbreds are concerned, I think that since
7 January 1 of 2021, we've had two thoroughbred fatalities.
8 And that's not to say that a horse isn't a horse, but that's
9 just a fact as to where the fatalities were in 2020.

10 If you look at the fatalities, and I suppose that
11 Scott can reaffirm this or somebody from the staff can, the
12 fatalities at Los Al, including Quarter Horses, from January
13 1 of 2021 to present are less than what is incurred -- less
14 than what has been incurred at both Santa Anita and Golden
15 Gate Fields. That's according to your facts. And
16 fatalities are bad, we wish we didn't have them, but they
17 just sort of happen. And every track executive hopes that
18 he gets through the day without a fatality.

19 As far as the Ship and Win Program, I said this
20 yesterday, I think that it is one of the most creative and
21 successful marketing programs that has been launched by a
22 California track. There's no question about that. It's
23 hugely successful. I also applaud Del Mar for their
24 success, and their success over the years, and they had
25 tremendous meet.

1 As far as this issue that's before you now, there
2 are two or three things that I'd just like to mention that
3 have to do with Los Al's position.

4 First of all, this brings us back to eight weeks.
5 We were -- I'm not sure that we should be -- continue to be
6 in the penalty box since we've done admirably compared to
7 others since January 1 of 2021. I think that you have --
8 everybody would have to admit that the money that would be
9 generated in the dark week will have more impact than the
10 purses at Los Al than they will add Del Mar, simply because
11 of the discrepancy in the purse pools. I mean, you've got a
12 smaller amount at Los Al.

13 The other thing is that Los Al will contribute the
14 amount that would inure to the track, which is roughly the
15 400,000 that we're talking about, and also give that to
16 purses. So that sort of is why I was hoping that you would
17 give us that dark week.

18 With respect to Del Mar, all I can say is that,
19 for whatever reason, the issue has been joined that the Ship
20 and Win is dependent upon having that dark week. That, I
21 don't -- we don't have a transcript of that yesterday, what
22 was said yesterday by Josh, but I mean, that's where it
23 seems to be coming down. And all I can say is that based
24 upon Del Mar's own management analysis for 2021 is that --
25 and I'll quote from it,

1 "An analysis of the 2021 Ship and Win Program shows an
2 incremental Ship and Win costs per start of \$4,327,
3 while each additional start generated an estimated
4 \$7,093 of combined commissions and purses."

5 This is Del Mar. Del Mar's position and TOC's
6 position to begin with was you have to fund Ship and Win
7 with this money or we don't have Ship and Win. And all Los
8 Al is saying is we don't know any more than what the Del Mar
9 internal analysis says that shows clearly that Ship and Win
10 doesn't have to be funded because it's a profit center, and
11 that that's where we are.

12 I mean, all I can say is I assume there's, you
13 know, arguments on both sides of this. Los Al's argument
14 is, just basically, that based upon the information that's
15 available, it does not appear that Ship and Win is dependent
16 upon Del Mar continuing to have that wheat. That's it.

17 Thank you.

18 MR. RUBINSTEIN: I'd like to address Mr. Liebau's
19 comments. And I believe Tom may as well.

20 Once again, we look at Ship and Win horse
21 recruitment as our overall purses program that we provide to
22 owners and trainers. And as I said earlier, and Jack, you
23 don't need a transcript for this, we were overpaid in 2022,
24 the summer of 2022. So to say, Ship and Win or anything
25 else is -- that we offered is profitable, that's not the

1 case.

2 And his other comment about we all can agree that
3 the \$400,000 of commissions, which we've been doing this for
4 three years, those \$400,000 and commissions, we've been
5 providing into horse recruitment, that that \$400,000 is
6 better spent at Los Al and everybody would agree with that,
7 I don't, Tom doesn't. And the reason is if that \$400,000 is
8 not made available to Del Mar, we will have to reduce our
9 horse recruitment spend. And as I said yesterday, we're
10 projecting that the 340 horses, out-of-state horses that ran
11 at Del Mar because of our recruitment program, including
12 Ship and Win, that those horses are projected to make 500
13 starts, 500 starts at Santa Anita and Los Alamitos. And Los
14 Alamitos spends zero dollars on horse recruitment. So they
15 should be thankful that Del Mar is helping them do their
16 job.

17 MR. LIEBAU: I just -- I don't want to get into
18 the weeds on this, but the \$400,000 will just -- I always
19 seem to be entertaining over on the right side of the table.

20 BOARD MEMBER MITCHELL: You're incredibly
21 entertaining, Mr. Liebau. Please continue.

22 MR. LIEBAU: Well, the \$400,000 will likely result
23 in the rent being reduced by \$400,000 to the district fair.
24 This year, the net revenues that were paid over to the fair
25 were around \$50 million, of which \$10 million was from

1 racing operations, with food and beverage being ar4ound \$5
2 million.

3 I don't really think, you know, there's much use
4 in bantering back and forth. I have the utmost respect for
5 Del Mar and the success that they've had. I've said that
6 the Ship and Win Program is, you know, one of the most
7 creative and successful marketing programs that have been
8 launched by a California track. I mean, that's where we.
9 The numbers are the numbers.

10 And, you know, I was lucky enough to stumble upon
11 this Del Mar analysis of the Ship and Win Program and
12 brought it to your attention. And my conclusion, based upon
13 their own information in 2021, is shipping when program
14 doesn't need to be funded because it's a profit center.
15 Hell, maybe Del Mar should try to monetize it. It's not a
16 bad deal.

17 CHAIR FERRARO: Can we have a motion from the
18 Board?

19 VICE CHAIR GONZALES: First, any questions,
20 Commissioners, for the presenters, anybody?

21 First, I want to just, again, compliment you.
22 One, I want to recognize Los Alamitos for the leadership,
23 management, adjustments to get a handle on fatalities, fully
24 recognized, duly noted. And to Del Mar for just really
25 coming through for California racing and West Coast racing,

1 so tremendously helpful there.

2 So as we take a look, Commissioners -- and I want
3 to just also recognize the conversation between Commissioner
4 Mitchell and Commissioner Hudnut.

5 What I wanted just to perhaps bring up as a point here,
6 because I want to make a motion to adopt the Southern
7 California calendar as presented but with an amendment, and
8 it's with the amendment that I want to just, you know, kind
9 of lay the groundwork here is, so my motion would be to
10 adopt the 2023 calendar as presented.

11 However, in looking at 2024, that we do -- and
12 we've done this before, this won't be the first time I know.

13 Last year we, to make Santa Rosa whole, we offered them
14 something in the subsequent years. So this is how I would
15 like to see this because we do not want to break any
16 momentum whatsoever for Del Mar going into 2023. I think we
17 can all agree on that. But we also believe that Los
18 Alamitos, and to your point, Mr. Hudnut, so what if we
19 awarded that simulcast week, that dark week, but with the
20 flow of revenue to Del Mar, and in 2024, we offer that to
21 Los Alamitos?

22 So I would like to make a motion that we adopt the
23 calendar, the 2023 calendar as submitted, with an amendment
24 that that week in 2024 goes to Los Alamitos.

25

1 COMMISSIONER HUDNUT: I'll second that.

2 CHAIR FERRARO: Commissioner?

3 BOARD MEMBER MITCHELL: I think it would be a
4 consideration that -- because we're not adopting a full
5 calendar, it would be that and that would be like --

6 VICE CHAIR GONZALES: A commitment.

7 BOARD MEMBER MITCHELL: -- a commitment, an idea,
8 a concept. Because, I mean, again, this goes back to why I
9 think it's a good idea that we have a multiyear calendar --

10 VICE CHAIR GONZALES: That's correct.

11 BOARD MEMBER MITCHELL: -- because we can do this,
12 but this is not a multiyear calendar. This is simply saying
13 it's our intent.

14 VICE CHAIR GONZALES: Well, what I think what we
15 can do -- Commissioner Mitchell, great point -- in the case
16 of Santa Rosa, because they were, I remember, wondering how
17 a promise like that was going to hold. So I think that this
18 Board has taken a look at placeholder, certain commitments.
19 And, again, you're right. You've been an advocate for a
20 two-year calendar so we can address issues like this.

21 So we have a motion on the floor. It's been
22 seconded by Mr. Hudnut. Any discussion about what I'm
23 proposing here?

24 EXECUTIVE DIRECTOR CHANEY: Yeah, can I just -- I
25 just need to understand the motion. Is it like you're

1 allocating that next year? Because a commitment is
2 different than intent.

3 COMMISSIONER HUDNUT: Right.

4 EXECUTIVE DIRECTOR CHANEY: It just needs to know
5 exactly what --

6 VICE CHAIR GONZALES: Well, then we make.

7 EXECUTIVE DIRECTOR CHANEY: -- the Board would be
8 committing to.

9 VICE CHAIR GONZALES: Then I would be wanting to
10 make a commitment, just to resolve this dispute this issue
11 here, and to try to keep some harmony. So the motion would
12 be to adopt the calendar as presented by Staff, the 2023
13 calendar, with an amendment that we adhere to or that we do
14 adopt and allow for that week leading up to Del Mar, the
15 simulcast to go to Los Alamitos in 2024.

