

MEETING  
STATE OF CALIFORNIA  
HORSE RACING BOARD

In the Matter of )  
 )  
Regular Meeting )  
 )

SANTA ANITA PARK RACE TRACK  
285 WEST HUNTINGTON DRIVE  
BALDWIN TERRACE ROOM  
ARCADAIA, CALIFORNIA

THURSDAY, OCTOBER 26, 2017

9:30 A.M.

Reported by:  
Martha Nelson

APPEARANCES

COMMITTEE MEMBERS

Chuck Winner, Chair

Madeline Auerbach, Vice Chair

Alex Solis, Commissioner

Fred Mass, Commissioner

STAFF

Rick Baedeker, Executive Director

Jacqueline Wagner, Assistant Executive Director

John McDonough, Chief Counsel

Phil Laird, Staff Counsel

Mike Marten, Associate Analyst

Rick Arthur, Equine Medical Director

ALSO PRESENT

Tom Aronson, Racing Resource Group, Inc.

Rick English, Los Alamitos Racing Association and Los Alamitos Quarter Horse Racing Association

Eric Sindler, Los Angeles Turf Club

Alan Balch, California Thoroughbred Trainers

Darrell Haire, Jockeys' Guild

Greg Avioli, Thoroughbred Owners of California

Robert O'Neil, Stronach Group

Jack Liebau, Los Alamitos Racing Association

Christopher Schick, Watch and Wager

APPEARANCES

ALSO PRESENT

Larry Swartzlander, California Authority of Racing Fairs

Rick Pickering, Cal Expo

James Morgan, Humboldt County Fair

Orlando Gutierrez, Los Alamitos Quarter Horse Racing  
Association

Dino Perez, Pacific Coast Quarter Horse Racing  
Association

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18. Discussion and action by the Board on the Application for License to Conduct a Horse Racing Meeting of the Pacific Racing Association (T) at Golden Gate Fields, commencing December 20, 2017 through June 19, 2018. (Note: Opening Day is December 26, 2017.) --
19. Closed Session: For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by section 11126 of the Government Code. 97
- A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," and as authorized by Government Code section 11126(e).
- B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending



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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).

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P R O C E E D I N G S

9:44 A.M.

ARCADIA, CALIFORNIA, THURSDAY, OCTOBER 26, 2017

CHAIRMAN WINNER: Good morning, Ladies and Gentleman. This meeting of the California Horse Racing Board will come to order. Please take your seats. This is the regular noticed meeting of the California Horse Racing Board on Thursday, October 26, 2017 at Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California.

Present at today's meeting are myself, Chuck Winner, Chairman; Madeline Auerbach, Vice Chair; Fred Mass, Commissioner; and Alex Solis, Commissioner. So there are only four Commissioners here at the meeting. As everyone knows, it takes four votes to pass anything.

Before we go on to the business meeting, I need to make a few comments. The Board invites public comment on the matters appearing on the meeting agenda. The Board also invites comments from those present today on matters not appearing on the agenda during the public comment period if the matter concerns horse racing in California.

In order to ensure all individuals have an opportunity to speak and the meeting proceeds in a timely fashion, I will strictly enforce the three-minute time limit rule for each speaker. The three-minute time limit will be

1 enforced during discussion of all matters as stated on the  
2 agenda, as well as during the public comment period.

3           There is a public comment sign-in sheet for each  
4 agenda matter on which the Board invites comments. Also,  
5 there's a sign-in sheet for those wishing to speak during  
6 the public comment period for matters not on the Board's  
7 agenda if it concerns horse racing in California. Please  
8 print your name legibly on the public comment sign-in sheet.

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

15           When all the names have been called I'll ask if  
16 there is anyone else who would like to speak on the matter  
17 before the Board. Also, the Board may also ask questions of  
18 individuals who speak. If a speaker repeats himself or  
19 herself, I'll ask if the speaker has any new comments to  
20 make. If there are none, the speaker will be asked to let  
21 others make comments on the Board.

22           Okay, there are -- I do want to make an  
23 announcement, and that is the -- with the change in the  
24 membership of the Board, there have been some changes with  
25 respect to the Committee assignments, so let me just quickly

1 announce those Committee assignments.

2           Pari-Mutuel and Wagering Committee, the Chairman  
3 is Jesse Choper, the Vice Chairman is Commissioner Fred  
4 Mass.

5           Legislative, Legal and Regulations Committee, it's  
6 the same, Jesse Choper is the Chair, Fred Mass is the  
7 Member.

8           Medication Safety and Welfare Committee, Vice  
9 Chair Madeline Auerbach is the Chair, Commissioner Alex  
10 Solis is the Member.

11           Jockey and Driver Welfare Committee, Commissioner  
12 Alex Solis is the Chair, Commissioner Araceli Ruano is the  
13 Member.

14           Budget, Finance and Audit Committee, Commissioner  
15 Fred Mass is the Chair, Commissioner Araceli Ruano is the  
16 Member.

17           Racing, Breeding and Stabling Initiatives  
18 Committee, Commissioner Araceli Ruano is the Chair,  
19 Commissioner Alex Solis is the Member.

