

STATE OF CALIFORNIA

HORSE RACING BOARD

In the matter of:

)

)

Regular Meeting

)

\_\_\_\_\_)

CALIFORNIA EXPOSITION AND STATE FAIR GRANDSTAND

1600 EXPOSITION BOULEVARD

SACRAMENTO, CALIFORNIA

THURSDAY, APRIL 18, 2024

9:00 A.M.

Reported by:

Elise Hicks

APPEARANCESBOARD MEMBERS

Gregory Ferraro, DVM, Chair

Oscar Gonzales, Vice Chair

Damascus Castellanos, Commissioner

Dennis Alfieri, Commissioner

Brenda Washington Davis, Commissioner

Thomas Hudnut, Commissioner

STAFF

Scott Chaney, Executive Director

Rita Baker, Executive Assistant

Dr. Jeff Blea

SPEAKERS

Larry Swartzlander, California Authority of Racing Fairs

Eric Sindler, General Counsel, GGF

Scott Daruty, Los Angeles Turf Club

Gene Chabrier, Vice President of Regulatory Affairs and  
Business Development, XpressBet

Bill Nader, TOC

## INDEX

<u>Action Item:</u>	<u>PAGE</u>
1. Approval of the minutes of March 21, 2024	9
2. Discussion and Action regarding the Proposed Amendments to CHRB Rule 1840 (Veterinary Practices and Treatments Restricted) and Rule 1890 (Possession of Contraband) to prohibit endoscopy and medications administered by hypodermic needles or nasogastric tubes except by authorized individuals.	26
3. Discussion and Action by the Board on the Request from the California Authority of Racing Fairs (CARF) to Designate the Following 2024 Allocated Race Dates as a Combined Fair Horse Racing Meeting, pursuant to Business and Professions Code section 19549.1: Alameda County Fair at Pleasanton, June 12, 2024 to July 9, 2024; California Exposition and State Fair, July 10, 2024 to July 30, 2024; Humboldt County Fair at Ferndale, August 21, 2024 to September 17, 2024; and The Big Fresno Fair, September 18, 2024 to	10

## INDEX

<u>Action Item:</u>	<u>PAGE</u>
October 15, 2024.	
4. Discussion regarding Board support formula for fiscal year 2024-2025.	29
5. Discussion and Action by the Board to Approve the Request by 1st Racing to amend the current corporate structure designated on the Santa Anita and Golden Fields racing license.	14
6. Discussion and Action by the Board on the Request from the Los Angeles Turf Club to Approve a new wager to be implemented during their existing race meet.	6
7. Discussion and action by the Board regarding an amendment to the application for the Advance Deposit Wagering (ADW) provider XPRESSBET, LLC pursuant to Board Rule 2072(1)	24
8. Reports	41
A. Executive Director's Report	

## B. Equine Medical Director's Report.

## INDEX

PAGEAction Item:

9. 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. After thirty minutes, no further comments will be accepted. Each person will be limited to two minutes.

10. Closed Session: For the purpose of receiving 53  
advice from counsel, considering pending  
litigation, reaching decisions on administrative  
licensing and disciplinary hearings, and personnel  
matters, as authorized by section 11126 of the  
Government Code.

Closed Session:

- 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

INDEX

PAGE

Closed Session:

Government Code section 11126(e).

B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding pending administrative licensing or disciplinary matters as authorized by Government Code section 11126(e).

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

11. Adjournment

53



1 for comments only, not questions.

2           Unsolicited speakers are limited to two minutes  
3 during all public comments. A tone will sound to indicate  
4 speaker's time is up. The Board may also ask questions of  
5 individuals who speak, which may extend their two-minute  
6 limit.

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

14           When a matter is open for public comment and you  
15 come to the podium, introduce yourself by stating your name  
16 and organization. This is necessary for the court reporter  
17 to have a clear record of all who speak.

18           When your two minutes are up, I'll ask you to  
19 return to your seat so that others can be heard. I will  
20 insist that all speakers stay strictly on topic for each  
21 agenda item. If a speaker strays off topic, I will ask to  
22 move to the next speaker. If a speaker repeats themselves,  
23 I will ask the speaker if he has any new comments to make.  
24 If there are none, the speaker will be asked to let others  
25 make comments to the Board.

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

8           And with that, we can move forward with the  
9 meeting. We'll start with the approval of the minutes of  
10 March 21st, 2024.

11           Can I have a motion to accept, please?

12           COMMISSIONER CASTELLANOS: Motion.

13           CHAIR FERRARO: Second?

14           COMMISSIONER HUDNUT: Second.

15           Commissioner Davis?

16           COMMISSIONER DAVIS: Yes.

17           CHAIR FERRARO: Commissioner Gonzales?

18           VICE CHAIR GONZALES: Yes.

19           CHAIR FERRARO: Commissioner Castellanos?

20           COMMISSIONER CASTELLANOS: Yes.

21           CHAIR FERRARO: Commissioner Hudnut?

22           COMMISSIONER HUDNUT: Yes.

23           CHAIR FERRARO: Chairman votes yes.

24           Moving on to item -- we're going to go to, what,  
25 three?

1 EXECUTIVE DIRECTOR CHANEY: Yes, Mr. Chairman, I  
2 would suggest maybe taking a few out of order while the  
3 other folks are coming. So I think probably we'll skip  
4 two, because Dr. Blea will be here in a bit, and go to  
5 three.

6 CHAIR FERRARO: Okay. Item number three is  
7 discussion and action by the Board on the request from the  
8 California Authority of Racing Fairs, CARF, to designate  
9 the following 2024 Allocated Race Dates as a Combined Fair  
10 Horse Meeting, pursuant to Business and Professions Code  
11 section 19549.1.

12 I'm not going to go through the dates. You can  
13 read them as well as I can.

14 Do you have anything to say, Larry?

15 MR. SWARTZLANDER: Larry Swartzlander, Executive  
16 Director of CARF.

17 This has been requested for the last at least  
18 eight years. It simply gives us the opportunity to carry  
19 jackpot pools over from one fair to the other, ending with  
20 Fresno.

21 CHAIR FERRARO: Any questions from the Board?

22 EXECUTIVE DIRECTOR CHANEY: Just a quick note for  
23 the commissioners. The fair season is slightly different.  
24 So this year obviously Santa Rose is not part of Mr.  
25 Swartzlander's request, and then kind of the two new

1 additions, if you will, would be Ferndale will be three  
2 week, technically assigned for with a simulcast week, and  
3 then Fresno expanded to four weeks from their normal two.

4 CHAIR FERRARO: Do we have public comment on  
5 this?

6 No?

7 Let's have a motion.

8 VICE CHAIR GONZALES: Gonzales moves.

9 COMMISSIONER DAVIS: Davis seconds.

10 CHAIR FERRARO: Commissioner Hudnut?

11 COMMISSIONER HUDNUT: I had a question, Mr.  
12 Chairman.

13 CHAIR FERRARO: Go ahead.

14 COMMISSIONER HUDNUT: What is the disposition of  
15 the dark days in the North and the CAW Wagering from the  
16 South? Is there not some agreement that the North gets  
17 wagering money from the South on its dark days?

18 MR. SWARTZLANDER: I'm not sure of your question.

19 The -- when we talk to the computer-assisted  
20 wagering, it will be treated just like a simulcast signal.  
21 We get a percentage of the handle, what they vote on our --  
22 on the Northern signals. Nothing with the Southern.

