

APPEARANCES

BOARD MEMBERS

Gregory Ferraro, Chairman

Oscar Gonzales, Vice Chair

Damascus Castellanos, Commissioner

Wendy Mitchell, Commissioner

Dennis Alfieri, Commissioner

Brenda Washington Davis, Commissioner

STAFF

Scott Chaney, Executive Director

Cynthia Alameda, Assistant Executive Director

Robert Brodnik, Staff Counsel

Amanda Brown, Staff Counsel

Shawn Loehr, Chief of Licensing and Enforcement

Darrel McHargue, Chief Steward

Jeff Blea, Equine Medical Director

Francisco Gonzales, Audit Supervisor

Zachary Voss, Staff Analyst

Mike Marten

ALSO PRESENT

Kathy Guillermo, PETA

Larry Swartzlander, California Authority of Racing Fairs

Jim Morgan, Humboldt County Fair

Justin Oldfield, California Thoroughbred Breeders
Association

APPEARANCES

ALSO PRESENT

Gene Chabrier, XpressBet

PUBLIC COMMENT

Heather Wilson

Ashley Lewis

Susan Magliano

Tweed Conrad

Alan Balch, California Thoroughbred Trainers

INDEX

PAGEAction Item:

1.	Approval of the minutes of November 22, 2022.	3
2.	Presentation from People for the Ethical Treatment of Animals (PETA) regarding match racing in California.	4
3.	Report from the Jockey and Driver Welfare Committee.	21
4.	Discussion and action by the Board regarding the Allocation of Northern California Thoroughbred Racing Dates for racing year 2023.	28
5.	Discussion and action by the Board regarding California Thoroughbred Breeders Association's request for authorization of its upcoming horse sale at Fairplex in Pomona, California, pursuant to CHRB Rule 1807, Authorized Horse Sales.	38
6.	Discussion and action by the Board regarding the request to continue the distribution of market access fees from Advanced Deposit Wagering for wagering conducted by Thoroughbred Associations in the Central and Southern zones for 2023 to include distributions to Southern California Off-Track Wagering, Inc.	41

INDEX

PAGEAction Item:

- | | | |
|----|---|----|
| 7. | Discussion and action by the Board regarding the request to modify the distribution of market access fees from Advanced Deposit Wagering for wagering conducted by the signatory racing associations for 2023 to include a distribution to be utilized to fund a California co-op marketing program. | 43 |
| 8. | Discussion and action by the Board regarding the request to modify the distribution of market access fees from Advanced Deposit Wagering which otherwise would have funded purses and commissions to cover the assessments as allocated to each Signatory Racing Association pursuant to the Horse Racing Integrity and Safety Act of 2020 ("HISA") for calendar year 2023. | 44 |
| 9. | Discussion and action by the Board regarding the request to modify the distribution of market access fees from Advanced Deposit Wagering for wagering conducted by Thoroughbred Associations and Racing Fairs in the Central and Southern zones to include a distribution to the Southern California Stabling and Vanning Fund of 1.02 percent, | 49 |

INDEX

PAGEAction Item:

and to adjust the amount distributed to that Fund from brick and mortar wagering to 1.02 percent for 2023.

- | | | |
|-----|---|----|
| 10. | Discussion and action by the Board on the Application for Approval to Conduct Advance Deposit Wagering (ADW) of XpressBet, LLC, for an out-of-state multi-jurisdictional wagering hub, for a period of up to two years. | 50 |
| 11. | Reports <ul style="list-style-type: none"> A. Executive Director's Report. B. Equine Medical Director's Report | 54 |
| 12. | Public Comment: Communications, reports, requests for future actions of the Board. Note: During the public comment period, a total of thirty minutes will be allowed for public comments via the teleconference line. After thirty minutes, no further comments will be accepted. Each person will be limited to two minutes. | 66 |
| 13. | Closed Session: For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative | 75 |

INDEX

PAGEClosed Session:

licensing and disciplinary hearings, and personnel matters, as authorized by section 11126 of the Government Code.

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

INDEX

PAGE

Closed Session:

section 11126(a).

Adjournment

75

P R O C E E D I N G S

9:33 A.M.

THURSDAY, DECEMBER 15, 2022

CHAIR FERRARO: This is a meeting of the California Horse Racing Board, and we ask you to take your seats so we can come to order. I have to make a few comments, as you all know, before the meeting starts.

This is the regular noticed meeting of the California Horse Racing Board on Thursday, December 15th, 2022, at the California Exposition and State Fair Grandstand in Sacramento. Present at today's meeting are: myself, Dr. Gregory Ferraro, Chair; also Oscar Gonzales, Vice Chair; Dennis Alfieri, Commissioner; Damascus Castellano, Commissioner; Brenda Washington Davis, Commissioner; and Thomas Hudnut, Commissioner. Steve [sic] Chaney, Executive Director, is with us also. And Commissioner Wendy Mitchell is not available to join us today.

Before we go to 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 for

comments, not questions.

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

There are public comment sign-in sheets located at the designated table over to my right for each agenda item on which the Board invites comments. There's also a sign-in sheet for those wishing to speak during the public comment period for matters not on the Board's agenda if it concerns horse racing in California. Please print your name legibly on all sign-in sheets so we can record your presence properly.

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

I will insist that all speakers stay strictly on topic for each agenda item. If a speaker strays off topic, I will ask to move to the next speaker. If a speaker

repeats themselves, I will ask the speaker if the speaker has any new comments to make. If there are none, the speaker will be asked to let others make comments.

If anyone has comments of a more general nature that are not specific to earlier agenda items, those comments must wait until agenda item number 12, the Public Comment period. There will be a 30-minute time limit for public comment. In order to allow as many individuals to speak as possible within that half hour, I will strictly enforce the two-minute time limit for each unsolicited speaker.

And with that, we can begin our meeting, which starts with the approval of the minutes.

Do we have any comments or corrections on the minutes?

Do we have a public comment? No.

Do we have a motion?

COMMISSIONER DAVIS: Davis moves.

VICE CHAIR GONZALES: Gonzales seconds.

CHAIR FERRARO: Hudnut?

COMMISSIONER HUDNUT: Aye.

CHAIR FERRARO: Damascus?

COMMISSIONER CASTELLANOS: Yes.

CHAIR FERRARO: Gonzales?

VICE CHAIR GONZALES: Yes.

CHAIR FERRARO: Alfieri?

COMMISSIONER ALFIERI: Abstain. I wasn't here.

VICE CHAIR GONZALES: Oh, that's correct.

Davis?

COMMISSIONER DAVIS: Yes.

CHAIR FERRARO: Motion approved.

Item number two. We're fortunate to have a presentation from the People for Ethical Treatment of Animals regarding match racing in California, which has been a problem on this agenda many times.

Kathy, please come forward. We're happy to have you.

EXECUTIVE DIRECTOR CHANEY: And whatever is more comfortable, either the lectern or the tables.

MS. GUILLERMO: I'll be at the lectern.

EXECUTIVE DIRECTOR CHANEY: Sounds good.

MS. GUILLERMO: So thank you very much. I'm Kathy Guillermo, Senior Vice President with PETA, and head of our Equine Matters Department.

On August 7th, 2022, the *Washington Post* published a three-page exclusive on PETA's ten-month undercover investigation of unsanctioned horse racing. The video footage quickly went viral and, as of today, there have been more than 30 million views of this video across all platforms.

I had planned to show a short video sample of some of the atrocities we documented at this unregulated bush tracks in Georgia. But most importantly, I want to discuss connections to California and suggest measures that the CHRB can take under its own jurisdiction.

Some of the most egregious acts PETA investigators filmed were the brazen injections of horses right on the track before races with drugs such as methamphetamine, cocaine, and Ritalin. The discarded syringes were littered all around the track. We had the syringes tested by the UC Davis Laboratory.

There was also rampant use of electro-shocking devices. We documented numerous fatalities resulting in catastrophic injuries and heart attacks. A horse skeleton was lying in the bushes near the finish line, and the bodies of injured, euthanized horses were dragged down the track by a tractor in front of all spectators.

All of this was fueled by hundreds of thousands of dollars per day in illegal gambling.

So right now, I just want to say that I understand the Board members have viewed the 59-second video that we put together for you. It was without music and without narration, just the raw footage. For anybody listening, you can view this footage at home or anywhere at [PETA.org/underground racing](http://PETA.org/underground_racing), that's one word. You can watch

the full seven-and-a-half minute version on our website.

These bush tracks are not just animal welfare nightmares, but the jockeys are at extreme risk by overdriving the frenzied, drugged up Quarter Horses at breakneck speeds.

In the information that we provided and in the folders that I've put here, we provided a screenshot of the video of the tragic, fatal injury of jockey Roman Chapa after his mount suffered a catastrophic breakdown at Rancho El Centenario bush track in Georgia, one of the tracks we investigated. There are no limits to the heinous acts of bush tracks because as the *Washington Post* headline says, "These Tracks Have No Rules." They operate completely without oversight, under no authority or regulatory body.

With no rules, there are no violations. There's no concept of overages or violating restrictions on race day medications at these tracks. Rather, the horses are injected with controlled substances, even during the post-parade. No veterinarians are in sight.

There are no limits on the number of whip strikes during races. The horses are whipped violently and relentlessly. And the only times they aren't continuously struck are when the jockeys are using the batteries strapped to their wrists to deliver painful electrical shocks. The horses are even hit from behind the starting gate by racing

team members as the gate opens. And in one case, the racing team held up the horse's tail so they could direct the strike to a more sensitive part underneath to inflict more pain.

All of these methods, of course, would result in suspensions or bans on regulated tracks. But since the bush tracks operate completely underground, under no authority, the only recourse in Georgia was to pursue enforcement of applicable local and state laws. This does open some doors. And as just one example, in addition to all the drug crimes, we believe the egregious whipping at the Georgia bush track should be prosecuted as criminal cruelty to animals. As there's no Georgia Horse Racing Commission with standardized rules and no horse racing exemptions, whipping a horse in the state is prohibited just the same as beating a companion animal.

But what is underground racing in Georgia, a state in which there isn't even regulated racing, have to do with California and the CHRB?

