

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 17, 2025

9:30 A.M.

Reported by:

Martha Nelson

APPEARANCES

BOARD MEMBERS

Gregory Ferraro, Chair

Oscar Gonzales, Vice Chair

Dennis Alfieri, Commissioner

Brenda Washington Davis, Commissioner

Thomas Hudnut, Commissioner

STAFF

Scott Chaney, Executive Director

Jeff Blea, Equine Medical Director

ALSO PRESENT

George Schmitt, Owner

Bill Nader, Thoroughbred Owners of California

Andy Titus, Humboldt County Fair

Alan Balch, California Thoroughbred Trainers

Josh Rubinstein, Del Mar Thoroughbred Club

Andy Mathis, Thoroughbred Owners of Calif

Ty Green, Thorough Owners of California

Francisco Uzal, UC Davis, School of Veterinary Medicine

PUBLIC COMMENT

Leonard Miranda, Integrity Thoroughbred Racing, LLC

Allen Aldrich, Alameda County Fair Racing Committee

Victor Trujillo, Trainer

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8. Public Comment: Communications, reports, requests 109
for future actions of the Board.
- Note: During the public comment period, a total of 30 minutes will be allowed for public comments via the teleconference line. After 30 minutes, no further comments will be accepted. Each person will be limited to two minutes.

Closed Session:

9. Closed Session: For the purpose of receiving 119
advice from counsel, considering pending
litigation, reaching decisions on administrative
licensing and disciplinary hearings, and personnel
matters, as authorized by section 11126 of the
Government Code.
- A. The Board may convene a Closed Session to
confer with and receive advice from its
legal counsel regarding the pending

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PAGEClosed Session:

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 section 11126(a).

Adjournment

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P R O C E E D I N G S

9:32 A.M.

THURSDAY, APRIL 17, 2025

CHAIR FERRARO: Ladies and gentlemen, this is the meeting of the California Horse Racing Board and it will please come to order. This is the regular noticed meeting in the California Horse Racing Board on Thursday, April 17th at the California Exposition and State Fair Grandstand, 1600 Exposition Boulevard, Sacramento, California.

Present at today's meeting are: myself, Dr. Gregory Ferraro, Chair; also Oscar Gonzales, Vice Chair; Dennis Alfieri, Commissioner; Brenda Washington Davis, Commissioner; Thomas Hudnut, Commissioner; and Scott Chaney, Executive Director. Damascus Castellanos, Commissioner, is unable to attend this month.

Excuse me. (Clears throat.)

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

The Board invites public comment on the 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 only.

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

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

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

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

25 If anyone has comments of a more general nature

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

7 And with that, we will begin the meeting by
8 approval of the minutes. Chairman moves to approve the
9 minutes.

10 Can I have a second?

11 VICE CHAIR GONZALES: I'll second. Gonzales will
12 second.

13 COMMISSIONER HUDNUT: So moved.

14 CHAIR FERRARO: Commissioner Davis?

15 COMMISSIONER DAVIS: Yes.

16 CHAIR FERRARO: Commissioner Gonzales?

17 VICE CHAIR GONZALES: Yes.

18 CHAIR FERRARO: Commissioner Alfieri?

19 COMMISSIONER ALFIERI: Yes.

20 CHAIR FERRARO: The Chairman votes yes.

21 Moving on to item number two, discussion and
22 action by the Board regarding the proposed amendment to CHRB
23 Rule 1693, Control of Horses and Jockeys on Entering the
24 Track.

25 Mr. Chaney, do you want to address this please?

1 EXECUTIVE DIRECTOR CHANEY: Of course, Mr.
2 Chairman, and good morning, Commissioners.

3 As the Board might recall, this came before you a
4 number of months ago, went out for public comment and then
5 OAL who had a few, I was going to say suggestions, demands
6 for improvement, specifically naming the class of licensees
7 that are prohibited from the behavior, and then also, you
8 know, when and where the behavior is made the prohibition
9 applies.

10 So this is with respect to 1693, Control of Horses
11 and Jockeys on Entering the Track. It has to do with
12 assistance starters manipulating a horse's ear in the
13 starting gate, specifically prohibits biting, twisting,
14 folding or applying tongs to the horse's ear.

15 I'd like the Board to know that I did have a
16 conversation with Darrell Haire of the Jockeys' Guild and
17 kind of more to the point, Commissioner Gonzales -- I mean,
18 I'm sorry, Commissioner Castellanos who represents the
19 Assistant Starters Union. The assistance starters do have
20 concerns about this, although are not objecting to the rule.
21 Specifically, they view being able to grab a horse's ear as
22 an important safety tool in terms of controlling the horse
23 in the starting gate.

24 So kind of my role and what I wanted to point out
25 to the Board and make clear for the record is that the

1 behavior that's prohibited is very specific, again, biting,
2 twisting, folding, applying tongs. It doesn't specifically
3 prohibit simply grabbing the ear in order to control the
4 horse and look after the rider.

5 So it's presented to the Board for discussion.
6 Should you pass it, it will go back out for public comment.

7 CHAIR FERRARO: Comments or questions from the
8 Board? None? Can we have a motion.

9 COMMISSIONER HUDNUT: I move approval.

10 COMMISSIONER DAVIS: Davis second.

11 CHAIR FERRARO: Commissioner Hudnut?

12 COMMISSIONER HUDNUT: Yes.

13 CHAIR FERRARO: Commissioner Alfieri?

14 COMMISSIONER ALFIERI: Yes.

15 CHAIR FERRARO: Commissioner Gonzales?

16 VICE CHAIR GONZALES: Yes.

17 CHAIR FERRARO: Commissioner Davis?

18 COMMISSIONER DAVIS: Yes.

19 CHAIR FERRARO: And the Chairman votes yes.

20 Moving on to item number three, discussion and
21 action by the Board for the proposed amendment to CHRB Rule
22 1497, Confidentiality of Applications, Rule 1548, Rulings by
23 the Stewards.

24 Mr. Chaney?

25 EXECUTIVE DIRECTOR CHANEY: Yeah, so the Board

1 also saw this last August, went through the similar process.
2 OAL had several suggestions.

3 Really, these aren't super substantive, but just
4 to kind of refresh the Board's memory, we're kind of in the
5 middle of a whole license overhaul, both like the license,
6 the information, the license application, the information we
7 take, the categories of licensure for the Justice Department
8 with respect to fingerprinting, and this is part of it.

9 It amends two rules. One, it clearly defines
10 what's confidential when we take license information, and
11 then also amends the regulation with respect to stewards'
12 rulings that requires certain information be published on a
13 stewards' ruling, including Social Security, frankly, which
14 we don't follow. So both of these amendments seek to both
15 clarify what's confidential and properly reflect what we're
16 doing right now.

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

19 COMMISSIONER ALFIERI: I so move.

20 COMMISSIONER DAVIS: Davis seconds.

21 CHAIR FERRARO: Commissioner Hudnut?

22 COMMISSIONER HUDNUT: Yes.

23 CHAIR FERRARO: Commissioner Alfieri?

24 COMMISSIONER ALFIERI: Yes.

25 CHAIR FERRARO: Commissioner Gonzales?

1 VICE CHAIR GONZALES: Yes.

2 CHAIR FERRARO: Commissioner Davis?

3 COMMISSIONER DAVIS: Yes.

4 CHAIR FERRARO: And the Chairman votes yes.

5 Before we move on to items number four and five, I
6 just want to make a few preliminary comments.

7 This Board has a fiduciary responsibility to
8 ensure the financial stability and welfare of the horse
9 racing, of horse racing in California. Decisions that were
10 made last year sort of flew in the face of that
11 responsibility in a lot of ways, but this Board wanted to
12 give Northern California horsemen every chance they had to
13 see if they could resurrect racing in the north.

14 Unfortunately, those decisions turned out to be
15 unwise at best, or disastrous at worst. So I would expect
16 people coming forward with these two proposals not to expect
17 the Board to give them the same leeway for unwise or
18 undocumented information.

19 So with that, we can move on to item number four.
20 That's discussion and action by the Board regarding the
21 allocation of racing dates by Alameda County Fair at
22 Pleasanton from June 10th through July 6th.

23 Mr. Schmitt?

24 MR. SCHMITT: (Off mic.) Thank you, Mr. Chairman.

25 (Indiscernible.) Is it on now?

1 EXECUTIVE DIRECTOR CHANEY: There you go.

2 MR. SCHMITT: Thank you. Newfangled old stuff.

3 Thank you, Mr. Chairman and members of the Board.
4 I'm here on behalf of Bernal Park Racing. We established,
5 John Harris and I established Bernal Park Racing to replace
6 the California Authority of Racing Fairs, which has decided
7 that they will only be an off-track betting organization
8 going forward.

9 John and I -- unfortunately, John can't be here
10 today. He had a bad fall last Saturday and cannot be here,
11 but I am speaking for the two of us and have his full
12 concurrence to say what I'm going to say today.

13 We're asking you to waive the 90- and 120-day
14 requirements so that we can have horse racing at Alameda
15 County this year. We've submitted a business plan to the
16 Board outlining that and we've submitted a license
17 application.

18 The water issue that seems to be a problem for
19 Pleasanton in the eyes of some people, even though the same
20 situation occurred both in Del Mar and in Santa Anita over
21 the years has become a big issue in Pleasanton. I have
22 personally spent the money to hire engineers and have solved
23 the problems for the Alameda County Fairgrounds, not just
24 for the racetrack, but for the entire fairgrounds. It is
25 not done yet, but given that we're not in the storm season,

1 there is no risk of the Regional Water Quality Control Board
2 doing anything to anybody in Pleasanton unless there's a
3 huge storm and storm water becomes an issue. That is highly
4 unlikely during the month of June in the City of Pleasanton.

5 Mr. Nader from the TOC received an email from our
6 county supervisor informing him of this information some
7 time ago, although apparently that continues to be an issue
8 with the Thoroughbred Owners of Southern California.

9 John and I have equipment in place to take care of
10 the track and the track maintenance. We also had given,
11 prior to the time that Santa Anita decided to pull the
12 stable and vanning agreement in Pleasanton on a morning that
13 we still had 368 horses in Pleasanton, John and I had
14 deposited half a million dollars with the Alameda County
15 fair to cover the costs of keeping stabling and vanning in
16 place.

17 I believe that was known by some people who were
18 in the meeting, which Mr. Chaney kindly sent me an email
19 afterwards saying that Santa Anita had withdrawn their
20 support for stabling and vanning in Pleasanton and had also
21 withdrawn Workers' Compensation for people. That caused
22 tremendous hardship for about 500 folks who worked in
23 Pleasanton at that time, and for the owners and trainers.

24 So that you know what happened, on January 1st
25 there were over 800 horses in Pleasanton. Around 400 of

1 those are now in Southern California. The other 400 are now
2 in another state. And there is no reason why we have to see
3 the demise of horse racing in California because of simple
4 greed on the part of a few people in this state.

5 John and I have put together a team of people to
6 run this operation for us. We have a racing secretary, an
7 assistant racing secretary, a backside manager, tote and ADW
8 agreements with Churchill Downs, negotiating with a person
9 to be the general manager, and waiting to see what happens
10 today to decide whether or not we will begin to do things to
11 incent horses to return to California and to run here.

12 In the end, regardless of what happens today,
13 Bernal Park Racing will put together an organization to
14 replace CARF and will make that available to any fair in
15 Northern California that wishes, or Southern California for
16 that matter, that wishes to use our services so they have
17 the infrastructure behind them to be able to run an
18 effective and complete horse racing meet.

19 As you all know, we have plenty of political
20 support from the Senate Pro Tem in the State of California,
21 to supervisors, congressmen, and others, not just for
22 Pleasanton, but for racing in Northern California in whole.

23 Our goal is simple. We don't want to see us
24 become the number four state in the country for horse
25 racing. Right now, we are at great risk because of what has

1 occurred in Southern California of having a foal crop drop
2 below 1,000 next year. I have been to farms all over the
3 north. People who own 20 mares are breeding one. Some are
4 breeding none. Tom Clark has decided to sell his operation
5 down in -- yeah, anyway, we're losing. We're going to lose
6 horse racing in the whole state, and we need to get it back.

7 These fairs, the fairs are big things in the
8 economy of local -- of the local jurisdictions where they
9 operate. I don't know, I don't understand everything that
10 is going on, nor do I pretend to, and frankly, nor do I
11 care. But I believe that because you represent the whole
12 state, and you're the only organization that represents the
13 entire state of California, I'd urge you to give us a shot.

14 John and I have the wherewithal to take care of
15 that. You may not know what I'm worth, and you don't need
16 to, I guess, but if you are worried about what John Harris
17 is worth, then I guess we have a bigger problem. But I'm
18 happy to give you a screenshot of my bank accounts if you
19 need to see that so that you know that there's plenty of
20 money around to take care of whatever might happen were we
21 to run in Pleasanton or anywhere else in Northern
22 California. We're not in this thing to make a fortune.
23 We're in this business to save horse racing in California.

24 Thank you very much.

25 CHAIR FERRARO: Questions on the Board?

1 VICE CHAIR GONZALES: Mr. Chairman, I just have
2 one.

3 Mr. Schmitt, excellent presentation. Thank you
4 for being here, sir. Would you let this Board know what the
5 current position is of the Alameda County Fair Board?

6 MR. SCHMITT: Yes. The Alameda County Fair Board,
7 after months of debate, and one of the reasons why we were
8 not able to make the statutory -- or make the rules on the
9 90 and 120 days, they had a debate from the time that CARF
10 said they were not going to support racing in January until
11 last month where they said that Jerome Hoban and I should
12 get together and that he should lease the facilities to
13 Bernal Park Racing. Jerome and I met. We have not signed
14 anything yet. I'm waiting for today to decide whether or
15 not we should.

16 But the Alameda County Fair Board voted 12 to 7, I
17 believe, or 13 to 7 to support horse racing. That was not
18 the case in February and March, or February, but it was the
19 case in March. And we have their full support. I met with
20 them last night and went over what I'm doing here this
21 morning, and that is all fine.

22 Between John and I, we have sufficient equipment
23 between his farming operation and my meager little operation
24 up in Gardnerville, but we have plenty of equipment to take
25 care of everything needed at the racetrack.

1 VICE CHAIR GONZALES: Thank you, sir.

2 CHAIR FERRARO: Anyone else?

3 COMMISSIONER DAVIS: Yes. Thank you, Mr. Schmitt.
4 Where are you going to get the horses?

5 MR. SCHMITT: That is a fair question, and one
6 that is much trickier to answer. We have the support of a
7 number of the trainers who moved to Washington, and a number
8 of the trainers who ended up being forced to move to
9 Southern California. Between John and I, we own -- I own 78
10 racehorses. John owns hundreds. We can guarantee that he
11 and I will be bringing our horses to Pleasanton and to the
12 other fairs in Northern California.

13 I believe that most of the trainers who said that
14 they would bring horses back if we ran a meet, I think most
15 of them will. I cannot sit here and tell you I'm going to
16 have 400 horses, which would be required to run a three-week
17 or 10-day meet, 10 days of racing, but we need at least 200
18 to be able to run Saturdays and Sundays. I believe we'll
19 get that many.

20 CHAIR FERRARO: Go ahead, Tom.

21 COMMISSIONER HUDNUT: So without wishing or
22 needing to know your or Mr. Harris's net worth, I do wonder
23 what the capitalization of Bernal Park Racing is.

24 MR. SCHMITT: It is \$2 million.

25 COMMISSIONER HUDNUT: And that exists in an

1 account, or is it a pledge?

2 MR. SCHMITT: No, the account has \$10,000 in it.
3 I have the half a million back from the Alameda County Fair
4 that can be moved with the stroke of a -- a few strokes on
5 an iPad into the Bernal Park account, as can John can put a
6 million dollars in tomorrow morning. But I can only tell
7 you that --

8 COMMISSIONER HUDNUT: Okay.

9 MR. SCHMITT: -- we're good for the money.

10 COMMISSIONER HUDNUT: Thank you.

11 MR. SCHMITT: I do happen to have the check here
12 if anybody wishes to see it that I wrote to the Alameda
13 County Fair for the half a million dollars that,
14 unfortunately, folks didn't tell everybody was there, even
15 though some of the folks that were in that meeting on that
16 Saturday did know that that half a million had been
17 deposited and would have taken care of stabling and vanning
18 and Pleasanton.

19 COMMISSIONER HUDNUT: Okay. Thank you very much.

20 MR. SCHMITT: You're welcome. Thank you.

21 CHAIR FERRARO: Commissioner Alfieri?

22 COMMISSIONER ALFIERI: No comment at the moment.
23 I want to hear from others.

24 VICE CHAIR GONZALES: Yeah, excuse me, the only --
25 just a clarification, probably for the next agenda item as

1 well.

2 Mr. Schmitt, you are aware that today is really
3 just about allocating. If the Board were to allocate, it
4 doesn't mean that we approve. That would just simply mean
5 that you can go through all the details of an application
6 and you would be okay with that; right? If we did agree to
7 an allocation and then in next month's meeting, we said,
8 hey, we just don't think the horses will be there, you would
9 be okay with that?