23 COMMISSIONER HUDNUT: That's --

24 EXECUTIVE DIRECTOR CHANEY: Perhaps I could help  
25 a little bit.

1           COMMISSIONER HUDNUT: That's my understanding,  
2 but go ahead. Go ahead.

3           EXECUTIVE DIRECTOR CHANEY: In general, I think  
4 the folks that stakeholders -- the thing that stakeholders  
5 like to say is that, you know, wagering dollars in the  
6 North stay in the North.

7           As you probably recall, a few months ago the  
8 legislature passed AB 1074, which redirects those simulcast  
9 dollars to Southern California in the event that Northern  
10 California is not allocated dates.

11           In this case, the simulcast week to which I  
12 referred at Fresno was allocated to Northern California.  
13 So those simulcast dollars won't be subject to 1074, and  
14 that money stays in the North to bolster purses and so on.

15           COMMISSIONER HUDNUT: And on dark days in the  
16 North, when there is racing in the South, is there a shared  
17 agreement on simulcast revenue?

18           EXECUTIVE DIRECTOR CHANEY: Oh, I see. No --

19           COMMISSIONER HUDNUT: That's my question

20           EXECUTIVE DIRECTOR CHANEY: -- it stays in  
21 Northern California.

22           MR. SWARTZLANDER: It stays in Northern  
23 California, just like it would stay in the South on a dark  
24 day in the North.

25           CHAIR FERRARO: Okay.

1           COMMISSIONER HUDNUT: I just wonder about the  
2 fairness of that. It seems as though the North is making  
3 money not to run while the South is running.

4           EXECUTIVE DIRECTOR CHANEY: Yeah. I mean, I  
5 think it's a fair question to ask.

6           The opposite can be true too, although with less  
7 frequency. We do have times, for example, when Santa Anita  
8 might be rained out, and of course, Golden Gate Fields has  
9 a synthetic surface, so I don't think they've been rained  
10 out any time in the recent past.

11           But it is statutory, so I don't know that we have  
12 a lot to wiggle room on that.

13           COMMISSIONER HUDNUT: Okay.

14           CHAIR FERRARO: Okay. I'm going to go with a  
15 vote.

16           Mr. Hudnut?

17           COMMISSIONER HUDNUT: Yes.

18           CHAIR FERRARO: Castellanos?

19           COMMISSIONER CASTELLANOS: Yes.

20           Gonzales?

21           COMMISSIONRE GONZALES: Yes.

22           CHAIR FERRARO: Davis?

23           COMMISSIONER DAVIS: Yes.

24           CHAIR FERRARO: Chairman votes yes.

25           MR. SWARTZLANDER: Thank you.

1 CHAIR FERRARO: Moving on to --

2 EXECUTIVE DIRECTOR CHANEY: I think we can  
3 probably skip four.

4 CHAIR FERRARO: Four, going on to five.

5 EXECUTIVE DIRECTOR CHANEY: It would probably be  
6 beneficial to have TOC here.

7 So yes. Number five.

8 COMMISSIONER HUDNUT: This is a discussion and  
9 action by the Board to approve a request by first racing to  
10 amend the current corporate structure designated on the  
11 Santa Anita and Golden Gate Fields license.

12 UNIDENTIFIED SPEAKER: Please turn your mic on  
13 there, sir.

14 MR. SINDLER: Good morning. Eric Sindler on  
15 behalf of Santa Anita and Golden Gate Fields.

16 So this is really a lot to do about nothing,  
17 honestly. There was some corporate reshuffling up many  
18 levels above Santa Anita. It doesn't affect Santa Anita's  
19 operations in any way. Nate Newby's still the General  
20 Manager. Dennis is still the Track Superintendent. The  
21 finances aren't changed. Customer service hasn't changed,  
22 our commitment to equine and rider safety doesn't -- isn't  
23 affected in any way by this. It's just, there's a new  
24 technical shareholder of the shares of Los Angeles Turf  
25 Club and Pacific Racing Association. It deals with some

1 corporate restructuring to better align the various TSG  
2 assets under different groups.

3 CHAIR FERRARO: I was reading your packet here  
4 that It really doesn't explain what the change is. Can you  
5 tell us in 25 words or less what exactly you're doing?

6 MR. SINDLER: The change is on the license  
7 application. You have to list who owns the shares of the  
8 stock.

9 The application lists TSG Developments  
10 Investments, Inc. The new shareholder is First Racing LLC.

11 CHAIR FERRARO: Oh. Okay.

12 MR. SINDLER: That's it.

13 CHAIR FERRARO: Okay. That's the main change?

14 MR. SINDLER: That's all there is to it.

15 CHAIR FERRARO: Okay.

16 Questions from the Board? None?

17 Do we have public comment on this? No?

18 Do we have a motion?

19 COMMISSIONER DAVIS: Davis moves.

20 COMMISSIONER HUDNUT: So, second.

21 CHAIR FERRARO: Commissioner Davis?

22 COMMISSIONER DAVIS: Yes.

23 CHAIR FERRARO: Commissioner Gonzales?

24 VICE CHAIR GONZALES: Yeah.

25 CHAIR FERRARO: Commissioner Castellanos?

1 COMMISSIONER CASTELLANOS: Yes.

2 CHAIR FERRARO: Commissioner Hudnut?

3 COMMISSIONER HUDNUT: Yes.

4 CHAIR FERRARO: Chairman votes yes.

5 MR. SINDLER: Thank you.

6 Moving on to item number six, discussion and  
7 action by the Board, on the request from the Los Angeles  
8 turf club to approve a new wager to be implemented during  
9 their existing race meet.

10 Go ahead.

11 MR. SINDLER: Good morning. Eric Sindler with  
12 Scott Daruty on behalf of Los Angeles Turf Club.

13 Just before we start, just kind of a  
14 clarification: in the Board packet, there's two letters,  
15 one dated April 8th, the other dated April 11th. They're  
16 identical in every way, except the April 11th has the minor  
17 and major shares rounded, and that's the one we're going  
18 based on.

19 MR. DARUTY: The essence of our request is the  
20 introduction of a new parimutuel wager at Santa Anita.  
21 It's a new concept we wanted to try out, where the goal is  
22 to pick effectively three -- you can think of it kind of as  
23 three trifectas, three races in a row, which will be  
24 designated one sequence at Santa Anita each race day.

25 And the goal is to pick the first, second, and

1 third horses in the exact order in those three races. So  
2 effectively you're making nine selections.

3           The unique part of the wager is typically -- if  
4 you think about a pick six, there's a couple of pools. So  
5 you try to get six out of six, obviously, and if no one  
6 hits six out of six, you maybe get five out of six right  
7 and can win the minor pool.

8           The difference with this wager is we were just  
9 trying to come up with a wager where there's a lot more  
10 opportunities to win. So whereas the pick six has a major  
11 pool and a minor pool, this would have a major pool and, I  
12 think, five minor pools, so you could actually cash a  
13 ticket in this particular wager even if you only get three  
14 out of the nine horses correct.

15           So again, you know, we wanted to try something  
16 new. This will be a wager that the CAW players are not  
17 allowed to wager into, and we'd like to give it a try and  
18 see if it's successful.