We've identified 30 states in which unsanctioned racing is conducted and California has at least eight known track venues. All of these underground tracks throughout the U.S. operate using the same fundamental methods and they're rife with the same animal welfare issues and crimes.

We recently attended a large bush track outside

Los Angeles and the documented -- and there we documented injections, jockeys strapping on buzzers, and we mined the social media sites related to the bush tracks in California to compile a list of dead horses.

Although it appears the CHRB is handcuffed without jurisdiction over these unlicensed bush tracks, the CHRB does have jurisdiction over any licensed jockeys, trainers, and owners who cross over to race both at regulated and unregulated tracks.

For instance, the winner of last Saturday's \$2 million dollar Futurity at Los Alamitos, California's richest race, has been filmed at bush tracks appearing to be equipped with large electroshock devices on both wrists.

The CHRB has authority over anyone who has CHRB licenses and, therefore, the CHRB has several tools and rules at its disposal to rid itself of anyone associated with the cruelty and the crime conducted at bush tracks.

For example, California law provides that violating, aiding, abetting, or conspiring with another to violate any CHRB rule is grounds for denying, suspending, or revoking a license. Section 1902.5 of the CHRB Regulations regarding animal welfare states,

"No person under the jurisdiction of the Board shall alone or in concert with another person permit or cause an animal under his control or care to suffer any form

of cruelty, mistreatment, neglect, or abuse.”

Injecting horses with meth and cocaine, electroshocking and mercilessly whipping them and causing their injuries and deaths clearly amounts to cruelty, mistreatment, and abuse.

And please note, this particular rule is not limited only to actions conducted on CHRB regulated premises. The rules apply to anyone under the jurisdiction of the Board and prohibits cruelty to any animal under that person's control. Any jockey who races both at regulated California tracks and the bush tracks would be subject to rule -- to this rule and the Board may revoke the licenses of those who engage in this prohibited conduct on bush tracks.

Similarly, Rule 1902, which prohibits any conduct by any licensee which is, by its nature, detrimental to the best interests of horse racing, is not restricted to conduct that occurs at CHRB regulated facilities.

CHRB rules make it clear that in Rule 1900, Grounds for Suspension or Revocation, that any provision of any rule which is a ground for denial of a license is also a ground for suspension or revocation of a license.

The prohibition on contraband, such as illegal drugs and electrical devices on CHRB-regulated tracks, clearly demonstrates that the agency deems that conduct

detrimental to racing and, therefore, street drug administration in the manner documented by licensees, even outside of CHRB-regulated facilities, can be grounds for revocation.

Existing CHRB rules should also be examined to see how they can be used to sanction and deter licensed personnel from profiting from the direct and indirect pipeline through which Quarter Horses on regulated tracks are sold to those at underground match races. This is analogous to selling horses through the slaughter pipeline.

For example, a Quarter Horse named El Peron, who was originally named Hot Stepper and won \$1.3 million at the top levels on regulated tracks, including Los Alamitos, was sold to Barnstorm as a featured attraction on the Bush track circuit in which owners can make even more money in appearances and fees -- in appearance fees and illegal gambling than in prize money at regulated tracks. Hot Stepper was killed earlier this year in a race.

Licensed owners and trainers must be held accountable for their Quarter Horses who end up directly or indirectly in bush racing.

Finally, and I can't emphasize enough, that bush track racing is also a threat in so many ways to sanctioned racing, not just because of negative public perception, and not just because it dilutes the pool of the handle and

regulated Quarter Horse racing. The complicit individuals and the methods of Bush tracks infiltrate mainstream tracks. The rampant illegal gambling compromises those involved and they may have ties to cartels and race fixing at both Bush tracks and sanctioned racing.

The experimental street drugs result in so many sudden deaths and heart attacks at bush tracks, in addition to catastrophic breakdowns and accidents, and these drugs can enter the mainstream track system.

And the illicit tactics, such as concealed electrical devices, also pose a threat to regulated racing.

Perhaps the most dangerous threat is the rampant use of the same unsterile syringes at bush tracks on multiple horses to inject drugs, which has resulted in outbreaks of EIA cases throughout the country, exacerbated by the undocumented and illegal movement of Quarter Horses between states for underground racing. This presents a threat to all horses, including horse populations at regulated tracks.

Like we found in the syringes, unregulated race tracks are a cocktail of crimes and cruelty. And PETA will be filing official complaints in California to law enforcement and regulatory agencies.

So I'm with PETA, of course, and I know how a lot of people in this room think about me and think about my

organization, and I know how people listening in may think about us too, but I really don't care. These are horses that are being abused and they're being killed, and it needs to stop. And we stand ready to work with you and anybody who's willing to take this on and end it.

Thank you very much.

CHAIR FERRARO: Thank you very much, Kathy.

Any questions from the Board?

COMMISSIONER ALFIERI: I would just say, you know, I commend you, Kathy, and what PETA is doing. I mean, this is just horrific. I watched the video, you know, with a bottle of scotch in my right hand. I mean, I couldn't believe it. And this just does have to stop, and we have to do all we can.

So I really don't have any questions other than you've done -- you know, it would be interesting to see the rest of your study. Is that what that is or --

MS. GUILLERMO: Yes, in the folder and in the information that we sent to Mr. Chaney, to Dr. [sic] Chaney, there is our entire complaint to Georgia officials outlining what we think is every violation, the *Washington Post* article. And there are a number of photocopies of photos there, too, of jockeys wearing the buzzers, of the open injections of horses, including some from California.

COMMISSIONER ALFIERI: Thank you.

CHAIR FERRARO: Tom?

COMMISSIONER HUDNUT: I would echo my colleague's gratitude for your comments today. I was really completely unaware of match racing as an issue in California until it appeared as an agenda item. And I found myself in agreement with all your recommendations and I think that we should figure out a way to partner with you or take the burden on ourselves to see some enforcement of these issues, and I'm grateful to you. Thank you.

MS. GUILLERMO: Thank you.

VICE CHAIR GONZALES: Hello, I'm Oscar. Is there any, usually, an exclusive, at the level that you're describing in terms of covering a problem, which sparks some kind of legislation, either at the state or federal level, are you either aware of anything that's in the works or are there any plans to stiffen the penalties for these heinous acts?

MS. GUILLERMO: I'm not aware of any legislation at the moment. There are investigations ongoing in Georgia. We believe there should be a federal investigation. And I do think, ultimately, it will come down to strengthening the law to compel enforcement of it.

VICE CHAIR GONZALES: Thank you. I think if there was anything that this Board could do, we are often asked for technical advice when it comes to legislation, we would

be willing to commit some of our staff time to help to understand how we can make sure that any legislation, that there's no gaps or holes.

But I also watched the video and I've never seen anything like it, and it needs to stop. And if there are players, and if they're listening now, who are involved in any of this, we will spare no resource to make sure that they are punished and that they have nothing to do with California racing. So players, bad actors, be on notice, we'll get you if we know that you are going between what I think I can describe horse racing is a good industry. We have work to go, but in comparison to the alternative, and we do not want those bad actors even close to what we're doing here with this regulated industry.

But thank you for your efforts.

MS. GUILLERMO: I appreciate that. And I do think that's the logical place to begin, those people who have a foot in both worlds and are profiting from both.

COMMISSIONER HUDNUT: Mr. Chairman, a question.

In the packet you've prepared for us, are the eight venues for illicit racing in California named?

MS. GUILLERMO: Yes, they are.

COMMISSIONER HUDNUT: Thank you.

MS. GUILLERMO: And there's a map in there of all the unsanctioned tracks in the country but including

California.

COMMISSIONER HUDNUT: Thank you.

And with respect to the Vice Chair's comments, it is my understanding that there once at least was a bill introduced that called for felony prosecutions of people convicted of match racing and it failed of passage.

MS. GUILLERMO: It's very difficult to get legislation passed, as you probably know. So I do think that it is something that's going to take -- no opposition is basically what it takes to pass legislation. Everybody agrees. Everybody has to agree it's bad and has to convince the legislators that it's in the best interest of the state.

COMMISSIONER ALFIERI: I have a question.

Do you think this is brought to the attention or level of HISA? And are they looking at this in one of their different committees? Do they exist?

EXECUTIVE DIRECTOR CHANEY: Yeah, the constitutionality question aside, there are no -- I mean, obviously, they have the safety regulations piece, which is in place right now, and there are no like sort of match racing prohibitions or unsanctioned.

It's an interesting angle, though, Commissioner Alfieri, because I think it would -- because everyone thinks that it's the gambling part of unsanctioned racing that's the problem. It's not. I mean, yes, you know, it's not

good to be gambling illegally, but the real problem is the animal welfare piece; right?

COMMISSIONER ALFIERI: Animal welfare, absolutely.

EXECUTIVE DIRECTOR CHANEY: And so I think there's actually an avenue for that to create like some pretty more, you know, streamlined sort of process rather than have to go through Congress, because we do it from a regulatory standpoint with HISA. And of course, we have some steps we can do in California. So I think that's a possibility once the larger HISA issues are sort of there.

COMMISSIONER ALFIERI: COMMISSIONER ALFIERI:
Yeah. Yeah.

EXECUTIVE DIRECTOR CHANEY: Yeah.

CHAIR FERRARO: Following up on the comments about people crossing over between match racing and sanctioned racing, have you been able to actually document so that it becomes legal evidence of these jocks or whoever crossing back and forth? Is that -- have you got that information or can it be documented?

MS. GUILLERMO: Yes, we do have the information. One thing about the match races is they're rather brazen. A lot of this is on social media. It's on Facebook. And we have the photographs of the jockeys, particularly, and we have other evidence of other owners as well.

VICE CHAIR GONZALES: Alright. Well, we need to

look into that. That may be an avenue for us to exert some influence there. Thanks. Thanks very much. We'll work with you on it.

MS. GUILLERMO: I appreciate that. Thank you all.

CHAIR FERRARO: Do we have any public --

COMMISSIONER ALFIERI: Yeah, Mr. Chairman, I mean, if nothing else, you know, a horse owner licensed or a licensed trainer should be sanctioned, so it would be, you know, their license revoked, I mean, at a minimum --

CHAIR FERRARO: Yeah.