16 MR. RUBINSTEIN: Mr. Chairman, may make one
17 comment? Am I allowed to make one comment?

18 VICE CHAIR GONZALES: Yes. Yes.

19 MR. RUBINSTEIN: So I really appreciate what
20 you're trying to do here, is find a solution. And I would
21 ask the Board that if there is going to be consideration for
22 a dark simulcast speaks for Los Alamitos, it should just be
23 that. To quantify -- there could be a dark week any week on
24 the calendar, but to say it needs to be that specific week,
25 it could be at the end of Del Mar's meet, it could be

1 beginning of Santa Anita's meet, the end of Santa Anita's
2 meet. So to lock the Board and the industry into that one
3 specific seven-day period, just in my opinion, is limiting.
4 So if the Board is going to consider a dark week for Los
5 Alamitos, it would just give flexibility for that --

6 VICE CHAIR GONZALES: Understood.

7 MR. RUBINSTEIN: -- in 2024.

8 VICE CHAIR GONZALES: Good point.

9 Jack, do you have any thoughts on it?

10 MR. LIEBAU: I think that would be fine, as long
11 as it was a comparable week.

12 VICE CHAIR GONZALES: Understood.

13 MR. LIEBAU: A week after -- between Los Al
14 closing in the winter and Santa Anita opening when no track
15 is running is, you know, not a comparable week. I think we
16 would all agree on that.

17 VICE CHAIR GONZALES: I think you would be okay
18 with that; right, Josh, a comparable week?

19 MR. RUBINSTEIN: Well, there's only one comparable
20 week to the week before Del Mar. So I think we need to be a
21 little careful again --

22 VICE CHAIR GONZALES: Okay.

23 MR. RUBINSTEIN: -- and that's just my
24 recommendation, in boxing the Board in. But if it is the
25 Board's pleasure to consider that dark week for Los

1 Alamitos, just to give the Board as much flexibility as
2 possible.

3 VICE CHAIR GONZALES: Understood. Okay.

4 Do you want to kind of kind of tighten this up
5 here a little bit, Scott, with the --

6 EXECUTIVE DIRECTOR CHANEY: Yeah. I guess I'm
7 just a little bit concerned that I don't have a vote, so I
8 just want to offer my --

9 VICE CHAIR GONZALES: Yeah. Well, my --

10 EXECUTIVE DIRECTOR CHANEY: -- advice if I can?

11 It worries me a little bit that you're tying your
12 own hands for next year. Let's say there is a spike in
13 fatalities and you want to give Los Al six weeks next year
14 rather than their seven. So does that mean the seventh
15 thing would be the simulcast week? And I think it can be
16 done next year.

17 I mean, I think it's important to acknowledge that
18 that would be the Board's commitment or idea or would like
19 to do it, but it could be done with a reallocation of dates
20 next year; right? Let's say you have a new -- we have a few
21 new Board Members or things change, it worries me that it
22 feels like you're binding the Board to something to shifting
23 ground. We can -- if nothing that the last three years
24 haven't taught us it's that it's a little bit unstable. And
25 I'd kind of like to see like at least another year of

1 stability post-pandemic before. That's just my two cents.

2 COMMISSIONER HUDNUT: 2023 is a year of stability.
3 We're talking about 2024 here. And merely stating the
4 Board's intention to do something I don't think binds us to
5 do it.

6 VICE CHAIR GONZALES: I'd agree.

7 BOARD MEMBER MITCHELL: Then the language is
8 intent, not commitment.

9 COMMISSIONER HUDNUT: Correct.

10 VICE CHAIR GONZALES: Intent. Okay. You got it.

11 COMMISSIONER HUDNUT: Absolutely.

12 VICE CHAIR GONZALES: Intent. We're taking in
13 with Josh's point. And it sounds to me like Jack is ready
14 for that fluidity there, so --

15 BOARD MEMBER MITCHELL: Again, I mean, I think
16 this is making my argument for the two-year calendar. And I
17 don't -- we're getting ahead of it to try and allay, you
18 know, concerns raised. And so I'm just, you know, I just, I
19 would like us to look at the two-year calendar versus kind
20 of doing this ad hoc when people pitch a hissy fit from the,
21 you know --

22 VICE CHAIR GONZALES: Well, then what I think.

23 BOARD MEMBER MITCHELL: -- from on the mic.

24 VICE CHAIR GONZALES: Point well taken,
25 Commissioner. And I think between Commissioner Castellanos,

1 Castellanos and I, we could take a look and get an earlier
2 head start on the 2024 calendar, perhaps with the two-year
3 approach that we have been talking about that got disrupted
4 by COVID, so --

5 COMMISSIONER HUDNUT: Sure.

6 VICE CHAIR GONZALES: Okay. Well, any further
7 discussion as it relates to -- now, let me just rephrase
8 that. It would be adopting the 2023 calendar as proposed
9 with an amendment that in 2024 the intent of the Board will
10 be to award a dark week with that revenue stream to Los
11 Alamitos in 2024.

12 COMMISSIONER HUDNUT: I second the amended motion?

13 VICE CHAIR GONZALES: Okay. Looks like we're
14 ready for a vote.

15 CHAIR FERRARO: Commissioner Davis?

16 COMMISSIONER DAVIS: Yes.

17 CHAIR FERRARO: Commissioner Mitchell?

18 COMMISSIONER ALFIERI: Is there public comment?

19 CHAIR FERRARO: We have no public comment, do we?

20 No.

21 VICE CHAIR GONZALES: Yeah.

22 CHAIR FERRARO: Commissioner Mitchell?

23 BOARD MEMBER MITCHELL: No.

24 CHAIR FERRARO: Commissioner Gonzales?

25 VICE CHAIR GONZALES: Yes.

1 CHAIR FERRARO: Commissioner Hudnut?

2 COMMISSIONER HUDNUT: Yes.

3 CHAIR FERRARO: Commissioner Castellanos?

4 BOARD MEMBER CASTELLANOS: Yes.

5 CHAIR FERRARO: Commissioner Alfieri?

6 COMMISSIONER ALFIERI: Yes.

7 CHAIR FERRARO: And the Chairman votes yes.

8 MR. LIEBAU: Thank you very much.

9 CHAIR FERRARO: And we have to move on to Northern
10 California.

11 VICE CHAIR GONZALES: Yes. If I could just make a
12 recommendation to the Board? I believe we have some time.
13 And perhaps, and I know we're really run late in this
14 meeting here, but if perhaps we can just push off adopting
15 the Northern California race dates adoption until the next
16 meeting? I mean, Scott, I don't know what your thoughts are
17 on that.

18 EXECUTIVE DIRECTOR CHANEY: If I could, would it
19 be possible to tackle the Standardbred race dates for next
20 year? They seem to be uncontroversial. And they're
21 actually presenting their application next month --\

22 VICE CHAIR GONZALES: Okay.

23 EXECUTIVE DIRECTOR CHANEY: -- for the like one
24 whole meet, rather than bifurcating it like they've done
25 historically, and part of those include dates for next year.

1 VICE CHAIR GONZALES: Sure.

2 EXECUTIVE DIRECTOR CHANEY: So if we could maybe
3 carve that piece off and then deal with Northern California
4 thoroughbreds?

5 VICE CHAIR GONZALES: Okay. Sure.

6 EXECUTIVE DIRECTOR CHANEY: Maybe Humboldt.

7 VICE CHAIR GONZALES: Okay. And also, I mean, I
8 don't know, Mr. Chairman, if -- you know, we heard from
9 stakeholders yesterday. I think the Commissioners are well
10 read on what's -- really what we're looking at for Northern
11 California. I don't think I need to do a recap there.

12 But -- so if I could then make a motion to
13 postpone the adoption of Northern California race dates
14 until the next meeting, however, with I guess, an amendment
15 on adopting the Standardbred calendar? Did I say that
16 right?

17 EXECUTIVE DIRECTOR CHANEY: You did. I think it'd
18 be fruitful, however, for stakeholders to hear, kind of,
19 what is the Board's position on Northern California. I
20 think you've articulated it kind of privately to me and
21 maybe the Chairman. But in terms of the question about
22 Humboldt County, maybe what the Board was thinking --

23 VICE CHAIR GONZALES: Yeah.

24 EXECUTIVE DIRECTOR CHANEY: -- for Santa Rosa,
25 auxiliary, stabling, those sorts of issues.

1 CHAIR FERRARO: Why don't we simplify this by
2 first making a motion to adopt the Standardbred rules as
3 written --

4 VICE CHAIR GONZALES: Okay.

5 CHAIR FERRARO: -- as proposed by the staff? Then
6 we can talk separately about the thoroughbreds.

7 VICE CHAIR GONZALES: Sure.

8 CHAIR FERRARO: I think that would be easier --

9 VICE CHAIR GONZALES: Good idea. Okay.

10 CHAIR FERRARO: -- and clear.

11 VICE CHAIR GONZALES: Then let me do that. Then
12 I'll move on the Standardbred calendar as proposed.

13 CHAIR FERRARO: Second.

14 Commissioner Hudnut?

15 COMMISSIONER HUDNUT: Yes.

16 CHAIR FERRARO: Commissioner Castellanos?

17 BOARD MEMBER CASTELLANOS: Yes.

18 CHAIR FERRARO: Commissioner Alfieri?

19 COMMISSIONER ALFIERI: Yes.

20 CHAIR FERRARO: Commissioner Davis?

21 COMMISSIONER DAVIS: Yes.

22 CHAIR FERRARO: Commissioner Mitchell?

23 BOARD MEMBER MITCHELL: Yes.

24 CHAIR FERRARO: Commissioner Gonzales?

25 VICE CHAIR GONZALES: Yes.

1 CHAIR FERRARO: The Chairman votes yes. Proceed
2 with your --

3 VICE CHAIR GONZALES: Okay. The preliminary
4 thinking on Northern California, and I'll just recap what
5 the issues are, that is the request of Humboldt -- and I
6 have to say, the delegation that traveled from down here --
7 is to have un-overlapped week. So that would give Humboldt
8 two weeks of un-overlapped racing. The other issue is on
9 Santa Rosa's request to have an additional week from Cal
10 Expo. So those are going to be the two issues there that
11 we're going to be taken up.