19           CHAIR FERRARO: Has anybody else done it?

20           MR. DARUTY: Has anybody else done this type of  
21 wager?

22           CHAIR FERRARO: Yes.

23           MR. DARUTY: This -- the wager, the specific rule  
24 we're asking for approval under, is an ARCI-approved rule,  
25 so the rule has been on the ARCI books for a number of

1 years.

2           We're not aware of anybody who's tried this  
3 particular format of wager. Again, typically there's a  
4 major pool and one minor pool, as opposed to multiple minor  
5 pools that allow a win at a much lower level. So to answer  
6 your question, I'm not aware of anybody who's done this  
7 particular wager.

8           CHAIR FERRARO: I have no idea how successful  
9 this thing will be, you're going to try it out and see.

10          MR. DARUTY: We're going to try it out.

11          I'd consider this really a kind of a soft launch.  
12 We are not expecting it to be wildly successful, but we are  
13 -- want to try it. There was a lot of tote work that had  
14 to go into creating the ability to do this, and if this  
15 exact wager, you know, isn't what the betting public wants,  
16 then I think some of the concepts that we're introducing  
17 through this wager could be used to try different things.

18          So that's the goal.

19          CHAIR FERRARO: Questions from the Board?

20          VICE CHAIR GONZALES: Yeah. I've got a couple.  
21 What would be the minimum, the minimum bet?

22          MR. DARUTY: One dollar.

23          VICE CHAIR GONZALES: So it'll be one dollar?

24          First, thanks for trying new stuff. This is what  
25 we've got to do. And I could see it working, because

1 sometimes you'll hit a trifecta, or whoever bets, and the  
2 payoff is low, and this would then incentivize them to try  
3 to hit the other trifectas.

4 That's how that would work, right?

5 MR. DARUTY: Well, you have to place all your  
6 bets before the first race.

7 VICE CHAIR GONZALES: Got it.

8 MR. DARUTY: Yeah. So you wouldn't be able to  
9 hit the trifecta in the first race and then say, okay, I  
10 want to try --

11 VICE CHAIR GONZALES: It's -- right, right.

12 MR. DARUTY: Yeah.

13 VICE CHAIR GONZALES: Yeah. I understood that.  
14 But I think it's worth a try.

15 And then it would be subject to the normal  
16 takeout?

17 MR. DARUTY: So --

18 VICE CHAIR GONZALES: It would be considered an  
19 exotic, right? So it would be --

20 MR. DARUTY: Yeah, excellent question.

21 So we struggled a little bit with the takeout.  
22 We hear loudly and clearly the retail player saying they  
23 want more wagers with lower takeout.

24 VICE CHAIR GONZALES: Right.

25 MR. DARUTY: We thought about doing a 12 percent

1 or 14 percent takeout.

2 That's a complicated issue, because while it  
3 always sounds good for the retail player to have a lower  
4 takeout, it becomes somewhat challenging to then get  
5 distribution of that wager, because when you're selling to  
6 an out-of-state location and the takeout's lower their --

7 VICE CHAIR GONZALES: Right.

8 MR. DARUTY: -- margins lower, they don't always  
9 want to offer it to their customers.

10 So what we -- where we ended up with this is  
11 we're setting a 10 per -- sorry, a 22 percent takeout on  
12 this wager. However, we believe the effective takeout for  
13 the retail player will be lower than that, given various  
14 guarantees.

15 For example, the major pool will be guaranteed at  
16 \$10,000 every day.

17 VICE CHAIR GONZALES: Right. Right.

18 MR. DARUTY: And so, ultimately, we're going to  
19 use that takeout to effectively bump up winning wagers over  
20 time. And I think the effective takeout is going to be  
21 considerably lower than 22 percent for the retail player.

22 VICE CHAIR GONZALES: Got it.

23 And then the other betting platforms, I know you  
24 guys have one, but they'll be able to adapt to this?

25 MR. DARUTY: Well --

1           VICE CHAIR GONZALES: This is not because -- you  
2 know, when you go to the box -- so I'm told, I don't go to  
3 any boxes -- but when you click, you know, you've got to  
4 figure that out. So just as long as it works for the other  
5 platforms.

6           And then while I'm on that subject, just making  
7 sure that the parimutuel clerks -- because, you know, it  
8 probably takes some training and communicating if somebody  
9 shows up with plenty of time before the first race, as you  
10 said -- that the clerks will know how to navigate, and they  
11 don't get, you know, they don't get yelled at or anything  
12 like that by somebody who doesn't get their bet in.

13          MR. DARUTY: Yes. we haven't done the training  
14 yet because we wanted to wait to see if we got approval.

15          VICE CHAIR GONZALES: Yeah. Yeah.

16          MR. DARUTY: But there's certainly a plan to make  
17 sure that the parimutuel clerks are aware of how to enter  
18 the bet, and are adequately trained to be able to do that.

19          As far as your comment earlier on the other  
20 platforms, initially this wager will be available only on  
21 AmTote wagering platforms.

22          Now that's not because we're trying to make it  
23 exclusive to AmTote. It's because there was, as I  
24 mentioned earlier, a decent amount of work necessary to  
25 create the ability within the tote to do this. So when the

1 other tote companies are willing to make that, you know,  
2 investment of time and some small amount of money --

3 VICE CHAIR GONZALES: Right.

4 MR. DARUTY: -- to do the programming on their  
5 end, that we can't speak to.

6 But what we -- you know, what we can say is it'll  
7 work on AmTote. I think this is going to be initially more  
8 of an on-track or OTB wager, so in other words, people  
9 within the state of California --

10 VICE CHAIR GONZALES: Right.

11 MR. DARUTY: -- at our brick-and-mortar  
12 facilities, It will be available on XpressBet, our account  
13 wagering platform, because that runs on an AmTote tote.  
14 And hopefully the other totes will adopt it in time, but on  
15 day one they won't.

16 VICE CHAIR GONZALES: Okay.

17 I don't have anything else. You know, you  
18 mentioned CAW. Just if you do modify, and you know, again,  
19 we're pro-small better, we're pro-big better, so if you do  
20 decide to opt them in at some point, just kind of give a  
21 heads-up to staff, or come back or something, but I'm going  
22 to be supportive, just because you guys are trying new  
23 stuff. That's what we've got to do.

24 MR. DARUTY: Thank you.

25 VICE CHAIR GONZALES: I don't have anything else,

1 Chairman.

2 CHAIR FERRARO: Anybody else?

3 Do we have any public comment on this?

4 COMMISSIONER HUDNUT: One question, Mr. Chairman.

5 When do you intend to introduce, if approved?

6 MR. DARUTY: Well, if approved, we want to try it  
7 during this meet.

8 And again, I'd consider it kind of a soft launch.  
9 So we're thinking maybe 10 days from now. It certainly  
10 wouldn't be this weekend. Maybe it's in place for next  
11 weekend or the following.