20           Race Dates Committee, the Chairman is the Chair,  
21 myself, Vice Chair Madeline Auerbach is the Member.

22           And Stewards Committee is the same, I'm the Chair  
23 and Vice Chair Auerbach is the Member.

24           The first item on the agenda is the approval of  
25 the minutes from the prior meeting. Are there any additions

1 to that, or deletions? All right. Is there a motion to  
2 approve?

3 COMMISSIONER MASS: I move.

4 CHAIRMAN WINNER: Commissioner Mass moves.

5 COMMISSIONER SOLIS: Second.

6 CHAIRMAN WINNER: Commissioner Solis seconds.

7 Commissioner Mass, how do you vote?

8 COMMISSIONER MASS: Aye.

9 CHAIRMAN WINNER: Commissioner Solis?

10 COMMISSIONER SOLIS: Yes.

11 CHAIRMAN WINNER: The Chairman votes yes.

12 Vice Chair?

13 VICE CHAIRMAN AUERBACH: Yes.

14 CHAIRMAN WINNER: -- votes yes.

15 We now go to the Executive Director's report.

16 EXECUTIVE DIRECTOR BAEDEKER: Thank you, Mr.

17 Chairman.

18 As you recall, at the September meeting the Board  
19 allocated the 2018 racing dates for the Southern California  
20 thoroughbred and fair racing circuit that replicate the  
21 dates from 2017. However, we didn't read the exact dates  
22 into the record, so I will do that now.

23 Unless the Board stipulates differently, race meet  
24 date allocations are presumed to begin on the Wednesday  
25 preceding opening day and conclude on the Tuesday following

1 closing day. As such the allocated blocks' updates for 2018  
2 are as follows.

3 Beginning with Santa Anita, December 20, 2017  
4 through June 26, 2018, followed by Los Alamitos for daytime  
5 racing, daytime thoroughbred racing, June 27 through July  
6 17. The Del Mar meet will run from July 18 to September 4.

7 Los Alamitos for the Los Angeles County Fair meet will run  
8 from September 5 through September 25. The Santa Anita  
9 autumn meet from September 26 through November 6. The Del  
10 Mar fall meet from NOV 7 through December 4. And finally,  
11 the Los Alamitos daytime thoroughbred meet, December 5  
12 through December 18.

13 The actual dates these meets will run within their  
14 allocated blocks are determined when each license  
15 application is approved by the Board.

16 Several financial reports to share with the Board.  
17 We had several meets that concluded after the last Board  
18 meeting.

19 The L.A. County Fair meet at Los Alamitos was  
20 almost dead even with last year. Each year had 12 racing  
21 days. And the percentage change in average daily handle was  
22 a drop of 0.3 percent, so virtually even. There were the  
23 exact same number of races conducted. And the field size  
24 was almost equal to last year, 7.05 last year and 6.93 this  
25 year.

1           The Oak Tree at Pleasanton fall meet, the overall  
2 numbers were very soft but the on-track business did fine,  
3 even though the field size was down appreciably from 7.2  
4 down to 6.3. Nonetheless, Pleasanton, Oak Tree at  
5 Pleasanton fall meet showed an actual increase in average  
6 daily handle on-track of 1.1 percent. But the numbers were  
7 very soft on out-of-state wagering on Pleasanton, and that  
8 caused an overall decline of 1.3 percent for the meet.

9           The Fresno Fair had the same number of race days.  
10          The average daily handle, everything in, was down 2.1  
11 percent. Field size was also down a little bit, 6.16 to 5.9.

12           And now we have the numbers for September. All  
13 together the daytime handle was up 3.85 percent. Nighttime  
14 handle, which benefitted from one extra day of racing, was  
15 up 9.4 percent. And everything in the numbers for September  
16 were up 4.4 percent.

17           And so year to date we see daytime racing down  
18 just one percent. And as you recall, that's closing a  
19 significant gap from early summer, late spring, because of  
20 the wet winter, so we're up to just down one percent for  
21 daytime racing. Nighttime racing is up 0.6 percent. And  
22 overall day and night racing year to date through the end of  
23 September is down 0.8 percent, so we're catching up. And  
24 we're looking forward to Breeders' Cup coming up.

25           And that's my report, Mr. Chairman.

1           CHAIRMAN WINNER: Thank you very much, Mr.  
2 Baedeker.

3           All right, moving on, item number four, discussion  
4 by the Board of the description of historical racing  
5 machines used in other cities and their financial impact on  
6 California racing.

7           VICE CHAIRMAN AUERBACH: Item three, public  
8 comment.

9           CHAIRMAN WINNER: Oh, I apologize.

10          EXECUTIVE DIRECTOR BAEDEKER: All the public  
11 comment.

12          CHAIRMAN WINNER: Hold on. First of all, you need  
13 to fill out a card. We're going to have public comment. I  
14 don't have any cards on public comment. Is there anyone who  
15 wanted to speak during the public comment period? Okay.

16          Now we'll move to item number four, discussion by  
17 the Board of the description of historical racing machines  
18 used in other states and their financial impact on  
19 California racing.