COMMISSIONER ALFIERI: -- if we have proof and we can substantiate it, so --

EXECUTIVE DIRECTOR CHANEY: If I may, Mr. Chairman, just for the education of the Board, I think that's right. The two issues kind of grappling with right now are, A, we have to have evidence; right? It can't just be sort of speculative if you're going to take someone's occupational license away. So any evidence sharing would be fantastic from any party.

And then secondly, I'm wondering if a more targeted regulation is in order? I think I need to speak with the legal team, because we do have the Regulations, 1902.5 and 1902, that Ms. Guillermo cited. I'm just wondering if a more targeted regulation would be helpful, too? So I'll talk to the legal team about that.

CHAIR FERRARO: Do we have any public comments about this? Thank you.

Heather Wilson? It's hard to read.

MS. WILSON: Sorry, we got a little lost. We were writing quickly. Good morning, everybody.

A number of us have already brought up the issue of match racing with the Board over the last few years. In 2019, I visited two of these tracks, one of them Rancho Los Alamos. We spent the entire day watching the races, people, hundreds of people gambling, watching, and it's a very friendly atmosphere, a lot of women, children, families, concessions. And one of the patrons actually told me that when a horse goes down, they just come out and shoot it in the head. There are no veterinarians. There is absolutely no oversight.

I contacted the Department of Justice to tell them what was going on, and they told me to contact you, the CHRB, and nothing happened. But you were already fully aware of match racing. It was on the agenda in December of 2018 after a jockey was killed at one of these tracks. You can go back and check the minutes.

There are numerous connections between Rancho Los Alamos and Los Alamitos, and Mr. Chaney, I'm happy to share everything with you. Ernesto Parra, also known as Parra's Racing, runs at both tracks. Erasmo Gasca is a jockey that

runs at both tracks. And Alldead's Horses, with that distinguished one of a kind Rolling A brand, is seen all over both tracks. And like Ms. Guillermo stated, they do not try to hide it. It's all over social media.

The California Department of Food and Agriculture, the CDFA, has confirmed that horses run at Los Alamitos and at unsanctioned tracks. They have confirmed this with me just this week.

So you now have an opportunity to really do something to help these horses, to protect these animals. These horses at the illegal tracks are the most forgotten victims. They are the most unseen victims of horse racing in the state of California. They desperately need you to protect them. I'm begging you, please do something about this.

The other issue is Ed Allred, and you know that. He is the giant elephant in the room. You need to acknowledge him.

CHAIR FERRARO: Thank you.

Next, please. Ashley Lewis.

MS. LEWIS: Hi, everyone. My name is Ashley Lewis and I'd like to thank PETA for the presentation. But I, too, have sat through multiple meetings here with you all over the last few years and so I know that this is not the first time that you're hearing about the illegal match

racing in California.

Through the public inquiry we submitted with the CDFA, we were aware of many cases of horses having to be euthanized as a result of their participation due to their infection with EIA. Many of these horses, the CDFA confirmed, or they said they were confirmed or suspected involved in unsanctioned racing. And they did say that many of the horses euthanized this year in California participated in both illegal match racing and racing at Los Alamitos.

So I'm really, you know, grateful that PETA was able to bring this back up and get your all's attention. And as Heather mentioned, we're more than willing to share all that we have with you guys for your investigation.

Thank you.

CHAIR FERRARO: Thank you.

EXECUTIVE DIRECTOR CHANEY: If I could just add one thing, and maybe I'm speaking out of turn a little bit, but I wanted to dovetail with what Commissioner Hudnut said. The legislation last session in California was actually being like pushed forward by the Los Alamitos team. So I just want the Board to be aware of that, that they're keenly aware of match racing, and they were actually the ones trying to make it a felony in the last legislative session.

CHAIR FERRARO: We can move on now. We will get

to work on this as a Board and as an organization.

Item number three is a report from the Jockey and Driver Welfare Committee pursuant to Government Code 11125.7. Public comment will not be permitted on this agenda item, as the opportunity was presented yesterday at the committee meeting.

Mr. Gonzales?

VICE CHAIR GONZALES: Yes. Thank you, Mr. Chairman. I really appreciated Commissioner Hudnut, Commissioner Castellanos for helping to hear two important agenda items.

The first agenda item was a follow-up to the previous CHRB meeting that dealt with the CHRB being approached for technical advice as it relates to legislation, possible legislation, to fill the gap that exists for the fund to provide jockeys with affordable and quality insurance.

There were stakeholders that were present who asked for an opportunity to weigh in. Perhaps any kind of legislative effort would not really capture the overall impact. Really, what we're dealing with are an important revenue source that is dwindling, that is that those are the uncashed tickets. It was reliable before online betting came into play. There just aren't as many uncashed tickets, so it is having a negative impact.

Where we left things was, per Commissioner Hudnut's recommendation, was to have a follow-up Jockey Welfare and Safety Committee meeting sometime in January in Southern California, kind of space it out, so that we can have both the regularly scheduled CHRB meeting, but this Committee meeting to allow a workshop to happen with the organizations that want to be able to have input.

We obviously, as the CHRB, are not in a position to drive legislation. But when a group asks us for input, we do our very best. And we just want to make sure that we capture all the sentiments.

Scott, is there anything that you'd like to share on that?

EXECUTIVE DIRECTOR CHANEY: Yeah. No. Yes and no. Yeah, well, I was going to work with you and the committee to come up with a day. We're probably looking forward, maybe the week before the Board meeting, just so folks don't -- the travel is a little bit easier, to the extent that Staff has to go down to Southern California, but maybe Wednesday or Thursday than the week before.

VICE CHAIR GONZALES: Okay. And we'll make sure we give the organizations ample notice.

You know, it's going to be a challenge that remains, we know, to try to address both safety for horses and, of course, for, you know, the human element, you know,

the workers, riders included, we're going to have to do -- you know, we're going to have to get really creative.

The second item that was discussed was a follow-up to the idea that I proposed related to jockeys who win California thoroughbred Grade I wins, that they be extended a breeding right issue.

I compiled -- that's probably the second time I've ever done a PowerPoint, if you've ever worked on it, they're pretty tough, but I did have some help from CHRB staff with getting data, so there was about 20 different slides that I showed to Commissioner Hudnut and Commissioner Castellanos about the overall objectives of the idea that really have a lot to do with retaining top talent here in California.

And then went into the number of Grade I races that would actually be impacted in a normal calendar year. There's about 20 -- I mean 12 races that are tailored towards horses and colts.

I also shared a few improvements from the last time, one of which would create an eligibility clause that only a jockey who is California based, that is that they had to have ridden at least 100 times, so any concern about riders coming in just for the breeding right would be addressed.

The second would be a buyout option. So if a owner or partnership that wins a Grade I, they'd be able to

opt out. And the way that they would opt out would be that they would take an average of the last five or so winners and their breeding right, and then they could just issue a cash bonus to the jockeys.

There were a few -- lots of feedback that we received. It will continue, but I don't want to speak for Commissioner Hudnut or Commissioner Castellanos, but it just seems as if there remains concerns.

During my comments, and I did get at least one phone call, and I haven't returned this phone call that I received, from a stakeholder that said, Oscar, you said something interesting. You know, we all know this would benefit the jockeys. We know a breeding right, a stallion can breed up to 150 times, and the owner, at least from the TOC's vantage point, there would be a problem with just giving one, one breeding right, and we're talking just one, would be problematic.

And although the TOC brought up some interesting points, I think they were a little bit off the mark as it relates to owners would not want to enter in any Grade I races, or Grade I races could be downgraded. There were just some, I just think, some things that were off the mark there.

But in getting back to the point about how I feel this is good for the industry, and Ms. Guillermo brought up

a very important point here, is about how hard it is to get legislation passed in California. The legislature has changed from the heyday of the industry. Let me just tell you that. There are a lot more, you know, progressive-minded, there are a lot more people of color, there are a lot more people who kind of tend to stereotype certain industries, and horse racing is one of them. And unless we have what I would describe as a coalition behind any ideas, we're going to fall short.

That's why I was really excited at the last meeting to hear that there is a Horse Racing Coalition that is underway. I asked the question if they'll be coming forward with any policy proposals. They didn't know at the time, but they did but my hope is yes. But the more people we have in the tent to tell the story of horse racing -- again, I'll go back, we have room for improvement? Always.

But I really believe jockeys have a very important story to tell. And I believe in the marketing sense, and I will go out on a limb to say that I don't think the trainers, at least over the last year or two, would probably be the best communicators until they kind of figure out, you know, our rules and regulations a little bit better.

So who do we have left? Is the CHRB going to try to get more fans? Are you and this audience going to go out and try to get more people to breed? It's going to take a

kind of a combination of all of us. And guess what?

Jockeys are included in that.

So my point being is that if we're really going to be able to tell a compelling story, and here about seven miles away, there are a lot more legislators with the last names of Rivas and Cervantes and Herrera, by and large, a lot of Latino legislators, and they're going to be asking the obvious question is, well, how are the Latino workers in this industry being taken? And it would really be really good, I think, because I think the work that Del Mar is doing, for example, to take care of backstretch workers, I think we got to also signify that, yes, we are also looking out for our riders.

So I think that if we are ever going to get this industry back on track, we have to address -- the number one problem is what? Field sizes; right? We're at an all-time low of broodmares. How do we go and communicate small farmers and ranchers that it might be a good idea for an extra revenue source to have a few broodmares? Maybe the legislature can take a look at waivers and offsets or whatever they do. But you are not going to get it done unless we have a coalition behind it, and jockeys are a very important part of that.

And to the TOC back there, you have a lot of power. In fact, I would love to see all the power that has

been vested in the TOC. I'm waiting for you all to present legislation to try to address field sizes or address the problem with broodmares. The reason you don't do that is, let me tell you why, because it's expensive. The lobbyists that you all have are top rate, but you're paying those lobbyists to do nothing but monitoring the track. And the minute you tell them you're going to float a bill, you watch the price tag go up.