12 So it will take some time, as was mentioned, to  
13 get the clerks trained and everything.

14 COMMISSIONER HUDNUT: Thank you.

15 CHAIR FERRARO: Do we have a motion?

16 VICE CHAIR GONZALES: I'll move. Yeah. Gonzales  
17 moves, yeah.

18 COMMISSIONER HUDNUT: Second.

19 CHAIR FERRARO: Commissioner Davis?

20 COMMISSIONER DAVIS: Yes.

21 CHAIR FERRARO: Commissioner Gonzales?

22 VICE CHAIR GONZALES: Yes.

23 CHAIR FERRARO: Commissioner Castellanos?

24 COMMISSIONER CASTELLANOS: Yes.

25 CHAIR FERRARO: Commissioner Hudnut?

1 COMMISSIONER HUDNUT: Yes.

2 CHAIR FERRARO: Chairman votes yes. Okay.

3 MR. DARUTY: Thank you.

4 MR. SINDLER: Thank you.

5 COMMISSIONER HUDNUT: Good luck with that.

6 VICE CHAIR GONZALES: Yeah. Good luck, guys.

7 Yeah.

8 CHAIR FERRARO: Item number 7 is discussion and  
9 action by the Board regarding an amendment to the  
10 application for the Advance Deposit Wagering provider  
11 Xpress LLC, pursuant to Board Rule 2072(I).

12 Good morning.

13 MR. CHABRIER: Good morning. I'm Gene Chabrier,  
14 Vice President of Regulatory Affairs and Business  
15 Development for XpressBet.

16 CHAIR FERRARO: Can you tell us -- explain a  
17 little bit what you're doing here?

18 MR. CHABRIER: Well, we have entered into an  
19 agreement with bet365 -- that's one of the world's largest  
20 bookmakers -- to handle or completely operate their  
21 parimutuel operations in the United States.

22 This is more of a marketing agreement where we're  
23 just rebranding one of our current sites, and attaching it  
24 to well, attaching it to their sports wagering platform in  
25 the states where they're licensed, but they're going to

1 operate just under our license in all the states that  
2 XpressBet operates in.

3 CHAIR FERRARO: Okay.

4 MR. CHABRIER: We launched this nationally on  
5 April 9th, and, you know, people are starting to sign up.

6 CHAIR FERRARO: Alright. Any questions --

7 MR. CHABRIER: We'd like to offer it in  
8 California.

9 CHAIR FERRARO: -- from the Board?

10 Anybody have any questions?

11 Public comment?

12 We're going to make this easy for you. Can I  
13 have a motion?

14 MR. CHABRIER: That's what I was hoping for.

15 CHAIR FERRARO: Motion, somebody?

16 VICE CHAIR GONZALES: Gonzales.

17 COMMISSIONER CASTELLANOS: Second.

18 CHAIR FERRARO: Commissioner Davis?

19 COMMISSIONER DAVIS: Yes.

20 CHAIR FERRARO: Commissioner Gonzales?

21 VICE CHAIR GONZALES: Yes.

22 CHAIR FERRARO: Commissioner Castellanos?

23 COMMISSIONER CASTELLANOS: Yes.

24 CHAIR FERRARO: Commissioner Hudnut?

25 COMMISSIONER HUDNUT: Yes.

1 CHAIR FERRARO: And the Chairman votes yes.

2 Good luck with that.

3 MR. CHABRIER: Thank you very much. Have a great  
4 day.

5 CHAIR FERRARO: You're welcome. Thanks for  
6 coming.

7 Alright.

8 EXECUTIVE DIRECTOR CHANEY: We're on a record  
9 pace here, Mr. Chairman. I might suggest, like, a five-  
10 minute break. It sounds like all the folks in the Burbank  
11 Flater are parking as we speak.

12 CHAIR FERRARO: Alright.

13 EXECUTIVE DIRECTOR CHANEY: And then we'll go  
14 back to number two.

15 (Meeting went to break at 9:52 a.m., returning at  
16 9:59 a.m.)

17 Alright. We're going to begin with item number  
18 two, which is discussion and action regarding the proposed  
19 amendments to CHRB Rule 1840, Veterinary Practices and  
20 Treatments Restricted, and Rule 1890, Possession of  
21 Contraband, to prohibit endoscopy and medications  
22 administered by hypodermic needles or nasogastric tubes  
23 except by authorized individuals.

24 Note this concludes the 45-day public comment  
25 period. The Board may adopt the proposal as presented, or

1 entertain amendments.

2 And we're going to have Dr. Blea address this?

3 Yes.

4 EXECUTIVE DIRECTOR CHANEY: I can kind of start  
5 off to give the procedural history.

6 So this comes back to the Board. You might  
7 recall you heard these proposed amendments about three or  
8 four months ago. During the 45-day comment period, our  
9 friends at the California Veterinary Medical Association  
10 reached out and had some comments about sort of, like,  
11 delineated roles between RVTs and veterinarians. And Dr.  
12 Blea and Dr. Miller at the CVMA and myself worked together  
13 on some further amendments to kind of tighten up the  
14 language.

15 But it has to do with passing a nasogastric tube,  
16 possessing hypodermics, and performing endoscopy. But I  
17 think Dr. Blea can give you the more specific information.

18 DR. BLEA: Jeff Blea, Equine Medical Director,  
19 California Horse Racing Board.

20 Yes, I think Scott laid it out pretty clearly.  
21 There were some revisions that we've added to the language  
22 of the rule after conferring with Dr. Grant Miller, the  
23 California Veterinary Medical Association Director of  
24 Regulatory Affairs, and the California Vet Board.

25 And basically, the way the language was written,

1 it allowed RVTs to perform endoscopy past the nasogastric  
2 tube, and the language stipulated that they could diagnose  
3 or provide a prognosis and a treatment. The Business and  
4 Professions Code does not permit RVTs to do that, so  
5 working with Dr. Miller, we redefined the language and  
6 included a language where they can still perform the  
7 procedures, they being RVTs, but they in no way can  
8 diagnose or provide any prognosis for a medical condition.  
9 And that satisfied both the CVMA and the California  
10 Veterinary Medical Board to my understanding.

11 So that's why the revision.

12 CHAIR FERRARO: So basically the rule as written  
13 now complies with veterinary medical requirements?

14 DR. BLEA: Yes. And we worked with Dr. Grant  
15 Miller on that to make sure we were in alignment with those  
16 regulations.

17 CHAIR FERRARO: So if we adopt it with the added  
18 amendment, it goes back out for 15 days?

19 EXECUTIVE DIRECTOR CHANEY: Yes. So you would be  
20 sending it out for another 15-day comment, and it will  
21 continue the normal regulatory process.

22 CHAIR FERRARO: Any questions from the Board  
23 about this?

24 Do we have public comment on it?

25 Do we have a motion?

1 COMMISSIONER CASTELLANOS: Castellanos.  
2 CHAIR FERRARO: Second?  
3 COMMISSIONER DAVIS: Davis seconds.  
4 CHAIR FERRARO: Commissioner Hudnut?  
5 COMMISSIONER HUDNUT: Yes.  
6 CHAIR FERRARO: Commissioner Castellanos?  
7 COMMISSIONER CASTELLANOS: Yes.  
8 CHAIR FERRARO: Commissioner Gonzales?  
9 VICE CHAIR GONZALES: Yes.  
10 CHAIR FERRARO: Commissioner Alfieri, do you want  
11 to vote on this?  
12 COMMISSIONER ALFIERI: I'll abstain.  
13 CHAIR FERRARO: Okay.  
14 Commissioner Davis?  
15 COMMISSIONER DAVIS: Yes.  
16 CHAIR FERRARO: And the Chairman votes yes.  
17 Thank you, Dr. Blea.  
18 Moving on to -- what are we on --  
19 EXECUTIVE DIRECTOR CHANEY: Number four.  
20 CHAIR FERRARO: Four?  
21 Discussion and action regarding Board support  
22 formula for Fiscal Year 2024 to 2025.  
23 Mr. Chaney?  
24 EXECUTIVE DIRECTOR CHANEY: Yeah. Thank you, Mr.  
25 Chairman. Good morning commissioners, once again.