20          Let me lay a predicate for this a little bit.

21          I think as most people in racing know, California  
22 racing is at a disadvantage for a number of reasons, one of  
23 which, of course, is that we're kind of on an island, but  
24 more importantly -- a racing island, as least. And more  
25 importantly, California racing is not subsidized, like



1 racetracks in other states where they have racinos  
2 (phonetic) machines and other ways of subsidizing racing.

3           There are a number of possibilities that have been  
4 raised by stakeholders and others with respect to trying to  
5 help California racing, including and not limited to,  
6 obviously, internet poker, the potential of internet sports  
7 wagering, exchange wagering and others, and one of them is  
8 historic racing.

9           So what we decided to do, at the request of some  
10 of the stakeholders and others, is to just put items on the  
11 agenda, this being one of them and the first one, where the  
12 Board and the public can hear from some of those people who  
13 have an interest, one way or the other, in historic racing  
14 machines. This is an issue that's been discussed in  
15 California for a long time. Obviously, all of these issues  
16 that -- all of these possibilities that I just mentioned,  
17 there are hurdles. And the hurdles include constitutional  
18 issues, legislative issues, legal issues, opposition issues,  
19 et cetera. But nonetheless, California needs, at least in  
20 my view, to look to see if there are ways that we can  
21 supplement our ability to match other racetracks in our  
22 purse structure and to help California racing.

23           So having said that, one of the issues, as I  
24 mentioned, or one of the possibilities that's been discussed  
25 is historic racing. There are various machines that are

1 used for that. Historic racing machines are used in other  
2 states now to the benefit of those states, such as Kentucky  
3 and Arkansas and Wyoming, and I think Oregon.

4 So having said that, then let me call on Tom  
5 Aronson to make a presentation to us with respect to one of  
6 the forms of historic racing.

7 Tom, introduce yourself and your organization  
8 please, and then proceed. And I won't limit you to the  
9 three minutes for this purpose. And the same would be true  
10 for anybody else who wants to speak on this issue. But we  
11 will cut it off at a certain point if it gets to be too  
12 long.

13 MR. ARONSON: Thank you, Mr. Chairman, and thank  
14 you, Members, for inviting me to present to you. I will  
15 limit myself and speak briefly. And know that if there are  
16 any questions or any issues that you'd like to pursue, just  
17 feel free to ask.

18 My name is Tom Aronson. I'm President of Racing  
19 Resource Group, Inc. My background in racing is extensive,  
20 dating back to the days when I was the Director of  
21 Legislative Affairs at the American Horse Council and dealt  
22 with the advent of the Indian Gaming Regulatory Act. I  
23 subsequently became one of the original buildings architects  
24 of the TVG network, the first true ADW and online, at-home  
25 betting enablement in this country, a huge undertaking, more

1 than \$100 million invested in that. And I am still proud  
2 today, when I turn on the TV, to see TVG doing well and  
3 horse racing having its own network. I subsequently was a  
4 Corporate Vice President of Churchill Downs for a brief  
5 stint.

6 And most recently I'm one of the organizers and a  
7 former executive of Exacta Systems, which is one of the two  
8 companies that is involved in historic horse racing in this  
9 country. While I'm no longer a former executive, I am --  
10 RRG has Exacta Systems as a client.

11 Importantly today, I'm not here to speak on behalf  
12 of Exacta Systems. I'm here to speak to everyone about  
13 historic horse racing generically. As I said, there are two  
14 companies that are heavily involved in this; Exacta Systems  
15 is one and Parimax, which is wholly owned by the Stronach  
16 Group, is the other. And both of these companies have a  
17 significant amount of information to offer that people can  
18 pursue by looking at the website, ExactaSystems.com and  
19 Parimax.com. And I would also point to an instructional  
20 video that's on the Exacta Systems website which really  
21 explains how the game is played and is a terrific visual, if  
22 you have any further questions about what players actually  
23 see when they're playing the games.

24 So with that as background, let me just position  
25 this. We are talking today about billions of dollars in new

1 handle for horse racing, billions of dollars. We are  
2 talking about maiden special races that go at Kentucky Downs  
3 for \$125,000. We are talking about, I believe, the most  
4 significant new development in horse racing since ADW 20  
5 years ago.

6           It began in Arkansas in the year 2000. It was  
7 known, but not particular well-recognized for the subsequent  
8 decade. And the watershed year was 2011 when Kentucky  
9 Downs, which is in southern Kentucky in the Nashville  
10 market, decided to introduce the games. And if you look on  
11 the handout that I've provided, on page three you can see  
12 the dramatic acceleration of betting on historic horse  
13 racing since that time.

14           Page seven, perhaps the most dramatic piece of  
15 information that I'm delivering here today, horse racing in  
16 this country in its entirety will generate approximately  
17 \$10.7 billion in betting on the live races. Historic horse  
18 racing this year will probably exceed \$1.3 billion in  
19 betting in just four states, primarily in Kentucky, but also  
20 in Wyoming where \$300 million will be bet. It's an  
21 extraordinary story that this new variant of horse racing is  
22 generating such a significant portion of all dollars bet on  
23 horse racing in this country.

24           So what is it? These are electronic games using  
25 the results of previously run horse races to determine

1 winners. Players are rewarded for getting positions right.