And so we have an opportunity to do some, I think, some symbolic, respectful things to take care of riders and help. But if we don't even want to do that, we're not going to get any kind of legislation done. Why? Because it's expensive, it's costly, and unless you have people -- because if we do any pro-racing legislation, with all due respect to PETA, they're going to express their concerns. So we have to have one, not let them demonize this. And I think having them in front of us today is a pretty important step.

But we also have to be willing to tell the proactive story and jockeys are part of that. That's what I will say. The days of sending breeders and owners to walk the hallways of legislature, that just doesn't happen anymore.

So I hope, Commissioners, and I hope the industry, as we look at this breeding right example, you take a look

at something that is really good for the industry. It's just me, one Commissioner, bringing up an idea. That's all this is.

So with that, where we stand next is I'm going to take some more of the advice and the input. But I am committed to this issue. It has a lot to do with what's right and what's fair.

So, Mr. Chairman, I'll give that back to you, but that's a little bit of the discussion that happened yesterday. Thank you.

CHAIR FERRARO: Thank you, Oscar. Have you ever thought about going on television as a preacher?

VICE CHAIR GONZALES: Uh, no, I actually never have. I'm a former backstretch worker. I don't know if there's room for it. There's a groom, former hot walker, night watchman, so I'd be willing to do that.

CHAIR FERRARO: You might consider it.

Does the Board have any comments? If there are none, we'll move on.

VICE CHAIR GONZALES: Thank you, sir.

CHAIR FERRARO: The next items is discussion and action by the Board regarding the allocation in Northern California thoroughbred racing dates for year 2023.

Mr. Chaney, we can begin with you.

And then, Larry, we'll bring you up.

EXECUTIVE DIRECTOR CHANEY: Chair, as the Board may recall, two months ago, I believe it was the October meeting when we were finalizing the race dates for Northern California, there was one week that the Board did not allocate. And that was a traditional, I should say, at least in recent years, overlap between Golden Gate Fields and Ferndale. And so both Golden Gate Fields and Ferndale asked for some time to maybe sort out that week on their own. And the Board asked that it be agendaized again at this juncture.

I understand that, I believe, some of the parties are here and can speak to it a little bit more formally. I believe that they're going to ask for another month as negotiations are ongoing, but I don't want to speak for them or steal their thunder.

MR. SWARTZLANDER: Good morning, Chairman, Commissioners. I'm Larry Swartzlander, Executive Director of California Authority of Racing Fairs. I'm here with James Morgan, Special Counsel for the Humboldt County Fair.

In discussions with Golden Gate and The Stronach Group, one of the other issues that have come up is stabling, auxiliary stabling. As you know, in 2022, it was the first year that CARF did the auxiliary stabling and Golden Gate closed for maintenance. It was a situation where like put up or shut up. You know, can the fairs stable all the

horses? I think we did a commendable job and that we've shown that stabling can be done on the fairs and Golden Gate has the opportunity to perform maintenance during the summer months.

In the discussions over this second week of overlap with Humboldt, stabling has come up again. And most of the Commissioners know, in the past, in finalizing any agenda for dates, stabling was hand in hand with it. And what has come up is several questions this year for 2023 as to what is stabling going to be in 2023? Is Golden Gate going to close? If they're going to close, that's fine. We'll open. And then Santa Rosa again.

And just note also, CARF is negotiating again. We'll have a meeting in January where they are actively seeking to rejoin CARF.

So there's questions as to who's going to perform the auxiliary stabling. The position of CARF is still very clear. We feel very strongly we have the stabling that we can. We have enough stalls to Board all the horses necessary to race in the summer meet.

So in discussions with The Stronach Group and Golden Gate, we have not gotten a decision as to whether to stay open or closed. So in my position as the CARF Executive Director, it's paramount that that go hand in hand with the discussions over Humboldt and we come up with a

compromise for both situations before we move forward.

And I would respectfully ask that we be given a 30-day delay until January to come back with our proposal.

MR. MORGAN: Jim Morgan, Special Counsel, Humboldt County Fair.

As you're aware, this issue is of paramount importance to the people of Humboldt County and their 126-year Fair tradition. We have our Board Chairman, Andy Titus here, our Chairman of the Racing Committee, Greg Gomes here.

We thought maybe there'd be a little more substantive discussion. We initiated right after the last Board meeting substantive discussions with David Duggan and William Rizzuto about how we can juggle this week.

You have challenged us to come up with a compromise to split the baby. And we have come up with a proposal that we believe accomplishes that. It does not include the stabling component and that remains the undone component of the proposal, and that also involves Santa Rosa, who I don't believe is here today. But we're optimistic that we can do what you challenged us to do and reach a compromise that works for all the players and doesn't punish any aspect of the industry unnecessarily.

CHAIR FERRARO: Well, there's no rush for us to -- for the Board to make a decision on this. So you have a proposal but you don't have an agreed upon compromise yet,

either with the stabling or with Golden Gate regarding your mates meeting; s that correct?

MR. SWARTZLANDER: That's correct.

MR. MORGAN: That's true. And the proposal that Humboldt came up with is not officially endorsed by CARF nor Golden Gate Fields because it does split the baby and each would like to have a better deal from their perspective.

CHAIR FERRARO: Well, then I would suggest, unless there's any objection from the Board, that we just table this until January and when you can come back with a positive --

MR. MORGAN: Okay.

CHAIR FERRARO: -- a positive agreement.

Mr. Hudnut, do you have --

COMMISSIONER HUDNUT: Mr. Chair, I do think there is a point, given the disarray at the Humboldt County Fair that we've read about in the press of late, is Humboldt County going to be able to mount a fair next summer? Is it going to have sufficient personnel? And maybe should Humboldt take the year off from horse racing?

MR. MORGAN: The answer is they will handle the disarray. I'm not sure of the nature and extent of the issue once it shakes out. Humboldt is committed to having a fair this year, next year and every year.

COMMISSIONER HUDNUT: Well, I trust that as part

of the compromise presentation a month from now, you will be able to give us assurances that the proper personnel are in place and the Board is behind the proposal.

MR. MORGAN: Our Board is behind our position.

COMMISSIONER HUDNUT: But didn't three members of your Board just resign?

MR. MORGAN: Some members did resign, yes. And our general manager is going. That position is going to be up for renewal with a new individual. But the Board is -- the Fair is functional and they're ready to move forward.

COMMISSIONER HUDNUT: Well, until otherwise I will be skeptical of Humboldt's ability to carry on effective racing next summer.

MR. MORGAN: We'll be happy to address that skepticism next time.

COMMISSIONER HUDNUT: Okay.

MR. MORGAN: Not before.

VICE CHAIR GONZALES: Yeah, I really appreciate you being here.

And Mr. Morgan, would you like to -- I know there's two representatives, if you'd just like to acknowledge them from Humboldt?

Just want to say hi to you gentlemen. Thank you for making the trip. I know it's a long way down.

I don't think it's all that fair to ask, you know,

whether Humboldt is prepared to race. Of course they're prepared to race. I mean, there's been some growing ways. The TOC just had some turmoil in their organization not that long ago. I don't hear anybody asking whether the TOC is fit to represent. All organizations have ups and downs. This is horse racing, for crying not loud, I don't appreciate those low blows there.

Fairs are important. We look forward to seeing you guys in January.

COMMISSIONER HUDNUT: I resent that. I don't think they're low blows when you ask legitimate questions about what's been in the press.

VICE CHAIR GONZALES: Well, the TOC was in the press not long ago either. I don't think anybody raised any issues about their leadership. So let's be fair here, Mr. Hudnut. This is some fair leadership and of course they're fit to race and they just need some time to sort some things out.

CHAIR FERRARO: Well, I don't think it's unreasonable to ask them to address the issues of the next month, to tell us what the status is.

COMMISSIONER HUDNUT: I agree.

CHAIR FERRARO: That's what we're asking.

MR. MORGAN: And Humboldt is clearly addressing the issues and resolving them. And I'm optimistic that we

will be solvent and a participant with live racing for many years to come.

VICE CHAIR GONZALES: Absolutely.

CHAIR FERRARO: Alright, let's --

COMMISSIONER ALFIERI: Do support this, Mr. Chairman? Do you think one month is enough?

CHAIR FERRARO: Well --

COMMISSIONER ALFIERI: Do you want to give it until February, or January? I mean, is anything going to get done in the next 30 days?

EXECUTIVE DIRECTOR CHANEY: If I might, Mr. Chairman, we're looking to maybe not having a meeting this coming February as we did last year, so it would be pushed off to March.

COMMISSIONER ALFIERI: Taking it off for Valentine's Day?

EXECUTIVE DIRECTOR CHANEY: And just kind of, thinking -- exactly -- kind of thinking out loud, it seems like the negotiations are bogged. I'm always the auxiliary stabling guy, solve it early, solve it early, but I'm just wondering if this narrow issue, this race day week allocation is being bogged down a little bit by the auxiliary stabling discussion. So at some point, maybe they just need to abandon that and get the allocation done.

MR. SWARTZLANDER: To be fair, I would just simply

say that, you know, we know what we're proposing. We know basically what they're proposing. We have unanswered questions on stabling, which we need to fore-sort out. And if it's 60 days or 30 days, give me another week or two and we'll know if we're going to be coming back with a compromise, or we're going to come back in front of you and say that we agree to disagree and here's our position.

CHAIR FERRARO: Okay. Let's not waste any more time on this. We'll put it on the agenda for next month and we discuss it there.

MR. SWARTZLANDER: Thank you.

COMMISSIONER HUDNUT: Thank you.

CHAIR FERRARO: Thanks.

Do you still want to speak on this, given it's tabled or do you want to wait?

MS. WILSON: Yes, I do.

Yes, go ahead then.

MS. WILSON: It was a bit of an effort to get up here, so thank you for allowing me to speak.

How many more horses will go missing once these 2023 dates are allocated? There are several horses that have not been seen in the major databases for the last seven to nine months. These are the following horses from Golden Gate.

CHAIR FERRARO: Heather, Heather, let me interrupt

you. We're talking about --

MS. WILSON: Northern California thoroughbred racing dates.

CHAIR FERRARO: -- we're not talking about missing horses or --

MS. WILSON: Yes.