10 MR. SCHMITT: Yeah. We have filled out an
11 application to the best of our ability. The application is
12 pretty tricky, but my insurance agent is working on the
13 surety bond. I may decide to just give the state \$100,000
14 cash to take care of that problem, but yeah, we're working
15 on it.

16 You know, I've been reluctant to put a team
17 together because I'm not sure what your decisions are going
18 to be today. I've talked to them. They've all said yes.
19 SF Equine will handle the veterinary responsibilities. I
20 talked to Kim Kuhlmann a few days ago to make sure that he
21 was still in business and willing to do that. So if I get
22 the approval today, we go forward in the morning. Actually,
23 we'll go forward in the afternoon.

24 CHAIR FERRARO: You're asking for an approval
25 based on a hope against hope that we went for last year with

1 Golden State Racing. If Golden State Racing approved
2 anything, \$1 million or \$2 million to backup is not
3 sufficient to cover the losses that were created by Golden
4 State Racing. We have -- your application has really no
5 definite outline of the structure of the organization, the
6 depth and breadth of its capitalization, guarantees. I
7 mean, you can't run a race meet on 200 horses. You just
8 can't.

9 So to avoid the same disaster we had last year, I
10 think any racing organization who's going to try to make a
11 go of it needs to have more meat on the bones and have spent
12 considerably more time investigating what's available.

13 I have suggested, for example, to Mr. Chaney that
14 a good way to go about this, we don't know that people are
15 willing to go to Pleasanton or anywhere else in Northern
16 California. Seems to me that we could impose upon some of
17 the other state agencies to get some of their economic
18 analysts and business analysts together to form a committee
19 with us to investigate what's the actual feasibility of
20 racing in Northern California. We don't know that. We
21 don't know if the public will support it. It's not that we
22 don't, you know, wish to give you guys a chance. It's that
23 it doesn't appear that the public in Northern California is
24 going to support racing.

25 So without -- you know, and if it's going to be

1 successful, it's going to take significant planning, careful
2 analysis, a lot more than what's being presented here, I
3 think. And that kind of information is going to take a year
4 or two to put together. Better to wait a year or two and
5 have a successful outcome than to fail because you don't
6 have public support.

7 MR. SCHMITT: May I respond?

8 CHAIR FERRARO: Yes, you may.

9 MR. SCHMITT: Thank you. I have gone over the
10 Golden State Racing accounts in great detail, probably more
11 than anybody else in the world. Golden State Racing was
12 killed on the first weekend when Monarch, late in the game,
13 decided that they were not going to support the signal for
14 Northern California and they had to switch to Churchill
15 Downs. If you go through the numbers for Golden State
16 Racing in detail, they lost their butts that first weekend
17 and every Friday. They made money every Saturday and every
18 Sunday. And -- sorry, I didn't mean to have -- you want me
19 to say it over again? Okay, sorry about that.

20 I went to Jerome. John and I originally went in
21 and said to CARF, we'll give you \$2 million to continue to
22 operate, but we're not going to pay off your debts from the
23 past. That's what we told them in January. CARF decided
24 they didn't want to do that. John and I are not stupid.
25 Both of us have run very large companies and managed many,

1 many, many more people than we have to, to run a fair -- a
2 fair horse meet.

3 I can't explain the position of the State of
4 California. The State of California, Department of Food and
5 Agriculture, decided to oppose racing at any fair in
6 Northern California. They threatened people. They did
7 things that were, in my opinion, wrong. And CARF has become
8 an organization that only represents off-track betting
9 locations. They don't represent racing anymore, period.

10 We're not asking for any money from the State of
11 California. John and I have sufficient funds to take care
12 of anything we have to. And in fact, Dr. Ferraro, if you --
13 our \$2 million is more than they lost. And of that money
14 they lost, almost \$600,000 of it was legal fees caused by
15 people who made life difficult for Golden State Racing. In
16 spite of the fact that they told you early on that they had
17 signed a computer-aided wagering agreement with Elite
18 Racing, that didn't happen till almost the end of the meet.
19 And not one dollar was ever bet by Elite Racing on any race
20 in the Golden State Racing meet.

21 CHAIR FERRARO: But you're making my point.

22 MR. SCHMITT: Huh?

23 CHAIR FERRARO: -- because -- you're making my
24 point for me.

25 MR. SCHMITT: There were 67,000 people at the

1 horse races in Pleasanton --

2 CHAIR FERRARO: You're making my point --

3 MR. SCHMITT: -- during the fair.

4 CHAIR FERRARO: -- because Golden State Racing
5 wasn't organized enough to get Elite and those other bettors
6 on Board to save them. You also realize that Santa Anita
7 came up with \$600,000 to meet the underpayments on the purse
8 accounts at the end of the meet.

9 So this all demonstrates that, you know, going
10 into an enterprise like this without sufficient planning or
11 investigation is not wise. That's what I'm saying.

12 MR. SCHMITT: Well --

13 CHAIR FERRARO: I'm not opposed to California
14 Northern Racing, but if it's going to happen, I want it to
15 be a success.

16 MR. SCHMITT: And so do we.

17 VICE CHAIR GONZALES: I just, actually, I just
18 want to just thank you, Mr. Schmitt.

19 And before, Mr. Chairman, I think we have to put
20 into context your comments with what you said a few months
21 ago about you need to sacrifice the north to save the south.
22 But now you're saying you support the north. So will the
23 real Dr. Ferraro please stand, is what I'd like to know.

24 Finally, Mr. Schmitt, I want to just commend you.
25 You were here speaking on behalf of Alameda County, which

1 has seen the Oakland A's leave, the Oakland Raiders leave,
2 the Golden State Warriors leave, the Sharks, and Golden Gate
3 Fields all in a matter of a few years. Think about the
4 number of jobs that have been lost. Think about how parents
5 and families have been denied of that quality time with
6 their loved ones.

7 You, the Alameda County Fair Board, residents and
8 leaders are doing a tremendous job. And I know what you're
9 here asking today is for an allocation. We can work out the
10 details. If those details aren't there, George, I think
11 you'd be respectful and understanding enough to come back.

12 So I just want to just say, Mr. Chairman, I have
13 so much respect for you, but I really believe a lot has
14 happened. A lot has happened to Northern California
15 families and residents. And I believe that hearing them out
16 is important, but people remember what we say at this
17 particular meeting. And there's been some very serious
18 statements that have been made that I believe will not go
19 away.

20 So, George, I want to say thank you and to
21 everyone else in Alameda County. We will do our best to
22 give you an opportunity, if not today, down the line.

23 MR. SCHMITT: I need to say one thing. Last year,
24 67,000 people went and attended the races during the
25 Pleasanton Fair. That's not the same as what Golden State

1 Racing tried to do when there was no fair. There's no
2 reason to believe that if we don't race in Alameda County,
3 if we don't race in Pleasanton, that we won't go the way of
4 Stockton and Vallejo. Stockton and Vallejo used to have
5 horse racing. When they stopped horse racing, they now have
6 one-weekend and two-weekend county fairs.

7 The kids in this state who grow up learning about
8 agriculture and raising animals, they don't have that choice
9 chance anymore. 4-H and FFA die along with the horse
10 racing. And it's all of our responsibility to try to
11 educate our young people on what goes on in this world to
12 keep all of us fed and clothed. And if we lose all that,
13 it's not just horse racing, it's the whole infrastructure of
14 farming that disappears.

15 Thank you.

16 CHAIR FERRARO: Any other comments on the Board?

17 COMMISSIONER HUDNUT: Yeah, I don't understand.

18 I've been to plenty of county fairs without horse racing
19 where 4-H and FFA thrive. I don't understand why you were
20 tying it to the success or failure of horse racing.

21 MR. SCHMITT: Because the fairs that used to have
22 horse racing don't have nearly the participation in FFA, in
23 Future Farmers of America and 4-H that they had when there
24 was horse racing, nor do they have the money to support
25 those young people that are doing it.

1 Go to Stockton and look. Go to Vallejo and look.
2 Twenty years ago, they both had horse racing. They both had
3 fairs that went on for three weeks. Now they're a weekend.
4 It's not the same.

5 COMMISSIONER HUDNUT: Okay. Thank you.

6 CHAIR FERRARO: Can we hear from TOC, please?

7 Go ahead, Scott.

8 EXECUTIVE DIRECTOR CHANEY: Yeah, just a few nuts
9 and bolts, just questions that I need to clear up.

10 So obviously, Bernal Racing LLC is like a private
11 entity, so it wouldn't be the Alameda County Fair running,
12 it would be Bernal Racing. So it would be an association as
13 opposed to a fair. Is that fair?

14 MR. SCHMITT: Yeah. The Alameda County Fair Board
15 leases the land from Alameda County where the fair is, and
16 racing and everything else.

17 EXECUTIVE DIRECTOR CHANEY: And then you mentioned
18 equipment. Where is it and what kind of equipment are you
19 talking about? Is it like a starting gate?

20 MR. SCHMITT: I'm talking, I bought tractors from
21 Golden Gate when Golden Gate had their auction. They're up
22 in Gardnerville. They were on my equipment trailer to come
23 down to Pleasanton, had everything not been yanked out that
24 Saturday in March. That would have been here on Monday.
25 The harrows were there. The water truck was there. I

1 didn't need the CARF stuff to continue to do anything, nor
2 do I need the CARF stuff for this. I do have a bid in to
3 purchase all the CARF equipment with John. Maybe we'll get
4 it, maybe we won't. But if we don't, well, John may take a
5 little longer to plow some tomato fields, but we'll have
6 plenty of equipment around. I mean, he farms a little more
7 land than what we need at a racetrack in Pleasanton.

8 EXECUTIVE DIRECTOR CHANEY: You also mentioned
9 racing secretary, assistant racing secretary. Can you
10 mention some of the personnel? It's obviously concerning
11 for --

12 MR. SCHMITT: They're the same people that work
13 for CARF. Tom Doutrich, Linda Anderson, Tina Walker. Elise
14 has got another job.

15 EXECUTIVE DIRECTOR CHANEY: And then a
16 clarification. On the allocation request letter that we got
17 from Jerome, it requested beginning 06/10. But then in the
18 license application, and obviously I had you submit a
19 license application because of this 90-day regulatory issue
20 that we have, the beginning is 06/18. And so if the date
21 allocation began on 06/10, obviously the 90 days would be
22 violated, 1433 -- or 1431, I could be mixing them up. But
23 if it starts on 06/18, then obviously that 90 days, I think
24 that 06/18 is like exactly on the 90 days, like what exactly
25 is a date allocation, I guess is what I'm asking?

1 MR. SCHMITT: Yeah, I know that we are late on
2 that rule. To be honest with you, if I had thought that the
3 south would have pulled the stable and vanning license out
4 of Pleasanton, we would have done this earlier. I never
5 thought, with no financial issue with them whatsoever with
6 us paying the damn bills to keep it open, who would have
7 ever dreamt that they would be so miserable to leave 368
8 horses in the lurch and 500 people who were working in
9 Pleasanton in the lurch on one day's notice? Who would have
10 thought that?

11 EXECUTIVE DIRECTOR CHANEY: So again, what is the
12 -- what's the first date of the date allocation?

13 MR. SCHMITT: Say again?

14 EXECUTIVE DIRECTOR CHANEY: What's the first date
15 of the date allocation?

16 MR. SCHMITT: It's the dates --

17 EXECUTIVE DIRECTOR CHANEY: Is it 06/18?

18 MR. SCHMITT: The dates that we would like are the
19 dates, the Friday, Saturday, Sunday of the Alameda County
20 Fair, and the 4th of July.

21 EXECUTIVE DIRECTOR CHANEY: I need a little more.
22 Like if we're going to ask the Board to allocate specific
23 dates, they need to be specific dates. I don't mind looking
24 up the --

25 MR. SCHMITT: I don't have a calendar with me,

1 Scott, so I --

2 EXECUTIVE DIRECTOR CHANEY: I got you. Alright.

3 MR. SCHMITT: I mean, I can go over there and pull
4 the application out and read it to you, but --

5 CHAIR FERRARO: Just a correction. It was Alameda
6 County Fair and Golden State Racing that set the March 25th
7 end date for the stabling agreement, not Southern
8 California.

9 MR. SCHMITT: That is correct. It was caused
10 because CARF decided that they were not going to do that and
11 no longer apply for racing dates, and that was a requirement
12 in the agreement with Santa Anita.

13 EXECUTIVE DIRECTOR CHANEY: So the Alameda County
14 Fair is June 13th through the July 6th. The 13th is a
15 Friday. Are you seeking that week, the 13th? Are you
16 seeking -- how many weeks? Let's start there.

17 MR. SCHMITT: It's three weeks.

18 EXECUTIVE DIRECTOR CHANEY: Three weeks.

19 MR. SCHMITT: It's total of 10 --

20 EXECUTIVE DIRECTOR CHANEY: So you wouldn't --

21 MR. SCHMITT: -- days maximum.

22 EXECUTIVE DIRECTOR CHANEY: -- you wouldn't be
23 racing until the second week of the fair, which is the 19th,
24 if it's going through July 4th, so --

25 MR. SCHMITT: Unless you waive the rule, that's

1 correct.

2 EXECUTIVE DIRECTOR CHANEY: I'm not sure that
3 that, the 90-day rule, can be waived, or in fact, I know it
4 can't. The 120-day rule with respect to new entities, I
5 think the -- I know the Board has some wiggle room because
6 there's a "may" word in that particular regulation. So it
7 would really be 06/18 through July 4th, at least, which is a
8 Friday, so it would be July 6th, I guess.

9 Okay. Thank you.

10 CHAIR FERRARO: Mr. Nader? Thank you.

11 MR. SCHMITT: Thank you. While Mr. Nader's here,
12 you might ask him about any correspondence he might have
13 received from Santa Anita relative to their viability.

14 Thank you.

15 MR. NADER: Bill Nader with the TOC. Thank you,
16 Chairman, Commissioners.

17 I'm not sure where to start here, but just to
18 clear the record on the key dates, it was January 29th that
19 South stabling and vanning got official notification from
20 Dana Storr (phonetic), the new Chairwoman of CARF, and
21 Jerome Hoban, the CEO of Alameda County Fair, that CARF and
22 Alameda County Fair would not seek an extension of the
23 Stabling Agreement beyond March 25. So that was on January
24 29th, which was the day after that CARF voted unanimously
25 that it would not apply for traditional summer race dates.

1 So we all worked from that date until, I think it
2 was March 19th, six days before the March 25 deadline, that
3 there was a request from George to continue stabling at
4 Pleasanton beyond March 25. Now, if they were prepared to
5 pay for it, they wouldn't need South stabling and vanning in
6 any way. They would just go forward on their own if they
7 could get CHRB approval as an auxiliary off-site stabling
8 site. So we wouldn't have been involved at all other than
9 to continue the funding, which was a problem. And we
10 outlined that in a call with Chairman, Vice Chairman, and
11 Executive Director Chaney as to the myriad of issues that
12 would prohibit us from entering into any kind of an
13 extension.

14 As far as Workers' Comp goes, again, because it
15 was not a CHRB-authorized auxiliary stabling venue, we were
16 told by Post Time Self Insurance that Workers' Comp could
17 not continue. We did get an agreement to extend it to March
18 28th to allow a little bit more time for the horses to leave
19 Pleasanton, but again, the (indiscernible) had nothing to do
20 with that either.

21 With respect to this, I think the key question was
22 asked about where would the horses come from? That would be
23 a real issue, I think, for all of us, especially after what
24 we just witnessed in October and December of last year with
25 Golden State Racing and the financial results of that.

1 If we go back to January of 2024, when we stood
2 before you to outline the state of racing in California and
3 all of the concerns -- and we note that there's been
4 consolidation of racing, not only in California, but across
5 the country, and even across the globe. There's now no
6 racing in Singapore. There's no racing in Macau. There's
7 everything going on across the country in the mid-Atlantic,
8 in other states, key states, consolidating. And we know the
9 results of the first quarter of 2025 where we've seen a
10 terrific uptick in business at Santa Anita that's restoring
11 the foundation in California and bringing renewed life to
12 California racing.

13 But if we go back to January 24, when George was
14 in front of you, and I quote here, when it came to the issue
15 of the money to resurrect racing in the north, and this is
16 on the transcript, so I'm quoting word for word,

17 "Stop worrying about that. I raised \$40 million in one
18 afternoon in New York 25 years ago, and I know how to
19 get that done, and we'll get that done. All I want
20 from you is the chance to get it done. If we fail,
21 that's our problem, not yours. I'm not asking for a
22 penny from you, and neither is anyone else. We just
23 don't want you in our way."

24 And then in March of 24,

25 "We've got the funding. We have a bank that's willing

1 to fund the program, and we can get from here to there,
2 just give us the chance.”

3 Well, as we know, we did give them the chance. I
4 think everyone in the industry sort of agreed that despite
5 what we had said and the warning signs that we had given
6 that we didn't believe that the handle projections were
7 realistic, they did get the chance, and we know the results.