2 And the results are conveyed to them on the electronic  
3 screen in a variety of entertaining ways, stars and stripes  
4 and bells and whistles and so forth. The races are  
5 unidentified beforehand. There is a handicapping module  
6 that allows people to see statistics about the races that  
7 were previously run and make a decision as to whether or not  
8 they want to create their own number sequence for the result  
9 of a race or accept one that's provided for them in,  
10 effectively, a Quick Pick mode.

11 Underlying these games are comprehensive and very  
12 complex math models that are tested and approved by Gaming  
13 Laboratories International, the gold standard for testing of  
14 all gaming devices in this country. This is a rigorous  
15 process that racing commissions that currently have approved  
16 historic horse racing rely on to make sure that the games  
17 are above reproach and fully have all the integrity that is  
18 necessary to allow people to wager on them.

19 This is racing commission or racing board  
20 regulated. The basic position that the companies that  
21 support this and are in the business of historic horse  
22 racing take is if historic horse racing is approved and  
23 regulated in a state -- if horse racing is approved and  
24 regulated in a state, then historic horse racing may be. The  
25 legal and regulatory underpinnings, these are pari-mutuel

1 pools. They fit any definition of pari-mutuel that you can  
2 see in state statutes and in common parlance in the  
3 industry.

4           Nothing happens in these machines that is not 100  
5 percent based on horse racing. They are modeled after --  
6 the games are modeled after approved bets. The ARCI model  
7 rules can come into play, the Association of Racing  
8 Commissioners International. And well-known games' bets,  
9 such as the Pick 6, are used in the modeling of games that  
10 the customers play.

11           Everything is handicappable, unless you choose to  
12 use the Quick Pick, in which case the numbers are chosen for  
13 you. In the Exacta System, the players are given the actual  
14 off odds, the sequence of numbers that represents the off  
15 odds of the horses in the race as it was run originally.  
16 Therefore, the top number in their sequence will be the  
17 horse that was favored in that race in the past. But the  
18 players have no way of knowing which horses are which or  
19 when that race took place. This all becomes evident after a  
20 spin and the results of the race are made known, including a  
21 chart of the race as it was constructed at the time the race  
22 was run, a replay of portions of the race, and other ways  
23 that people can verify again that the race was a legitimate  
24 horse racing run at a -- horse race run at a legitimate  
25 track in the United States sometime in the past.

1           As Chuck mentioned, there are four states that  
2 currently allow this, and many are -- many additional ones  
3 are considering it.

4           So the market performance, pages four and five in  
5 your handout, reference the advent of historic horse racing,  
6 known as instant racing at that time at Oaklawn Park in  
7 Arkansas, and the fact the games literally saved that  
8 racetrack and are the reason the people at Oaklawn believe  
9 that the racetrack is still is in operation today and  
10 successful.

11           Page eight through nine will reflect the fact that  
12 historic horse racing reversed the fortunes of horse racing  
13 in Kentucky, and there's no other way to say it. Kentucky  
14 handle was heading south, just as it is -- as horse racing's  
15 handle is headed south in many jurisdictions around this  
16 country for many, many good reasons, including intense  
17 competition from other forms of game playing.

18           The reversal in Kentucky has been nothing short of  
19 dramatic. This is exceptional revenue production. When I  
20 speak of a billion dollars in wagers, I'm speaking of \$80  
21 million to \$100 million dollars in revenue generated for the  
22 sport. Those revenues in Kentucky, for example, go to  
23 paying for purses, breeding funds, general education, horse  
24 education, educational institutions receive money from it, a  
25 wide variety of issues and interests that, in our sport,

1 need funding, drug testing, things of this nature.

2           The revenue that's generated, without speaking  
3 about the issue of creating new fans who love seeing live  
4 horse racing and so forth, the issue that we're putting on  
5 the table today is extraordinary revenue production for the  
6 sport, which then allows it to pursue all of those things  
7 that are vitally important to its future, including  
8 solutions to things like drug testing, equine thoroughbred  
9 retirement. You name your issue and this, historic horse  
10 racing, is contributing to it in some way, in some form,  
11 around the country already. It's something for California  
12 certainly to consider.

13           Page 14 shows you the jobs impact at Kentucky  
14 Downs, nothing short of astounding.

15           Page 15 of the handout shows you an exponential  
16 explosion in wagering on horses in the state of Wyoming. You  
17 may not consider Wyoming anything other than a blip on the  
18 radar screen. In horse racing there will be \$300 million in  
19 bets taken in Wyoming this year on historic horse racing at  
20 various outlets.

21           The best example I can tell you about the vibrancy  
22 of this business, the company that I helped create, Exacta,  
23 did \$1 billion in bets on horse racing in the first 33 month  
24 of its existence. It started in April 2015, and by the  
25 beginning of this year it had transacted \$1 billion worth of



1 bets. And Exacta will do \$1  
2 billion -- more than \$1 billion dollars in this year alone.

3           So there you have it. We expect historic horse  
4 racing to do more than \$1.3 billion this year globally -- or  
5 I should say collectively in the United States, the two  
6 companies that are transacting it. And that represents \$100  
7 million in new revenue for horse racing, and I mean new  
8 revenue, not recirculated money from horse players but brand  
9 new revenue coming in from other players who like what we're  
10 offering.