CHAIR FERRARO: -- any of that. So if you want to talk about --

MS. WALTER-TERRINONI: And if you have more racing dates, more horses will go missing. It was a tremendous effort to get up here. And I know HISA does have a Whereabouts Program. This is quite relevant because we are talking about the allocation of Northern California thoroughbred dates and these are missing thoroughbred horses.

CHAIR FERRARO: Well, I would --

EXECUTIVE DIRECTOR CHANEY: Mr. Chairman, I think the standard is directly related to the agenda item.

So if you can keep it to that issue?

CHAIR FERRARO: You're quite welcome to come back in public comment and make your comments. But right now we're talking about whether or not we're going to allocate a racing date. We've tabled it the next month. Your comments in this vein are kind of --

MS. WILSON: These are horses that are missing

from Northern California tracks.

CHAIR FERRARO: Bring it up in the public comment then.

Next. Ashley? Alright, let's move on.

Item number five, discussion and action by the Board regarding California Thoroughbred Breeders Association request for authorization of its upcoming horse sale at Fairplex in Pomona, California, pursuant to CHRB Rule 1807.

Justin? Yes, go ahead.

MR. OLDFIELD: Yes. Good morning, Mr. Chairman, Commissioners. As a Board member for the California Thoroughbred Breeders Association, Justin Oldfield here to represent them today, respectfully request that you approve the recommendation to move forward with the sale. It's our annual winter sale to be held January 31st at the Fairplex in Pomona. We have over 140 horses cataloged. The sale will be conducted pursuant to CHRB regulations. I think it should hopefully be a good sale.

I'll leave it there, make it quick.

CHAIR FERRARO: Any questions for this gentleman from the Board?

Mr. Chaney --

EXECUTIVE DIRECTOR CHANEY: No.

CHAIR FERRARO: -- any comment? We're going to take public comment. You can sit down. Thank you very

much.

MR. OLDFIELD: Thank you.

CHAIR FERRARO: Okay. Go ahead. This is about a horse sale now. That's what we're talking about.

MS. WILSON: I'm well aware of that. Thank you.

So on the CTBA website, this horse sale is already being advertised. There's nothing on here that states that this horse sale is contingent upon approval of the Board, even though the agenda item states CTBA request for authorization of horse sale. It's already being advertised. I printed this five days ago.

Second, according to Rule 1807, which is in the agenda item, Chairman Ferraro, it states, "The Board may authorize a horse sale to be held on the premises of a racing association." I printed it. It's right here.

There has not been live horse racing at the Pomona Fairplex since 2014. The L.A. Fair decided to repurpose the infield into a soccer field, which has now benefited countless children, their families, and adult soccer leagues. There is no live horse racing at the Pomona Fairplex. There hasn't been since 2014. And when you do an internet search for racing at the Pomona Fairplex, the only thing that pops up is car racing.

So this begs the question, is this sale even legal? First, it's being advertised before it's authorized,

and then it's not even being held at a racing association. It's being held where there's car racing.

This rule was updated in 1974. So this rule is pretty outdated, kind of just like horse racing.

Next, we have the issue of a yearling that was killed at another horse sale in Pleasanton. One-year-old, an accident, metacarpal, this terrified either colt or filly, born in 2021, the dam was Distorted Beauty, and this horse was killed at a horse sale. So you're going to have this illegal horse sale where there's no horse racing, and then perhaps another yearling will be killed.

So I would just ask you to please read your own rules and question, why are these horse sales being advertised before they are even authorized by the Board?

CHAIR FERRARO: Thank you.

Ashley?

MS. LEWIS: I don't think I have a comment on this.

CHAIR FERRARO: Okay.

Comments from the Board? Do we have a motion?

COMMISSIONER ALFIERI: A motion to approve.

VICE CHAIR GONZALES: I'll second it. Gonzales here.

CHAIR FERRARO: Commissioner Davis?

COMMISSIONER DAVIS: Yes.

CHAIR FERRARO: Commissioner Alfieri?

COMMISSIONER ALFIERI: Yes.

CHAIR FERRARO: Commissioner Gonzales?

VICE CHAIR GONZALES: Yes.

CHAIR FERRARO: Commissioner Castellanos?

COMMISSIONER CASTELLANOS: Yes.

CHAIR FERRARO: Commissioner Hudnut?

COMMISSIONER HUDNUT: Yes.

CHAIR FERRARO: The Chairman votes yes. The motion passed.

Item number six, discussion and action by the Board regarding the request to continue the distribution of market access fees from advanced deposit wagering for wagering conducted by thoroughbred associations in central and Southern California zones for 2023 to include distributions to Southern California off-track wagering.

Mr. Rubenstein, there you are.

MR. RUBINSTEIN: Here I am. Good morning, CHRB Commissioners and Staff.

Funding for SCOTWINC, the state's inter-track wagering network, is capped at 2.5 percent of handle at these brick and mortar locations. So as HANDL has migrated from SCOTWINC facilities to ADW, since 2009, the industry has voluntarily redirected a portion of in-state ADW handle to help fund SCOTWINC's operations. Depending on the race

meet, that funding ranges from 1.7 percent to 2.4 percent in 2023. And, again, this is in-state ADW handle that otherwise would be distributed to purses and commissions, so in short, our money that we're using to fund SCOTWINC.

The rate we are requesting this year, again, 1.7 percent to 2.4 percent, depending on the race meet, is the same allocation that the Board has approved the last two years. And I should note that while SCOTWINC handle has reduced since the advent of ADW wagering, over \$370 million is projected to be wagered at these brick-and-mortar locations, and they also provide much-needed jobs for labor unions.

So I'm happy to answer any questions.

CHAIR FERRARO: Questions from the Board? No questions?

Do we have public comment?

Can I have a motion?

VICE CHAIR GONZALES: Gonzales moves.

CHAIR FERRARO: Second?

COMMISSIONER DAVIS: Davis seconds.

CHAIR FERRARO: Commissioner Hudnut?

COMMISSIONER HUDNUT: Aye. Yes.

CHAIR FERRARO: Commissioner Castellanos?

COMMISSIONER CASTELLANOS: Yes.

CHAIR FERRARO: Commissioner Gonzales?

VICE CHAIR GONZALES: Yes.

CHAIR FERRARO: Commissioner Alfieri?

COMMISSIONER ALFIERI: Yes.

CHAIR FERRARO: Commissioner Davis?

COMMISSIONER DAVIS: Yes.

CHAIR FERRARO: And the chairman votes yes. Thank you.

Item number seven, discussion and action by the Board regarding the request to modify the distribution of market access fees from ADW for wagering conducted by the signatory racing associations for 2023 to include a distribution to be utilized to fund the California Co-op Marketing Program.

Are you going to address that as well?

MR. RUBINSTEIN: I am. This agenda item is a real success story and shows how the industry can work well together.

A few years ago, Santa Anita, Thoroughbred Owners of California, and Del Mar created a Co-op Marketing Program to recruit horses to California to promote our industry-leading safety initiatives, and a program to incent players to wager on track with cash back rewards. Collectively, Santa Anita, Del Mar, and the TOC spend about \$2 million on these cooperative marketing programs.

So similar to the last agenda item, this is funded

through a deduction and in-state ADW wagering that monies that otherwise would go to persons and commissions and that's what funds Co-op Marketing. The request for 2023 is 0.32 percent at Del Mar and 0.42 percent at Santa Anita.

Happy to answer any questions.

CHAIR FERRARO: Any questions from the Board?

No public comment?

Does TOC want to comment on this or are you good?

You're good. Okay.

Can I have a motion then?

COMMISSIONER HUDNUT: So moved. Hudnut.

COMMISSIONER CASTELLANOS: Castellanos seconds.

CHAIR FERRARO: Commissioner Davis?

COMMISSIONER DAVIS: Yes.

CHAIR FERRARO: Commissioner Alfieri?

COMMISSIONER ALFIERI: Yes.

CHAIR FERRARO: Commissioner Gonzales?

VICE CHAIR GONZALES: Yes.

CHAIR FERRARO: Commissioner Hudnut?

COMMISSIONER HUDNUT: Yes.

CHAIR FERRARO: Commissioner Castellanos?

COMMISSIONER CASTELLANOS: Yes.

CHAIR FERRARO: And the Chairman votes yes.

Moving on to item eight -- thank you Josh --

discussion and action by the Board regarding requests to

modify the distribution of market access fees from ADW wagering which otherwise would have funded persons and commissions to cover the assessments as allocated to each signatory racing association pursuant to the Horse Racing Integrity and Safety Act of 2020 for calendar year 2023.

Mr. Rubenstein?

MR. RUBINSTEIN: I'll be up here for the next one. I'm going to turn this over.

EXECUTIVE DIRECTOR CHANEY: Well, you can stay seated there, Josh. I can kind of kick this one off.

When this item was agendized 11 days ago, 12 days ago, the world was different with respect to HISA. Since then -- so this is the way that the industry pays for the HISA assessment. As you might recall, it was \$7.3 million for 2023. In practical terms, it was much lower than that as we've negotiated a bunch of credits with them. And the Board authorized me to sign the VA for next year.

We haven't signed that yet, mostly because there's been a few developments as the Board knows. There's been some legal challenges. The Fifth Circuit declared the legislation entirely unconstitutional and sent it back to the District Court, which appears will be making a decision in following the Fifth Circuit's recommendation or order, as it were, on January 10th.

This past week, the FTC declined to enact the

regulations under the anti-doping and medication control. They haven't set a date, although, you know, in talking to folks, it could be three or six months before they do.

So going forward, I think it's probably appropriate for the Board to not approve this funding mechanism as there's nothing to fund at this point. We're in odd legal terrain right now. There is this legal piece which, in my estimation, is probably not a great -- doesn't have a great chance for success if you're a HISA supporter. The most obvious solution would be a congressional fix. And as everyone knows, that could happen this week, or it could happen legislative session next year, or it could not happen at all.

So my recommendation to the Board, at least at this point, is to table this for now until we have some sort of an understanding of what the costs will be, if at all.

CHAIR FERRARO: It's obvious, Commissioner Chaney -- or Executive Board Member [sic] Chaney is saying we shouldn't approve this now, but I think we'll put it on the agenda for next month.