12 I don't know, you know, Scott, because we -- you
13 know, I don't know if I need to elaborate on anything
14 further than that. I could kind of give to where my
15 personal leanings are on that but I don't know. I think
16 probably better if I refrain from --

17 CHAIR FERRARO: I think we give Staff time over
18 the next month to look at the issues and figure out maybe
19 the best approach for the interests of everybody involved.
20 And then we could vote on it next month.

21 VICE CHAIR GONZALES: Yeah.

22 EXECUTIVE DIRECTOR CHANEY: Well, if I could, if I
23 may? I'm sorry.

24 CHAIR FERRARO: Go ahead.

25 EXECUTIVE DIRECTOR CHANEY: Like asking Staff to

1 look into it is fine. At the end of the day, it's a zero-
2 sum game and tough decisions are going to have to be made by
3 this Board. So for example, if you're considering Humboldt
4 County, giving them an un-overlapped week, make no mistake,
5 that means you're taking a week away from Golden Gate
6 Fields. And I just want it to be stated plainly --

7 CHAIR FERRARO: Yes.

8 EXECUTIVE DIRECTOR CHANEY: -- that that's how
9 that happens. Or if you're looking to give another week to
10 Santa Rosa, you're taking it away from Cal Expo, it seems
11 like the implication is.

12 So I just want to -- I don't -- I'm not sure what
13 the ask on Staff would be. Perhaps like a better approach
14 would be like kind of give the Northern California players
15 like sort of what the Board is sort of considering, and
16 maybe have them figured out a suggestion, because I don't
17 know how to mediate just taking a week away. I mean, I
18 think at the end of the day, that's your decision, and I can
19 make it but no one's going to -- it's not my --

20 CHAIR FERRARO: Well --

21 EXECUTIVE DIRECTOR CHANEY: -- it's not my -- I
22 don't have the authority.

23 CHAIR FERRARO: -- the extra month would give the
24 parties involved a chance to discuss it between themselves
25 and maybe come up with a solution. I think it would

1 probably be the better way to go.

2 BOARD MEMBER MITCHELL: I'm sorry, but maybe I was
3 confused from yesterday, it's a binary decision.

4 EXECUTIVE DIRECTOR CHANEY: It is absolutely
5 binary.

6 BOARD MEMBER MITCHELL: So it's not something, I
7 mean, it's not something to be worked out, it's simply it
8 either goes to Ferndale or it goes to Golden Gate. If
9 It's -- I mean, if it's un-overlapped, it would be Ferndale
10 versus --

11 EXECUTIVE DIRECTOR CHANEY: Correct.

12 BOARD MEMBER MITCHELL: So --

13 EXECUTIVE DIRECTOR CHANEY: Absolutely. And I
14 think there are some other issues, too, that might play into
15 it. That's, for example, auxiliary stabling Golden Gate
16 Fields has been, well, to be fair to them, over the last two
17 years has been very generous in terms of staying open during
18 the pandemic running for fairs and staying open while fairs
19 are running for auxiliary stabling. So I think there's some
20 implications with that if, let's say, Golden Gate Fields,
21 you decide to take a week away, they might say, well, we're
22 not really interested in staying open for auxiliary housing.
23 You know, CARF, you guys figure it out, which would be
24 disruptive for horsemen, and so on and so forth.

25 So I think having all of those players in the room

1 and trying to sort those issues out, too, might be helpful
2 when trying to figure out the week thing, as well. I think
3 there's more to it than just weeks.

4 VICE CHAIR GONZALES: Commissioner Castellanos, do
5 you want to weigh in as a member of the Race Dates
6 Committee?

7 BOARD MEMBER CASTELLANOS: I think, I mean, there
8 was discussion yesterday. And if I recall correctly, there
9 was something that Larry Swartzlander mentioned about being
10 able to work with that. So understandable what you're
11 saying. And, yes, it was discussed on a separate issue of
12 what we're talking about now and I think that it's a good
13 idea. But Scott has a good point, we need to make sure that
14 CARF is prepared to do that if Golden Gate makes a decision,
15 such as Scott just mentioned.

16 CHAIR FERRARO: Public comment?

17 VICE CHAIR GONZALES: Anything from any Northern
18 Cal folks?

19 MR. SWARTZLANDER: So the stabling issues are what
20 you're talking about?

21 VICE CHAIR GONZALES: Yes.

22 BOARD MEMBER CASTELLANOS: Yes. Yes. There was
23 mentioned yesterday, I believe, Larry, you made a comment,
24 if something like that was done with Sonoma and Humboldt,
25 that possibly CARF would take care of that, if they could.

1 MR. SWARTZLANDER: Yeah. Larry Swartzlander,
2 Executive Director of CARF.

3 Yes, absolutely. We had what I considered a
4 successful year being the auxiliary stable ourselves. We're
5 prepared to do that again next year. And I would look to
6 that as being a long-term solution.

7 BOARD MEMBER CASTELLANOS: So if I cancel -- if
8 Golden Gate Fields decides that they're not going to do it,
9 due to the fact that they may lose a week, you're prepared
10 to do that?

11 MR. SWARTZLANDER: We'll do stabling, yes.

12 BOARD MEMBER CASTELLANOS: Thank you.

13 EXECUTIVE DIRECTOR CHANEY: Okay, I hate to be the
14 reality in the room here, but this year didn't go -- it
15 wasn't all fun and games; right? Like quite literally,
16 Santa Rosa went down to the two days before their
17 application was her trying to figure out, you know,
18 auxiliary stabling because Golden Gate Fields was not open.
19 And I think their view is that they overpaid CARF in order
20 to stay open. In fact, we had three tracks open for 1,000
21 horses, which seems a little crazy to me.

22 So it's nice that everyone is pretending that it's
23 all set for next year. I don't think that's the case. So I
24 think having all the players in the room, including Santa
25 Rosa possibly rejoining CARF, that was talked about, so I

1 think all of those issues could be maybe addressed in some
2 grand bargain and satisfy the Board's desire to give
3 Humboldt County the un-overlapped week, and maybe even
4 either move -- I've heard two different things from Santa
5 Rosa, move up a week or run three weeks, which would be both
6 moving up a week, again, running three weeks. So I don't
7 think it's a done deal.

8 BOARD MEMBER CASTELLANOS: No, I'm not at all
9 saying it's a done deal. I'm just hearing from Larry
10 that -- you know, the discussion that went on yesterday. I
11 agree with you, Scott, is that they need the time figure
12 this out and make sure it could happen.

13 MR. SWARTZLANDER: Yeah. Could I just offer a
14 point of clarification too?

15 The Santa Rosa situation was where we worked with
16 the TOC and the CTT, then we committed to stay open longer
17 because there was a question as to whether Golden Gate would
18 be completed on time. That was, you know, that was
19 something that was unique. That wouldn't be the case next
20 year. It'd be next year that Santa Rosa is going to race.
21 Golden Gate would be open for stabling. All the horses
22 would be back at Golden Gate. We would not have a Santa
23 Rosa concern.

24 EXECUTIVE DIRECTOR CHANEY: Okay. I mean, but the
25 idea, though, is that would give Northern California

1 stakeholders a chance to talk about this amongst themselves.

2 MR. SWARTZLANDER: Oh, yes.

3 EXECUTIVE DIRECTOR CHANEY: Next month the Board
4 can just, you know, do what they want and assign race dates
5 the way they see it. But it seems like you would -- all of
6 you would benefit from some discussion over the next month,
7 otherwise, you're going to lose a week to Cal Expo, given
8 like the tenor of discussion. I mean, Cal Expo is going to
9 lose a week to Santa Rosa, given the tenor of discussion
10 today. So I don't -- I think allocating them next month
11 makes sense. It would behoove all of the parties because it
12 seems like everyone's kind of standing to lose something.

13 MR. SWARTZLANDER: Well, I don't know if that's
14 the tenor of this discussion. But, you know, we obviously,
15 as I stated yesterday, one of the major objectives of CARF
16 was to get the Santa Rosa situation resolved. That was one
17 of the options, and I asked to have further discussions. As
18 we pointed out, we're taking the lead and within the next
19 two weeks we'll have a -- let's call it a meeting of the
20 minds where the Santa Rosa and Golden Gate and CARF, all get
21 together and come up with a recommended solution.

22 I mean, there's other options on how to deal with
23 Santa Rosa getting two weeks or three weeks and where they
24 are in the calendar. I mean, there's a myriad of different
25 pluses and minuses to that. And now and I'm saying they

1 will solve it. But, yeah, we'll have to come back to the
2 Board. And it may come down that you have to just tell us
3 what -- you know, here's the options, and just like with
4 CTT. I mean, we're in a position where we can resolve it,
5 or we don't resolve it, then we come back and we leave it up
6 to you then.

7 But obviously at this point, too, that, you know,
8 the taking a week away from Cal Expo is a left turn for us
9 because we haven't discussed it. You know, as I said, the
10 meet was very successful again. We're considering moving
11 that meet to twilight racing which would, you know, the
12 negate the concern over heat, and I certainly don't want to
13 give it up.

14 And if you want to get into discussions with
15 future racing in Northern California, you know, I can't
16 speak for The Stronach Group and Golden Gate. There's
17 always a cloud out there as to what the future of racing is
18 in the north. Is Golden Gate going to stay open for the
19 next 20 years? Are they going away? CARF has to continue
20 to plan for that. That's why it's imperative that, you
21 know, we stay strong, and work together and work with Golden
22 Gate at this point and if we reach that crossroads, we reach
23 it. But the Santa Rosa things got to be resolved
24 internally.