11           This is not longer and oddity, something unusual.  
12 It now represents a solution. It's racing helping itself.  
13 And it is a revenue engine that makes everything else,  
14 including new fans, possible.

15           Thank you.

16           CHAIRMAN WINNER: Thank you very much, Tom. Let  
17 me just ask you a couple of questions.

18           MR. ARONSON: Sure.

19           CHAIRMAN WINNER: First of all, let me make it  
20 clear, this Board is not voting on anything. We're not  
21 taking a position on this at this meeting. This is just for  
22 the purposes of hearing from those in the industry who would  
23 like to speak on it, and any stakeholders or anyone else who  
24 would like to speak on it, opponents or supporters.

25           As you know, Tom, I ran the campaign in Arkansas

1 when what was then instant racing was first approved, and  
2 two other campaigns after that, when instant racing was  
3 improved at Oaklawn, so I'm pretty familiar with it. Also,  
4 I'm familiar with the fact that during the Schwarzenegger  
5 Administration the industry sought the -- and I think even  
6 before that, but I was involved when the industry sought to  
7 get some form of instant racing approved, if possible.

8 My question to you is the -- to me, one of the  
9 impediments of hurdles that would have to be overcome is the  
10 California Constitution and the language, the very broad  
11 language in the Constitution that -- the definition of a  
12 slot machine and the fact that under the California  
13 Constitution the governor may enter into contracts with  
14 Indian tribes on tribal land to approve slot machines. And  
15 if you combine those two paragraphs, those two sections  
16 within the Constitution, it raises a legal question, which  
17 I'm sure you've given some thought to. And I wondered if  
18 you wanted to speak on that at this point or not?

19 MR. ARONSON: As you know, these issues like this  
20 are very, very state-specific, and then get down to very  
21 specific definitions in state statutes and constitutions.

22 Let me just say that the elephant in the room  
23 often is, is it a slot machine? Well, it looks like a slot  
24 machine. It's an electronic horse racing game device, but it  
25 looks the way it does because this is the most popular form

1 of gaming in this country by far. But to call it a slot  
2 machine is a misnomer, any more than an electric car has the  
3 same internal engine that a gas-combustion engine, that a  
4 gas car does. When you open up a machine, a historic horse  
5 racing machine, what's going on inside it is very, very  
6 different.

7           So to answer your question specifically, we have  
8 found in working in other states that it is really dependent  
9 on the understanding of where the original definitions came  
10 from. And furthermore, because of the power of this now as  
11 representing horse racing helping itself with its own  
12 product line, we have found an awful lot -- a very receptive  
13 audience in a number of places to working on those  
14 regulations.

15           I can't speak specifically to the California  
16 Constitution. There are people who are much smarter than me  
17 who are doing that right now, and that would include you,  
18 Chuck. But most importantly, it is very specific to the  
19 states. And we are finding an extraordinary amount of  
20 creative legal thinking around the fact that if horse racing  
21 is approved and regulated in a state, then historic horse  
22 racing may be.

23           CHAIRMAN WINNER: Okay. Thank you. I really do  
24 suggest you look at the California Constitution because the  
25 language is so broad that what you just responded to, in my

1 view, does not offset the language of what, at least as I  
2 interpret it, I'm not a lawyer, but as I interpret it in the  
3 Constitution. That's not suggesting that I don't -- that  
4 I'm not supporting the concept of finding a way to resolve  
5 that legally. Obviously, a Constitution amendment in  
6 California would be far -- probably cost -- would be cost  
7 prohibitive, would be my guess, although that's up to the  
8 industry and those that might want to spend that much money.

9 But it's going to cost, you know, well over, probably,  
10 close to or over \$100 million to run a Constitutional  
11 initiative in California successfully, or even possibly not  
12 successfully, because you don't know how the vote is going  
13 to go, so it becomes a legal burden.

14 And so therefore I suggest you take a look at it,  
15 have your lawyers take a look at it, and I'd be interested  
16 in your response to that at some point.

17 MR. ARONSON: We appreciate the opportunity to  
18 respond to it.

19 CHAIRMAN WINNER: Madeline, any other questions,  
20 suggestions, thoughts?

21 Thank you, Tom. Thank you for coming out here and  
22 doing this.

23 MR. ARONSON: Appreciate it.

24 CHAIRMAN WINNER: Jack Liebau?

25 MR. LIEBAU: Pass.

1 CHAIRMAN WINNER: You pass?

2 MR. LIEBAU: I pass.

3 CHAIRMAN WINNER: Okay. Anybody else want to  
4 speak on this issue? Okay. We'll move on.

5 Thank you, Tom.

6 Discussion and action by the Board regarding the  
7 distribution of race day charity proceeds of the Los  
8 Alamitos Quarter Horse Racing Association from its 2016 race  
9 meeting in the amount of \$27,520 to five benefits.

10 And before we get to that, let me just make one  
11 further announcement that I didn't make.

12 Item 17 and 18 on the agenda are put off because  
13 we did not receive -- the office did not receive the  
14 necessary materials that were required, so those items will  
15 be heard at the next meeting, assuming the necessary  
16 materials are submitted.