8 But one thing that should be noted in the
9 aftermath of the disastrous results of Golden State Racing,
10 the south and the TOC was part of it to try to secure CARF
11 and make sure that the 2025 summer could continue. And part
12 of the package that we had presented, we had put forth
13 \$600,000 that would be earmarked for CARF summer purses to
14 sustain the purses and possibly increase the purses for the
15 2025 summer CARF season. But CARF and Alameda County Fair
16 asked that that money be advanced to cover the losses from
17 the last quarter of 2024. And so Santa Anita and Del Mar
18 agreed to do that because CARF was in such a desperate
19 position.

20 So I think what we're seeing here is the same kind
21 of song. We're going back to doing the same thing or
22 considering the same thing after just going through this
23 from October 18th to December 19th and taking the kind of
24 hit that we took. And with the limited resources in
25 California, trying to channel that income correctly so it

1 gets back to supporting California racing in terms of the
2 people who've stayed loyal to California and are running for
3 less money than other states, and I'm not talking about
4 owners, I'm talking about owners, trainers, and jockeys,
5 everybody that's investing in staying in California and
6 making California their home, there's a lot of jobs that are
7 tied to that.

8 So to consider, you know, this application, given
9 what the horse population looks like and the fact that so
10 many horses have transitioned to the south and now we're
11 moving forward, obviously the TOC cannot support the
12 application.

13 With respect to other things that were said
14 regarding Golden State Racing, I mean, we should take it
15 offline, but I think this item on Monarch and what the
16 arrangement was with Golden State Racing using the Churchill
17 Downs platform to manage the content, to get the record
18 straight, and we can do it in another meeting if needed, if
19 people really want to do it, regarding what may have been
20 lost because of different entities not coming into the
21 pools, I think that's grossly exaggerated. It's untrue.
22 And I think that it might be a good use of time for
23 everybody, if anyone is interested, to really go through
24 that and get to the facts and get to the truth so everybody
25 can be comfortable.

1 CHAIR FERRARO: How many horses have relocated
2 from North to South?

3 MR. NADER: 385.

4 CHAIR FERRARO: And how have they done?

5 MR. NADER: They've done well. We've had -- and
6 we have people that will speak to it. There have been 73
7 restricted races at Santa Anita, and when I say restricted,
8 restricted to the northern population. There have been many
9 other races that were written that weren't carded because
10 there weren't enough entries, but 73 were carded, and there
11 have been 15 races in open company that have been won by
12 trainers that have relocated from the north.

13 You know, we have other people here today that can
14 speak to it. Ty Green is here, and Andy Titus is here, and
15 they can speak to it, but 385 have actually -- 385 horses
16 have come down and have participated in the single circuit.
17 And the results are that every metric at Santa Anita have
18 improved over this Classic meet that just concluded on April
19 6th as compared to last year, and the increases are
20 considerable.

21 CHAIR FERRARO: And do we know where the rest of
22 the northern California horses are?

23 MR. NADER: Well, as George said, you know, some
24 may have retired. But of the others, what the expectation
25 is, what George says is they've gone to Washington. Some

1 would have gone to Turf Paradise in Arizona.

2 CHAIR FERRARO: Questions from the Board? No?
3 Anybody else? No?

4 Thank you, Tom.

5 Is there anyone else who would like to speak to
6 this? Do we have a list? No list?

7 Can we entertain a motion?

8 VICE CHAIR GONZALES: Absolutely. Is that what
9 you're asking for, sir, a motion?

10 CHAIR FERRARO: Yeah.

11 VICE CHAIR GONZALES: I hereby move that we
12 approve Alameda County Fair the requested dates so they can
13 conduct racing and save hundreds of breeders, and actually
14 save California racing, much bigger than just one fair meet.
15 So I move.

16 CHAIR FERRARO: Is there a second to that motion?
17 No second?

18 I make an alternate motion that the application
19 for racing days by the northern California group be denied.

20 COMMISSIONER HUDNUT: Second.

21 CHAIR FERRARO: Commissioner Davis?

22 COMMISSIONER DAVIS: Yes.

23 CHAIR FERRARO: Commissioner Gonzales?

24 VICE CHAIR GONZALES: No.

25 CHAIR FERRARO: Commissioner Alfieri?

1 COMMISSIONER ALFIERI: Yes.

2 CHAIR FERRARO: And the Commissioner votes yes.

3 COMMISSIONER HUDNUT: Hudnut votes yes, as well.

4 CHAIR FERRARO: Hudnut, I thought I already had
5 you, sorry.

6 COMMISSIONER HUDNUT: I made the motion, that's
7 all.

8 CHAIR FERRARO: Yeah, that's right. Okay.

9 Okay, well, we move on to item number five, which
10 is a discussion and action regarding the allocation of
11 racing dates by Humboldt County Fair at Ferndale from August
12 13th to September 2nd, 2025.

13 MR. TITUS: Good morning. Thank you for allowing
14 us the opportunity to come and speak to you guys on
15 hopefully getting three weeks of un-overlapped host status,
16 which we had last year and were very successful.

17 I keep hearing you guys talking about successful
18 meets. Well, we actually, as a fair meet, were very
19 successful last year. We had an underpayment on our purse
20 fund. We raised our purses and we are intending to raise
21 our purses again this year.

22 We had 30-plus trainers from California come to
23 Humboldt, which I know we're a small venue, but 30-plus
24 trainers came to our venue last year.

25 As far as employees, which I feel like this is

1 important, we paid over a quarter of a million dollars out
2 in wages last year. And a lot of those people are not
3 working right now in the racing industry because they were
4 employees of the north. I mean, I think that's important to
5 understand, also, that there is owners and trainers, but
6 there's also workers that are not employed right now and
7 would love to come to our meet. I've had them reaching out,
8 asking if they can come. Bernal Park Racing LLC is willing
9 to partner with us to help run the meet, which, you know,
10 Mr. Schmitt touched on some of the people that are in his
11 team.

12 You know, I also, you know, as a business owner, I
13 don't know what you guys do for a living, but I'm a business
14 owner and I feel like what we're talking about right now is
15 fairly short-sighted. Yes, the south is doing well and
16 that's great. But if you eliminate the breeding and owners
17 and trainers and staff sooner or later, that's going to dry
18 up as well. As a business owner, I've always got to look to
19 the future and try to make sure we're doing the right things
20 forward. If I was short-sighted and only thought about the
21 here and now, which is very successful, what about five
22 years from now? What about 10 years from now? I understand
23 2025 right now, where, you know, Alameda County wasn't
24 granted the dates. We're the only venue in the north that
25 is potentially going to be running.

1 I think keeping something open in the north is
2 very important for California racing. And I mean, I feel
3 like the CHRB is supposed to represent the north and the
4 south. Now, I was at a meeting when the Board talked to
5 Elaine Jackson or heard from her and promised that they had
6 the north's back and they were going to do whatever they
7 could to help them and that they had a Plan B. I'm assuming
8 right now maybe we're the Plan B because I haven't seen
9 another plan B.

10 Right now, the south is getting 49 weeks of host
11 status money from the north. We're only asking for three.
12 The trainers that have reached out to us that have had to go
13 South are not doing well and they are not financially in a
14 good spot. They need us to run. This is according to them,
15 not to me. They need us to run so they can come to make
16 money, to pay their employees, to pay for their horses and
17 to make themselves solvent to get to the next year. We've
18 had a number of people that have reached out to us asking if
19 there's any shot we could run so that they could come.

20 I mean, in closing, I want to thank you guys for
21 your time. I want to say, you know, please, let's look at
22 everything North and South and think of the horsemen and
23 women that have been, you know, relocated, that it was
24 against their will.

25 I think one other thing I need to point out, yes,

1 there's been people that have been forced to relocate to
2 Washington and Arizona. You know, we're willing to offer
3 incentives for people that are California trainers, owners,
4 to come back into the state. I think there's other venues
5 down south that are offering out-of-state incentives. I'm
6 trying to offer something. We are trying to offer people
7 that have been forced to leave to come back. You know,
8 we're known for our incentives. They're not huge, but we
9 offer incentives. And we're going to be offering incentives
10 for people to come back into the California system and from
11 people that are down south to come up here.

12 And I think the ultimate goal, from listening to
13 Mr. Schmitt, is that we would love to get something going
14 again here in 2026, maybe the fall of '25 for the north.
15 Well, I think that starts with us. We had a successful meet
16 last year. We're prepared to have a successful meet again
17 this year. And we've got people that are interested. And
18 we've got an organization that's willing to help us put a
19 meet on and back us.

20 So I'd really like to hear, if there's a negative,
21 I'd love to hear it because all I see are opportunities.

22 Thank you for your time.

23 CHAIR FERRARO: Questions from the Board?

24 I see your meet, you know, is sandwiched between
25 the two meets in Oregon. So that would indicate to me that

1 most of your horses are going to come in that circuit from
2 Oregon, right, not from California?

3 MR. TITUS: We do draw horses from Oregon, that is
4 correct. But last year we had more starters from California
5 than we had from Oregon.

6 CHAIR FERRARO: That was last year, though, when
7 you had horses located in the north; right? There's no
8 horses in the north; right?

9 MR. TITUS: Well, there's no guarantees in life
10 except for death and taxes. But we have had close to 100-
11 plus horses from California so far that have reached out,
12 which I know there's no guarantees, but that would love to
13 come. And unlike these other meets, we are notorious for
14 making it with less horses. If we could draw 200 horses, we
15 would have a very successful meet, like we did last year.
16 I'm not worried about drawing horses. If you give us the
17 opportunity to get the dates, we will be able to get horses.

18 The problem we've had is with all the uncertainty,
19 we've had contract -- we've had negotiations or talks with
20 different -- we've had them with Monarch, we've had them
21 with NOTWINC. We've had these discussions. We've had them
22 with, you know, people that are wanting to work. But we
23 can't sign any contracts and be on the hook for anything
24 until we're allocated our dates. I mean, we're kind of in a
25 holding pattern moving forward until we, you know, are

1 allocated the dates that we have requested.

2 CHAIR FERRARO: It seems to me that the real
3 issue, though, is not about racing in Humboldt, it's about
4 the simulcast revenues. And if you're not racing
5 significant numbers of California horses, and there are
6 significant Northern California horses in Southern
7 California racing, why shouldn't the Board consider
8 allocating that simulcast revenue to the south where it's
9 going to pay purses for California horses rather than to the
10 north where you're most likely going to have horses from out
11 of state?

12 MR. TITUS: Well, yes, there will be out of state
13 horses. I believe Del Mar offers incentives for horses to
14 come from out of state into state, I mean, against that
15 argument. And it's also projected that the south is going
16 to get almost \$18 million that was bet in the north as host
17 status in those for the year 2025. We're asking for three
18 weeks, and that's going to support horsemen from the north
19 and horsewomen from the north that are not winning and not
20 doing well in Southern California. They're going to go out
21 of business. I've had a couple of them tell me, if you guys
22 don't run and we can't come up there and make money, we're
23 not going to stay in business.

24 I believe this Board here is here to represent the
25 north and the south, everyone in California. I know we have

1 political support. I know we have community support. We're
2 just asking for your support. What do you have to lose?
3 Give us the opportunity to show you that we can make it.
4 Our fair has been successful. We were not unsuccessful.
5 We're asking for three weeks of a date allocation. If you
6 don't think we can make it when we come back for our
7 license, then don't give it to us. But what do you have to
8 lose to give us the opportunity to move forward and to make
9 these things happen where we haven't been successful? I
10 mean, I feel like everything you've said, I've been able to
11 answer pretty easily.

12 CHAIR FERRARO: Well, I'm not -- I agree. You're
13 asking for three weeks, but you're only going to race two;
14 is that correct or not?

15 MR. TITUS: That is not correct. We are going to
16 race all three weeks.

17 CHAIR FERRARO: Okay.

18 VICE CHAIR GONZALES: I have a question, Mr.
19 Chairman.

20 CHAIR FERRARO: Go ahead.

21 VICE CHAIR GONZALES: Just a couple.

22 Well, first, just for a point of reference here,
23 the political support you're referring to is Congressman
24 Huffman, also Senate Pro Tem McGuire, and also a pillar of
25 the Ferndale community and celebrity chef Guy Fieri. Did I

1 get those three correct?

2 MR. TITUS: Yes, sir, you did.

3 VICE CHAIR GONZALES: And you also have your fair
4 Board. You also have a number of your county supervisors
5 and, obviously, hundreds of community representatives.

6 To make a point here about whether Southern
7 California will ship up north, I want to ask you just a
8 quick question. That last, one of the big races of the last
9 day, what is that called and how long do they run? Tell me
10 about that, because that's a pretty --

11 MR. TITUS: It's the Humboldt County Marathon.
12 It's a mile and five eighths. And, yes, there was a South
13 trainer that won that last year.

14 VICE CHAIR GONZALES: Right.

15 MR. TITUS: But I mean, if you look, any of you
16 guys could go on Equibase and look at the trainers that run
17 at Humboldt County. There's trainers that have come. You
18 know, Angela Aquino comes up every year from Los Al. We
19 have people that travel up to Humboldt County.

20 VICE CHAIR GONZALES: I agree. I agree, Andy.
21 And by the way, that trainer that won that is Doug O'Neill,
22 who is a strong supporter of the north. In fact, well, I'll
23 just say, I believe that there would be plenty of horses.

24 And I also believe, per Mr. Nader's point earlier
25 about the consolidation and the regional collaboration, I

1 think having horses from the Pacific Northwest and other
2 parts of the state to come to a sanctioned race meet at
3 Ferndale, I think that's a healthy thing.

4 I know, Mr. Chairman, you're trying to paint a
5 picture of, well, you know, should we be helping others?
6 Well, there's plenty of states who help California. And I
7 believe that by us just allowing for a very short race meet
8 as Mr. Titus has laid out, it's not a lot to ask for.

9 And I've been there myself, and I've not only seen
10 racing conducted in a very professional manner, but I've
11 also seen the level of community support. And I really
12 believe that it is very critical to send a message to the
13 breeders and others that we're leaving a placeholder, that
14 the conversation is not quite over as it relates to whether
15 Northern California racing and breeding will continue in
16 this great state.

17 And the question is: Do we benefit Humboldt County
18 Fair at the expense of the welfare of racing in California
19 in general? That's my question.

20 VICE CHAIR GONZALES: You mean the south, sir?

21 CHAIR FERRARO: The south.

22 VICE CHAIR GONZALES: Yeah, you mean the south,
23 yeah.

24 MR. TITUS: I mean, so you feel like three weeks
25 where you're going to have people that aren't being

1 successful in the south would have an opportunity to run and
2 make money --

3 CHAIR FERRARO: I feel like --

4 MR. TITUS: -- in the north would be --

5 CHAIR FERRARO: -- if you look at our recent past,
6 Santa Ana has done much better because they've been able to
7 increase purses. Del Mar would like to be able to do the
8 same. Without the simulcast money, they can't make a purse
9 increase, and so you're putting their race meets at somewhat
10 peril.

11 MR. TITUS: So with \$18 million, they still can
12 increase their purses? We're asking for three weeks that
13 would generate roughly a million. That million is going to
14 put them over the top whether they can increase or not? I
15 have a hard time believing that, sir.

16 CHAIR FERRARO: Well, maybe you have a hard time
17 believing it, but it's important to the success of Del Mar.

18 MR. TITUS: I hear what you're saying. And what
19 about the horsemen and women that have been forced to
20 relocate to the south that aren't competing? I believe you
21 represent them as well, and they are not winning. I mean, I
22 don't want to go against what Mr. Nader said, but I'm
23 watching the races down there. They're getting one race a
24 day. That means only one person can win. And they're not
25 being successful as a whole.

1 So I mean, they need another opportunity to make
2 money so that they can stay at California Horsemen and
3 Women. And we are looking to offer incentives to bring
4 people back into the state. I mean, if we don't want to
5 bring people back into the state, tell me what we're doing
6 here. Are we just offering an incentive for out-of-state
7 horses to come down south? This should be something that
8 we're trying to support everyone, not just the rich and
9 elite. And that's what I see you wanting to do right now.

10 And I need to hear, are we here to represent
11 everyone fairly and as a group, as far as staff, as far as
12 breeders, as far as owners, or are we going to be short-
13 sighted and we're only going to represent the south and
14 we're going to have -- eventually that product's going to go
15 away also because you're not going to have new horses coming
16 in. You're not going to have new trainers coming in.

17 You're not going to have people being able to get
18 their start, because people get their start as a trainer, as
19 an owner, as a gallop boy, as a jockey, as an outrider, as a
20 valet at venues like ours. And then they hone their skills
21 and they're able to go in to work at Santa Anita, work at
22 Del Mar, work at these other venues. If you don't ever let
23 anybody get in, who are you going to have working these in
24 five years, in 10 years? Who are you going to have racing
25 in those races? You've got to build the product up

1 somewhere.