But I think it would be logical for us to think, given the situation, the legality of HISA, it looks to me like this is going to be a long-term off-again, on-again, fight legally. I don't see the congressional fix happening this month. I think it's going to go into the courts. This

is going to go on for months, even years. And in the meantime, we're struggling to operate under rules that will be challenged if we use the HISA rules, health and safety rules. They will obviously be challenged as to whether or not they're legal.

So the point of this is, I think, that we can wait until next month when we see how this all falls out, but I think the Board ought to be thinking about the wisdom of pulling out of HISA, at least temporarily. We have good rules in California and we have the ability to back them up legal. Our rules are not -- and existence is not changed in court at the moment.

So I think that, depending on how things fall out, we should be thinking about going back to operating under California rules exclusively until this thing with HISA is sorted out.

Mr. Rubenstein, you have feelings about that, do you not?

MR. RUBINSTEIN: Well, the rules that we put in place in California are certainly the blueprint for HISA. While we are hopeful that the rest of the country would adopt the reforms that we put in place here, we certainly can't force the rest of the country to do that. I think, hopefully, we'll have some more clarity with HISA in the next few weeks.

But as you stated, Mr. Chairman, you know, California and the world has made great strides with these reforms. And, you know, as an industry, I hope, you know, HISA is there to enact these across the country but, if not, we will continue doing the good work that we've done in California over the last several years.

CHAIR FERRARO: Any comments from the Board?

Do we need a motion to table this, or can we just table it?

EXECUTIVE DIRECTOR CHANEY: No comments.

CHAIR FERRARO: No comments? Yeah, we'll just -- can we have a motion to table?

COMMISSIONER CASTELLANOS: Motion.

CHAIR FERRARO: Second?

COMMISSIONER HUDNUT: Second.

CHAIR FERRARO: Commissioner Davis?

COMMISSIONER DAVIS: Yes.

CHAIR FERRARO: Commissioner Alfieri?

COMMISSIONER ALFIERI: Yes.

CHAIR FERRARO: Commissioner Gonzales?

VICE CHAIR GONZALES: Yes.

CHAIR FERRARO: Commissioner Castellanos?

COMMISSIONER CASTELLANOS: Yes.

CHAIR FERRARO: Commissioner Hudnut?

COMMISSIONER HUDNUT: Yes.

CHAIR FERRARO: And the Chairman votes yes.

Thanks, Josh. You're up for next two.

Let's see, we're on number nine, discussion and action by the Board regarding the request to modify the distribution of market access fees from ADW wagering for wagering conducted by thoroughbred associations and racing fairs in the central and southern zones to include a distribution to Southern California Stabling and Vanning Fund of 1.2 percent and adjust the amount distributed to that fund from brick and mortar wagering to 1.02 percent for 2023.

MR. RUBINSTEIN: Yes, this is another request by the Southern California stakeholders, this time the Stabling and Vanning Committee, which is the Southern California Racing Associations and the TOC, to use in-state ADW handle, make a voluntary distribution. Again, this is revenue that otherwise would fall to purses and commissions to fund stabling and banning. And as the Chairman noted, the request this year is 1.02 percent of in-state ADW handle, and that's a reduction from last year of 1.2 percent.

CHAIR FERRARO: Questions from the Board?

Do we have public comment? No? D

Can I have a motion to approve?

COMMISSIONER HUDNUT: So moved. Hudnut.

COMMISSIONER ALFIERI: Second.

COMMISSIONER DAVIS: Second.

CHAIR FERRARO: Alfieri seconds.

Commissioner Davis?

COMMISSIONER DAVIS: Yes.

CHAIR FERRARO: Commissioner Alfieri?

COMMISSIONER ALFIERI: Yes.

CHAIR FERRARO: Commissioner Gonzales?

VICE CHAIR GONZALES: Yes.

CHAIR FERRARO: Commissioner Hudnut?

COMMISSIONER HUDNUT: Yes.

CHAIR FERRARO: Commissioner Castellanos?

COMMISSIONER CASTELLANOS: Yes.

CHAIR FERRARO: And the Chairman votes yes.

Thank you, Josh.

MR. RUBINSTEIN: Thank you.

CHAIR FERRARO: Item number ten, discussion and action by the Board on the application for approval to conduct advanced deposit wagering of XpressBet LLC for an out-of-state multi-jurisdictional wagering hub for a period of up to two years.

Go ahead.

MR. CHABRIER: Hi. I'm Gene Chabrier. I'm the Vice President of Regulatory Affairs and Business Development for XpressBet. Just here to get relicensed,

hopefully. And, you know, just wanted to know if you had any questions about XpressBet or 1/ST Technology.

EXECUTIVE DIRECTOR CHANEY: Sure. I don't want to steal Damascus' thunder. Okay. Commissioner Castellanos, sorry.

Just wanted to -- this is kind of unrelated to your license, although it could be related to your license two years from now. We were asking all the -- we renewed most of the ADW companies last month and were asking about their -- we're particularly interested in the wake of the Modern Games' incident, the alternate selection for pick ends. And we know you -- your company was light years, seemingly, light years ahead of everybody else, so we were just hoping to get like a follow-up of where that was and if it's going to be a reality anytime soon and so on.

MR. CHABRIER: Well, I'm very glad you asked that. We got a lot of requests from our customer base, you know, to, you know, build an alternate selection feature. This goes back a couple years and we were -- we successfully launched this on the XpressBet platform early last -- this year, early this year. So we are, as you said, ahead of the game.

EXECUTIVE DIRECTOR CHANEY: So you're -- it's live and --

MR. CHABRIER: It's live --

EXECUTIVE DIRECTOR CHANEY: -- your customers
can --

MR. CHABRIER: -- being used. It's being used. I
saw some numbers, I can't remember them off the top of my
head, but it's quite a popular feature.

EXECUTIVE DIRECTOR CHANEY: Good. Well, hopefully
you can talk about it more so that you can create some more
customers --

MR. CHABRIER: I am not a marketing guy.

EXECUTIVE DIRECTOR CHANEY: -- that bleed in over
from the other ADW companies who have -- are offering the
same thing.

MR. CHABRIER: Yeah.

EXECUTIVE DIRECTOR CHANEY: We're trying to
encourage all ADW companies to do it. And I think, if I'm
not mistaken, Chairman Ferraro sort of made it clear that
they need to offer it next time their license comes up.

MR. CHABRIER: Yeah.

EXECUTIVE DIRECTOR CHANEY: But thank you for your
work on it. It was important to the Board, I know, and we
appreciate it.

MR. CHABRIER: Yeah. Anytime.

CHAIR FERRARO: Any other comments from the Board?
You can go ahead and sit down if you want.

MR. CHABRIER: Okay.

CHAIR FERRARO: Thanks.

Heather?

MS. WILSON: Just a quick comment regarding gambling and wagering.

We know that Props 26 and 27 both failed miserably. Proposition 3 passed in 1933 to legalize gambling on horses in the state of California as a means to boost up the economy during the Great Depression. It's definitely overdue to revisit the gambling on live animals.

Let California voters decide if we still want horse racing and gambling as a part of the California Constitution.

CHAIR FERRARO: You have something to say?

VICE CHAIR GONZALES: No.

CHAIR FERRARO: Can I have a motion to approve?

COMMISSIONER HUDNUT: So moved. Hudnut.

COMMISSIONER ALFIERI: Second.

CHAIR FERRARO: Commissioner Davis?

COMMISSIONER DAVIS: Yes.

CHAIR FERRARO: Commissioner Alfieri?

COMMISSIONER ALFIERI: Yes.

CHAIR FERRARO: Commissioner Gonzales?

VICE CHAIR GONZALES: Yes.

CHAIR FERRARO: Commissioner Hudnut?

COMMISSIONER HUDNUT: Yes.

CHAIR FERRARO: Commissioner Castellanos?

COMMISSIONER CASTELLANOS: Yes.

CHAIR FERRARO: And the Chairman votes yes. The item is passed.

Moving on to item number 11, which is the Executive Director's Report and the Equine Medical Director's Report.

Scott, do you want to go first?

EXECUTIVE DIRECTOR CHANEY: Sure. Thank you, Mr. Chairman, and good morning, Commissioners. My remarks will be brief.

And I will begin with the handle report. For the month of October -- or sorry, November, night racing was down 8 percent, day racing was down 45 percent, and total handle was down 43 percent as compared to November of last year. I should note that the Breeders' Cup was held in California in the month of November last year. Year to date, night racing is down eight percent, day racing is down eight percent, and total handle is down eight percent.

I'd also planned on talking about HISA, but I think that we had that discussion earlier.

And so lastly, I just have a few administrative notes.

The Board meeting schedule for next year will be posted shortly on our website. Not much will change. It

will be the third Thursday of each month. January's will be back here in Sacramento. February, just for everyone's edification, will most likely be an off month, partly for the Board members, but mostly for Staff because this sort of monthly thing is quite a grind. And then in terms of location, it will mostly mirror the schedule next year, but that will all be laid out once we put it on the website.

And that, Mr. Chairman, is my report.

CHAIR FERRARO: Thank you.

Questions from the Board?

VICE CHAIR GONZALES: I do have a point that I'd like to bring up, Dr. Ferraro.

Until we get this jockey breeding right issue figured out, what I'd like for you, Executive Director Chaney, to do when you provide your report to us is to signify whether a winner of a Grade I race will be providing a jockey breeding right. Opening day at Santa Anita is right around the corner, the Malibu Stakes Grade I race, it actually launched the illustrious career of Flightline, who stands to make \$30 million in his first year as stallion.

And I just would, until we figure this out, I would like to be keeping inventory of those winning connections, whether they plan on providing any breeding right or not. Maybe we could coordinate with the TOC on how best to approach that, whether it's through them or us, but

I am going to be asking in Executive Director reports going forward how owners plan to handle the breeding right issue that is still being worked on here.

So thank you, Mr. Chaney.

COMMISSIONER HUDNUT: How can we offer something that's unresolved?

VICE CHAIR GONZALES: It's just a simple -- if we could provide updates on handle, we sure can provide whether winners of a Grade I race plan to give a breeding right. We're not -- this is something that has been done traditionally in the past and we're just trying to collect the data, Commissioner.