17 Okay, item number five.

18 Go ahead.

19 MR. ENGLISH: Good morning, Mr. Chairman, Members.

20 Rick English, representing Los Alamitos Quarter Horse  
21 Racing Association. We've presented for your approval a  
22 list of proposed distributions from our charity days.  
23 They're all qualified charities within the industry, and I  
24 hope for your approval. And I'll be happy to answer any  
25 questions you might have.

1 CHAIRMAN WINNER: Any questions, suggestions? Is  
2 there a motion?

3 COMMISSIONER MASS: I'll make a motion.

4 CHAIRMAN WINNER: Commissioner Mass moves.

5 COMMISSIONER SOLIS: Second.

6 CHAIRMAN WINNER: Commissioner Solis seconds.  
7 Commissioner Auerbach?

8 VICE CHAIRMAN AUERBACH: Yes.

9 CHAIRMAN WINNER: Vice Chair Auerbach votes yes.  
10 The Chairman votes yes.

11 Commissioner Solis?

12 COMMISSIONER SOLIS: Yes.

13 CHAIRMAN WINNER: Commissioner Mass?

14 COMMISSIONER MASS: Yes.

15 CHAIRMAN WINNER: Thank you very much.

16 Item number six, discussion and action by the  
17 Board regarding the distribution of race day charity  
18 proceeds of the Los Alamitos Racing Association from its  
19 2016 race meeting in the amount of \$9,775 to four benefits.

20 Mr. English?

21 MR. ENGLISH: Rick English again, representing Los  
22 Alamitos Racing Association, again asking for your approval  
23 of distribution to authorized charities within the industry.

24 And I'd be happy to answer any questions you might have.

25 CHAIRMAN WINNER: Any questions?

1 VICE CHAIRMAN AUERBACH: So moved.

2 CHAIRMAN WINNER: Vice Chair Auerbach moves.

3 COMMISSIONER SOLIS: Second.

4 CHAIRMAN WINNER: Commissioner Solis seconds.

5 How do you vote?

6 VICE CHAIRMAN AUERBACH: Yes.

7 CHAIRMAN WINNER: The Chairman votes yes.

8 Commissioner Solis?

9 COMMISSIONER SOLIS: Yes.

10 CHAIRMAN WINNER: Yes.

11 Commissioner Mass?

12 COMMISSIONER MASS: Yes.

13 CHAIRMAN WINNER: Yes.

14 Moving right along.

15 MR. ENGLISH: Thank you.

16 CHAIRMAN WINNER: Thank you. Thank you very much.

17 Discussion and action by the Board regarding the

18 distribution of race day charity proceeds of the Los Angeles

19 Turf Club dba Santa Anita Park from its 2016 spring race

20 meeting in the amount of \$58,182 to ten benefits.

21 MR. SINDLER: Good morning. Eric Sindler on

22 behalf of the Los Angeles Turf Club. All of the charity

23 proceeds have gone to horse racing-related charities, and

24 I'm happy to answer any questions.

25 CHAIRMAN WINNER: Any questions? Is there a

1 motion?

2 COMMISSIONER SOLIS: Moved.

3 CHAIRMAN WINNER: Commissioner Solis moves.

4 COMMISSIONER MASS: Second.

5 CHAIRMAN WINNER: Commissioner Mass seconds.

6 How do you vote?

7 VICE CHAIRMAN AUERBACH: Yes.

8 CHAIRMAN WINNER: Yes.

9 COMMISSIONER MASS: Yes.

10 COMMISSIONER SOLIS: Yes.

11 CHAIRMAN WINNER: The motion carries unanimously.

12 Thanks, Eric.

13 Number eight, discussion and action by the Board  
14 regarding distribution of race day charity proceeds of the  
15 Los Angeles Turf Club dba Santa Anita Park from its 2017  
16 winter/spring race meeting in the amount of \$159,214 to ten  
17 benefits.

18 Eric.

19 MR. SINDLER: Eric Sandler again on behalf of Los  
20 Angeles Turf Club, and the same.

21 CHAIRMAN WINNER: Any questions? Is there a  
22 motion.

23 COMMISSIONER MASS: Moved.

24 CHAIRMAN WINNER: Commissioner Mass moves.

25 COMMISSIONER SOLIS: Second.



1 CHAIRMAN WINNER: Commissioner Solis seconds.  
2 Commissioner Auerbach?  
3 VICE CHAIRMAN AUERBACH: Yes.  
4 CHAIRMAN WINNER: The Chairman votes yes.  
5 Commissioner Solis, yes?  
6 COMMISSIONER SOLIS: Yes.  
7 CHAIRMAN WINNER: Commissioner Mass?  
8 COMMISSIONER MASS: Yes.  
9 CHAIRMAN WINNER: Yes. The motion carries  
10 unanimously.  
11 Thank you again, Eric.  
12 MR. SINDLER: Thank you.  
13 CHAIRMAN WINNER: Moving on to item number nine,  
14 discussion and action by the Board regarding an update from  
15 Barretts on its 2018 sales schedule and its request for  
16 authorization of these sales pursuant to CHRB Rule 1807,  
17 Authorized Horse Sales.  
18 Who is here to speak on that? Anybody? Nobody  
19 here from Barretts? Okay. We'll put this item over  
20 to -- can we do that or is there a sale coming?  
21 EXECUTIVE DIRECTOR BAEDEKER: Let's see. I don't  
22 think they have one --  
23 VICE CHAIRMAN AUERBACH: No.  
24 EXECUTIVE DIRECTOR BAEDEKER: -- between now  
25 and --