2 I mean, yeah, we might be the minor leagues, but
3 every professional sport team has it. So if we're going to
4 eliminate that in the state of California, I mean, that's
5 your choice, but I'm saying that's what I'm hearing. I
6 don't understand how 49 weeks of extra money, which is going
7 to equate to almost \$18 million, that \$1 million is going to
8 put them over the top when that \$1 million can be spread out
9 between the other horsemen and women that aren't winning at
10 Del Mar or aren't winning at Santa Anita.

11 And I don't even know if Del Mar is going to write
12 races for those lower level horses. I mean, we understand
13 we get lower level horses, but those people have a purpose
14 and deserve the opportunity to be able to run. We're going
15 to be elevating our purses again this year.

16 I mean, I feel like if we're representing the
17 state of California, that means everybody. That means every
18 horseman and women. And I mean, I can tell you when people
19 are reaching out to me, they're not feeling like they're
20 being represented, period. Their voices aren't being heard,
21 you know? So we are trying to help preserve racing in the
22 north. Yes, we do get horses from out of state. Other
23 venues in the state are offering incentives for horses to
24 come in and run. I don't see them being ridiculed for that.

25 So I don't understand where this is coming from,

1 but if I haven't answered your question, let me know and
2 I'll continue.

3 CHAIR FERRARO: You're doing quite well, thank
4 you.

5 MR. TITUS: Thank you.

6 CHAIR FERRARO: Mr. Chaney, do you have --

7 EXECUTIVE DIRECTOR CHANEY: Yeah.

8 CHAIR FERRARO: -- any specific questions?

9 EXECUTIVE DIRECTOR CHANEY: -- just more nuts and
10 bolts.

11 So we got the letter from Mr. Morgan a few days
12 ago. So Bernal Racing LLC would be like, he mentioned it's
13 like the sponsor, I guess, in terms of --

14 MR. TITUS: Bernal Park Racing LLC would be -- I
15 mean, I would -- George might want to speak to it on his
16 own, but they were going to be sponsoring, yes, so they
17 would be what CARF was to us. So they would be bringing the
18 staff, any additional equipment that we don't have. They
19 would be covering the purse fund. There is a change fund.
20 You know, all of those things, all of that stuff out there
21 financially, you know, Mr. Schmitt and Mr. Harris are going
22 to be covering because they want to see -- they're breeders,
23 they're owners. They want to see racing continue in the
24 north so that their investment can continue.

25 You know, they're very well off, and that's great.

1 There's other people that aren't as well off that we need
2 to also look at helping.

3 EXECUTIVE DIRECTOR CHANEY: But in contrast, I
4 guess, is what I'm getting at with the Pleasanton concept.
5 You would still be Humboldt County Fair. You're not leasing
6 your property in a private setting?

7 MR. TITUS: Correct. We are still Humboldt County
8 Fair, yes.

9 EXECUTIVE DIRECTOR CHANEY: Presumably, you would
10 pay them to be the operator?

11 MR. TITUS: That's correct.

12 EXECUTIVE DIRECTOR CHANEY: Okay.

13 CHAIR FERRARO: Anyone else from the Board?

14 COMMISSIONER DAVIS: Could you --

15 COMMISSIONER HUDNUT: That -- oh, go ahead,
16 Commissioner Davis.

17 COMMISSIONER DAVIS: Just a quick question. You
18 mentioned incentives for getting horses here. Can you
19 elaborate a little more on that?

20 MR. TITUS: Yes. We generally offer a per-start
21 incentive. I mean, in the past, it's been \$300 to
22 \$350. You know, we're going to look at that and see what we
23 can do. I mean, we don't have that number out there right
24 now, so I don't want to say a number that we don't have.
25 But I mean, we offer fuel cards to help people get up here

1 with their fuel. We offer per-start incentives. I mean,
2 just whatever we can do to help the horsemen, because we
3 know we're in the middle of nowhere; right? So we do
4 whatever we can to help those guys get there.

5 And, I mean, normally anybody that comes to
6 Humboldt says no one treats them as well as we do. I know
7 that food and all that stuff shouldn't matter, but I mean,
8 we feed everyone multiple times, we do offer fuel cards, and
9 we do offer per-start incentives.

10 COMMISSIONER HUDNUT: You had a \$350,000 purse
11 overpayment last summer, did you not?

12 MR. TITUS: Underpayment, sir.

13 COMMISSIONER HUDNUT: Underpayment?

14 MR. TITUS: Yes, sir.

15 COMMISSIONER HUDNUT: Okay, just needed to check.

16 Thank you.

17 MR. TITUS: You're welcome.

18 EXECUTIVE DIRECTOR CHANEY: And kind of for
19 clarification for everyone in the room, the way CARF used to
20 work it, to be fair to Ferndale, is that Pleasanton would be
21 like pretty far overpaid. And frankly, they would use
22 Ferndale to claw some of that like overpayment back, because
23 you guys would historically be underpayment, because the
24 purse structure was a lot lower, just for clarification.

25 Another thing, too, that Commissioner Alfieri just

1 asked, and just to kind of make clear for the Board, you're
2 requesting three weeks of racing. The first two weeks are
3 with the fair, and then the third week, which I think is
4 Labor Day weekend, the fair wouldn't be existing, it would
5 just be a week of racing, three days.

6 MR. TITUS: Well, that's not totally accurate.

7 EXECUTIVE DIRECTOR CHANEY: Okay.

8 MR. TITUS: The fair, the animals might not be
9 there. I mean, we're still looking at how that would look.
10 You know, we're still looking at other alternatives. We
11 will have something. There will be vendors there selling
12 food. We're still looking at having some sort of
13 entertainment. It wouldn't be just solely racing.

14 EXECUTIVE DIRECTOR CHANEY: Okay.

15 MR. TITUS: And the other reason it's important
16 for us to have three weeks, from what we heard last year,
17 people don't want to travel all that way up there for two
18 weeks because they want to have the opportunity to get their
19 horse in multiple times, so they can justify the travel.
20 And where they get the per-start incentive, you know, they
21 want to try to get that second incentive, because we also
22 have offered trainer bonuses. If you get 10 starts, you get
23 1,000 bucks. You know what I'm saying? There's
24 different -- I mean, I don't want to --

25 EXECUTIVE DIRECTOR CHANEY: No, it makes sense,

1 because you would want first and third weekend, maybe, to
2 run. I think it cuts both ways; right? Like, you don't
3 want to -- we don't want to incentivize running horses too
4 much, right, because you have an animal welfare component.
5 At the same time, they certainly can't run both weekends.

6 MR. TITUS: Right.

7 EXECUTIVE DIRECTOR CHANEY: So the three weekends
8 make sense in that regard.

9 MR. TITUS: Thank you.

10 CHAIR FERRARO: Okay, thank you very much.

11 Can we hear from TOC? Mr. Nader, do you want to
12 make a comment?

13 EXECUTIVE DIRECTOR CHANEY: Do you want them to
14 step aside?

15 CHAIR FERRARO: Yeah, no, I'd rather they step
16 aside. It makes it easier. They're more comfortable here.
17 Bill's more comfortable without somebody breathing down on
18 him.

19 MR. NADER: Bill Nader, TOC. Thank you, Chairman,
20 Commissioners.

21 Firstly, I've never heard anyone say a bad word
22 about the Humboldt County Fair. I think everybody -- the
23 reputation of the Humboldt County Fair is first class, and
24 there's no doubt about it, so I wanted to state that for the
25 record.

1 The thing here, and I think in listening to the
2 Humboldt County Fair Board meeting, which was streamed
3 online back on February 6th, they made it clear, even in
4 that meeting, that it is about the simulcast money and how
5 lucrative those three weeks are that makes it so important
6 to them. The money is the key driver. It's roughly \$1.9
7 million over those three weeks that's divided between purses
8 and commissions. It's about \$1 million to purses and about
9 \$900,000 to commissions, and I'm sure that money is very
10 important to them.

11 And that begs the question, really, about our
12 responsibility here to California Horse Racing or to help a
13 fair. Because when you look at the racing there, it's seven
14 days of racing this year over the three weeks. Last year,
15 it was eight days of racing. In the past, it had always
16 been two weeks, one of the weeks would be overlapped by
17 Golden Gate. But last year, for the first time, Golden Gate
18 wasn't there at that part of the year, so it became three
19 weeks of host status and that became really a big win for
20 Humboldt County Fair.

21 To the point that the Executive Director made
22 regarding purses, that underpayment in the past was used by
23 CARF to balance the books of Pleasanton and Sacramento and
24 Fresno. Now this money would just go to Humboldt County
25 Fair, and it's a zero-sum game. If that money is not coming

1 down to the south, we talk about only three weeks, it's \$2
2 million. And when you think about the people that I
3 mentioned earlier that have been loyal to the south, I spoke
4 with a trainer on Monday who has 47 horses in Southern
5 California. I won't give you his name, but he's a pretty
6 big name, and he talks about the struggle that he's under
7 now because the money is not good enough.

8 So when I talked earlier about channeling our
9 limited resources to really support horse racing in
10 California, when you look at it at every level, whether
11 you're an owner, trainer, or jockey, the struggle there is
12 real. As much as we'd like to think that the south is rich
13 and has the money to just continue to help or subsidize
14 others, it's a struggle, you know, and the struggle
15 continues. We've been able to bring purses up a little bit.

16 Certainly, starting on February 28th at Santa
17 Anita, there was a purse increase that was well-received,
18 but it's not the answer. I mean, the struggle continues.
19 Los Alamitos, the purses will hopefully be announced shortly
20 that there will be an increase for the three weeks in June
21 and July, and Del Mar's announced an eight percent increase
22 in overnight purses for the summer. So we're seeing renewed
23 life for racing in California, but it doesn't mean there's
24 money to really just throw around and use in ways to help a
25 local economy or a fair.

1 The handle at Ferndale last year on a daily
2 average was \$440,000 a day. The reason why they had a purse
3 underpayment is because the purses are low, and those three
4 weeks are so lucrative with racing taking place at Del Mar.

5 You know, and I'll refer to a couple of things in
6 the package that were noted, but, you know, it talked about
7 the requested dates are wedged purposely and perfectly
8 between regional race meets after Tillamook and before
9 Grants Pass, that's the Oregon Circuit that's been referred
10 to. The underpayment of purses is largely because the
11 simulcast revenue that comes in is so great, it far exceeds
12 what's required to pay the purse structure. That's a luxury
13 that no one else has in California, not any of the other
14 fairs, and certainly none of the tracks in Southern
15 California.

16 It says, in addition, the 2024 and me generated
17 over \$900,000 in commissions, so that's what I'm referring
18 to. It's not \$1 million, it's really \$2 million, or if you
19 want to be very specific, \$1.9 million. It's a lot of money
20 over three weeks for anything in California.

21 Now, in the letter from Mr. Morgan, it talked
22 about that they show the Del Mar races on the Jumbotron
23 throughout the facility at Ferndale. Of course they do,
24 because they're not paying anything for that signal, they
25 don't have to, so that's free money. Of course they're

1 going to show Del Mar on the Jumbotron, because that's more
2 lucrative than a bet on Ferndale. On Ferndale they have to
3 pay for purses. On Del Mar they don't pay a penny.

4 And then on the flip side, they were saying it's
5 perceived that, oh, it's difficult to find any monitor
6 carrying the racing product from the north at Del Mar. Now,
7 why would Del Mar do that? Again, Del Mar would get that
8 content for free as well. That would be more lucrative to
9 Del Mar than a bet on Del Mar, because Del Mar has to pay
10 purses for its races. The reason is because it's not
11 attractive. You know, when you look at the handle, total
12 handle from across the country on Ferndale, it's only going
13 to be 440,000 a day.

14 So the key driver, again, is the simulcast money
15 that's coming in, money bet on the north on Del Mar and on
16 Saratoga and other tracks across the country. That's what
17 drives purses and commissions and income. It's not on the
18 racing that's being run at Ferndale.

19 So I think when we talk -- and it also talked
20 about perceived that the TOC no longer represents the best
21 interests of owners, trainers. Well, I take great exception
22 to that, because if you look at the struggle of owners and
23 trainers and jockeys and what we're going through throughout
24 the state of California, forget about North and South, it's
25 tiring to keep hearing that, seriously.

1 When you think about everybody in the state of
2 California, owners, trainers, and jockeys, and what they're
3 doing to continue to support racing in the state of
4 California and the struggle that they're all going through,
5 everyone is struggling. Los Alamitos is struggling. Santa
6 Anita is struggling. The horses that run there have
7 opportunities to go elsewhere and run for more money.
8 Everyone's looking for just some help to be able to stay
9 here, stay loyal to California.

10 The Santa Anita Derby was run the other day on
11 April 5th for a purse of \$500,000. It's the lowest purse of
12 any three-year-old prep leading into the Kentucky Derby.
13 Arkansas Derby is a million and a half. Others are a
14 million and a quarter or a million. I mean, at every level
15 from the top races on down, and Southern California has
16 stepped up to help the horses in the north by riding races
17 for claiming tags of \$5,000, something that was unheard of.

18 So they've made the effort. They've laid out a
19 clear path to incorporate horses from the north to come
20 down. And that's why 385 have come down. And there are
21 suitable races to compete in. Maiden claiming races at
22 Santa Anita for a claiming price of \$8,000, that would be
23 unheard of.

24 There is collaboration. There is cooperation. And
25 everybody's trying to bring up the foundation of racing in

1 Southern California to show that we can continue to be
2 relevant. So when we look at these opportunity costs, you
3 know, and it's difficult to be in a position to have to come
4 to a decision on this, but it's really very simple, it's a
5 trade-off. If you want to take \$2 million away from owners,
6 trainers, and jockeys that support and have been loyal to
7 California racing and do it to help a local economy or a
8 fair without any real direct touch to California horse
9 racing, I'm not saying there's no touch, there is some, but
10 it's not significant, and that's what we're dealing with.

11 And it's -- I think when I speak for it, and I
12 hear the argument that there are some people that, through
13 this consolidation, that don't get a chance, but that
14 happens all the time. And I would stand here before, sit
15 here before you today and tell you that 98 percent of those
16 that are loyal and true to California are getting the
17 benefit of the redirect. When I say the vast majority, it
18 has to be.

19 You know, it's not a perfect score, but it's
20 pretty close. It is inclusive. There are opportunities.
21 We are coming back up and we have to use our limited
22 resources in a way that benefit, that benefits California
23 racing. And that's everything that we've been trying to do
24 and everything we've been trying to preach over the last 16
25 months.

1 So that's where we stand. And for that reason,
2 again, you know, we cannot support the application.

3 CHAIR FERRARO: Questions from the Board?

4 VICE CHAIR GONZALES: Yeah, Mr. Chairman, not so
5 much questions, but just some key points.

6 First, I do know that with the -- what Ferndale
7 has in mind is to increase their purses. So this is not
8 like the money's gone to pay for anything else.

9 Let's not forget that it was only two years ago
10 that the county of Humboldt invested \$1 million to retrofit
11 the grandstands at Ferndale, a huge expense. So similar to
12 other county supervisors who were supporting and fighting
13 for the survival of their county fairs, Humboldt County is
14 no different.

15 So the third thing I want to mention is Mr. Nader
16 mentions that Los Alamitos is struggling. But if Los
17 Alamitos tried to do legislation or ask for help to further
18 help horsemen, the first person that's going to oppose that
19 is Mr. Nader, and that has just happened just recently. Los
20 Alamitos would like to run, you know, further races at
21 certain amounts of time, and that is a fact.

22 The other thing that I think is really great,
23 because this really isn't just about Del Mar, and I would
24 love to see the Del Mar representative come up and say what
25 their position is, because they also race on fair property,

1 so I'd be pretty surprised if they went against the spirit
2 of other fairs to try to stay alive, but it's also about
3 Saratoga.

4 We heard a gentleman from NYRA not that long ago
5 saying that's what they're going to try to do. Because I am
6 the one that is constantly bringing up how other racetracks
7 outside of California do not show our product, because that
8 should be an ability for betters outside. And he pledged
9 that at Saratoga, they were going to set up some kind of a
10 place where people could bet. And after the races in New
11 York, it would be almost ideal for, guess who, Del Mar and
12 Humboldt. And I think it would be pretty exciting that
13 people at Saratoga can support.

14 And then the other thing is this, is I think what
15 Mr. Morgan was mentioning about showing Del Mar racing up
16 there is because I think it's a contrast, because Southern
17 California did not show Northern California racing during
18 the Breeders' Cup or any other time. And I know Mr. Nader
19 had been given plenty of heads up as to why those two
20 racetracks down there did not show Northern California
21 racing on their TVs. But the same Southern California
22 people criticize other racetracks when they don't show their
23 product.

24 So I think what we're seeing here is some level of
25 everyone just trying to kind of hang on. And I think, one,

1 it was a great presentation on the part of Mr. Titus and his
2 team. So I can't wait to make a motion to support Ferndale
3 Racing.