25 EXECUTIVE DIRECTOR CHANEY: Agreed. And it would

1 be complete left turn, as would from the proposed schedule,
2 but so would taking away from a week away from Golden Gate
3 and giving it to Humboldt County; right? So it seems like,
4 again, all parties would benefit to be able to talk about
5 this and come up with arguments before, you know, the Board
6 just reallocate dates today, pursuant to the left turn that
7 you just described.

8 MR. SWARTZLANDER: Yeah. In the 24 years I've
9 been with CARF, overlap has always been an issue with
10 Humboldt. That's not going away. And we've seen variations
11 to where one year that they had two weeks un-overlapped. We
12 went back to one week overlapped, one week un-overlapped.
13 And now at least, in my purview, we've reached a consistency
14 and Golden Gate has agreed that we have one week overlapped
15 and one week un-overlapped. What the next step is, you
16 know, with the expenses drastically increasing, stabilizing
17 racing in the Northern fairs, and complementing with Golden
18 Gate, we have to get rid of that overlap. They simply can't
19 financially make it.

20 VICE CHAIR GONZALES: Alright. Thank you, Larry.
21 You're going to have to let your friend there express his
22 desires.

23 MR. PICKERING: Rick Pickering CEO, General
24 Manager of your California State Fair, Honorable Chair,
25 distinguished Commissioners and executive staff, welcome

1 back to Cal Expo. Please know that this facility and these
2 fairgrounds are available to you and all other state
3 agencies that require use of this property throughout the
4 year, particularly in times of emergency.

5 While I have a couple of pages of comments I was
6 preparing to make regarding if you're moving forward today
7 or not, I would be remiss as a state official if I didn't
8 once again stress the importance of this facility to the
9 State of California, and the importance of the amount of
10 land dedicated by the State of California to horse racing at
11 Cal Expo.

12 We agreed with the Horse Racing Board the last two
13 years during the pandemic. We were called upon to serve
14 other emergency needs of the State of California. We were
15 honored to be able to do that. We supported the Horse
16 Racing Board and the industry in temporarily allocating Cal
17 Expo State Fair race dates, traditional dates, to Golden
18 Gate Fields and Pleasanton. We did not seek any
19 compensation from the industry, from Golden Gate Fields, or
20 from Pleasanton.

21 There have been other fairs that have chosen to
22 move their dates to Golden Gate Fields and be compensated
23 for that. That was not your State Fair. We stood up, we
24 took it on the chin, we supported the State of California.
25 And we asked that the state continue to support us, as other

1 agencies are doing now.

2 A real challenge for us with the new request from
3 Santa Rosa is that it's not a new request. This discussion
4 has been going on for -- since my ten years at the
5 California State Fair. And it always gets right back down
6 to the same thing, for somebody to get a week, somebody has
7 to give a week up. However, whether it's intended or not,
8 it's always the fairs that are asked to give weeks up.

9 When we had two privately-owned tracks in Northern
10 California, Bay meadows and Golden Gate Fields, the fairs
11 had this many weeks of racing and they got nibbled on both
12 ends, with more race dates going to Bay Meadows and Golden
13 Gate Fields. When Bay Meadows made the decision to move out
14 of the industry, the commitment was great, fairs will get
15 some more weeks of racing back. Reality happened. Golden
16 Gate Fields had their dates, and they got all of Bay Meadows
17 dates. They, in essence, doubled their racing.

18 I think we all appreciated that The Stronach Group
19 made a commitment to Northern California racing. Yet at the
20 same time, fairs continued to get nibbled on. And we had
21 representatives from The Stronach Group come before this
22 Board in years past saying they're here to put the fairs out
23 of horse racing.

24 So whether we intend to or not, we continue to put
25 the fairs pitting against each other for the table scraps of

1 a week or a half a week or a portion week of un-overlapped
2 but we don't, for whatever reason, ever really get into the
3 discussion of how many weeks did Golden Gate Fields get. Is
4 Golden Gate Fields committed to be a racing facility far,
5 far into the future or not? I pray that they are but we
6 don't know.

7 This property is owned by the people of
8 California. As long as the people want us to remain in
9 racing, this property is available. If the Board or if the
10 industry doesn't want this property to be available for
11 racing, then that would leave political decisions about the
12 future of this property.

13 So it's not -- I am in no way expressing a threat.
14 But I also worked for a board of directors that would expect
15 me to stand up for their California State Fair, your
16 California State Fair. It's not as simple to take, quote,
17 "A week of racing from Cal Expo State Fair and move it to
18 Santa Rosa."

19 State Fair is the largest fair in Northern
20 California when it comes to attendance. It generates a
21 significant amount of money, not only into the economy but
22 for all the ancillary players. The carnival company at
23 State Fair did more than \$5 million this year in carnival
24 rides. When they leave State Fair, they go to Santa Rosa.
25 They've entered in in long-term agreement with Santa Rosa

1 through the year 2026. I can guarantee you that if a week
2 of State Fair racing goes away and Santa Rosa says they're
3 going to race that week, they will not have Butler
4 Amusements there as a carnival company. That's going to
5 significantly impact attendance at the Santa Rosa fair.

6 Santa Rosa fair picks up an awful lot of the food
7 vendors and commercial vendors that are here as part of
8 State Fair's business because we're the largest fair in
9 Northern California. The carnival, the food vendors, the
10 commercial vendors want to be part of us. The fairs in
11 front of us and the fairs behind us benefit that. That
12 benefits San Mateo in front of us. It benefits the Alameda
13 County Fair. Those vendors in come to the State Fair where
14 they make the absolute most money by entertaining almost
15 700,000 people this summer in 17 days. That carnival, a lot
16 of those food companies, then pick up and move to Santa Rosa
17 for two weeks.

18 So we've done this before when you've allocated
19 three weeks to Santa Rosa at a meeting. And 30 days later,
20 when Santa Rosa says we can't do a three week fair because
21 we don't have a carnival and we don't have vendors, you then
22 took that third week awaking gave it back to the State Fair.
23 I hope we don't go down history. We're supposed to learn
24 from history. I would hope we don't repeat the same
25 mistake, take a week of State Fair racing away, put it on

1 the table for Santa Rosa, and then Santa Rosa come back and
2 say we don't have a carnival, we don't have food and
3 commercial vendors because they all want to be at State Fair
4 because State Fair has big attendance, or God forbid that
5 Santa Rosa would come in and say, how about if we run those
6 dates at Golden Gate Fields, the track that got all of Bay
7 Meadows dates and Golden Gate Fields dates.

8 So again, my apologies. I'm not going into the
9 full presentation. I may sound a little bit emotional. I
10 know you're exhausted by this issue, as is your State Fair
11 as in Santa Rosa, as is Humboldt. We keep saying it's a
12 zero-sum game but we keep forgetting that Bay Meadows and
13 Golden Gate Fields, dates got combined and it all went to
14 Golden Gate Fields. And the fairs continue to you lose
15 dates.

16 So, please, I know you're all wonderful, you're
17 all trying to strike a bargain that makes everybody happy.
18 It's impossible to make us all happy. I think you all
19 realize that. So if it's your desire that State Fair not
20 have three weeks of racing, frankly, I'd rather have that
21 today so that we can move forward and plan a budget for the
22 2023 State Fair. And I think Santa Rosa would also like to
23 know. Because if they're going to try to pull off a three-
24 week fair, they need to start planning now, not three weeks
25 from now.

1 We start making concert offers by the end of
2 September. Am I making it for three weeks of State Fair?
3 Is Santa Rosa going to have three weeks of concerts? Can
4 they afford three weeks at concerts?

5 There's an awful lot more into fair management,
6 just as you realize there's an awful lot more in the labor.
7 State Fair is the only racetrack with 16 collective
8 bargaining agreements, one of the largest employers in this
9 region. Our payroll is quite significant. I doubt any
10 other track in California has collective bargaining
11 agreements with 16 unions.

12 So your State Fair is important. We believe we
13 proved ourselves that way. We've remained an active member
14 of CARF. We believe CARF is acting in our best interest.
15 But we keep hearing Santa Rosa might rejoin CARF. Any
16 Commissioner on the Board with any length of time, how many
17 years have you heard that? And what we're told, if we give
18 them what they want, they might rejoin. When we say why
19 don't you rejoin and take a seat at the table? Nope.

20 So we can go down the path again, take a week of
21 State Fair, give it to Santa Rosa, and in 30 days, 60 days,
22 more than likely Santa Rosa will be back saying they're
23 going to have a difficult time doing a three-week fair. If
24 we push this another 30 day decision, I know nobody likes
25 the electeds to weigh in necessarily for a state board, but

1 the electeds in this region, I think, will want to weigh in.

2 So, again, thank you for your time. I know you
3 have tough, tough decisions to make. But please remember,
4 this facility, these 800 acres, are owned by the people of
5 California. During the two years of the pandemic, Cal Expo
6 reinvested \$15 million into this facility, new water wells,
7 new gas lines, new air conditioning, new heating. We have
8 another \$10 million already in our account for the next two
9 years to do more improvements. What racetrack in California
10 is doing \$25 million of improvements to the generic
11 facility? I don't know.

12 We vaccinated a million people during the
13 pandemic. Who does those kinds of things? Your California
14 State Fair.

15 So I would ask that you -- again, if we're going
16 to take weeks away from somebody, I know it's, you know,
17 it's sacrilegious to say it, who got the weeks when Bay
18 Meadows closed down? We appreciate Stronach Group and all
19 that they're doing in Northern California. If the real
20 estate opportunity comes available, I think this Board and
21 the industry we'll be looking to the fair saying I wish we
22 wouldn't have taken weeks away from our State Fair, the only
23 fairgrounds with lights for night racing, with an enclosed
24 grandstand for weatherized racing, with significant
25 improvements, with satellite wagering facility already built

1 into the grandstands, something that the other fair tracks
2 don't have. So why you take something away from your
3 facility that the people of California own that could be
4 here in the future as a fallback should things happen?