1 CHAIRMAN WINNER: Okay.

2 EXECUTIVE DIRECTOR BAEDEKER: -- and the next  
3 meeting.

4 VICE CHAIRMAN AUERBACH: January.

5 CHAIRMAN WINNER: We'll put that over to the next  
6 meeting, since no one is here to represent Barretts.

7 And, Jackie, maybe you can check with Barretts and  
8 make sure they're at the next meeting.

9 MS. WAGNER: Absolutely.

10 CHAIRMAN WINNER: Thank you very much.

11 Number ten, discussion and action by the Board  
12 regarding the proposed amendment to CHRB Rule 1588, Horse  
13 Ineligible to Start in a Race, to provide that a horse that  
14 receives an intra-articular injection -- and I won't try to  
15 -- glucocorticosteroid/cortisone, is ineligible to race for  
16 five days, 120 hours, after the treatment, and the proposed  
17 addition of CHRB Rule 1842.1, Additional Reporting for  
18 Intra-articular Treatments, to require veterinarians  
19 administering medication or treat into an articular  
20 structure of a horse within the enclosure to provide the  
21 intra-articular treatment record to the trainer, who shall  
22 maintain such records of the treatment for a minimum of one  
23 year and make available such records for the purpose of  
24 assisting with the pre-race veterinary examination.

25 Dr. Arthur?

1 DR. ARTHUR: Yes. Dr. Arthur, Equine Medical  
2 Director.

3 After the Barbero (phonetic) and eight bills  
4 (phonetic) problems almost a decade ago, the RCI appointed a  
5 committee to look at issues regarding pre-race examinations.  
6 It was headed by Dr. Tom David, Equine Medical Director in  
7 Louisiana at the time. And they came back with two  
8 recommendations, or recommendations primarily associated  
9 with the use of medications that obscure pre-race  
10 examinations. And those were the levels of nonsteroidal  
11 anti-inflammatories that were permitted at the time and  
12 those have been reduced. And the others were the presence  
13 of corticosteroids, other potent anti-inflammatories.

14 Subsequent to that a lot of effort and a lot of  
15 the work was done at the Maddy Laboratory to set thresholds  
16 for corticosteroids which were not previously regulated in  
17 horse racing. The thresholds were set for a seven-day  
18 stand-down period. And what we've seen since we've  
19 implemented those in 2014 were veterinarians have become  
20 very imaginative in how to cut that seven days down to,  
21 often times, 48 hours, and even 72 hours. And we've had  
22 some rather catastrophic results from that. And we looked,  
23 examined, and we've been discussing this for a long time.

24 Everyone may not be aware, but internationally, in  
25 Europe, the stand-down period is 14 days. In Australia and

1 Hong Kong it's ten, what they call, clear days, or eight  
2 clear days, which is a de facto ten-day stand-down time. We  
3 had proposed a seven-day stand-down time at the last  
4 Medication meeting. Subsequently, we had to review that  
5 with a number of practitioners and the people from the CTT.

6 And originally we had asked for medical records, so that  
7 the examining veterinarians would know what anti-  
8 inflammatories had been -- or if any intra-articular or  
9 articular structures had been treated.

10 Subsequently, we've come to this compromise which  
11 is a five-day stand-down period. And we are  
12 asking -- or part of the regulation is that the veterinarian  
13 treating the horse with intra-articular medication leave a  
14 record. There's a form here we've designed. And that  
15 record will be available for inspection by the examining  
16 veterinarian on race day. I think this is a very reasonable  
17 compromise. It is for horse safety. And I certainly believe  
18 the Board should move forward with this as soon as possible.

19 CHAIRMAN WINNER: Phil, did you want to speak?

20 MR. LAIRD: Just here for moral support.

21 CHAIRMAN WINNER: Thank you. All right. I have a  
22 number of cards on this.

23 Thank you, Dr. Arthur.

24 Anybody have questions for Dr. Arthur?

25 At some point, if you want to speak on this since

1 it's your Committee, you and Alex?

2 (Colloquy Between Chairman Winner and Mr. Marten)

3 VICE CHAIRMAN AUERBACH: The only thing that I  
4 wanted to make everybody aware of is that this came up in  
5 our previous meeting, and we originally had asked for a  
6 seven-day stand-down time, and everybody agreed with us. And  
7 then after the meeting there was some input by vets and  
8 trainers that went to the trainers organization. And Alan  
9 Balch contacted us and said, "Listen, we have some issues  
10 with this. Before we put it into regulation, can we talk  
11 about it," which is what we try to do with everything we do,  
12 is get everybody's input.