COMMISSIONER HUDNUT: This is about --

VICE CHAIR GONZALES: This isn't about a tax. It's not about a property right issue or whether we have the authority as you brought up. This is simply a Commissioner requesting of the Executive Director to include an important item that is a priority to many in the Executive Director Report.

COMMISSIONER HUDNUT: We have two fewer Grade I races today than we did yesterday.

VICE CHAIR GONZALES: I'm not sure what you mean by that, but my request stands.

COMMISSIONER HUDNUT: Yeah, it's just an informational point. Two of our Grade Is were downgraded

yesterday.

VICE CHAIR GONZALES: Don't know why that is, but there's no better racing than California, put our, you know, put our ability to produce top talent across the Board, both athlete, both horses and riders. So we can -- another reason why we have a Jockey Committee meeting is so you can bring up those points. But it probably -- it has zero to do with a breeding right issue, it's just --

CHAIR FERRARO: Well, generally, I think races are downgraded in the quality because of short fields or poor quality horses involved. And that's one of the issues with your proposal is that there's a great fear by many in the industry that it will discourage horses from shipping into California to run in major races, which affects whether or not the horse, the quality of the race.

Is that your point, Mr. Hudnut?

COMMISSIONER HUDNUT: Yes. Yes.

VICE CHAIR GONZALES: Well, you know, 4 out of the 12 Grade I races are at \$300,000 levels, and that just has to do with purse sizes. So we probably, as a horse racing community, have to do more to address purse sizes and field sizes. That is something that is beyond our control.

What is within our control is how backstretch workers and jockeys are treated. And there are owners who are doing very well. I just gave a \$30 million number to

what Flightline will be making his first year. You take a look at American Pharaoh, Justify, or making other Grade I winners. And to my knowledge, unlike in the past, breeding rights are not being extended.

So I'm just simply asking our Executive Director to reach out to the owners and ask a simple question: Do they plan on giving a breeding right or not? And if it's a no, it's a no, we move on. But I think we'll hear more no more often while they seem to do very well. That's just my point here.

Commissioners, you have every right to disagree with this proposal. A lot of you have already staked out your position here without even fully grasping the scale and scope or even engaging or talking to jockeys. And I'm just saying this is a proposal that has merit.

CHAIR FERRARO: Someone asked Billy Graham one time, "How do you know if you have a practitioner -- or a parishioner's acceptance of God?" And he said, "Well, I can figure it out by looking at how much they put in the collection plate when it goes by."

VICE CHAIR GONZALES: Yeah, I follow you. I follow you, sir.

CHAIR FERRARO: Okay, I think Dr. Blea is up next.

EQUINE MEDICAL DIRECTOR BLEA: Good morning,
Commissioners --

VICE CHAIR GONZALES: Good morning.

EQUINE MEDICAL DIRECTOR BLEA: -- Mr. Chairman, MR. Vice Chairman. I can't go anywhere without my glasses anymore. Okay, the executive -- or the Equine Medical Director's Report for November. I'm going to touch a little bit on HISA and HIWU.

As Mr. Chaney stated, due to the legality of the court's decision, the unconstitutionality based on the Fifth Circuit Court, there's been a lot of changes. The primary changes is as of January 1, 2023, the Anti-Doping Control Medication Program was scheduled to go into effect nationwide. That has been postponed. They hit the pause button on that, so we will not, in California, go under the HIWU, or the Horse Racing Integrity Welfare Unit, Drug and Medication Program January 1, 2023.

Therefore, I want to make it very clear that, to all horsemen, we will continue under CHRB rules and guidelines regarding medication and enforcement. There's been a lot of confusion. But I want to make it very clear that horsemen in the state of California will still be -- will still follow CHRB rules and guidelines regarding medication testing and enforcement. There will be no substantive change starting January 1.

The anti-doping medications will be -- once the legality issues have been sorted out -- when they get sorted

out, who knows, as Dr. Ferraro stated, it could be months, even years -- once the legal ramifications have been settled, the HISA will submit the Anti-Doping Control Medication Rules to the FTC, at which point in time it will take a minimum of 60 days for the FTC to review and approve those rules. So there's quite a bit of a buffer here as far as timelines, but a minimum, at a very minimum, we're looking at March at best, and that's if everything, in a perfect world, if everything goes the way some people want it to go.

So with that, HIWU, which as you know is the enforcement arm of Drug Free Sports, which is in charge of medication testing and enforcement, they have continued their education and outreach program. We've met with them a couple times in the last week. They will be at Los Alamitos tomorrow, actually. CHRB will meet with them. We'll meet with the official veterinarians to look at some of the new programs they have in place, the electronic reporting, paperless system, things like that. It's just one step in the educational program that HIWU has. We've committed to doing this, so we will do that tomorrow at Los Alamitos, for both the thoroughbred side, as well as the nighttime card that runs thoroughbreds as well.

Some of the -- a couple events that occurred in the last week. On December the 9th, Dr. Arthur, on behalf

of Los Alamitos and I, went down to Los Alamitos and we met with the horseman to discuss the HIWU program in anticipation of it starting January 1. I can say we were a little bit ahead of our time. Nevertheless, we felt -- he discussed some of that program. I discussed the CHRB rules, the rules that are in place, as well as the rules that are in the pipeline to be in front of CHRB.

I explained to them the reason for the rules. In particular, the one rule that was discussed at length was the interarticular injection rule three times in the same joint and the need and the basis for that rule as far as safety, welfare, and good veterinary practices.

After quite a bit of good discussion and conversation, it seemed apparent to me that the horsemen down at Los Alamitos were very, very appreciative of our efforts from the CHRB and very inclined to be part of the solution rather than part of the problem.

I also discussed their fatality issues down there and how to help reduce those but help, more importantly, help understand what caused them and how to prevent them in the future.

In anticipation of quite a bit of the consternation regarding the new Medication Program in HAIWU, again a little bit ahead of my time, I held a practitioner Zoom this past Monday, so all the CHRB licensed

practitioners were invited to this Zoom. I think we had about 26. Basically, I put together a PowerPoint presentation to discuss the differences in the medication and control and doping program between HISA or HIWU and the CHRB to try to provide some resources for practitioners that they could provide to their clients and horsemen to avoid unnecessary drug positives.

EquiTAPS will be the new reporting system to replace the ETRS program. I believe our contract has been finalized. That will go live January 1, so all practitioners are preparing for that. I went over that with them as well and provided a new user guide for them. It's a bit of a sea change for the practitioners, but I think it's a more efficient, better way of not only recording and documenting, but allows us as a regulatory body to oversee and to monitor what's exactly happening.

In November, there were eight fatalities. There were three in racing, one of which was a musculoskeletal and two others were sudden deaths. There was one musculoskeletal fatality in training. Four other fatalities occurred, two consisting of colics, one of which was a 17-year-old former racehorse who worked as a pony horse, one sudden death, and one congenital congestive heart failure.

In the Maddy Lab, in the month of November, there was 1,327 post-race blood and urine samples, 30 of which

included work bloods. There was one Class IV bute overage and a clenbuterol finding that was identified in out-of-competition testing. Furthermore, 828 samples were submitted and tested in out-of-competition testing.

That concludes my report, and I'm happy to answer any questions you may have.

CHAIR FERRARO: One question I have is if the Board decides to operate under California rules next month, say, does that change the method and the system that the veterinarians are going to have to use to report their treatments?

EQUINE MEDICAL DIRECTOR BLEA: No. The EquiTAPS system for reporting, the electronic reporting system, currently we're under the ETRS system. That ends December 31st. The EquiTAPS goes live January 1, regardless of whether HISA goes into effect or not.

CHAIR FERRARO: So under HISA, the reports go to HISA; correct, not to us?

Well, under HISA, in the portal, all that information that the responsible person uploads goes to HISA. In the EquiTAPS program, we still -- the CHRB will still have the ability to receive those daily reports from practitioners, the same as we do under ETRS.

CHAIR FERRARO: So if we go back to California rule, you'll be able to monitor it?

EQUINE MEDICAL DIRECTOR BLEA: I'll be able to monitor it. I will also, as I'm told by InCompass, under the HISA rule, I will still be able to monitor it. If I'm monitoring something and pursuing something that I feel is nefarious or illegal, I would then have to contact HISA and they would initiate investigation and enforcement. Currently, I do that on my own.

CHAIR FERRARO: Okay.

Any questions from the Board?

Public comments?

Thank you.

Thanks, Jeff.

Heather?

MS. WILSON: Welcome back, Dr. Blea. And thank you for the extra work with Los Alamitos.

So there's definitely an ongoing issue at Los Al regarding horse safety and the starting gate. At the Golden State Million Futurity, the day before Halloween this year, Flash of Gold broke through the gate, he flipped, and he fell. The track announcer then said he will most likely be scratched. Seconds later, up on the screen, it popped up in the graphics, "SCR" all over horse number two, which was Flash of Gold.

And he wasn't scratched. The jockey just kind of went rogue. Jimmy Brooks just reloaded the horse. There

was no veterinarian exam. There was no discussion amongst the stewards. There was no clearance by a doctor. There was nothing. The horse broke through, flipped, and fell and was just reloaded.

Now we all are familiar with what happened with Modern Games at the Breeders' Cup. And this horse was scratched just because you thought he broke through the gate. Meanwhile, an assistant starter had opened the gate and he walked through. But he was scratched because you thought he broke through the gate. And as Dr. Blea explained, horses, when they break through the gate, they can have humeral stress fractures or shoulder fractures.

Horses are known to break through the gate. I see it every single weekend at Los Alamitos. These horses are very rarely scratched. When they take off running in the opposite direction down to the back, you know, the opposite direction of the track, then they're scratched. But if they break through the gate, they are never scratched. And that is a big concern.

And incidentally, in the same race that Flash of Gold should have been scratched, this is the same race that killed Apolitical Jet, a two-year-old horse collapsed, sudden death.

So this particular race is an example of how the jockeys are pushing the horses too hard. That horse should

have never been reloaded and a political jet should still be alive.

CHAIR FERRARO: Alright. Stay where you are. We're going into public comment now, so you can bring up the item you wanted to speak on before.