5 As an example, Golden Gate Fields had to close
6 this summer to do some renovations in their barns, very
7 important, needed to be done for a long time. Pleasanton
8 and Cal Expo said we'll take two horses. It was an
9 incredible hardship. We made it happen. I'm sure it was
10 even much more difficult on the horsemen. But we had almost
11 600 heads live with us for a couple of months. We did it
12 before, we did it again. When we talk about, quote, "the
13 issue at Santa Rosa," Cal Expo didn't make that issue,
14 Pleasanton didn't make that issue. The issue came because
15 Golden Gate Fields needed to close down and do what they
16 needed to do and we appreciate that.

17 So I don't know why, maybe it's just because I'm
18 the State Fair guy, but I feel like we're constantly being
19 put in the position of fairs need to protect what little
20 weeks we have, what few days we have, as opposed to, gee, do
21 we with all those weeks that went to Golden Gate Fields, 100
22 percent of Bay Meadows went to Golden Gate Fields.

23 So, again, my apologies for being a little bit too
24 emotional. You've been incredibly gracious with your time.
25 And I know the intent, possibly, was not to hear this and

1 hold it off for 30 days. But, you know, if we're going to
2 be spanked for something, just spank us now so we don't
3 get -- we don't go through all the political machinations is
4 going to happen over the next 30 days. It is your decision
5 what you would like to do with your State Fair race dates
6 and with all race states in the state.

7 I would just point out, there's a lot of
8 background that we've gone through. We plowed this ground.
9 We grew something fertile. We hit a pandemic. And now I
10 feel like we're going back. We're hitting a reset button
11 that says, let's go back eight to nine years in time and try
12 three weeks at Santa Rosa again.

13 So, again, I apologize. I've said way too much.
14 Thank you all for your time and energy. I do appreciate it.

15 VICE CHAIR GONZALES: You know, if I could just,
16 Mr. Chairman, if I could just ask one question?

17 CHAIR FERRARO: Sure.

18 VICE CHAIR GONZALES: For the dates that you're
19 proposing, and Mr. Swartzlander did allude to this, are you
20 prepared to go to night racing for the weeks that you're
21 going to be allocated in 2023?

22 MR. PICKERING: We are prepared to help the
23 industry, as we have in the past. If you're asking me at
24 the podium to cut a deal for night racing versus day racing,
25 what does that look like?

1 VICE CHAIR GONZALES: Well, the reason I'm asking
2 is I think everyone in this room knows that the weather
3 patterns are changing. We experienced -- we're experiencing
4 unprecedented heat. When I look at the temperature,
5 Sacramento of that last week at 101 degrees, and when it's
6 82 degrees in Sonoma, I think about the horses and I think
7 about the horseman.

8 What Larry had mentioned that I had not heard
9 before, that there is consideration, because I think two
10 weeks -- and you're having a post time at 1:45. So we're
11 talking these horses and horsemen going through, you know,
12 some very trying circumstances, unlike in the past.

13 So that's why I'm wanting to know, if you're
14 willing to commit to evening racing, that changes, I think,
15 the conversation as it relates to me, but I don't hear that
16 you're willing to do that. Because I also know the stands
17 may be geared for other events that night --

18 MR. PICKERING: Yeah.

19 VICE CHAIR GONZALES: -- than horse racing.

20 MR. PICKERING: Absolutely.

21 CHAIR FERRARO: So are you -- I mean, could we
22 count on --

23 MR. PICKERING: Commissioner --

24 VICE CHAIR GONZALES: -- Cal Expo having night
25 racing for those three weeks instead of day racing?

1 MR. PICKERING: Commissioner, your California
2 State Fair, just as the state Horse Racing Board, top
3 priority for us is the safety of the people, the jockeys,
4 the racing individuals, and the safety of the horses. If
5 that's what it takes to have the best possible safe meet,
6 let's take a look at that and see what it takes to make that
7 actually happen. We're not saying no to it. I'm just
8 saying today was the first time Larry mentioned to me, hey,
9 have you guys thought about twilight racing?

10 So it's not something, when you say are we willing
11 to make that commitment, we don't do anything else in this
12 grandstand --

13 VICE CHAIR GONZALES: Yeah.

14 MR. PICKERING: -- in the evenings during State
15 Fair. We do fireworks out in the center of the racetrack at
16 ten o'clock at night.

17 VICE CHAIR GONZALES: Yeah.

18 MR. PICKERING: But our patrons stand on the
19 opposite end of the fairgrounds so they can see over the
20 grandstands to enjoy the firework shows. For those of you
21 that have been out -- I see a few heads -- oh, yeah, we love
22 those fireworks. So, no, we don't do concerts --

23 VICE CHAIR GONZALES: Okay. Well --

24 MR. PICKERING: -- at this racetrack during the
25 State Fair.

1 VICE CHAIR GONZALES: Alright. Thank you. One of
2 the reasons, I think, but also, Scott, to give us a little
3 bit extra time is, you know, I'm hoping, you know, here soon
4 we'll have an equine medical director onboard that can help
5 us understand, you know, what the changing weather patterns,
6 the impact on racing, and if the veterinarian community, the
7 experts, would advocate for an adjustment from daytime
8 racing during the blistering heat to evening, which makes it
9 a little bit better.

10 So, again, I just, I think this is helpful. I
11 think we have one -- Mr. Chairman, that we have Jim from
12 Humboldt, but your presentation went a long way, so thank
13 you very much.

14 MR. PICKERING: And just to be clear, is State
15 Fair being asked if you'll go to night racing, we'll
16 support three weeks are racing?

17 VICE CHAIR GONZALES: No, I'm not going to ask
18 that now. I'm just asking --

19 MR. PICKERING: Okay. Thank you.

20 VICE CHAIR GONZALES: -- for verification.

21 MR. PICKERING: I felt I was being asked that.

22 VICE CHAIR GONZALES: No, you can't -- you
23 probably can't make that commitment by yourself; right?
24 You've got a board and there's other things there. We're
25 just asking, while I had you, one of the considerations that

1 I have is the temperature's rising. Horses and horsemen
2 have been having to endure, probably unlike any other
3 facility in the country. It gets hot here and it's getting
4 hotter. And it's so if there's a willingness to understand
5 that, I think that that --

6 MR. PICKERING: Yes.

7 VICE CHAIR GONZALES: -- would probably help a
8 future discussion or discussion with the other parties.

9 MR. PICKERING: Absolutely. And part of State
10 Fairs mission is to reflect everchanging California. So,
11 yes, we're already doing climate change education, like
12 cannabis education, like out-at-the-fair education, like
13 working with farmworkers, United Farmworkers. We're paying
14 attention to what's going on in California. In fact, that's
15 why State Fair originally shifted to the middle of the
16 summer was because schools were starting earlier and earlier
17 and the kids couldn't come up here and compete anymore. So
18 heat is something we're paying attention to, if that's what
19 we need to do to keep the animals and to keep the people
20 safe.

21 Your State Fair wants to be cutting edge. We
22 don't want to be we thought about it after the fact. So
23 thank you for bringing it to our attention.

24 VICE CHAIR GONZALES: You got it.

25 We've got two more speakers. Why don't we go to

1 Jim, if I could? I saw Jim standing up. And, yeah, we --

2 CHAIR FERRARO: Yeah, we should.

3 Jim, you opened Pandora's Box yesterday. So
4 please try and put the cover back on it, will you?

5 MR. MORGAN: Thank you. First of all, I would
6 like to make sure that the Humboldt issue is properly
7 couched for the Board. I don't agree that it is a matter of
8 taking a week away from Golden Gate Fields and giving it to
9 Humboldt. Humboldt has raced on these weeks since 1895.
10 Golden Gate, when Bay Meadows closed and it took over those
11 dates, came into August in 2009.

12 The problem, the real issue for the Board, is are
13 there enough horses in Northern California to support to
14 simultaneous running meets? It makes economic sense for
15 Golden Gate Fields because there's a Business and Profession
16 Code 19601.2 which says when Golden Gate runs overlapped
17 with Humboldt, Golden Gate gets 100 percent of the host
18 status commissions, so they get what Los Alamitos and Del
19 Mar are jockeying to get when they run over on top of
20 Humboldt.

21 There aren't enough horses to go around in the
22 northern region. As I mentioned yesterday, during our
23 overlap weekend with Golden Gate, 158 horses that had run
24 before ran at Golden Gate; 137 of those had made their last
25 start at a fair. That's 87 percent of those horses. And

1 they bypassed humble because it was more convenient,
2 geographically and otherwise, to stay and race at Golden
3 Gate, just can't afford that.

4 The second and even more crucial issue, or just as
5 crucial issue, is no other race meet in this state races
6 without host status and host commissions. And you need that
7 to have a purse structure that will attract horses,
8 Particularly when you're remote and small, like Humboldt,
9 you also need that to pay to keep the lights on and the
10 overhead expenses. And we are deprived of that when we run
11 with overlap.

12 So we're really not trying to take anything away
13 from Golden Gate. What we're trying to do is preserve our
14 race dates and have not special privileges but the same
15 things that every other race meet has, which has access to
16 those host status fees, which are necessary to sustain and
17 is a mitigating factor.

18 Del Mar has now moved Pacific Classic to the Labor
19 Day weekend, which means it's a Golden Gate week. It is the
20 most lucrative betting week of the summer. It previously
21 had fallen on a Humboldt week now it will go to the Golden
22 Gate.