1           Number four is up for discussion. Kind of wanted  
2 to take the Board's temperature, and also sort of explain -  
3 - lay out the issue for you, and maybe even have some  
4 stakeholder comment.

5           As you probably know, under the law currently,  
6 stakeholders actually fund the Board each year. We give  
7 them a number based on our spending authority and our  
8 budget with the California State legislature and governor,  
9 and the associations and owners group fund us, and it's  
10 usually through a wagering formula.

11           Up until 2009 we were more of a traditional not  
12 specially funded department, whereby the associations would  
13 pay license fees to the State and then the State would pay  
14 us from the general fund in order to create our budget.

15           In 2009, the stakeholders convinced the  
16 legislature that we should be specially funded. This was  
17 beneficial to them, because they were paying 40 million  
18 dollars in license fees to the state. At the time, our  
19 budget was in the 11-ish million dollar range, and so by  
20 only having to fund our budget, and not paying that 40  
21 million dollars, as you can probably tell, they saved about  
22 28, 29 million dollars. That savings, obviously, has  
23 decreased over the years. The budget number for 2024-25  
24 will be \$18,233,000, but still a savings in the  
25 neighborhood of 21 million dollars.

1           Of course, it's been 15 years, so I think that  
2 that savings, if you will, is probably baked in.

3           This is a long way of saying, as part of that  
4 change in 2009, it created the legislation that requires  
5 the Board to approve a formula in order to fund us, a  
6 stakeholder formula. In practical terms, what's happened  
7 is stakeholders got together, would agree on a formula  
8 largely based on the pre-2009 license fees, and we would  
9 just simply approve it, typically in June, at the June  
10 Board meeting, as the fiscal year starts July 1st.

11           Up until now, I would say that there was  
12 agreement this year -- obviously, with some changes in  
13 Northern California, and dollars being super tight, there  
14 doesn't appear to be agreement about how that formula  
15 should be constructed.

16           I will note that in the staff analysis, there are  
17 two additional laws that you should be aware of. One that  
18 requires tracks at a minimum to pay direct costs, direct  
19 regulatory costs, and those are defined as those associated  
20 with stewards and official veterinarians and lab testing.

21           At present, I don't think it's unfair -- it's  
22 accurate to point out that Southern California  
23 Thoroughbreds pays the lion's share of Board support.  
24 Santa Anita is around 50 percent of our budget, Del Mar is  
25 around 26 percent, Golden Gate Fields, at least in year

1 2022-23, was about 12 percent. So if the tracks were  
2 required to pay even direct costs, the fees would certainly  
3 increase for both night racing and Northern California.

4 I'm presenting this for discussion with -- no  
5 decisions can be made today, but I could see this was sort  
6 of heading for some disagreement with stakeholders. So I  
7 thought it important that the Board have a discussion, and  
8 maybe stakeholders could sort of understand where you're  
9 coming from.

10 I did call a meeting last week among all racing  
11 associations -- CTT, TOC, PQHA -- to kind of lay out the  
12 issue. I think they formed a smaller committee, one that  
13 they've had -- like a finance-type committee that they've  
14 had -- for a number of years, and I believe met Wednesday  
15 afternoon or Tuesday afternoon to begin discussions.

16 I think Bill Nader can probably update us on how  
17 that went and sort of where they are.

18 MR. NADER: Good morning, Chairman, board  
19 members.

20 I think that was an excellent introduction to the  
21 topic, and it was at the direction of the CHRB and the  
22 meeting that Scott held with the industry members that the  
23 industry did convene a working group, that held its first  
24 meeting two days ago, on Tuesday. The group is comprised  
25 of members from CARF; Sonoma County Fair; Los Alamitos and

1 the Pacific Coast Quarter Horse Racing Association; Watch  
2 and Wager; Delmar; First Racing; CTT, as an observer; the  
3 TOC; and a key member, Bernie Thurman, who's the  
4 facilitator, and probably the person with the institutional  
5 knowledge in this specific area over a number of years.

6 Now, there was agreement within the group at the  
7 first meeting to reduce the fiscal year budget formula to  
8 the first six months, where there is a higher degree of  
9 certainty regarding number of race days, number of races,  
10 and handle projections, so we can be more accurate in the  
11 forecast to land on a realistic funding model.

12 All parties understand that any agreed funding  
13 model is subject to a true-up in actual cost allocation  
14 over the first six months of the fiscal year. So, with the  
15 projections and the number of race days, number of races  
16 and everything, we won't get it right, but we'll have  
17 something to work on, and then there would be a true-up  
18 after the first six months. However, once that funding  
19 template is in place and approved by the Board, it should  
20 be a simple procedure to plug in the remaining six months  
21 when 2025 dates are awarded.

22 Following the initial meeting on Tuesday, Bernie  
23 will send out a request for a detailed handle forecast from  
24 all the associations, which incorporate the race dates,  
25 number of races from each association, and this will form

1 the basis to build out the model.

2           The working group will meet again next week, and  
3 I'm sure we'll meet many times thereafter. Now, any  
4 question that's raised by any member of the group, and we  
5 have everybody represented, would then be sent to Bernie's  
6 attention, and then the relevant people within the group  
7 that have the best knowledge of the -- to answer the  
8 question appropriately will be tasked to do that, and then  
9 the question and answer would be shared when the group  
10 comes together at the next scheduled meeting.

11           So, so far, I think we've come together  
12 collaboratively to try to work this out. There is nothing  
13 conclusive at this time. It's too early in the game. All  
14 members in the group were made aware of the relevant  
15 sections of the law that speak to this, and we are in the  
16 process of defining what we would term direct cost and  
17 indirect cost. And we'll meet again, as I said, next week.

18           CHAIR FERRARO: Questions from the Board?

19           The basis of your -- I mean, basically, the  
20 direct costs are the same regardless of where the race meet  
21 is held. I mean, it costs us the same, the Board the same,  
22 at Santa Anita as it does at Humboldt, in terms of our  
23 expenses. So is the group thinking in terms of assigning  
24 payment schedules based on the number of days of racing, or  
25 are you looking at some different kind of formula?

1 MR. NADER: Well, I think, Chairman, it's too  
2 early for me to say.

3 But I do think the point was made that, when we  
4 talked about direct cost at the initial meeting, we talked  
5 about it consistent with the law, which basically speaks to  
6 stewards, official veterinarians, and lab testing. So  
7 that's the starting point.

8 When we meet again next week I think we'll have  
9 more visibility, and I can give you a more accurate  
10 depiction of where we stand, but I don't want to speak for  
11 the entire group on that at this point. But the  
12 fundamental principle, the principle that we were being  
13 guided by, was that direct costs would be, as I think Scott  
14 said in our preliminary meeting, the same for a race  
15 meeting at Ferndale as that might be at Del Mar.