MS. WILSON: Okay. Well, I have a picture.

EXECUTIVE DIRECTOR CHANEY: So Mr. Chairman, we're moving to agenda item number 12, public comment?

CHAIR FERRARO: Correct.

EXECUTIVE DIRECTOR CHANEY: Okay.

MS. WILSON: And here, I thought you were going to answer my questions about the starting gate. Okay. So here's my public comment.

I'm going to tell the story of a horse named Smiling Angelo. He was a chestnut gelding. He was born in California, 02/25/15, and he was sired by Smiling Tiger, a high-profile sire. Smiling Angelo had a white star on his forehead and a snip on his nose that you could see when his blinkers were removed, a beautiful animal.

His so-called career started out bright. He broke his maiden with his very first start at Santa Anita. He also ran at Del Mar. In 2018, this three-year-old gelding was featured in the *Los Angeles Times*, "Three-year-old Son of Smiling Tiger: Big Winner at Santa Anita."

But then in May of 2020, we see the typical

pattern. He ran at Santa Anita and he placed last out of a field of 12. He was then downgraded to Northern California, Pleasanton, and Golden Gate. Despite winning three times in a row at Golden Gate, he was dumped in Arizona in February of 2021. After running four races in just two months at Turf Paradise, this California-bred California racehorse makes his last stop at Mountaineer, West Virginia.

Smiling Angelo is mortally injured. Just before the wire, he is pulled up with what looks like a catastrophic injury of his front leg. The jockey does not even have the decency to dismount. Imagine the pain, the anguish of having a broken leg and carrying an extra 120 pounds on your back.

Please remember Smiling Angelo when you consider your business with the horse racing Board. This happens every single year. Horses start out at the top tier tracks. They get downgraded, they drop in class, they find their friends, they get dumped out of state, they get trafficked across state lines, and then they are killed, just like Smiling Angelo.

Every single racehorse has a story. Most never get told.

CHAIR FERRARO: Thank you.

Susan Magliano.

MS. MAGLIANO: My name is Susan Magliano and I'm

here to discuss some issues with the thoroughbred horses being donated for research.

During the 1980s and 1990s, I worked at UC Davis in large animal surgery and large animal ICU. I was a veterinary technician there. Every year in December, on the 31st, we would watch truckloads of young thoroughbred horses being brought into UC Davis and dropped off for research. That was around midnight every year because they'd get a tax write off for \$100,000 for that year if they donated the horse to research.

Sorry, I'm a little nervous. I'll get this out.

Anyway, for their exchange, they would get the \$100,000 write off, tax write off, and these were perfectly good, young, healthy horses, two to four-year-olds who just didn't have it and couldn't make it on the track. And the owners would put in "too slow" or "unable to -- not fast enough" as their write off for the taxes or the IRS.

Sometimes they had minor injuries, but most of them were perfectly fine horses. And what we would do is get them out of research and take them home with us. We paid the university money for them. And we just wanted to prevent the death of those horses. And I rescued about 30 of them and had them for many, many years. And I was able to bury them on my ranch and have a -- you know, so they didn't have a horrible life at the racetrack.

Anyway, from there, the doctors and the students would decide, when they were donated to the university, would decide which kind of program to put them in for research. And that way they could write their doctoral thesis on what they were doing.

Sometimes we would be able to get them out afterwards, but most of the time they have to be killed and then you do all the scientific work on them under the microscope and stuff. In order to conduct the research, the racehorses would be euthanized and dissected.

There was a certain death sentence. Sometimes a few of us who worked there were able to pay a fee and take the animals out that were donated to the university and take them home with us and save them.

The ending for a horse that goes into research or any animal is death because they have to dissect them afterwards and see what work they did on them. And so they have -- it's death, always, for the animal when they're put into research.

CHAIR FERRARO: Your time has expired.

MS. MAGLIANO: Excuse me?

CHAIR FERRARO: I said you're time is expired.

MS. MAGLIANO: Oh.

CHAIR FERRARO: We've given you quite a bit of time over. And so if you could wrap it up, I'd appreciate

it.

MS. MAGLIANO: I'm sorry. Okay. But I just wanted to say, I loved and cared for these horses until the end of their lives. And all of them are buried on my ranch so nobody can find them anymore, you know, and they're safe.

But I wanted to let you know that there's a lot of horrible research going on these horses at UC Davis, or any place that they're donated, and it's not a good life.

Thank you.

CHAIR FERRARO: Having been the Director of Equine Research at UC Davis for 17 years, I take issue with a lot of what you said, but we'll move on.

Tweed Conrad?

MS. CONRAD: Thank you, dear Board members.

At the October meeting, there was an action item on the agenda, number eight, and I've heard it discussed again. I guess there was a meeting yesterday about it, about a legislative 2023 proposal to amend health and welfare funding for mechanisms for jockeys and backstretch workers to provide financial stability to those programs that are partially dependent on brick-and-mortar distributions.

I would like to propose that the CHRB and the California horse racing industry provide health and welfare funding and rehabilitation and rescue funding and support

for the race horses as well. If we could add that to the legislation or -- now I'm forgetting where the money is coming from, where you have that, hang on one sec.

CHAIR FERRARO: Thank you.

Ashley Lewis?

MS. CONRAD: -- no, no, no --

CHAIR FERRARO: Oh, you're not done?

MS. CONRAD: -- I'm not done --

CHAIR FERRARO: Okay.

MS. CONRAD: -- from, I just learned this today, distribution of market access fees from advanced deposit wagering or wherever you get the money, I would like to request that that goes to help people like Susan, who are starting little sanctuaries or raising these horses on their own, rescuing them, ones that are injured on the track or that are no longer financially profitable for the owner, to provide the same welfare for the horses that are living and dying in California.

Since there isn't currently the financial incentive and support to do so, I would like for the owners to do so. I would like to propose that this topic be an agenda item at the next meeting so that we can discuss this more and talk about different sanctuaries that I've been finding who are quite willing to rehabilitate and take in discarded race horses.

I'm wishing you all a happy and healthy, safe holiday and I hope you will consider this important topic over the holiday season.

Thank you.

CHAIR FERRARO: Thank you.

Ashley Lewis?

MS. LEWIS: Hi again. Thank you. I was going to bring this up earlier but understood it's not on topic enough so just wanted to mention it during the public comments section.

Under the HISA Whereabouts Program, through public inquiry, we follow up on many of the horses that are vanned off, pulled up, and there continue to be horses that are completely unaccounted for. Being here in Northern California, we pulled a few from Golden Gate Field that are still missing and I just wanted to raise attention to them.

Warren's Little Margie, eight years old at the time of disappearance, last workout, February 7th, 2020, last race, February 23rd, 2020. She had 81 starts and her final race, she trailed throughout, blew, stopped, and we've never heard of this horse again.

Queen Helene, five years old at the time of her disappearance, last workout, eight, 21, 21, last race, 08/27/21, bled, collapsed, vanned off. Of course, these horses are just covered in blood when they're last seen.

And we followed up according to Pedigree Query. Neither of these mares has produced any foals. There's no record of them whatsoever in California.

So we're, again, respectfully asking that the CHRB follow up on the whereabouts of these horses.

Thank you.

CHAIR FERRARO: Thank you.

Mr. Balch?

MR. BALCH: Alan Balch, California Thoroughbred Trainers. Just want to end on a positive note, assuming I'm one of the last speakers.

We heard Dr. Blea's report which, as usual, was excellent, I think. And I just wanted to call the Board's attention to the difficulty that practicing veterinarians and trainers face because of the, maybe, potential inconsistencies between California and HISA.

And Dr. Blea has been so helpful to us, the California Thoroughbred Trainers, constantly on the phone with us, always immediately responsive by telephone, email, text or whatever to any question that any individual trainer has, or any individual practicing veterinarian, and that is so important.

Sometimes I think that the Board doesn't really understand, perhaps, the detail of what goes into record keeping for a practicing veterinarian now. I know Dr.

Ferraro does because he was one. But the added detail, reporting, the rules relating to how long, you know, a time you have to be off or what the appropriate time frames are for administering medications, let's remember, medications, therapeutic medications for horses.

And I think that the trainers deserve, the individual trainers deserve a pat on the back. And certainly the practicing veterinarians deserve a pat on the back. And a great big pat on the back to Dr. Blea for his accessibility and responsiveness to our constituents.

Thank you.

CHAIR FERRARO: Thank you, Alan. We know. We're happy to have him. We're lucky to have him.

I would make the comment that any success we've had over the last few years is because the whole industry has cooperated with us in moving forward. So I think the industry, in general, everybody that participates deserves some credit on that.

Okay, that's the end of our public comment.

The Board will now go into executive session. At its conclusion, we will reconvene the public meeting for the sole purpose of adjourning the public meeting without further comment. Anyone wishing to hear that meeting? Adjournment can use the link to the audio webcast on the CHRFB website or remain in the meeting room until the Board

returns from the closed session or adjournment.

We are going to have our closed session in this room, so I respectfully ask everybody to leave, please.

(The Board convened into closed session at 11:11 a.m.)

(The Board reconvened from closed session at 11:42 a.m.)

CHAIR FERRARO: Alright, I need a motion to adjourn.

COMMISSIONER HUDNUT: So moved.

COMMISSIONER DAVIS: Davis seconds.

CHAIR FERRARO: Okay. Commissioner Hudnut?

COMMISSIONER HUDNUT: Yes.

CHAIR FERRARO: Commissioner Castellanos?

COMMISSIONER CASTELLANOS: Yes.

CHAIR FERRARO: Commissioner Gonzales?

VICE CHAIR GONZALES: Yes.

CHAIR FERRARO: Commissioner Alfieri?

COMMISSIONER ALFIERI: Yes.

CHAIR FERRARO: Commissioner Davis?

COMMISSIONER DAVIS: Yes.

CHAIR FERRARO: The Chairman votes yes.

Meeting adjourned. Thank you all very much.

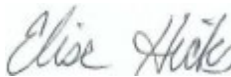
(The regular meeting of the California Horse Racing Board
adjourned at 11:42 a.m.)

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 22nd day of December, 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.



December 22, 2022