23 So there's not enough horses to support overlap.
24 In Southern California, you have a blank week without
25 racing. If you have the opposite in Northern California

1 right now. That's a wrong that should be corrected.

2 Also, it should be noted we haven't had a fatality at
3 Humboldt County for a long time. The people have invested
4 in their program. They've invested in recruiting horses.
5 We don't have a Ship and Win quite like Del Mar's, but we
6 provide gas cards, we pay toward the insurance expense for
7 out-of-state trainers to come in. And we've been very
8 successful in bringing new horses into California. They're
9 not going to run it Del Mar but they are going to run at
10 Fresno, and they will run it Golden Gate Fields and they
11 have run there.

12 So really, it's not a matter of taking anything
13 away from Golden Gate, it's a matter of preserving Humboldt
14 County and preserving their access, just like every other
15 race meet to the host status and not penalizing them from
16 being small and remote.

17 Thanks.

18 CHAIR FERRARO: Yes, sir?

19 MR. HOBAN: Good morning. Jerome Hoban, Alameda
20 County Fair CEO, as well as the California Authority of
21 Fairs -- Racing Fairs chair. I apologize that we are now
22 hearing this item instead of postponing. I know that was
23 the intention. However, I just want to thank you for
24 hearing this. I, too, agree, we would all be blessed if we
25 could have a three-year calendar but it's not been the case

1 in the past.

2 I'm mostly excited about seeing fans back in the
3 stands at fairs. We had an unbelievable race meet. We will
4 have another one in Fresno. I'm sure it's going to be
5 great. But the best part of this entire summer is that
6 fairs have successfully shown that they, and they've always
7 said this, that stabling can be successfully executed by the
8 fairs. I think if you asked trainers, they would be more
9 than happy to tell you how great the facilities were that
10 they came into.

11 I am happy, though, that the industry and Golden
12 Gate Fields was able to reopen on time. That was my biggest
13 fear in hosting all the horses. But it was a successful
14 summer. So I don't -- I really just want that to be the
15 highlight of the discussion.

16 Beyond that, I echo everything that was just said
17 by the last two speakers. But I will verbally echo the one
18 item because I was around for the last nine years. The
19 olive branch is and always has been out to Santa Rosa. We
20 are a volunteer organization. They are welcome to join us.

21 We're not keeping them at bay. T

22 he second component of that is that we do
23 continuously work with Santa Rosa. During the fires, I sent
24 nine employees to Santa Rosa to work at their facility
25 because they were in layoff mode.

1 CARF successfully offers our paymaster for
2 multiple years when they were not members of CARF to them so
3 they could have a successful race meet. And just now this
4 summer, we continue to stable for them. Is there always a
5 financial negotiation? Absolutely. But we did it for them.

6 So I think the industry has come together in a way
7 that we've never seen before. And we are this close to
8 perpetuating a racing calendar that I think is very
9 important to get done.

10 But the component of history that is left out, and
11 I apologize I couldn't be here yesterday, I had county
12 budget meetings, is that we've gone down this path once, and
13 I'm reiterating what Rick Pickering said, the dates were
14 allocated to Santa Rosa, I think it was 2018, only to have
15 to rescind the dates once we found out they weren't going to
16 have a fair during that week. I know that.

17 I've been in the industry 30 years. And I don't
18 want to bring carnivals to your doorstep but that's the
19 reality. The carnival moves from San Mateo to Pleasanton,
20 to Sacramento, to Santa Rosa, and out to Idaho. That's the
21 motion. And that is what horse racing should follow. And
22 we shouldn't feel that we're getting bound up by this one
23 week of racing that needs to bounce. It needs to just
24 follow what the industry does as a whole. That is my 30
25 years of experience in the fair side.

1 My nine years of experience, watching what all of
2 this Commission has to endure, it's just mindboggling to me
3 that we go through this.

4 So I support the calendar that is on the table. I
5 definitely support that every fair needs to be supported
6 with their own race dates.

7 So unless you have questions, thank you.

8 CHAIR FERRARO: Thank you.

9 MR. HOBAN: And I'll keep it short.

10 CHAIR FERRARO: Thank you very much. It's obvious
11 we're not going to solve this today, so I make a motion that
12 we table this until the next month to resolve the issue.

13 Can I have a second for that?

14 COMMISSIONER ALFIERI: Second.

15 VICE CHAIR GONZALES: Mr. Chairman, if I could
16 just ask Scott, our Executive Director, as you do very well,
17 just to kind of get a sense from the Board where we may be
18 at? That way, if there's a leaning in one direction or
19 another as it relates to the two issues we heard again,
20 Ferndale, Cal Expo, and Santa Rosa, then you can just then
21 share the stakeholders and then they can kind of have a
22 conversation so that when we do bring it up, there would
23 have been some addressing of any kind of issues.

24 CHAIR FERRARO: I would beware of false promises,
25 however.

1 VICE CHAIR GONZALES: Yeah. Yeah. Indeed.

2 Indeed.

3 Okay, so, yeah, we're ready for the -- to take a
4 vote.

5 CHAIR FERRARO: Commissioner Davis? Motion to
6 table it --

7 VICE CHAIR GONZALES: It's just --

8 CHAIR FERRARO: -- to table it --

9 VICE CHAIR GONZALES: -- just to table it for next
10 month.

11 CHAIR FERRARO: -- until next month.

12 COMMISSIONER DAVIS: Oh, okay. Yes.

13 CHAIR FERRARO: Mitchell?

14 BOARD MEMBER MITCHELL: Yes.

15 VICE CHAIR GONZALES: Yes.

16 CHAIR FERRARO: Hudnut?

17 COMMISSIONER HUDNUT: Yes.

18 CHAIR FERRARO: Damascus?

19 BOARD MEMBER CASTELLANOS: Yes.

20 CHAIR FERRARO: Alfieri?

21 COMMISSIONER ALFIERI: Yes.

22 CHAIR FERRARO: Commissioner votes yes. Thank you
23 all.

24 In the interest of old an man's comfort --

25 (Colloquy between Chair Ferraro and Executive Director

1 Chaney)

2 CHAIR FERRARO: Yeah, we can do the sale first. Okay.

3 Let's go to Item Number 6. I'll just have to
4 suffer.

5 Item Number 6 is discussion and action by the
6 Board regarding Los Alamitos Equine Sale Company's Request
7 for Authorization of its upcoming horse sale at Los Alamitos
8 racecourse in Cypress, California, pursuant to CHRB Rule
9 1807, Authorized horse sale.

10 Go ahead.

11 MR. PEREZ: Hi, Commissioners. We'll make this
12 quick.

13 I'm Dino Perez with Pacific Coast Quarter Horse
14 Racing Association here. And I'm here on behalf of the Los
15 Al Equine Sale to request approval from the CHRB under Rule
16 1807 for our 18th Annual Quarter Horse Sale. The sale will
17 be held October 1st and 2nd this year. The sale is owned by
18 Dr. Allred and Dr. Burns. We have 250 consignments, which
19 220 are yearlings, and 30 mares.

20 And if you have any questions, I'll be more than
21 happy to answer them.

22 CHAIR FERRARO: Question from the Board?

23 COMMISSIONER HUDNUT: I move approval.

24 COMMISSIONER ALFIERI: Second.

25 CHAIR FERRARO: Do we have public comment? No.

1 Can we have a vote?

2 Commissioner Davis?

3 COMMISSIONER DAVIS: Yes.

4 CHAIR FERRARO: Commissioner Mitchell?

5 BOARD MEMBER MITCHELL: Yes.

6 CHAIR FERRARO: Commissioner Gonzales?

7 VICE CHAIR GONZALES: Yes.

8 CHAIR FERRARO: Commissioner Hudnut?

9 COMMISSIONER HUDNUT: Yes.

10 CHAIR FERRARO: Commissioner Castellanos?

11 BOARD MEMBER CASTELLANOS: Yes.

12 CHAIR FERRARO: Commissioner Alfieri?

13 COMMISSIONER ALFIERI: Yes.

14 CHAIR FERRARO: And the Chairman votes yes. Thank
15 you all.

16 MR. PEREZ: Thank you.

17 CHAIR FERRARO: Congratulations.

18 Okay, we're going to take a ten-minute break.

19 (Off the record at 11:49 a.m.)

20 (On the record at 12:02 p.m.)

21 CHAIR FERRARO: Can we call this meeting back to
22 order, please?

23 And the first item on the agenda here is
24 distribution [sic] and action by the Board on the
25 Application for License to Conduct a Horse Race Meeting of

1 the Big Fresno Fair at Fresno, commencing October 5, 2022
2 through October 18, 2022, inclusive.

3 Mr. Swartzlander?

4 MR. SWARTZLANDER: Thank you.

5 CHAIR FERRARO: Twenty-five words or less, please.

6 MR. SWARTZLANDER: Twenty-five?

7 (Laughter)

8 MR. SWARTZLANDER: I'm Director of Racing, Larry
9 Swartzlander, for the Big Fresno Fair.

10 Basically, the Fresno Fair will have the 12
11 percent increase in purses that we did at the other fairs
12 for overnight, two stakes' races, \$75,000. All our
13 incentive programs will still be in place. Any owner that
14 runs five horses gets \$2,000. Any owner-trainer who starts
15 horses gets \$500 for five starts and \$1,000 for ten. And
16 out-of-state horses, \$300 the first start and \$300 a second
17 start.

18 The next agenda item, you'll see, too, that we're
19 going to add another incentive, that each horse each
20 thoroughbred gets \$500 per start to offset transportation.
21 Vanning proved to be the very number one issue in north
22 auxiliary stabling. The cost of moving these horses back
23 and forth is rather high.