16 CHAIR FERRARO: Yeah. Okay.

17 Any other questions?

18 COMMISSIONER CASTELLANOS: Mr. Chairman,  
19 question.

20 You mentioned six month true-up, and then another  
21 six months. Can you expand on that a little bit more? Is  
22 this like a progression-type thing that you're looking at?

23 MR. NADER: Well, I, Mr. -- Member Castellanos, I  
24 think on that one, because the six months -- in terms of  
25 what everybody puts forward as number of race days, number

1 of races, and handle projections might not be the same as -  
2 - it's a forecast, and then we have the actuals. So after  
3 the six months, we'd go to the actuals and say, okay, well,  
4 the projections might have been off here or there, and  
5 someone might -- one association might benefit a little  
6 bit, and one may have to kick in a bit more. So that would  
7 be the true-up that we're referring to.

8           And then going forward, for the remaining six  
9 months, we would have that template in place, and it should  
10 be smooth sailing. But I think, you know, especially in a  
11 detailed handle forecast with number of races to be run --  
12 for example, the new entity, Golden State Racing, over the  
13 26 days at Pleasanton from October 19th to December 15th,  
14 we know would be 217 races, 26 days, and now they would  
15 have to plug in their handle forecast. And then at the end  
16 of the six months, we can see how accurate the forecast  
17 really was and balance the books.

18           But going forward, the key thing would be that  
19 template would be set and we could move forward with, I  
20 think, a greater sense of accuracy.

21           COMMISSIONER CASTELLANOS: Thank you.

22           EXECUTIVE DIRECTOR CHANEY: Commissioner  
23 Castellanos, I can kind of fill in the CHRB's take on that.

24           The true-up is something we do every year.  
25 Usually, we do it, you know, for the entire fiscal year.

1           Come July 1, if we haven't received enough money  
2 based on their wagering formula, all the tracks are sent a  
3 bill in order to true-up to get to that number. Conversely  
4 -- and it's less frequently happening -- if they've paid,  
5 let's say, if they've already gotten to our budget number  
6 in June 15th, they just stop paying, and they are well  
7 aware of when they reach our budget number.

8           So there's always a true-up every year, because  
9 it's rare that we can get the budget number exactly. The  
10 six months, however, would be a new concept. The only  
11 thing that we should require is that we get 12 equal  
12 payments throughout the year in order to properly be  
13 funded.

14           COMMISSIONER CASTELLANOS: Thank you.

15           MR. NADER: In the budget of \$18.2 million, we  
16 would basically just cut it in half and say -- I think  
17 that's the idea that we have, that it would be \$9.1 million  
18 or thereabouts for the first six months.

19           CHAIR FERRARO: Any other questions from the  
20 Board?

21           VICE CHAIR GONZALES: Mr. Chairman, I don't  
22 really have a question other than, you know, I see Larry  
23 Swartzlander, you know, and I think of all of the different  
24 groups, I think about the entity that will be needing some  
25 runway. And I understand, you know, the rationale about,

1 you know, making sure maybe things are just split across  
2 the Board.

3 But Larry, would you mind just sharing?

4 I mean, would you mind if Larry goes to the  
5 podium there?

6 MR. NADER: No, not a problem.

7 VICE CHAIR GONZALES: I just want to know just  
8 your initial reaction, Larry, your discussions and so  
9 forth, how you're feeling, especially on behalf of the  
10 Northern California Horsemen.

11 MR. SWARTZLANDER: Yeah, Larry Swartzlander,  
12 Executive Director of CARF. I'd already put my name down  
13 to speak anyway.

14 But, you know, I'll cut to the chase here, that,  
15 you know, we're at a committee meeting level, but the  
16 bottom line is this: that the formula that we use right now  
17 by handle, it's, in the words of Josh Rubenstein, it's  
18 unequal.

19 And I will take merit that, yes, when you start  
20 talking direct costs of vets, stewards, there are a lot of  
21 direct costs embedded in the budget. There are also a lot  
22 of indirect costs which, the proportion would be, handle  
23 would be more appropriate for billing.

24 But we're at a point now where the first -- at  
25 least my impression -- the first move was that we wanted to

1 abolish the handle and go directly to a race dates. If you  
2 go directly to a race dates allocation, the cost of  
3 Northern California, and to Watch and Wager in Los  
4 Alamitos, go up significantly.

5 I totally support the re-looking at the  
6 expenditures. But again, we're in a budgetary cycle. The  
7 budgets and performance have already been put together for  
8 Golden State Racing. And I'm a strong advocate, you know,  
9 let's leave it alone, but revisit the expenditures, and  
10 let's do it right in the next fiscal year. You're putting  
11 an unnecessary burden on Northern California if we  
12 automatically switch on how the budget's allocated.

13 But again, we had our first committee-level  
14 meeting yesterday, and Bernie's putting together three --  
15 at least my impression was he's putting together three  
16 different formulas. One was based on dates, because I had  
17 a provider that projected dates for 2025, and then the  
18 other one would be based on -- I believe there was a  
19 different formula when the licensing fee budget was  
20 dissolved, and that would be another application. And  
21 third would be by dates. And I would expect to see those  
22 figures come back to us, so I would see what the increase  
23 would be, you know, least to my fares, and to Golden State  
24 Racing.

25 You know, I want to work together on this and

1 make it right, but the timing is not good.

2 CHAIR FERRARO: Thanks, Larry.

3 Any other questions from the Board?

4 Do we have any public comment?

5 EXECUTIVE ASSISTANT BAKER: Just Mr.

6 Swartzlander.

7 CHAIR FERRARO: Oh. Well, good.

8 Well, we're not going to do anything today, so  
9 there's no reason to call a vote or take any action. We'll  
10 keep discussing this.

11 COMMISSIONER ALFIERI: Your expenditures are your  
12 expenditures. Your expenditures are very tight, right?

13 CHAIR FERRARO: Correct.

14 COMMISSIONER ALFIERI: I mean there's not a lot  
15 of wiggle room, right? As I understand.

16 EXECUTIVE DIRECTOR CHANEY: Yeah, I mean this --  
17 if I may, Commissioner Alfieri -- yeah, this is a tough  
18 situation, right? I mean, I think part of the reason this  
19 is coming up is because money's tight all around. Our  
20 budget is what our budget is, and trying to figure out the  
21 best model to have it paid for is, you know, less than  
22 ideal for Northern California as they try to get their feet  
23 on the ground, especially if they have to pay --

24 COMMISSIONER ALFIERI: Right.

25 EXECUTIVE DIRECTOR CHANEY: -- even more than

1 direct costs.

2 I think it's going to be tough to get around the  
3 direct costs, given that it's statutory. The real question  
4 to me sounds like what the formula is going to look like  
5 beyond that. But, yeah, definitely not ideal timing, but  
6 probably --

7 COMMISSIONER ALFIERI: Right.

8 EXECUTIVE DIRECTOR CHANEY: -- you know, because  
9 of the tough economic situation is why this is coming up.

10 So hopefully the committee will be able to figure  
11 something out, and the Board won't have to be involved.

12 CHAIR FERRARO: Great. Thank you.

13 I think all we got left is Executive Director and  
14 the Medical Director's reports. Is that correct?

15 EXECUTIVE DIRECTOR CHANEY: Yes, sir.

16 CHAIR FERRARO: So do you want to start?

17 EXECUTIVE DIRECTOR CHANEY: Yes, Mr. Chairman,  
18 and good morning commissioners once again.

19 I will begin with a handle report, and I'm going  
20 to be super brief this morning.

21 For the month of March, day racing handle was  
22 down 3 percent, night racing handle was down 6 percent, and  
23 total handle was down 3 percent as compared to March 2023.  
24 Year-to-date day racing is down 4 percent, night racing 4  
25 percent, and total handle year-to-date is down 4 percent

1 compared to the first quarter of 2024.