4 So, Mr. Chairman, back to you.

5 CHAIR FERRARO: Anybody else?

6 COMMISSIONER ALFIERI: I noticed we had Alan Balch
7 here. And I'd love to understand from him, if he'd be
8 willing to make a comment, on the trainers from the north,
9 and how do they feel? Because I hear from some of the
10 trainers. I've met them down at Santa Anita, and they're
11 enjoying it. I mean, you know, Santa Anita opened up with
12 welcome arms, whatever we can do here. And so I'd like to
13 hear from Mr. Balch, if he'd be willing.

14 MR. NADER: Chairman, before I leave, I want to
15 just come back to what the Vice Chairman said.

16 One of the things would be, when we talk about the
17 participation at Ferndale, last year the number of horses
18 that competed was higher than the previous year, as Mr.
19 Titus said, he was correct. But the number on average was
20 37 horses per day that ran at Ferndale, of which about 20
21 would be from California, and 17 would be from out of state.

22 And with horses that make multiple starts, the
23 number of individual horses from California that would run
24 over a seven-day meet, covering three weeks at Ferndale,
25 would be, if I round it up, 100 horses. So we're talking

1 about \$2 million for 100 horses running over three weeks at
2 Ferndale. On a good day at Del Mar, and I've said this
3 before, you could almost get 100 California-based horses
4 running on one day at Del Mar.

5 Now, with respect to the signal being shown, I'm
6 not really sure where we're going there, but my point is
7 just clear, Del Mar is the best product in California during
8 the summer. They're getting it for free. Of course, and
9 there's not -- that's the way it works. You trade the
10 reciprocal signals at no cost. It's a great advantage for
11 Ferndale to be able to highlight that racing because that is
12 quality racing, high-quality racing, that is going to really
13 be attractive to anybody in the north, including those that
14 are on course at Humboldt County Fair watching the races.

15 There's nothing else other than that. That's the
16 main point.

17 As far as on Breeders' Cup day, trying to find
18 Pleasanton and Golden State Racing on a TV on Breeders' Cup
19 day, it's at a different level. I'm not sure that the crowd
20 at Del Mar on Breeders' Cup day is watching really any other
21 track. Forget about Pleasanton or Golden State Racing or
22 whoever's running, all of the focus tends to be on the
23 Breeders' Cup races. So I'm not sure what the angle is
24 there, but that's clear, and that's true of any Breeders'
25 Cup. Breeders' Cup has a very dominant position, and

1 deservedly so, because those are the world championship
2 races.

3 We do have a trainer, Andy Mathis, here. He's a
4 TOC Board member and one of the top trainers in the north.
5 And we also have Ty Green here, who's the Chair of the north
6 TOC Racing Affairs Committee. So we can hear from them.
7 They've signed up for public comment.

8 VICE CHAIR GONZALES: Just one more point about
9 Del Mar real quick. They're hosting the Breeders' Cup
10 coming up in November. I think Del Mar's going to do just
11 well.

12 The second thing is, it wasn't that long ago when
13 there was a dark week that Los Al wanted \$400,000. And you
14 know who clawed that? It was Del Mar. So you didn't
15 mention that in your comments, and I know you guys were
16 fighting tooth and nail to give Del Mar yet another token of
17 appreciation.

18 So I'm happy to have these conversations with you,
19 Mr. Nader, publicly or privately, but I think what we're
20 talking about here is Ferndale's request.

21 MR. NADER: On Los Alamitos, Mr. Vice Chairman,
22 regarding the -- for them to run additional races at night,
23 we've had talks with Los Al and we've agreed together that
24 this isn't the time to really push that. It's still -- and
25 we were here, I believe, at the last meeting, and there was

1 a complaint from you about Santa Anita not running four days
2 a week. Well, you can't have it both ways. We're still
3 trying to find our feet here in terms of the transition.
4 Santa Anita, in eight weeks, eight separate weeks during the
5 Classic meet, ran four days. In one week, they ran five
6 days. They're trying their best, and we are trying our best
7 at the TOC to get to a four-day race week.

8 It would be a step back now if we tried to move
9 forward on a parallel path to have Los Al have more
10 opportunities at night at this stage of the game because it
11 would knock Santa Anita back to, certainly, a three-day
12 week, and you wouldn't even have those eight four-day weeks.
13 So there's a yin and a yang to it.

14 So we have to be careful about how hard we push
15 this early. We've only been at this through -- from
16 December 26th through April 6th, so it's been a little bit
17 more than three months. We're still finding our way, trying
18 to get Santa Anita to a four-day week if we can. And so
19 we're working with Los Al, and Los Al is cooperating in
20 terms of really getting a better look at the landscape
21 before we push and come together with a bill, and also have
22 a chance for the breeders, the CTT, the racetracks, and
23 everybody to come together and really kind of agree rather
24 than to do it in a silo arrangement.

25 So I think we've -- everybody's kind of come

1 together and realized this isn't the time. The time may
2 come later in the year or maybe early next year, but now is
3 not the time. And again, when it was talked about and there
4 was a push, why isn't Santa Anita running a four-day week,
5 it's all about inventory and how you use the inventory. So
6 again, if we expand Los Al, it's going to just reduce the
7 inventory at Santa Anita and take the chance of a four-day
8 week and really discard that potential opportunity.

9 CHAIR FERRARO: Thank you, Bill.

10 Go ahead, Alan. Go ahead, Alan.

11 MR. BALCH: Alan Balch, California Thoroughbred
12 Trainers, with great appreciation to my former friend, Mr.
13 Alfieri, for calling me up here. I don't envy the Racing
14 Board this difficult task of making a decision under these
15 circumstances. I'm very thankful I'm not a Commissioner.

16 To get to what Mr. Alfieri asked me about, our
17 Board has not met on this particular issue, so I can't
18 really speak with any CTT authority on the item that's
19 before you. I have my own personal opinions, but I think
20 I'd be remiss if I stated them on the record because I'm
21 sitting on the fence.

22 Naturally, there are trainers who do want to run
23 at Ferndale, and there are a great many more trainers who
24 would prefer to stay in the south. But I think you should
25 hear from the people like Andy Mathis and so forth who are

1 experiencing firsthand what's going on now and maybe can be
2 more helpful to you than I can.

3 But thanks again, Dennis.

4 CHAIR FERRARO: Josh.

5 MR. RUBINSTEIN: Good morning, CHRB Commissioners
6 and staff. Josh Rubenstein with the Del Mar Thoroughbred
7 Club. As Del Mar has been brought up a couple times, I
8 thought it would be helpful if I came up to correct the
9 record.

10 First, on the topic of showing Northern California
11 at Del Mar, we allocate 60 percent of our televisions to our
12 live product, live racing on Del Mar, and 40 percent of
13 monitors to imports. Of that 40 percent, 25 percent are
14 allocated to the northern Signal. And it also should be
15 noted that in 2024, Humboldt was responsible for 2.2 percent
16 of handle on those imported races.

17 Regarding, and this was brought up a couple times,
18 the special conditions for formerly Northern-based horses in
19 the south, Del Mar would very much like to continue that
20 with this new single-circuit approach that we have in the
21 state. However, we've been very consistent from day one
22 upon the closure of Golden Gate Fields that we will not
23 compete with the north. So if the Board chooses to allocate
24 dates to Humboldt or another fair, we will not be in a
25 position to offer those races for horses formerly based in

1 the north, as the gentleman from Humboldt said earlier, that
2 they will be recruiting Southern California trainers, and I
3 think they've heard, they said, from stables that represent
4 about 100 horses.

5 So unfortunately, we'll be in a position, we will
6 have to stand down on writing those conditions, which, as
7 Bill said earlier, have been very successful and have helped
8 Santa Anita's handle and the overall growth of California
9 racing with the single circuit approach.

10 I'm happy to answer any questions.

11 CHAIR FERRARO: Questions on the Board?

12 Thank you. Do we have -- thank you.

13 Andy Mathis.

14 MR. MATHIS: Well, I didn't bring any blank checks
15 or bank statements, so -- which I can assure you are not
16 very exciting. My name's Andy Mathis. I've been training
17 primarily in Northern California for the last 25 years. I'm
18 also a north member of the TOC.

19 The last couple of years have been extremely
20 difficult on the horsemen and women of Northern California.
21 It began in July '23, when they announced closure at Golden
22 Gate Fields. After a brief extension, they closed their
23 gates, and several months later, with high hopes and
24 optimism, we began racing at Pleasanton with Golden State
25 Racing.

1 Months later, that meet came to a sudden and
2 abrupt ending. At this point in time, with limited options,
3 the horsemen and women of Northern California were asked to
4 support racing in Southern California. And support it, we
5 did, with nearly 800 entries and 73 races restricted to
6 Northern California, giving Santa Anita one of their best
7 meets in recent years.

8 In recent weeks, I've been asking the same
9 trainers from Northern California if they would have any
10 interest in running at a Ferndale meet. I seem to get the
11 same answer time and time again; people have moved, they've
12 moved their homes, they've moved their families and their
13 businesses. The answer was the same, it was a, no, they
14 would not be running at Ferndale.

15 I spoke to a total of 17 trainers, 11 of them were
16 asked to be put on a list, the other 6 didn't want to be.
17 Of those 11 trainers, they combined for 312 starts at the
18 Santa Anita winter meet with earnings of \$1.264 million.
19 Those same trainers last year at Ferndale ran five horses
20 with earnings of \$4,900. Whether it was the location, the
21 lack of opportunities, or a variety of reasons, the answer
22 from the trainers that I spoke to was a no on Ferndale.

23 And that was it.

24 CHAIR FERRARO: Any questions from the Board?

25 COMMISSIONER ALFIERI: I'm thankful that we hear

1 from a trainer and assistant spokesman for Mr. Balch.

2 CHAIR FERRARO: Okay, thank you, Andy.

3 MR. MATHIS: Alright. Thank you.

4 CHAIR FERRARO: Can we hear from Ty Green, please?

5 MR. GREEN: Hello, my name is Ty Green. I'm the
6 Chairman of the North Racing Committee on the TOC. I'm also
7 the vice Chairman of the CTBA. I'm speaking here only on
8 behalf of the TOC and the North Racing Committee.

9 I also want to make it clear that the north Racing
10 Committee for this purpose is pretty much Andy and I.
11 Because John has an interest in Bernal Park, we haven't
12 really consulted with him on this. I can tell you knowing
13 John that John would say, let's race, you know, let's race
14 now, and anywhere we can. So I think, I just want to make
15 it clear who we're speaking on behalf of.

16 I also want to let everybody know that this has
17 been a very difficult thing for us to contemplate. Andy and
18 I have talked about it a lot. We want racing in the north.
19 We fought for racing in the north when we could before.

20 You know, personally, I was in 4-H. I was in FFA.
21 I showed pigs at the Kings County Fair, the Fresno County
22 Fair, the State Fair, Cal Palace, and I know how important
23 fairs are.

24 I also live in Paso Robles -- I mean, San Luis
25 Obispo, and Paso Robles Fair is thriving without any horse

1 racing. But the reason for that, just to be fair, is they
2 have entertainment, so they bring in top-line entertainment.

3 But what I also wanted to do is get across to
4 everybody that we had thought about this enough that I had
5 encouraged some talks with Ferndale as to whether there
6 could be a compromise. Is there any way we can look at this
7 and, you know, is it all or nothing, or are we going to
8 have -- or can we come up with something that would work?

9 And I think it was two weeks ago, I spoke with Mr.
10 Titus and Mr. Gomes (phonetic), I believe it was, and I
11 asked him that question: Is this an all or nothing, or can
12 we -- is there something we can talk about to try to make
13 this work? And the response back was, and again this is not
14 to slight or anything because I appreciate the position
15 they're in, but their response was, we have to have
16 everything or it doesn't work.

17 I did point out to them that last year when they
18 got the three weeks, that the north Racing Committee had
19 pushed for that hard over some objection because,
20 historically, Ferndale has only been two weeks. And I think
21 those two weeks, one of them maybe both overlapped with
22 Golden Gate. But we pushed for that hard last year for a
23 couple of reasons. One is there was a huge gap between the
24 what I think was Sacramento maybe being the last fair and
25 when Fresno started, so there was a huge gap in there, and

1 there were horses training up here. And those horses either
2 had to ship down south or find some place to run. And we
3 thought, well, let's give them an extra week at Ferndale.

4 But the main reason we pushed for an extra week at
5 Ferndale was something that was brought up earlier was to
6 give Golden State Racing a chance to basically get some
7 money together to try to give them a jumpstart on the Golden
8 State Racing meet. And that money carried over, the
9 \$350,000 carried over into that. But we were very clear
10 with CARF, it wasn't the folks from Ferndale because we
11 didn't talk to them, but we were very clear with CARF at the
12 time that we can't support three weeks in the future. This
13 is a one time, not one time, this is special, unique
14 situation where we're trying to give the north racing as
15 much chance as we can to make it work.

16 So that, I just wanted to give you that
17 background. The North Committee doesn't support the
18 Ferndale application, and that's a difficult thing to do
19 because we want to support racing wherever we can. And one
20 of the problems that Andy and I have had is we don't really
21 know who we represent anymore as the North Racing Committee
22 in a way. There is no north racing. I mean, there's people
23 from the north that went south. There's people from the
24 north that went to Washington. And so what the conclusion
25 we've come to, and right or wrong, is we represent the

1 people that were the northern people that raced up here that
2 were relocated. And that's the owners and trainers who are
3 racing down there. And we also are looking out for what we
4 think is best for California racing. It's just our opinion.

5 Our concern is that Ferndale, I think it's a very
6 fun meet, I think county fair meets are important and I hate
7 to see them go because the North Racing Committee, John,
8 Andy, and I both got into horse racing. You know, John and
9 I were at the Fresno Fair, and I think Andy was at the
10 Sonoma County Fair. And so without those, Mr. Titus said
11 something earlier about the future of horse racing, and it
12 concerns me.

13 I'm also concerned about the lower-end horses.
14 I'm very concerned about it. I probably disagree with Mr.
15 Nader a little bit on the timing of when we need to address
16 that. I think if we don't address the lower-end horses
17 quickly, we're going to lose them. We're going to lose
18 breeders. And so I think that's something that's important,
19 and that's the background I bring to this.

20 The problem is I don't see Ferndale helping that
21 at all. Ferndale's always been kind of an outlier on the
22 northern Circuit. A few people go up there now and then. I
23 did my own research, which I don't mean to -- I know that
24 term has its own connotations now, but I sat down with
25 Equibase and I went through and looked at the last few years

1 of Ferndale. I didn't pay that much attention to last year
2 because it was kind of an aberration, but I did look through
3 it, and there were more, clearly more people from Northern
4 California, trainers, running at Ferndale last year than
5 they had before. But when you look at the purses paid, even
6 if they double them, and you look at the participation of
7 people who are the people that make the circuit run, I
8 couldn't see Ferndale having any significant impact on
9 California racing. And as much as I would love to support
10 that, I just don't see that happening.

11 At the same time I look at that, I look at the
12 people that packed up in the north, moved down south, and I
13 see that that small -- it's not an insignificant -- it's not
14 of no benefit but it's an insignificant benefit in the
15 overall picture from Ferndale, is going to be outweighed by
16 nearly \$2 million moving from the south to the north. And
17 again, I hate this south-north thing. Right now, we're all
18 running on one circuit. But that's going to hurt the purses
19 for the northern California Horsemen that are down there.

20 And you heard Del Mar say, and Del Mar, to their
21 credit, I don't know that I agree with them, but to their
22 credit, they've said this from day one, if there's racing in
23 Northern California, the redirect money stays in Northern
24 California, then we're not going to accommodate Northern
25 California horses down here. We're not going to. They've

1 said that from the beginning.

2 So when I'm sitting here representing the north,
3 who I think is the north, who the best guess I can make
4 right now of who I'm representing, and I look at what would
5 happen if Ferndale's approved and the insignificant benefit,
6 I can't help but come to the conclusion that I can't support
7 it. I say that because I -- I say that, knowing that it
8 might have a big impact on Ferndale, but I'm also here
9 representing horse racing. I'm not here to fund Ferndale's
10 fair, unfortunately, and I don't know if there's some other
11 way to do that. I try to come up with some kind of
12 compromise, but that's my position.

13 I'm happy to answer any questions.

14 VICE CHAIR GONZALES: Mr. Green, you brought up a
15 very, very important question. So if the TOC's not
16 representing the north, and there literally are hundreds and
17 hundreds of farms, workers, racetracks, then who is the
18 voice of Northern California horsemen?

19 MR. GREEN: Well, with the TOC, I didn't say we
20 weren't representing Northern California, Mr. Gonzales. I
21 said that we're trying to figure out who the north is right
22 now. I mean, remember, we're the Thoroughbred Owners of
23 California.

24 VICE CHAIR GONZALES: Yeah.

25 MR. GREEN: And so I'm looking at owners, which,

1 you know, owners are kind of hard to gather in a group, so
2 you kind of have to go through trainers.

3 VICE CHAIR GONZALES: Yeah.

4 MR. GREEN: So that's what we're representing.
5 It's not -- it's uncertain, at best. We're in uncertain
6 times and we're trying to navigate an uncertain course right
7 now, and that's the best we can do.