24 The marketing program, we have a great program
25 there. We have a lot of TV and radio stations on site. We

1 get a lot of exposure in the Fresno market.

2 We also still have their trainers contest down
3 there. The leading Nor-bred (phonetic) trainer gets
4 \$10,000. It's just a great event. If you want to come on
5 Friday night, the place will be packed. Friday's opening --
6 Fridays at the Fresno fair something to see. It's like
7 Fresno State just moves from Fresno State over to Fresno
8 Fair.

9 That's all I have.

10 CHAIR FERRARO: Questions or comments from the
11 Board?

12 Do we have a public comment on this? No?

13 Do we have a motion to approve?

14 VICE CHAIR GONZALES: Gonzales moves.

15 COMMISSIONER HUDNUT: Hudnut seconds.

16 CHAIR FERRARO: Commissioner Davis?

17 COMMISSIONER DAVIS: Yes.

18 CHAIR FERRARO: Commissioner Mitchell?

19 BOARD MEMBER MITCHELL: Yes.

20 CHAIR FERRARO: Commissioner Gonzales?

21 VICE CHAIR GONZALES: Yes.

22 CHAIR FERRARO: Commissioner Hudnut?

23 COMMISSIONER HUDNUT: Yes.

24 CHAIR FERRARO: Commissioner Damascus?

25 BOARD MEMBER CASTELLANOS: Yes.

1 CHAIR FERRARO: Commissioner Alfieri?

2 COMMISSIONER ALFIERI: Yes.

3 CHAIR FERRARO: Commissioner Ferraro votes yes.

4 Next item, Item Number 8, discussion and action by
5 the board on the approval for the distribution from ADW
6 market access fees are wagers placed by California residents
7 on all live and imported races hosted by the Big Fresno Fair
8 at Fresno for the period of October 5th, 2022 to October
9 18th, 2022, to be utilized to fund a California coop
10 marketing program as permitted under the Business and
11 Professions Code 19604(f)(5)(E).

12 MR. SWARTZLANDER: Yes, this is a -- so after
13 we finished up with Sacramento and Pleasanton
14 (indiscernible) TOC, we talked about the, again, the vanning
15 issue, that the high costs. And Fresno being an island out
16 there by themselves for two weeks, and everybody has to
17 travel 200 plus miles to get there, you know, the vanning
18 costs are very, very large.

19 So what we've done here is add on 1.5 percent
20 takeout out of ADW handle, which is similar to what they do
21 in Southern California for vanning in Stabling. And this
22 will be used explicitly for providing your \$500 to start for
23 each thoroughbred every time they start.

24 CHAIR FERRARO: Questions or comments from the
25 Board?

1 Public comments? None?

2 Do we have a motion to approve.

3 BOARD MEMBER CASTELLANOS: Motion.

4 CHAIR FERRARO: Second.

5 COMMISSIONER HUDNUT: Hudnut.

6 CHAIR FERRARO: Commissioner Davis?

7 COMMISSIONER DAVIS: Yes.

8 CHAIR FERRARO: Commissioner Mitchell?

9 BOARD MEMBER MITCHELL: Yes.

10 CHAIR FERRARO: Commissioner Gonzales?

11 VICE CHAIR GONZALES: Yes.

12 CHAIR FERRARO: Commissioner Hudnut?

13 COMMISSIONER HUDNUT: Yes.

14 CHAIR FERRARO: Commissioner Damascus?

15 BOARD MEMBER CASTELLANOS: Yes.

16 CHAIR FERRARO: Commissioner Alfieri?

17 One of these days --

18 COMMISSIONER ALFIERI: Yes.

19 CHAIR FERRARO: -- I'll remember your last name.

20 COMMISSIONER ALFIERI: Lastly, yes.

21 CHAIR FERRARO: And the Chairman votes yes.

22 Items Number 9 and 10 will not be discussed

23 because we have made a previous motion that we will not

24 consider applications that don't have an RMA agreement.

25 So we move on to Item Number 11, discussion and

1 action by the board regarding distribution of race date
2 charity proceeds of WatchandWager.com, LLC, combined 2021 to
3 2020 to race meetings in the amount of \$4,000 to five
4 beneficiaries.

5 Chris?

6 MR. SCHICK: Good afternoon, Chairman Ferraro,
7 Members of the Board. Chris Schick, Watch and Wager
8 Harness.

9 We're pleased to present our annual charity
10 distribution list. It's all 100 percent equine related.
11 And we're also happy to put an amount in well above our
12 statutory requirement.

13 We ask for your approval.

14 CHAIR FERRARO: Questions or comments from the
15 board?

16 Public comments? None.

17 Can I have a motion?

18 COMMISSIONER HUDNUT: So moved. Hudnut.

19 BOARD MEMBER CASTELLANOS: Castellanos seconds.

20 CHAIR FERRARO: Okay. Commissioner Davis?

21 COMMISSIONER DAVIS: Yes.

22 CHAIR FERRARO: Commissioner Mitchell?

23 BOARD MEMBER MITCHELL: Yes.

24 CHAIR FERRARO: Commissioner Gonzales?

25 VICE CHAIR GONZALES: Yes.

1 CHAIR FERRARO: Commissioner Hudnut?

2 COMMISSIONER HUDNUT: Yes.

3 CHAIR FERRARO: Commissioner Castellanos?

4 BOARD MEMBER CASTELLANOS: Yes.

5 CHAIR FERRARO: Mr. Alfieri?

6 COMMISSIONER ALFIERI: Yes.

7 CHAIR FERRARO: And the chairman votes yes.

8 Moving on to Item Number 12, discussion and action
9 by the Board regarding the proposed amendment of CHRB Rule
10 1500, Apprentice Jockey, and Rule 1619, Apprentice
11 Allowance, to align with current health and safety standards
12 for jockeys.

13 Amanda?

14 MS. BROWN: Good afternoon. Amanda Brown, Staff
15 Counsel.

16 These regulatory amendments were created upon
17 suggestion by the Jockeys Guild to align with the ARCI
18 model. Specifically, the Board's proposing amendments to
19 Board Rule 1500, Apprentice Jockey, and Board Rule 1619,
20 Apprentice Allowance, to specify a general license
21 eligibility to include modified requirements for five-pound
22 and seven-pound allowances, as well as other provisions of
23 the ARCI model rule.

24 EXECUTIVE DIRECTOR CHANEY: And I can just follow
25 up on Amanda. Thank you.

1 As the Jockey Welfare Committee probably
2 remembers, this was one of the things that we discussed.
3 The other two were minimum/maximum weights and the harness
4 crop. So those other two things came before the Board in
5 the last few months. This is the third one that the
6 Committee directed Staff to work on. It took a little bit
7 longer because, as you can see, the amendments were more
8 extensive to our two apprentice rules.

9 This is based on the ARCI model rule, and also at
10 the request of the Jockeys Guild, who views the ten-pound
11 apprentice allowance as a health issue. So it's up for -- I
12 have sent the amendments to the Jockeys Guild for -- and
13 they're happy with what we're sending the Board today, so
14 it's up for your consideration.

15 CHAIR FERRARO: Questions or comments from the
16 Bboard?

17 No public comment.

18 Can we have a motion to approve?

19 COMMISSIONER HUDNUT: So moved. Hudnut.

20 COMMISSIONER ALFIERI: Second. Alfieri.

21 CHAIR FERRARO: Hey, give me a chance.

22 Commissioner Davis?

23 COMMISSIONER DAVIS: Yes.

24 CHAIR FERRARO: Commissioner Mitchell?

25 BOARD MEMBER MITCHELL: Yes.

1 CHAIR FERRARO: Commissioner Gonzales?

2 VICE CHAIR GONZALES: Yes.

3 CHAIR FERRARO: Commissioner Hudnut?

4 COMMISSIONER HUDNUT: Yes.

5 CHAIR FERRARO: Commissioner Castellanos?

6 BOARD MEMBER CASTELLANOS: Yes.

7 CHAIR FERRARO: Commissioner Alfieri?

8 COMMISSIONER ALFIERI: Yes.

9 CHAIR FERRARO: And the Chairman votes yes.

10 Item Number 13, discussion and action by the Board

11 regarding a proposed amendment to CHRB Rule 1846.5,

12 Postmortem Examination, and Rule 1846.6, Postmortem

13 Examination Review, to require a necropsy and necropsy

14 review of horses that die or are euthanized within 72 hours

15 of leaving a CHRB regulated facility.

16 Amanda?

17 MS. BROWN: Yeah. This proposed regulatory

18 amendment would make changes to the Board's postmortem

19 examination rules to now require necropsies be performed on

20 horses which die or are euthanized within 72 hours of

21 leaving a facility under the jurisdiction of the Board. So,

22 basically, it's estimated this would impact two to three

23 additional horses.

24 CHAIR FERRARO: Mr. Chaney, do you want to explain

25 to the Board why this is important?

1 EXECUTIVE DIRECTOR CHANEY: Of course. It's an
2 issue I alerted the Board to, I think sometime in the last
3 few weeks. It's obvious loophole in the California -- the
4 CHRB regulations and, frankly, the Authority's, HISA's,
5 regulations as well, and that is addressing horses that
6 are -- either their sickness begins at the track or they're
7 injured at the track, go to a clinic for treatment, which is
8 the proper thing to do, but then are euthanized pursuant to
9 that or die pursuant to that thing that started on the
10 track.

11 So the idea -- and to be fair, we've always sort
12 of cooperated. If, you know, a horse is injured at the
13 track and goes to UC Davis for surgery and it ends up being
14 euthanized, we'd still performed the necropsy and do the
15 ensuing report. And it's obviously reported on the website,
16 which is our statutory duty. But our regulations do not
17 technically require it.