2           Next, as the concept of purse generation,  
3 overpayments, underpayments, and purse accounts has been an  
4 issue recently in California, I've been working with  
5 stakeholders and staff to amend the racing meet  
6 applications to provide more detail in this area to the  
7 Board, stakeholders, and public. The changes should be  
8 completed next week sometime, and therefore, going forward,  
9 will be provided in each application.

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

11           CHAIR FERRARO: Questions from the Board?

12           Public comments? No?

13           Medical director's report. Dr. Blea?

14           DR. BLEA: Good morning Chairman Ferraro, Vice  
15 Chairman Gonzales, members of the California Horse Racing  
16 Board, and Mr. Chaney.

17           I too will have a very short report this month.

18           The Horseracing Integrity and Welfare Unit --  
19 also known as HIWU -- the Independent Enforcement Agency of  
20 the Horseracing Integrity and Safety Authority, also known  
21 as HISA Anti-Doping and Medication Control Program,  
22 recently released their 2023 annual report, and it's  
23 available on their website at HIWU, hiwu.org.

24           In summary, in all HIWU testing across the  
25 country in 2023, 50,324 sample sessions occurred with

1 21,750 unique horses tested. Nationwide, 246 or 0.49  
2 percent, of all samples resulted in an adverse analytical  
3 finding. Nationwide there were 58 banned substance, and  
4 188 controlled therapeutic medication violations, in blood,  
5 hair, or urine. Regarding HIWU testing in California,  
6 since the inception on May 22nd, 2023, 12,386 sampling  
7 sessions occurred, with 41, or 0.33 percent, of all samples  
8 in California resulting in an adverse analytical finding,  
9 i.e. a positive test.

10           Regarding all CHRB testing at the MATI lab  
11 specific to thoroughbreds -- or, excuse me, specific to  
12 mixed-breed races, quarter horses, and standardbreds in  
13 March, the MATI lab analyzed 551 primary blood and urine  
14 post-race samples, including eight official work bloods.  
15 Additionally, 326 out-of-competition samples were analyzed,  
16 and in all samples tested in March there was one class 3 --  
17 excuse me, class 4 violation, Triamcinolone.

18           Moving onward, there were seven fatalities in  
19 March in California. Four musculoskeletal fatalities  
20 occurred in training, one occurred in racing. Two other  
21 medical condition-related fatalities occurred unrelated to  
22 exercise.

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

25           CHAIR FERRARO: Help me to understand what you

1 said. The positive drug testing rate nationally is 12  
2 percent?

3 DR. BLEA: 0.49 percent.

4 CHAIR FERRARO: 0.49 percent. Okay. I  
5 misunderstood. Ours is .3 --

6 DR. BLEA: .33, correct.

7 CHAIR FERRARO: We're not doing too bad there.  
8 What about -- I'm a little concerned, and I know you and I  
9 have talked about it before, that our injury rate, death  
10 rate is creeping up.

11 Do you have any solutions, reasons, comments  
12 about that?

13 DR. BLEA: Solutions: no.

14 Reasons: each one is unique, for example in March  
15 there were two tibias, one shoulder on a quarter horse, and  
16 two fetlocks. So those were the five musculoskeletal  
17 reasons. They're unique to each case from what I -- when I  
18 look at these necropsy reports, and when I'm involved in  
19 the post-mortems, each one is unique.

20 Solutions: I think what we need to continue doing  
21 is what we've been doing. We need to continue the  
22 educational point of the welfare, or the racing and safety  
23 program that CHRB established. Trainer CE, we need to  
24 continue the education through the postmortem examination  
25 reviews, and we need to get -- continue to get that message

1 out. And we need to continue to remind our stakeholders  
2 not to get complacent. It's easy to get complacent.

3 And, you know, right now is a difficult time for  
4 not only the industry, but specifically in California. I  
5 think the horsemen feel it, management feels it, everyone  
6 feels it. So, I think it's prudent upon us to, as far as a  
7 solution is -- continue to do what we've been doing and  
8 continue to do it better than we've been doing it.

9 There's been some discussion in some circles  
10 about penalties for fatalities. I think that has  
11 recirculated, as far as conversation from a few years ago.  
12 That is going to take quite a bit of in-depth discussion  
13 and understanding as to how that sort of process would  
14 work. In other words, if you have more than one fatality,  
15 two fatalities, three fatalities, some folks have brought  
16 that notion back up. But, you know, I think horsemen are  
17 keenly aware that the last thing they want is a fatality.  
18 But I think, in order to help reduce those numbers, we just  
19 have to keep our foot on the pedal.

20 CHAIR FERRARO: Just roughly, based on -- I know  
21 you're not going to be able to answer this accurately, but  
22 give us a general idea -- how many, what percentage of  
23 trainers have more than one musculoskeletal breakdown in a  
24 12-month period?

25 DR. BLEA: I don't have those numbers in front of

1 me. They should be in the annual report, but I think it's  
2 a very low number that have more than one per annual.

3 EXECUTIVE DIRECTOR CHANEY: I think the last  
4 annual report we put out -- let's say the total number was  
5 66 or something -- I think there were about in the  
6 neighborhood of ten trainers that had more than one. So  
7 the vast majority obviously have, you know, one, and then I  
8 think there was maybe one trainer with four, one with  
9 three, and a handful with two.

10 CHAIR FERRARO: Questions from the Board?

11 VICE CHAIR GONZALES: Mr. Chairman, I don't  
12 really have any questions. Good report always, Dr. Blea.

13 the only thing that comes to my mind is keeping a  
14 close eye on these horses coming off of layoffs. When I  
15 read -- and the stewards do a good job of the write-ups  
16 that help us as commissioners, and when I see horses coming  
17 off, so thanks for being very vigilant on those. I know  
18 the inspection protocols.

19 And then also, YOU KNOW, Mr. Chairman, I think  
20 with the work that you and the team have done over a place  
21 like San Luis Rey. I mean, had we not done what we did  
22 over the last couple years with plugging some of these  
23 gaps, I mean, we probably would see that spike you're  
24 referring to be even much worse.

25 You know, the other thing is I know you and your

1 team were very helpful to folks at other racetracks that  
2 are part of the Triple Crown Series. I know, you know,  
3 Churchill had a very tough time. And just continue to be  
4 available for anybody who's asking for any assistance. I  
5 know that adds a little bit of extra work.

6           The only the other thing is, you know, we've been  
7 talking about veterinarians and the shortage of vets, and  
8 Blood Horse Magazine did a really good story on that exact  
9 issue that we've been addressing. I'll scan it. It's back  
10 in my desk, and I'll send it to the group here. But just  
11 keep up the good work.

12           And also, by the way, in a recent Blood Horse  
13 Magazine, there was a nice article on Bill. So Bill, I  
14 want to say, great. It was a great story. I think you  
15 really illustrated what we're doing here in California, And  
16 we're fortunate to have you. You know, you're one of the  
17 preeminent leaders in the industry, and I'm glad I read  
18 that, because it really, YOU KNOW, showed about your  
19 upbringing, your commitment, and really how you're in this  
20 like the rest of us. So I just wanted to say it was eye-  
21 opening, and thank you for that.