8 VICE CHAIR GONZALES: So is it fair to say that
9 it's uncertain who the voice is? We just heard from CTT.
10 Let's just say, they're neutral with some trainers. The TOC
11 has had, before you, Mr. Mathis, Mr. Harris, three other TOC
12 Northern Cal that left in anger.

13 Let me. I'll answer that for you. There is no
14 voice for Northern California horsemen. There is not a
15 collective voice, period. The only one that can come close
16 to that are these governor appointees that are Senate-
17 confirmed to try to understand that there's no voice. And
18 in this country, the most American thing to do is to
19 identify where the voiceless is. Who are the people who are
20 disenfranchised? Then it's the government's opportunity to
21 come in and to elevate their voice.

22 So all I'm saying, I don't mean to get in a
23 debate --

24 MR. GREEN: Well --

25 VICE CHAIR GONZALES: -- but it is very clear,

1 I'll say it again, there is no voice for Northern California
2 horsemen, a collective voice.

3 MR. GREEN: Yeah.

4 VICE CHAIR GONZALES: And I believe one is needed
5 sooner than later. That's all I'm going to say.

6 Great presentation, I really have a lot of respect
7 for you. Mr. Mathis and Mr. Green, you're in a very tough
8 spot. And I hope to see you in Ferndale for racing this
9 summer.

10 MR. GREEN: Thank you. The respect is mutual.

11 VICE CHAIR GONZALES: Thank you, sir.

12 Leonora Miranda; is that correct? Did I pronounce
13 that correct? Sorry. Leonard, it's a Leonard.

14 MR. MIRANDA: Yes, I'm Leonard.

15 CHAIR FERRARO: Okay. Sorry.

16 MR. MIRANDA: Thank you for this opportunity. I'm
17 actually -- this is a strategic move because I actually came
18 up here to come and make comments in the public comment
19 section. But listening to all the discussion, I concur that
20 you guys have a very unenviable position. It's a very tough
21 struggle that we've seen in thoroughbred racing.

22 I know I only have two minutes, so maybe part of
23 this I can use and expand, but after listening to that
24 presentation from the gentleman from Ferndale, I was
25 thinking, man, I want to get up there. That sounds, really,

1 what we love about racing, right, the people, the
2 hospitality. And then I understand the position of the TOC
3 and racing in general.

4 So I would -- my initial inclination was to
5 support what was going on up there. And after hearing the
6 other comment, I think if there's a hybrid of what they're
7 asking for, carving into a little bit of that, just to keep
8 the footprint of racing in California, in Northern
9 California.

10 I failed to mention, you know, I represent myself
11 as an owner. I am not part of any board. I'm an owner who
12 loves the industry. We race in Southern California
13 primarily, but I used to love to go to Golden Gate to watch
14 our horses race there. I've met some of the trainers up
15 there, and it's a salt of the earth-type sport. And I hope
16 we can keep it going in California.

17 But just listening to all the discussion, you'd
18 have to defer back to the subject matter experts that I've
19 already spoken. And it sounds like it's, there is a voice.
20 I think there is a voice but we created this line between
21 the north and the south. And anything that has to do with
22 politics becomes politics.

23 I might not even need to come back to public
24 comment since we're now discussing this, but I had come up
25 here to say, I appreciate when I can hear a congressman's

1 name mentioned at this Board. Mr. Huffman, I believe is the
2 name that you threw out.

3 VICE CHAIR GONZALES: Yes.

4 MR. MIRANDA: I appreciate it when someone can
5 bring some statistics and say, hey, look, I'm a Northern
6 California guy. I love Northern California. I believe Andy
7 wasn't too excited about coming down to the south, but
8 economics drives him there, but he is a voice for Northern
9 California. But the reality is we're having to take some
10 medicine that none of us want to take. And nobody likes a
11 dentist. And that's the only thing I can compare Mr. Nader
12 to is he's the dentist. But we need the dentist to tell us
13 what's going on.

14 So I appreciate what you do. I appreciate. I've
15 listened and monitored these meetings for quite a while. I
16 was going to wait for you guys to come down to Del Mar, a
17 little closer to my home, and maybe jump in on one of these.
18 But I was inspired by the last meeting when I heard people
19 like Justin Oldfield, you know, who's a young man who says
20 that he felt it was his and his wife's responsibility to
21 carry this sport and this legacy into the future.

22 And then I have to commend Mr. Schmitt and commend
23 Mr. Harris, who are bringing their own capital to the
24 table --

25 VICE CHAIR GONZALES: Mm-hmm.

1 MR. MIRANDA: -- to save this vessel.

2 When I hear a mention of a congressman, I think
3 that's fascinating because I don't hear that much in the
4 south. And you are all the ambassadors between us and those
5 policymakers.

6 VICE CHAIR GONZALES: Right.

7 MR. MIRANDA: And I think the policy makers are
8 absent. And I'm not faulting them. In 2019, it was not
9 politically expedient to be supporting racing. I believe
10 the industry is shifting and we need more of a voice from
11 our politicians to take a position.

12 And I can stop now, because I don't want to get
13 off topic, sir. I want to stay within the realm of this
14 issue.

15 CHAIR FERRARO: I appreciate that.

16 MR. MIRANDA: So I'm going to come back at public
17 comments to wrap that up.

18 VICE CHAIR GONZALES: Thank you, Leonard.

19 MR. MIRANDA: Thank you.

20 CHAIR FERRARO: Allen Aldrich.

21 MR. ALDRICH: Hello. Allen Aldrich, owner for 40
22 years, California, Northern California, ex-TOC Board member
23 from 2015 to 2020.

24 I just want to say to the point, in the past,
25 we've heard Bill Nader talk about benchmarks. Ferndale's

1 meeting that benchmark. They're going to raise their purses
2 25 to 30 percent. The biggest part is we've lost 200 -- we
3 haven't talked about Emerald Downs. The horses that are
4 left there -- being a Board member at Pleasanton also -- 250
5 horses left to go to Emerald Downs. They didn't take the
6 free ride to Southern California. They paid to go double
7 the distance. In order for us to bring those horses back
8 into the fold, Ferndale's very important. It will be a
9 leeway back into California, it will be a leeway back into
10 the end of Del Mar and to Santa Anita.

11 So I think the points are very simple, increase
12 purses. They had an underpayment last year of \$300,000.
13 I've been a big supporter there for 40 years. I've won
14 races. I've been blessed to have an Eclipse Award winner.
15 I've won the Del Mar Debutante a week after getting beat in
16 the Humboldt County Marathon by a nose, and that hurt.
17 Luckily, we won the Del Mar Debutante a week later.

18 But I just think Ferndale, I know a lot of you
19 haven't been to Ferndale, once I went there in 1982, I've
20 never missed a year since. And I support all of racing in
21 California, always have and always will. So I'd appreciate
22 your approving the, at least, the dates today for Ferndale.

23 Thank you.

24 CHAIR FERRARO: George, I'm going to give you the
25 last word here.

1 MR. SCHMITT: Thank you, Mr. Chairman. I'm
2 sitting here thinking about some stuff I learned a long time
3 ago. A few hundred years ago, there was a God that the
4 Scandinavians worshiped. His name was Odin. And there's an
5 old Scandinavian saying, Odon: "Odon helps the needy, not
6 the greedy." And what we see here is the greedy in Southern
7 California trying to kill a little tiny fair.

8 Now the fair in Ferndale has said, they can't
9 guarantee that they'll have a carnival the third week, but
10 the rest of that fair will still be there. It's not like
11 they're not going to have a fair. They just have not been
12 able to get a contract for the third week with the carnival
13 yet. I don't think that whether there's a carnival there or
14 not should determine whether there's horse racing there or
15 not.

16 In the event that they have this great, big
17 overpayment everybody's talking about, that's just great
18 because an overpayment of the purse account goes to the
19 people who won horse races and won money while they're
20 running there. So if they have this big windfall that
21 everybody's talking about up in Humboldt County, and it ends
22 up in the purse account, guess what? Everybody who raced
23 horses there is going to get that money.

24 I have about 40 horses that are at the track or
25 ready to go to the track. I'm shipping some to Wyoming the

1 first of the month, but every other horse that I have in
2 California will be at the Humboldt County Fair. Not all of
3 my horses are stakes horses, but I've won graded stakes
4 races at every level, at every track in this state. And if
5 I have one of those this year, they will be at Humboldt
6 County.

7 And I also need to say that Bernal Park Racing
8 will fully support financially everything they need at
9 Humboldt County, the infrastructure, the people, the
10 guarantees, and everything else. It is important that you,
11 as a Board representing the State of California, not abandon
12 Humboldt County and give them their three weeks of dates,
13 and not just let everything flow to the greedy in the south.

14 Thank you very much.

15 CHAIR FERRARO: Thank you.

16 Questions or comments from the Board?

17 COMMISSIONER HUDNUT: I have a question, Mr.
18 Chair. I was not around, and certainly not on this Board,
19 when the determination was made as to reciprocity of signals
20 from north to south. But it has always been my
21 understanding that that was based on a notion of relative
22 parity, relative equality. Obviously, it came into being
23 when there was still a Golden Gate Fields, and it was more
24 prosperous on its own than the individual fairs were.

25 So I just, I'm seeking clarification on that.

1 Some people in this room remember when that regulation was
2 passed and can comment on whether it was indeed based on
3 relative equality and parity.

4 EXECUTIVE DIRECTOR CHANEY: My history only goes
5 back five years, but I think that was the concept. I don't
6 know what -- it's statutory, and obviously the north gets
7 the south signal for free, and vice versa. But from what I
8 understand with respect to the statutory construction, it
9 was more even at the time. I don't think it's I'm speaking
10 out of turn to recognize that there is an equality now;
11 right? I mean, the north signal is just, it's not worth
12 what the south signal is at this point. But I think when it
13 was originally passed, probably more than 20 years ago, you
14 know, when simulcasting first started, the concept was, you
15 know, they would exchange their signals for free --

16 COMMISSIONER HUDNUT: Great.

17 EXECUTIVE DIRECTOR CHANEY: -- and then,
18 obviously, negotiate with other states and stuff more
19 competitively.

20 COMMISSIONER HUDNUT: Racing at Ferndale, apart
21 from the existence of the Humboldt County Fair, which is its
22 own entity, racing at Ferndale is essentially dependent, is
23 it not, on ADW money from largely Del Mar and Saratoga,
24 would be my guess?

25 EXECUTIVE DIRECTOR CHANEY: Yes, that is a fair

1 statement. But to be completely fair, every track in
2 California is dependent on ADW money; right?

3 COMMISSIONER HUDNUT: Yes.

4 EXECUTIVE DIRECTOR CHANEY: It's a much, much
5 smaller scale at Ferndale. But, yes, at this point, ADW
6 represents --

7 COMMISSIONER HUDNUT: Okay.

8 EXECUTIVE DIRECTOR CHANEY: -- most of the
9 wagering in California generally.

10 VICE CHAIR GONZALES: Okay. So there's no longer
11 any expectation of equality or parity in reciprocity of
12 signals?

13 EXECUTIVE DIRECTOR CHANEY: Yeah, I mean, it's
14 actually interesting. I think with -- this was brought up
15 earlier with respect to the ADW signals and the, you know,
16 the agreements when --

17 COMMISSIONER HUDNUT: Mm-hmm.

18 EXECUTIVE DIRECTOR CHANEY: -- Golden State Racing
19 happened. And it is true that Monarch, you know, stopped.
20 I think they were in kind of a damned if you do, damned if
21 you don't kind of situation; right? Had they continued to
22 represent Golden State Racing, they would have been
23 criticized for not representing them well enough, so they
24 made the option to -- the decision not to represent them, to
25 let Churchill Downs or somebody else.

1 But the one thing we learned is that this
2 California signal in general is worth less; right?

3 COMMISSIONER HUDNUT: Yeah.

4 EXECUTIVE DIRECTOR CHANEY: We don't have the
5 bargaining power because of the purse structure and so on
6 and so forth.

7 COMMISSIONER HUDNUT: Got it.

8 EXECUTIVE DIRECTOR CHANEY: So I think it's fair
9 to say that all signals in California are probably worth
10 less than they were 15 years ago, which is a massive problem
11 we have to address, but it's also fair to say that the north
12 and the south signals are not comparable.

13 COMMISSIONER HUDNUT: Okay. Thank you.

14 COMMISSIONER HUDNUT: Commissioner Hudnut, would
15 you care to make a motion? Oh, Mr. Hudnut, would you care
16 to make a motion?

17 COMMISSIONER HUDNUT: I move that the Board deny
18 the application for racing dates at Ferndale.

19 CHAIR FERRARO: Do we have a second?

20 COMMISSIONER ALFIERI: I'll second.

21 CHAIR FERRARO: Commissioner Davis?

22 COMMISSIONER DAVIS: No.

23 CHAIR FERRARO: Commissioner Gonzales?

24 VICE CHAIR GONZALES: No.

25 CHAIR FERRARO: Commissioner Hudnut?

1 COMMISSIONER HUDNUT: Yes.

2 CHAIR FERRARO: Commissioner Alfieri?

3 COMMISSIONER ALFIERI: Yes.

4 CHAIR FERRARO: The Chairman votes yes.

5 VICE CHAIR GONZALES: Three -- four votes, it goes
6 down.

7 COMMISSIONER HUDNUT: Can we take a break?

8 CHAIR FERRARO: Yes.

9 VICE CHAIR GONZALES: Well, I'd like to -- let's
10 do another motion before we take a break, because I move,
11 because that is the item on the agenda, that we approve
12 Ferndale, that we approve Humboldt County's race dates.

13 CHAIR FERRARO: We just --

14 VICE CHAIR GONZALES: No, you voted to not do it,
15 I'm voting to do it.

16 EXECUTIVE DIRECTOR CHANEY: So right, right now,
17 just for clarification for those listening, in order for the
18 Board to take any action, it needs four votes, that's
19 statutory. So right now, the Board has taken no action on
20 this request.

21 VICE CHAIR GONZALES: Well, I'm making a motion
22 that we approve. Maybe there will be a change of heart.
23 Maybe the Board will look into the eyes of the men and women
24 in this room and understand their responsibility to the
25 state of California and understand the responsibility that

1 each and every one of us had when you went before Senate
2 rules and you went before -- you made it so far to the floor
3 of the Senate, and we have the Senate Pro Tem, the member of
4 Congress, and hundreds of individuals. And this Board --

5 CHAIR FERRARO: You're restating.

6 VICE CHAIR GONZALES: -- and this --

7 CHAIR FERRARO: You're restating that argument,
8 Oscar.

9 VICE CHAIR GONZALES: Well, this Board, I just
10 want to just make that clear.

11 COMMISSIONER HUDNUT: Make -- make --

12 VICE CHAIR GONZALES: No, because you're -- I
13 mean, I'm just trying to --

14 CHAIR FERRARO: Well, make your motion and we'll
15 second it and gone from there.

16 ADMINISTRATIVE LAW JUDGE LOCKER: Okay, that's
17 great. So I move that we approve the application for
18 Humboldt County Fair.

19 COMMISSIONER DAVIS: Davis seconds.

20 COMMISSIONER ALFIERI: Can we have some
21 discussion?

22 CHAIR FERRARO: Yes.

23 COMMISSIONER ALFIERI: It's very difficult to deal
24 with this, and because I hear all the sides and the
25 professionals and the horse owners, and haven't heard really

1 from the breeders because I know they're still breeding, I
2 think, here in California. But I kind of like your comment
3 you made earlier, Mr. Chairman, about why don't we study
4 this for a year? Why don't we take a pause and see?

5 Because to me, this is very disjointed.

6 It's, you know, I'm hearing from people that say,
7 well, we're going to put up all the money. Great, where
8 were you a year ago when we had this same discussion? We
9 saw this happening a year ago and then Golden State Racing,
10 they didn't make it. CARF didn't make it. And this is very
11 troubling.

12 I'm more worried about racing, Oscar, Mr. Vice
13 Chairman, in the state of California. And now what we're
14 doing, we've had a nice, great year in the south, albeit
15 Northern California horsemen have come to the south. Santa
16 Anita stuck to their pledge of doing all we can and they did
17 it. And the horsemen are winning down there. I've been to
18 those races. Northern horsemen, they've moved their
19 families, they've uprooted and they've made a sacrifice, but
20 it's working.

21 And now I'm hearing from Southern California
22 trainers who are on the verge of moving to Kentucky and
23 other states because the purses were terrible two years ago,
24 right, and going down, down, down. And we're hearing this
25 down there in the south. Those same trainers are very happy

1 because Santa Anita, and now Del Mar announcing that they're
2 going to raise their purses, we're stabilizing horse racing
3 in this state in the south. And that's the bottom line.

4 Why not take a year, get your ducks in order, come
5 back to this Board with a plan, a solid plan that we can
6 understand. The application was full of holes. Everything
7 is last minute here. It's not right. You want to save
8 northern horsemen in the north and Ferndale? I have nothing
9 against Ferndale. I love the fairs.