18 So the point of this regulation is to create an
19 affirmative duty for trainers and owners to report the
20 euthanization -- or report the death if it happens within 72
21 hours of leaving a facility.

22 I want to point out something in the staff
23 analysis. I wrote it, so I kind of want to correct it a
24 little bit. It talks about the point of the regulation is
25 not to be punitive against trainers and owners, and that's

1 true. The idea is that we are able to do the necropsy and
2 the reporting because we believe that those are deaths that
3 are associated with the track.

4 But make no mistake that we -- so we're not
5 penalizing the injury or the sickness itself. But if a
6 trainer or owner does not report a death within those 72
7 hours, we, of course, would consider that a violation and,
8 you know, sanction the person accordingly for violation of
9 the nonreporting.

10 CHAIR FERRARO: Questions or comments from the
11 Board? None?

12 We have one public comment. Rather than
13 mispronounce your name, I'm just going to ask you to come up
14 and tell us what it is.

15 MS. CONRAD: Hi. My name is Tweet Conrad and I'm
16 so glad to see this item on the agenda. Thank you so much
17 for considering it.

18 So much has been made of California's reduced
19 fatalities. However, I have a list here of California's 65
20 missing horses who have been listed as vanned off of
21 California tracks since 2020 and have not been accounted for
22 since. However, they're not being included in California's
23 death statistics, and this leads to lower death statistics
24 on paper. So today I'm requesting a report back from the
25 California Horse Racing Board regarding what happened to

1 these 65 horses.

2 Belinda Stronach vowed, in her open letter of
3 March 14th, 2019, that there would be complete transparency
4 of veterinary records. And I would like that to hold true.

5 So in my home track, where I live right near, I
6 live near Golden Gate Fields, 12 were vanned off and four
7 are being reported as bled. I'm not sure what that means.
8 Is that bled out, like one of the ways that they do put
9 horses to death? I'm not sure. Los Alamitos has 24 missing
10 horses. Santa Anita has 14; one was bled out. Pleasanton
11 has three. And Del Mar has ten and one was bled out.

12 So I'd like to give you, each Commissioner, a list
13 of these horses, their names, and which tracks they were
14 vanned off from. And I have my email here. I would love to
15 get more information on these horses and find out what
16 happened to them. And, hopefully, they can put on your
17 necropsy reports in your -- and maybe postdated into your
18 annual reports from 2020 and 2021.

19 Thank you.

20 CHAIR FERRARO: Just to clarify for you, bled
21 means that they showed blood at the nostrils. It does not
22 mean they died from bleeding to death.

23 EXECUTIVE DIRECTOR CHANEY: (Off mic.) We can
24 give them exact (indiscernible).

25 CHAIR FERRARO: Questions or comments from the

1 Board? Do we have a motion?

2 COMMISSIONER DAVIS: Davis moves.

3 COMMISSIONER HUDNUT: Hudnut seconds.

4 CHAIR FERRARO: Okay. Commissioner Davis?

5 COMMISSIONER DAVIS: Yes.

6 CHAIR FERRARO: Commissioner Mitchell?

7 BOARD MEMBER MITCHELL: Yes.

8 CHAIR FERRARO: Commissioner Gonzales?

9 VICE CHAIR GONZALES: Yes.

10 CHAIR FERRARO: Commissioner Hudnut?

11 COMMISSIONER HUDNUT: Yes.

12 CHAIR FERRARO: Commissioner Castellanos?

13 BOARD MEMBER CASTELLANOS: Yes.

14 CHAIR FERRARO: Commissioner Alfieri?

15 COMMISSIONER ALFIERI: Yes.

16 CHAIR FERRARO: And the Chairman votes yes.

17 Item Number 14, Executive Director's Report.

18 Scott Chaney, Executive Director.

19 EXECUTIVE DIRECTOR CHANEY: Yes. I apologize to
20 the Board. This last week has been challenging and busy, so
21 this will be briefer, and more brief, I think, is the
22 word -- or two words, as it were. Thank you, Mr. Chairman.
23 And good afternoon, commissioners. My remarks will be
24 brief.

25 I will begin with a handle report. For the month

1 of August, night racing was down six percent, day racing was
2 down seven percent, and total handle was down seven percent
3 compared to the same month last year. Year to date, night
4 racing is down nine percent, day racing is down two percent,
5 and total handle is down three percent.

6 A brief update on HISA. As the Board knows, the
7 antidoping medication control regulations go into effect
8 January 1. They're currently being promulgated by the
9 Authority and HIWU, who is the Horse Racing Integrity and
10 Welfare Unit portion of -- more acronyms -- DFSI who was
11 appointed agency by the Authority under the HISA
12 legislation.

13 We are -- the next step of the process is
14 negotiating a contract with both HIWU for the sample
15 collection, and then with the Authority for, at the very
16 least, testing. Make no mistake, Davis will be one of the
17 testing labs. It's negotiating the cost and how that's
18 going to work with in California racing.

19 (Colloquy between Commissioners and Executive Director
20 Chaney)

21 EXECUTIVE DIRECTOR CHANEY: There are nine
22 identified labs that I think will make the cut come January
23 1st because they're starting with RMTC accreditation for the
24 little less than 30 states. So I think it's fair to say
25 that. And there's a -- if you have a lab in your state

1 that's accredited, you automatically get to use them. So
2 the use of Davis in the Maddy Lab is a foregone conclusion.

3 It's what that will look like.

4 To that end, we had a meeting. In fact, leadership
5 from the DFSI came out to Davis about two weeks ago and met
6 with Deputy Executive Director Cynthia Alameda and Chief of
7 Enforcement Shawn Loehr, as well as myself and leadership
8 from Davis. And we gave them a tour, spent the whole day
9 with them, and really helped them understand the nature of
10 our program and sort of the caliber of our program. I think
11 they'll be having similar conversations with other states
12 going forward.

13 We expect some time in the next month or so to
14 begin negotiations of the specific -- for the specific
15 contract, that is to take on duties that they'll allow us to
16 do, sample collection, testing. We're hoping to do some
17 first level or at least some investigation and some first-
18 level enforcement. So that, the real heart of that, will
19 come over the next month or so. And then once we reach an
20 agreement we will, of course, bring it to the Board for
21 approval.

22 The last thing I just want to recognize is the
23 good work of the fairs over the summer. The animal welfare
24 and fatality rates were extremely -- welfare was high,
25 fatality rates were extremely low.

1 And then I'd be remiss in not mentioning Del Mar's
2 excellent record over the last nine weeks or so. No racing
3 fatalities is quite a feat, given that they have 2,000
4 horses stabled on their backside.

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

6 CHAIR FERRARO: Thank you.

7 Do we have public comment on this? No?

8 Comments or questions from the Board?

9 We have a public comment period.

10 EXECUTIVE DIRECTOR CHANEY: Just a correction. Is
11 this the 30-minute public comment period --

12 CHAIR FERRARO: Yes.

13 EXECUTIVE DIRECTOR CHANEY: -- we're talking
14 about --

15 CHAIR FERRARO: Yes, it is.

16 EXECUTIVE DIRECTOR CHANEY: -- Agenda Item Number
17 15? Okay.

18 CHAIR FERRARO: Yes, Item Number 15.

19 Tweed?

20 MS. CONRAD: Hi again. My main concern was
21 already addressed. And I, actually, I think I'm just going
22 to end it with that. But I'm just so happy but Number 13
23 was on the agenda and I really appreciate the work that
24 you're all doing.

25 Thank you.

1 COMMISSIONER HUDNUT: Thank you.

2 CHAIR FERRARO: Thank you.

3 We have a closed session; right?

4 EXECUTIVE DIRECTOR CHANEY: We do.

5 CHAIR FERRARO: The Board will now go into closed
6 session. I don't have the script for it. But once closed
7 session is complete, we will come back into public session
8 for the purpose of adjournment only. So I would ask you all
9 to leave at this time. And if you're interested in the
10 adjournment, you can catch it on the website.

11 (The Board went into Closed Session at 12:20 p.m.)

12 (The Board reconvened at 12:42 p.m.)

13 CHAIR FERRARO: Commissioner Davis, could we have
14 a motion to adjourn from you, please?

15 COMMISSIONER DAVIS: Davis moves.

16 CHAIR FERRARO: Second?

17 BOARD MEMBER CASTELLANOS: Second.

18 CHAIR FERRARO: Commissioner Hudnut?

19 COMMISSIONER HUDNUT: Second.

20 CHAIR FERRARO: Commissioner -- yes, do you vote
21 yes?

22 COMMISSIONER HUDNUT: Yes. Okay. Yes.

23 CHAIR FERRARO: Commissioner Castellanos?

24 BOARD MEMBER CASTELLANOS: Yes.

25 CHAIR FERRARO: Commissioner Alfieri?

1 COMMISSIONER ALFIERI: Yes.

2 CHAIR FERRARO: Commissioner Gonzales?

3 VICE CHAIR GONZALES: Yes.

4 CHAIR FERRARO: Commissioner Mitchell?

5 BOARD MEMBER MITCHELL: Yes.

6 CHAIR FERRARO: Commissioner Davis?

7 COMMISSIONER DAVIS: Yes.

8 CHAIR FERRARO: And the Chairman votes yes.

9 Meeting is adjourned.

10 (The regular meeting of the California Horse Racing Board
11 adjourned at 12:43 p.m.)

12

13

14

15

16

17

18

19

20

21

22

23

24

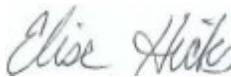
25

CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of September, 2022.



ELISE HICKS, IAPRT CERT**2176

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

September 28, 2022