22           But, Dr. Blea, just keep doing what you're doing,  
23 sir. That's it. You know, we'll get it. We'll get it  
24 right. It's just we've got to just stay vigilant on our  
25 toes. No other way around it.

1 DR BLEA: Thank you. It takes a village.

2 VICE CHAIR GONZALES: Yeah. I totally agree.

3 EXECUTIVE DIRECTOR CHANEY: And if I may, thank  
4 you for bringing up the off-the-layoff injuries, because  
5 those are particularly troublesome, I think, to both Dr.  
6 Blea and I, because they are preventable.

7 VICE CHAIR GONZALES: Right.

8 EXECUTIVE DIRECTOR CHANEY: Just horsemen should  
9 be on notice that we do have the somewhat -- or less  
10 somewhat -- new regulation at this point that requires  
11 extra examinations --

12 VICE CHAIR GONZALES: Right.

13 EXECUTIVE DIRECTOR CHANEY: -- if you have a  
14 horse coming off a layoff, because those large bone  
15 injuries are preventable.

16 VICE CHAIR GONZALES: Yeah.

17 EXECUTIVE DIRECTOR CHANEY: You know, the sudden  
18 death ones, I still think we're trying to get our arms  
19 around, but large bone injuries we can prevent.

20 VICE CHAIR GONZALES: That's right.

21 EXECUTIVE DIRECTOR CHANEY: So thanks for that.

22 VICE CHAIR GONZALES: Yeah, you know, Scott one  
23 of the questions that I ask on these long layoffs is, you  
24 know, who was the previous trainer when the horse was  
25 competing, and who was the previous owner? Because what we

1 don't want to see is a trainer telling their owner, hey,  
2 this horse needs to retire, and there's nothing that stops  
3 them. And all it takes is for another trainer to say, oh,  
4 now the horse is moving well out in the farm, why don't we  
5 bring them back? And there were instances of those since  
6 we have been on. Those are the things that we're trying to  
7 avoid. And I know when I fire off an email with you and  
8 Chief McGarg (phonetic) and others, we're putting attention  
9 to this.

10           So just, you know, the stakeholders, the  
11 horsemen, we're all paying attention, and the last thing we  
12 need are more rules and regs, or even for the State  
13 legislature to act in the instance where they feel not  
14 enough is being done.

15           So stay on our toes, keep working hard, and you  
16 just let us know what more you need, sir.

17           DR. BLEA: So, to your point, and to Scott's  
18 point, you know, we have a lot of regulations. The  
19 training soundness exam, the 90-day exam, the 120-day exam,  
20 there's a lot of exams and layoffs. And when I say it  
21 takes a village, it takes a village.

22           But the success of those regulations are in the  
23 silence. In other words, those horses that the trainers,  
24 the attending veterinarians, the regulatory veterinarians  
25 identify as high-risk, they go through and get a bone scan

1 or a PET scan and discover -- and I've heard numerous  
2 stories like this -- a humeral stress fracture, a tibial  
3 stress fracture. So, the success of the regulation is in  
4 the silence of it. And it's there, you just don't hear it  
5 or see it. Which quite frankly, I'm glad we don't hear it  
6 or see it, because, you know, the goal is to reduce those  
7 numbers, but that success is there.

8 VICE CHAIR GONZALES: Yeah.

9 EXECUTIVE DIRECTOR CHANEY: And to your point,  
10 and a lot of owners -- and I know Bill and Alan are both in  
11 the audience -- I noticed this when I was a steward and in  
12 this role: for owners and trainers, there is a process to  
13 the jockey club. If you want your horse retired, send the  
14 papers back. There's a process by which it's actually  
15 formally retired and can never race again. The mistake  
16 usually happens where, you know, you sell a horse to a  
17 person who's going to retirement, and then a few hands down  
18 -- you know, a few changes down the road -- the horse  
19 resurfaces, and shouldn't have. There is a process in  
20 place to retire racehorses. Use it, because we are  
21 powerless to do anything about it if you don't.

22 VICE CHAIR GONZALES: Thanks for that, Scott, and  
23 a very important reminder.

24 CHAIR FERRARO: Any other questions from the  
25 Board?

1           COMMISSIONER HUDNUT: I recall a prior  
2 conversation on several instances that we've had about the  
3 correlation between layoffs and shoulder injuries, and I  
4 was wondering whether the shoulder you referred to was a  
5 horse coming off a long layoff.

6           DR. BLEA: It was.

7           COMMISSIONER HUDNUT: Okay.

8           DR. BLEA: And in that vein, layoffs for horses  
9 are good. The key is how you bring him back off the  
10 layoff. That horse did come off a layoff.

11          COMMISSIONER HUDNUT: Okay. Thank you.

12          CHAIR FERRARO: Thank you,

13          The final item is our public comment period.

14          Do we have any public comment?

15          Well, we're not very popular today.

16          COMMISSIONER ALFIERI: Mr. Chairman, I wanted  
17 just to point out, reading Blood Horse and understanding  
18 what happened recently to a young jockey, Stefano Cherchi,  
19 who died 23 years old. I thought we would have a moment of  
20 silence.

21                 He didn't race here in America. He was killed in  
22 Australia.

23                 Just to point out that we take this sport for  
24 granted. These men and women get on these horses. As  
25 fragile as they are -- the horses -- it's very fragile for

1 the jockeys. And so here's a young man, his life fully  
2 ahead of him, 23 years old, died just two weeks ago in a  
3 race in Australia. Three other horse jockeys were  
4 dismounted in the race.

5 And I just wanted to point out to the Commission  
6 that, you know, we've got to think about our the  
7 practitioners of the sport every day. They get on that  
8 horse. You think everything -- we take everything for  
9 granted, but it's very, very, very, tough. And just my  
10 prayers go out for this.

11 CHAIR FERRARO: All the more reason to make sure  
12 the horse he's on is sound and ready to race.

13 COMMISSIONER ALFIERI: Thank you.

14 CHAIR FERRARO: You want to give him a moment of  
15 silence?

16 COMMISSIONER ALFIERI: Yeah. Thank you.

17 CHAIR FERRARO: Let's start right now.

18 (Pause for moment of silence.)

19 COMMISSIONER ALFIERI: Thank you, Mr. Chairman.

20 CHAIR FERRARO: Alright. So we call for  
21 adjournment, right?

22 EXECUTIVE DIRECTOR CHANEY: We have closed  
23 session, so we'll --

24 CHAIR FERRARO: Oh, we have to do that first.

25 EXECUTIVE DIRECTOR CHANEY: -- ask everyone to

1 leave the room, or at least to step aside, and then we'll  
2 adjourn formally after that.

3 CHAIR FERRARO: Thank you for coming.

4 (The Board went into Closed Session at 10:33 a.m.  
5 and later adjourned.)

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

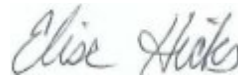
25

## CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of April, 2024.



ELISE HICKS, IAPRT CERT\*\*2176

## CERTIFICATE OF TRANSCRIBER

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

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

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



---

MARTHA L. NELSON, CERT\*\*367

April 26, 20224