10 I ask the question: Tell me, explain to me, does
11 the fair, not horse racing, does the fair make any money?
12 Is it still viable? Do people come? The grandmother with
13 her apple pie that she submits, all the agriculture, you
14 know, they're there. Those people are there. I want to
15 understand, can the north -- and it's on shaky ground,
16 Humboldt County Fair Racing, Ferndale.

17 I'm just not going to vote for it, period. Come
18 back in a year. What's wrong with that? Come back with a
19 plan. Have the Business Affairs Office of the state get
20 involved, do a study, work with the horsemen, work with all
21 the stakeholders, come up with a plan. This is not the end
22 of the world here. And a lot of the northern horsemen are
23 coming to the south, 380 some horses.

24 I mean, I'm sorry. That's my --

25 CHAIR FERRARO: Okay. Well, we --

1 COMMISSIONER HUDNUT: I don't mean to get
2 emotional but that's my --

3 COMMISSIONER HUDNUT: -- we have a motion and a
4 second to approve the allocated dates. So let's vote.

5 VICE CHAIR GONZALES: Not the application, the
6 dates; right? I'm sorry.

7 CHAIR FERRARO: The dates, right.

8 VICE CHAIR GONZALES: We're doing the dates.

9 COMMISSIONER ALFIERI: The dates.

10 EXECUTIVE DIRECTOR CHANEY: They haven't even
11 turned in an application to (indiscernible).

12 VICE CHAIR GONZALES: So we're talking allocation
13 here, that's right. Good point.

14 CHAIR FERRARO: Commissioner Hudnut?

15 COMMISSIONER HUDNUT: No.

16 CHAIR FERRARO: Commissioner Alfieri?

17 COMMISSIONER ALFIERI: No.

18 CHAIR FERRARO: Commissioner votes no?

19 VICE CHAIR GONZALES: I'm a yes.

20 COMMISSIONER DAVIS: Yes.

21 CHAIR FERRARO: Motion fails.

22 VICE CHAIR GONZALES: Mr. Chairman, if I could
23 just make a comment? I believe because there is an impasse,
24 I would encourage Humboldt to come back. By then we will
25 have Commissioner Castellanos. There is a vacancy that

1 exists. I think those two individuals could be decisive.
2 But you will fall well within the 90-day window, so I would
3 not lose hope or faith in any way.

4 But I will say that this Board at a meeting not
5 too long ago with Mr. Chairman and with Mr. Alfieri saying
6 right after that this Board would have the back of the
7 north. Let me repeat that. Ms. Allen Jackson, a prominent
8 breeder and owner not far down from here off the 80 Freeway
9 in Dixon said, "What will be our assurance?" And Mr.
10 Chairman, you said, "We will have your back."

11 CHAIR FERRARO: That's a misquote.

12 VICE CHAIR GONZALES: And then Mr. Alfieri said --
13 a misquote? You said that directly.

14 CHAIR FERRARO: No, she asked -- that's not what
15 she asked.

16 VICE CHAIR GONZALES: Please clarify.

17 CHAIR FERRARO: She asked, "Who will guarantee
18 Santa Anita's keeping up to their promises regarding
19 payments?" I said, "The Board will back that up." We did
20 not promise to back up racing in Northern California.

21 VICE CHAIR GONZALES: Okay. Well, so, again, if
22 this Board gives a word, remember words matter at this
23 particular table, and all I'm saying is a lot of people are
24 watching how we govern. And right now the jury is out on
25 government in general. We have an opportunity here in

1 California --

2 CHAIR FERRARO: But the jury's not out.

3 VICE CHAIR GONZALES: -- and this --

4 CHAIR FERRARO: We've had a vote here and the vote
5 was declined.

6 VICE CHAIR GONZALES: Well, I'm just trying, what
7 I'm trying to do is let the audience know who came from very
8 far, especially the Humboldt. It's a very long drive.
9 Thank you for being here. You presented an excellent case.
10 And I believe that you're only going to be getting even more
11 support --

12 CHAIR FERRARO: We'll take a --

13 VICE CHAIR GONZALES: -- going to next month's
14 meeting.

15 CHAIR FERRARO: We'll take a break and then we'll
16 have public comment period.

17 (Off the record at 11:40 a.m.)

18 (On the record at 11:52 a.m.)

19 EXECUTIVE DIRECTOR CHANEY: Yeah, we're going back
20 on the record.

21 Do you want me to introduce the item?

22 CHAIR FERRARO: Yes. Yes, you do it.

23 EXECUTIVE DIRECTOR CHANEY: Okay. I think we're
24 up to item number six, which is a report and discussion on
25 CHRB/CAHFS Postmortem Program, Fatality Review Program for

1 fiscal year 2023-2024.

2 This is a kind of a yearly talk that you give, Dr.
3 Uzal, so thank you. Sorry about the -- I don't know if this
4 is a difficult few items to follow, but we appreciate you
5 coming and educating the Board. So thanks so much.

6 DR. UZAL: My pleasure. Thank you. This is
7 probably not as exciting as the allocation of racing dates,
8 but I'll do my best.

9 So I am, for those of you that have not seen me
10 before, I'm a pathologist. So I open up dead animals for a
11 living. I'm a veterinarian, but all my patients are dead
12 patients. And what we do is -- since 1990, and you probably
13 know this, it's a requirement that every horse that dies on
14 California racetracks under the jurisdiction of the Board
15 undergoes a postmortem examination. And that's what we do.

16 In addition, in 2020, HISA, the Horse Racing
17 Integrity and Safety Act, was passed by Congress, and
18 necropsies are now mandated for all horses at covered
19 racetracks throughout the nation. We are 35 years -- ah,
20 thank you for that, yeah -- 35 years ahead of that, but
21 that's good.

22 So how do we do it? We started in 1990, quickly
23 became a national and international model. People come from
24 all over the country and all over the world to see what we
25 do. As of the end of June last year, we have done

1 postmortem examinations of that number, see, 7,614 horses.
2 And the goals of the program are to determine the nature of
3 the injuries occurring, to determine the reason for the
4 injuries, and when possible, and I think we've been quite
5 successful with this, to develop prevention strategies.

6 There are three main actors. The racetracks bring
7 the animals to us. This is not minor, because bringing the
8 horse is very expensive. We do the necropsies and produce
9 reports, and the Board pays for the work we do.

10 So the California Animal Diagnostic System has
11 four laboratories throughout the system, Davis, Turlock,
12 Tulare, and San Bernardino, and three of us do postmortems.
13 Most of them are done in my laboratory. I come from San
14 Bernardino. Davis does a few, and Tulare does very few, but
15 occasionally they do some from the Central Valley.

16 Horses are brought to us and we do a full -- it
17 doesn't matter whether it's a broken leg or it's a colic, we
18 always do a full necropsy. This is important, because some
19 states in the U.S. don't do it, it takes a lot of time to do
20 a full necropsy of a horse. If there's a fracture, we
21 always examine the affected leg and the contralateral leg.
22 We do toxicology. And we do other tests as deemed
23 necessary. And basically, we look for the musculoskeletal,
24 that's the bones, and other organs.

25 For the musculoskeletal, so the catastrophic

1 fractures are the most prevalent cause of death in red
2 horses, not just in California, all over the world. The
3 great majority have pre-existing conditions, and this, if
4 you walk out of here today, and this is the only thing that
5 you remember, I'll be happy, so this is a take-home message.
6 Will you remember this, please? Anybody flew here today on
7 an airplane to come here? Okay. Anybody sat on the
8 emergency exit? You know when the flight attendant comes
9 and says, sir, madam, if there's an emergency, I need you to
10 help, I need a verbal yes, have you heard that before?
11 Okay. So when I ask you a question, may I please have a
12 verbal yes? So will you remember the take-home message?

13 ALL PRESENT: Yes.

14 DR. UZAL: Yeah, thank you. Okay, so this is
15 important, because that means we can prevent, and that's
16 what we've been doing over the past 30 years.

17 This is a photo that I've been showing for years.
18 This is a racehorse that was racing. Look at this, this is
19 the bottom part of the cannon bone. Look at that. Can you
20 imagine this in your own joints? Absolutely painful. And
21 that's a catastrophic fracture. That's the one that made
22 the horse being killed. But this was there.

23 This is another one. Look at this, cannon bone.
24 This is a much more recent one. That if you cut it like
25 this with the bandsaw, see that's all dead bone. And that's

1 a predisposing factor for this. This is a fracture. This
2 is the one that killed the horse.

3 Okay, so when we look at the musculoskeletal
4 system, we basically follow three steps. We look at the
5 acute injury, the associated pre-existing lesions, and then
6 the soft tissue lesions.

7 This is a fetlock. See, that's a fetlock. And
8 this is an easy one. This is clearly a brutal, acute
9 breakdown. Those are the sesamoid bones, the ones that are
10 behind the fetlock. These are pre-existing lesions. These
11 are humerus, this bone, this bone here. This is left and
12 right seen from behind. You can see there, that's a
13 catastrophic fracture. That's the one that killed the
14 horse.

15 But see that inverted triangle there that you can
16 see it in both bones? Can you see it? The airplane rule?
17 Yes? Thank you. Okay, that was there. And that was there
18 for weeks. And that, we can pick it up with imaging. And
19 if we pick it up, we prevent the catastrophic fracture.

20 So once again, and I'm sorry to be such a pain
21 with this, but pre-existing injuries that predispose to
22 catastrophic fracture develop over weeks to months, which
23 gives us an opportunity for intervention and prevention.

24 And then, number three are the soft tissue
25 injuries. This is the deep digital flexor that's

1 superficial. This is on the backside of the cannon bone.
2 This is normal. Look at the other leg. This is swollen and
3 hot and very, very painful.

4 So the number one lesson, 90 percent of
5 catastrophic fractures occur on top of pre-existing lesions,
6 and this is a take-home message.

7 So other organs. This is a colon of a horse. Who
8 are the veterinarians in the room? We have some
9 veterinarians; right? Come on. So what's your diagnosis,
10 Jeff? Yeah, pridorsal (phonetic) colitis. And this is
11 caused by non-steroidal and inflammatory drugs.

12 Another one, for this, I don't think you need to
13 be a veterinarian; right? See the pneumonia? This is the
14 two lungs, one and the other one. This is more or less
15 normal. All this is pus and fibrin and crap. That's what
16 kills the horse.

17 Wobblers. So this is the neck of a thoroughbred.
18 That's the spinal cord. That's the one that brings the
19 information from the brain, which is somewhere here, to the
20 rest of the body. And see, that's a compression. So the
21 spinal cord is compressed and the information doesn't go
22 there.

23 This is dermatitis. This is a very recent case.
24 This is the skin, completely inflamed.

25 Anyway, talking specifically about the 2023-2024

1 report, this, I'm going to spend a couple of minutes on
2 this. This is the number of cases since the beginning of
3 the program. It started in 1990. The low number of cases
4 in 1990 is because we started in the middle of the year.
5 And that's where we are now, or that's where we were until
6 the end of June last year. So we are clearly coming down,
7 particularly the last few years. Look, that's 1920 [sic],
8 120 cases. We jumped down to 72, then 66, 65. And last
9 year, we went up a little bit.

10 But when you see that we went up a little bit,
11 last year, you need to remember, look, in 2005, we had 325
12 fatalities a year. Now we are well below the hundreds, so I
13 think we are doing very well.

14 So remember, 85 was the last year. This year, as
15 of -- this was as of yesterday, we had 84. So we are going
16 to probably surpass this 85 because we still have two more
17 months to the end of the fiscal year. And today is 85.
18 There was a fatality this morning.

19 Possible explanation why this year we went a
20 little bit higher. Last year, we had 12 cases of equine
21 infectious anemia, so they were not really fatalities, they
22 were horses that were put down because they were contacts.
23 And now, the Board is being much more strict with it.
24 Before, a horse had to die in a facility under the
25 jurisdiction of the Board to come to us. So if it went to a

1 hospital, that horse didn't come to us. Now, up to 72
2 hours, right, Jeff, after the horse leaves the facility,
3 they still come to us, and they've been coming to us from
4 hospitals.

5 These are the breeds. So as you can see, we see
6 mostly thoroughbreds. We still see a few number -- a few
7 thoroughbreds and a few Standardbreds.

8 Age, this is -- it doesn't change over the years,
9 between two and five years, most of the horses we see.

10 Activity. So the majority is training, followed
11 by non-exercise and race.

12 Month of the year, this varies every year.
13 There's no particular cluster. This year was January, the
14 last year, but this changes.

15 Gender. These are males. These are geldings.
16 These are stallions.

17 Musculoskeletal structures affected. And I'm not
18 going to walk you through the whole thing, but mostly the
19 front legs. See, this is left front, 21 cases. Right
20 front, 19 cases.

21 Organ systems. This is kind of important. See,
22 CV is cardiovascular. This is the heart. GI is
23 gastrointestinal. These are your colics. HL is
24 hemolympatic. These are the lymph nodes, the spleen. MS
25 is musculoskeletal, and these are the majority

1 traditionally, but I'll show you a graph.

2 Nervous system. Integumentary, this is skin.

3 And whole body. Whole body are usually the sudden
4 death that you can't really put your finger on a particular
5 system.

6 Look, the blue are the musculoskeletal causes of
7 death, and the red one are all the other systems, the
8 colics, the pneumonias, the encephalitis. And
9 traditionally, about between 70 and 80 percent of the cases
10 were musculoskeletal. Last year, the year before, for the
11 first time, because the musculoskeletal is coming down so
12 much, which means I think we are doing a good job, the other
13 systems, the medical cases, were a little bit higher. This
14 year, we reverted a little bit, but we are still below with
15 both. So this is a comparison between musculoskeletal and
16 medical cases.

17 And I put this because I'm sure you all been
18 following in the news and talking about sudden death, which
19 is always a headache for us because we still don't know the
20 cause. But the truth is that this -- and I just prepared
21 this yesterday for you. This is the last 10 years, and
22 these are numbers of horses with unexplained sudden death.
23 We think they are heart failure, but we don't know, we think
24 that. And see, the numbers are more or less constant. I'm
25 telling you this because you know the media, and suddenly

1 you have this explosion of media articles and discussion and
2 what's going on, and the numbers are, as you can see, more
3 or less constant.

4 So a few years ago in 2018, we started a
5 fellowship program. We hired a person that trains with us
6 to do these musculoskeletal postmortem reports. The
7 advantages are that they produce timely reports. They are
8 much more efficient. They do a really great job. And
9 these, you know, the reports, are used for the fatality
10 reviews. They are focused. They help with outreach. And
11 we are training the next generation. One day, we will
12 probably have to retire.

13 This is our current fellow, Dr. Carlos Shield
14 (phonetic). Some of you must have seen some of his reports.
15 He's a fantastic detail-oriented pathologist. He's
16 finishing in July, unfortunately. And we do a lot of
17 outreach. We do scientific publications, presentations and
18 scientific meetings. We do training workshops. These are
19 some of the -- this is our fellow, Carlos Shield, with a
20 study on radial fractures. We do meetings.

21 This is, again, a presentation by Carlos at the
22 American Association of Veterinary Laboratory
23 Diagnosticians. This was last year in Canada. And we've
24 been doing these training workshops for people from all over
25 the country and the world. This has not been funded by

1 CHRFB. We've been using the specimens and all the experience
2 we've earned over the years. This was in 2023, 2024. This
3 was actually February in Iowa, and that's Carlos Shield, our
4 fellow, explaining bones. And there's another one coming up
5 in September.

6 And we have several sponsors to whom we are
7 grateful, and lots of people that work. You know, I'm here
8 talking to you, but I talk, they do the work.

9 And this is all I have, and if you have any
10 questions, I'll be very happy to try to answer. Thank you.
11 Thank you.

12 COMMISSIONER DAVIS: Hi. Just a quick question.
13 You say most of the causes of the musculoskeletal are
14 lesions. Yeah, I'm back here. Do you know the causes of
15 the lesions?

16 DR. UZAL: Of the musculoskeletal?

17 COMMISSIONER DAVIS: The lesions.

18 DR. UZAL: Of the lesions. In most cases, we do.
19 We know that it's either overtraining, or the animals are
20 too young. It depends on the bone. They are not the same,
21 for each bone has a different -- you know, it looks like
22 it's just a broken bone, but every bone tells you a story.

23 CHAIR FERRARO: Go ahead.

24 EXECUTIVE DIRECTOR CHANEY: Dr. Uzal, I have a
25 question. With the -- I mean, obviously, the unexplained

1 ones are sort of presumed to be cardiovascular. Do you
2 think we're any closer to being able to identify them,
3 either beforehand or after the fatality occurs?

4 DR. UZAL: So we're -- from the pathology
5 standpoint, we open them up and we don't find anything, and
6 that's so frustrating. So over the last few years, we've
7 been kind of putting the load on the clinicians, saying you
8 guys need to try to find out. And now there are several --
9 and I don't know because I'm not a clinician, but they are
10 having horses running with the EKG portable equipment, and
11 they are picking up cardiac anomalies before they die. And
12 we still don't know the cause, but we think we are close to
13 being able to prevent, and they have actually prevented some
14 of this.

15 We thought about -- in a few cases, we find the
16 cause, a ruptured blood vessel, a toxic substance, but the
17 great majority, we don't. We pretty much eliminated toxic
18 substances. We don't think that these sudden deaths are
19 caused by toxicity, at least the great majority. We think
20 there's a genetic component. We don't know. People are
21 working on that, and that's all we can say.

22 EXECUTIVE DIRECTOR CHANEY: Thank you.

23 CHAIR FERRARO: Anyone else?

24 Thank you very much.

25 DR. UZAL: Thank you.

1 CHAIR FERRARO: Always appreciate it.

2 EXECUTIVE DIRECTOR CHANEY: Thanks, Doc.

3 CHAIR FERRARO: Now we have public --

4 (Colloquy between Chair Ferraro and Executive Director
5 Chaney)

6 CHAIR FERRARO: Right, right, right. Executive
7 Director's report is next.

8 EXECUTIVE DIRECTOR CHANEY: I guess that's me.
9 Thank you, Mr. Chairman. My report will be brief and
10 provide some good news.

11 I will begin with a handle report. For the month
12 of March, day racing handle was up 1 percent, night racing
13 handle was up 12 percent, and total handle was up 2 percent
14 as compared to March 2024. This is without Golden Gate
15 Field's racing, which obviously raced last March but not
16 this year. For calendar year 2025, day racing is down 7
17 percent, night racing is actually up 5 percent, total handle
18 down 5 percent for the first three months of this calendar
19 year as compared to last.

20 Next, I wish to congratulate Santa Anita Park,
21 which was named host venue for all the equestrian events for
22 the 2024 [sic] Summer Olympics by L.A. '28 Olympic
23 Organizing Committee earlier this week. This is nice
24 symmetry as the equestrian events during the L.A. Olympics
25 in 1984 were also held at Santa Anita Park. In the last

1 year or so, Santa Anita has constructed jumping and dressage
2 arenas in its infield and hosted a major show jumping event
3 last November. Commissioner Alfieri and I were able to
4 attend and can attest to the fact that it was a world
5 class -- class event. Sorry. Congratulations to Santa
6 Anita.

7 Lastly, I'd like to alert the Board to the fact
8 that last month the CHRB hired a new staff counsel, Jackie
9 Lloyd, who is here attending her first Board meeting today.
10 In the short time she has worked for the Board, she has done
11 excellent work and I'd like to publicly welcome her aboard.

12 I'm also grateful for Chief Counsel Amanda Brown,
13 who has been doing double duty for about the last six
14 months. So, thank you, Amanda.

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

16 CHAIR FERRARO: Dr. Blea.

17 DR. BLEA: Good afternoon, Chairman Ferraro, Vice
18 Chairman Gonzales, Commissioners, and Executive Director,
19 Mr. Chaney.

20 HISA and HIWU released their annual 2024 report
21 recently at the end of this past March. Both reports are
22 available on their respective websites. Some highlights of
23 the HIWU report in particular as it relates to testing,
24 investigations, and operations in California are, in 2024,
25 14,077 individual sample collection sessions occurred in

1 California thoroughbred racing. This included 5,510 post-
2 race samples, 6,877 TCO2 samples, 839 out-of-competition
3 samples, 821 official vet list samples, and 30 post-work
4 samples.

5 This resulted in 56 adverse analytical findings
6 with four of those analytical findings related to anti-
7 doping findings, and most, or 52, other adverse analytical
8 findings related to controlled medication findings; 0.40% of
9 all 2024 sample collections in California under HIWU's
10 program resulted in an adverse analytical finding. This
11 compares to 0.48% of all 2024 sample collections resulting
12 in an adverse analytical finding for the entire HIWU program
13 nationwide.

14 Following up on Dr. Uzal's excellent presentation,
15 in California racing in February, there was one
16 musculoskeletal fatality in racing, and two non-
17 musculoskeletal fatalities unrelated to racing or training.
18 In March, there was one musculoskeletal fatality that
19 occurred in racing, and one that occurred in training in
20 California. There were four other fatalities that occurred
21 related to various diseases or illness conditions.

22 Regarding the Maddy Laboratory, in February
23 testing at the Maddy Lab for CHRB, 437 primary blood and
24 urine samples, including 14 official work bloods were
25 tested. 308 out-of-competition samples were tested for EPO

1 and anabolic steroids in February. Additionally, 146 TCO2
2 samples were analyzed, primarily from Cal Expo. There were
3 two Class 4 findings, one for bute, or phenylbutazone, and
4 one from triamcinolone, and one class finding -- Class 5
5 finding for cimetidine, which is an anti-ulcer medication.

6 In March testing at the Maddy Lab for CHRB, 517
7 primary blood and urine samples, including 29 official work
8 bloods were tested. 371 out-of-competition samples were
9 tested for EPO and anabolic steroids. Additionally, 179
10 TCO2 samples were analyzed. There were four Class 4
11 findings, which included phenylbutazone, omeprazole, which
12 is also known as GastroGard, and dextromethorphan, which is
13 an ingredient found in NyQuil.

14 This concludes my report, and I'm happy to answer
15 any questions.

16 VICE CHAIR GONZALES: Thank you for that, Dr.
17 Blea.

18 A breakdown occurred this morning at Los Alamitos.
19 It was one of those shoulder injuries coming off the farm.
20 And I emailed you and Scott about that this morning. I
21 haven't had a chance to see if I got a response, but I do
22 know, with Mr. Chairman and my effort, and these type of
23 breakdowns happening at San Luis Rey, but then for some
24 reason spilling on over into Santa Anita. So this
25 particular breakdown was off the farm, as the steward wrote,

1 two or three weeks of jogging, and then would appear to be
2 galloping, which we know is an accelerated pace.

3 Could you tell me, and refresh my memory, do we do
4 a rule, or what do we need to know about that kind of
5 breakdown, which I think is very avoidable, if you ask me?

6 DR. BLEA: So to answer each question, yes, CHRB
7 has a rule in effect, it's called a training soundness
8 examination, which any horse that has not raced or breezed
9 for 90 days upon returning to the racetrack or CHRB
10 enclosure is required to have an initial training soundness
11 exam by a regulatory veterinarian, as well as an examination
12 by the attending veterinarian, before that horse is allowed
13 to begin training. Following that, the second training
14 soundness examination must occur within 30 to 45 days
15 following the initial examination.

16 The horse that suffered what is thought to be a
17 shoulder fracture this morning at Los Alamitos, that horse
18 was coming in off a layoff. That horse was turned out,
19 probably at the beginning of November, was coming back in.
20 My understanding, it had jogged several weeks and had just
21 started galloping. The report I got from Los Alamitos this
22 morning was the horse was galloping very easily this
23 morning. It wasn't at a rapid pace. It wasn't too many
24 clipping. It was a light, easy gallop. Looking at the
25 record, that horse had its initial training soundness

1 examination by a regulatory vet on March 9th of this year
2 and was awaiting the second training soundness examination
3 as required by rule.

4 So all the rules were followed, the examinations.
5 That horse passed that examination in March. Shoulder
6 fractures are frustrating.

7 Going back to Dr. Uzal's presentation, this is
8 something California has been looking at and researching for
9 years, if not decades, which was also the impetus of
10 establishing the Training Soundness Examination Rule, I
11 believe, 1846.1 and 1846.2 back in 2023. We follow these.

12 There's a subset of horses which are what we call
13 pathognomonic, typically horses coming off a layoff and they
14 go into training before they start their fast or high-speed
15 exercises. Those horses are most susceptible. We see it
16 primarily in younger horses, two to four years old. The
17 reason they're more susceptible is if you look at the bone
18 remodeling, and Commissioner Davis asked about pre-existing
19 lesions, and pre-existing lesions related to which bone
20 you're talking about, whether it's sesamoids, third carpal
21 bones, or humeral or scapular lesions, the bone is a dynamic
22 organ. It's constantly remodeling.

23 So when a horse stops exercise and active
24 training, if there's some sort of injury to any part of that
25 body, specifically a musculoskeletal injury or a bone

1 injury, the body's inordinate mechanism is to try and heal
2 that injury. It starts absorbing the injured bone and
3 laying down new bone and creating what we call remodeling or
4 stress remodeling, which to Commissioner Davis's question,
5 that stress remodeling is what we consider pre-existing
6 lesions. Whether this horse had a pre-existing lesion or a
7 callus, we won't know that until Dr. Uzal's lab finishes
8 their examination.

9 But what we do know is as these horses are turned
10 out, the body starts adapting and remodeling those bones.
11 Especially in younger horses, we see the adaptation
12 occurring in the humerus and the scapula. As that horse
13 begins training, training puts stress on those bones,
14 especially those long bones, humerus, scapula, tibia.
15 Stress remodeling occurs so that the body is able to adapt
16 to those stresses of training.

17 The imbalance occurs when training exceeds the
18 body's ability to adapt. Therefore, you develop a callus,
19 quote-unquote a "pre-existing lesion," and the end result is
20 potentially a catastrophic injury. We won't know that until
21 we get all the information back from the necropsy.

22 When they start legging horses up, and there's a
23 million ways to do it, and there's trainers that can do it
24 different ways and are successful at it, the critical period
25 for the turnout is what was, from the time the horse was

1 turned out to the time the horse returned to the racetrack,
2 what was that horse doing? Was it exercising? Was it on a
3 treadmill? Was it on a water treadmill? Was it out in a
4 field? Or was it in a 24 by 24 stall? If you have a horse
5 that's turned out in a five acre paddock for the last 60
6 days of that four month turnout, the body has a natural
7 mechanism to remodel those bones as needed based on the
8 exercise or the stress put on the body by exercising. If
9 it's confined to a stall, the body doesn't have that ability
10 to adapt and has to adapt rapidly when training begins.

11 But those details aren't available yet. Those
12 details will become available as we put together the
13 information for the mortality review when time comes.

14 VICE CHAIR GONZALES: And in your report, the kind
15 of training, the way you described it while on the farm will
16 also be in that? And so right now you're saying all the
17 rules were followed as it relates to the breakdown this
18 morning in Los Alamitos?

19 DR. BLEA: All the rules were followed. And from
20 what I understood from the report I got from the safety
21 steward, this horse came in from the layoff, I don't know
22 what he did during the layoff period, jogged several weeks
23 and then just started galloping, which is a standard, quite
24 honestly, a standard training regime for a horse coming off
25 a layoff.

1 VICE CHAIR GONZALES: Okay.

2 DR. BLEA: You see it over and over without any
3 problems.

4 VICE CHAIR GONZALES: Understood. Just trying to
5 look out for the horses, as we all are, so thank you, Doc.
6 I appreciate that.

7 CHAIR FERRARO: Anyone else?

8 COMMISSIONER HUDNUT: That was fascinating. Thank
9 you so much.

10 DR. BLEA: You're welcome.

11 COMMISSIONER DAVIS: Appreciate your explanation
12 about the remodeling. That was eye opening. Thank you.

13 CHAIR FERRARO: Thank you, Jeff.

14 Public comments? We have no public comments. I
15 thought for sure we had one, at least.

16 EXECUTIVE DIRECTOR CHANEY: Yeah, so this will be
17 agenda item eight.

18 CHAIR FERRARO: Thank you. Go ahead.

19 MR. MIRANDA: Yes, again, my name is Leonard
20 Miranda. I have Integrity Thoroughbred Racing races in the
21 south, used to race in the north when it was here. I'm
22 going to get right to it. I only have two minutes.

23 So I'm going to just read a quote from Mr. Damon
24 Thayer, who is a Republican, shouldn't even have said the
25 party, but he's a horseman like all of you are. You all

1 love horse racing. And basically what he said in an article
2 back was -- I'm just going to read it.

3 "In the next 5 to 10 years, there are going to be the
4 states that have and the states that have not the
5 horses. The haves are the states like Kentucky, New
6 York, Arkansas, Virginia, Maryland, where they have
7 built relationship with legislators and convinced them
8 of the importance of the horse industry. They have
9 achieved positive legislative wins for the state's
10 survival."

11 As I alluded to in my first part, there was a
12 recent article here in Northern California about the demise
13 of the CARF. And nowhere in there was there even a mention
14 of the political folks that are involved or have supported
15 racing.

16 My request to this Board is to actually go back to
17 the people that appointed you to these positions to petition
18 them to maybe have a hearing of some sort to bring in all
19 the subject matters from all the different representative
20 groups that are out there to discuss the merits of
21 thoroughbred racing in California and then make a
22 declarative statement that's very clear that we support
23 racing in California. When we do hear that, you will have
24 breeders start coming back, people that need to know,
25 because if we continue in the silo mode that we're in, you

1 get good news, bad news, you form these misinformed
2 alliances. There's not enough public information to say
3 what's really going on.

4 And you guys have done a commendable job. It's
5 been tough for several years. But I believe we need to get
6 the ears of the legislators, have them make a declarative
7 statement about racing. The chatter from 2019, which was,
8 you know, several people would love to see horse racing go
9 away forever, those theatrics, that noise is pretty much
10 irrelevant now. And I think that the entire environment is
11 shifting for work, laborers, and all the things that Mr.
12 Gonzales mentioned that we love, farms, families, and all
13 those things.

14 I think we need to get a true hearing to discuss
15 the merits of racing with all the legislators, because I
16 don't think they're really in tune. Maybe a couple of
17 individuals are that you know, but as a body, I do not
18 believe that they understand what you understand.

19 Time's up.

20 CHAIR FERRARO: Thank you, Leonard.

21 MR. MATHIS: Andy? Andy Titus?

22 EXECUTIVE DIRECTOR CHANEY: He left. He's
23 probably driving back to Humboldt.

24 CHAIR FERRARO: Victor Trujillo?

25 MR. TRUJILLO: My name is Victor Trujillo. I was

1 training about 35 horses at the time at Pleasanton racing.
2 And to go to the south, I tried it, it's very tough. It's
3 not going to make it for me. I started 25 horses. Best I
4 can do is two seconds. So for me, my bet is to go out to
5 Washington, and that's what I did. And if there's no racing
6 in Ferndale or anything like that, I'm going to be out of
7 business.

8 And I usually support about 30 to 35 horses on the
9 main meet. I used to win two to three races a month at
10 least. I have not won a race in how long? And all this to
11 say that races for us down south is not true. Because I
12 look at the condition book every day. And I don't know
13 where those numbers come up. And those trainers that say
14 they want to relocate, I don't believe it's true.

15 And I can tell you, I talk to a lot of my friends.
16 I have a brother. He's up in Washington for the same
17 reason, we could not win a race. I talked to Andy Ramos
18 (phonetic). Has he won a race in the last three months?
19 No.

20 So I want to let you guys know, all the numbers
21 that come up here earlier, I don't know how true they are.

22 CHAIR FERRARO: Thank you. Allen Aldrich.

23 MR. ALDRICH: Allen Aldrich, horse owner, Chair of
24 the Racing Committee Alameda County Fair. I want to follow
25 up on Victor's statements.

1 We talked about 385 horses going South. We lost
2 250 that went North to Emerald Downs. They didn't take the
3 free ride. They paid double -- they went double the
4 distance. And in order to get those back, we need that AAA
5 farm system, like Ferndale.

6 And, also, I wanted to update you on Pleasanton.
7 The track ended training on the 28th of March. We had --
8 most of those horses did go to Washington.

9 And I just wanted to thank the CTT, Alan Balch,
10 Bill Patterson while they're here, that they did an
11 extraordinary job. They had boots on the ground every
12 single day, making sure we didn't have a humanitarian
13 disaster with the grooms that had families there. And
14 presently, we have 10 trailers in our RV park that have
15 children that are going to finish out the school year. And
16 I just wanted to thank them for their help in organizing a
17 lot of that, along with Chaplain Rob. And it was very
18 important.

19 And I just thank you guys for considering Ferndale
20 today. But there's a need for that AAA farm system. And
21 those horses, we're going to lose those. They went to
22 Emerald Downs.

23 So thank you.

24 CHAIR FERRARO: Very well. Thank you.

25 We have to adjourn now for a closed session. So

1 we ask everyone to vacate. We'll reconnoiter for
2 adjournment only. You're welcome to come back for that.

3 (Off the record at 12:07 p.m.)

4 (On the record at 12:14 p.m.)

5 CHAIR FERRARO: Can I have a motion to adjourn?

6 COMMISSIONER DAVIS: Moved.

7 COMMISSIONER HUDNUT: Second.

8 CHAIR FERRARO: Commissioner Hudnut?

9 COMMISSIONER HUDNUT: Yes.

10 CHAIR FERRARO: Commissioner Alfieri?

11 COMMISSIONER ALFIERI: Yes.

12 CHAIR FERRARO: Commissioner Davis?

13 COMMISSIONER DAVIS: Yes.

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

16 (The Board adjourned at 12:14 p.m.)

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CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of May, 2025.



MARTHA L. NELSON, CERT**367

CERTIFICATE OF TRANSCRIBER

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

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

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



MARTHA L. NELSON, CERT**367

May 7, 2025