13 And we were successful in getting a group of  
14 people together, trainers. We even got people that I've  
15 never met from Los Alamitos, in terms of trainers and vets.  
16 I didn't know these people. I knew they existed but I'd  
17 never met them before. And since we are regulating for the  
18 entire industry, I thought it was important that we speak to  
19 some quarter horse people. And as a result of that meeting,  
20 which was, Dr. Arthur will tell you, was very open, very  
21 candid, we were all painfully honest with one another which  
22 was refreshing for this industry, and we came up with this  
23 compromise that suited everyone. And the most important  
24 part of the compromise was that it was in the best interest  
25 of the horse, and that's what we came up with. It will suit

1 everybody. It will help everybody to do their practice the  
2 way they would, vets and trainers, and we're protecting the  
3 horse, and also protecting jockeys because we're protecting  
4 the horse.

5 So this was a very, very well thought out  
6 compromise that allows us to take care of our athletes,  
7 human and equine, and do it in a manner that goes with  
8 regulations from all over the world but suits California  
9 racing.

10 So I'm very proud of what we've put forward. I  
11 hope other people are going to be supportive. If they're  
12 not, I don't know what rock we left unturned, but let's hear  
13 about it.

14 So thank you -everybody, who worked to do this.

15 CHAIRMAN WINNER: Thank you. Since your name was  
16 mentioned, Mr. Balch, I'll call on your first.

17 MR. BALCH: Alan Balch, California Thoroughbred  
18 Trainers.

19 I endorse everything that Commissioner Auerbach  
20 said. Commissioner Solis was at our meeting. Dr. Arthur  
21 was at our meeting. And I think we did have a very open,  
22 good exchange of views. And we certainly all agreed to the  
23 five-day stand-down period.

24 The part that we think needs some more  
25 investigation is the reporting methodology which, if you'll

1 recall at the meeting, we did not get into the details of  
2 how the reporting would be done. I think it's not generally  
3 known, but Dr. Arthur has stated it before many times, that  
4 California was the leader in the Vet Confidentials  
5 (phonetic), I think, Dr. Arthur, now 40 years or more?

6 DR. ARTHUR: It was in place when I started  
7 practicing over 40 years ago.

8 MR. BALCH: Right. So all administrations a  
9 veterinarian makes, including these injections, are reported  
10 in the Vet Confidentials. And the Vet Confidentials are not  
11 the cards that are used by the examining vets in the  
12 morning, but instead are a different reporting system. And  
13 through the RMTC, we've spent a lot of time. And actually,  
14 Dr. Arthur made a presentation during the Del Mar season  
15 about the conversion of these Vet Confidentials to  
16 electronic records that could be sorted by horse, by  
17 research for all kinds of educational purposes and so forth.

18 That -- we made this point, of course, at the  
19 informal meeting we had. And we would really like to see  
20 that emphasized because the -- what's reported here with the  
21 new form and so forth is -- it's a separate form that a vet  
22 would fill out on paper, provide to the trainer, and the  
23 trainer of that horse would keep it sorted, if I'm  
24 understanding the regulation properly, and have it available  
25 for the veterinarian in the morning.

1           We certainly think the veterinarian in the morning  
2 should have access to all of the information, including  
3 this, but we really feel that it should be the entire  
4 electronic record related to these horses. I don't think  
5 we've had enough understanding, really, of how these records  
6 would be transferred with horses when they're claimed. We  
7 haven't had really any discussion of the veterinarian-  
8 patient confidential relationship, the VCPR or VPCR,  
9 whatever it is. I don't know that the veterinarians have  
10 weighed in on that.

11           I don't think the issues are insurmountable, with  
12 the understanding that this would be put out, I assume,  
13 potentially for a comment period today. We wouldn't object  
14 to that because I think a lot of these things could be  
15 surmounted, because we certainly agree with the principle  
16 that there should be disclosure of veterinarian  
17 administrations, and that those disclosures should be  
18 available to the vets in the morning, consistent with the  
19 confidentiality requirements that exist in California Law.  
20 And if this can meet all that, then that's fine.

21           And we certainly do endorse, again, the five-day  
22 agreement that we made in the meeting.

23           CHAIRMAN WINNER: Questions for Mr. Balch?

24           EXECUTIVE DIRECTOR BAEDEKER: Can I make a  
25 comment?



1 CHAIRMAN WINNER: Yes, Mr. Baedeker.

2 EXECUTIVE DIRECTOR BAEDEKER: Alan, your comments  
3 about recordkeeping and us kind of being stuck in the '80s  
4 are, I think, accurate. And I think we're all confident  
5 that within some period of time we will participate in the  
6 digital world that everybody else uses.

7 But between now and then, I think we all agree,  
8 and you guys talked about it in your Committee meeting, we  
9 need to take every step that we can -- I know you share  
10 this, I'm not trying to preach -- to take every step we can  
11 to reduce the number of injuries and so forth. We've seen  
12 the cooperation work during the last Del Mar meet. It's  
13 continuing here. This is really a positive step. And the  
14 support of the trainers is obviously critical.

15 I would look at this old-fashioned form, which may  
16 be as simple as an NCR two-copy deal, that the copy of which  
17 is given to the trainer, as a stop-gap measure. But with the  
18 advent of the microchip, being able to wand them, the vet  
19 being able to wand the chip and instantaneously record data,  
20 is coming. We just can't know how quickly.

21 MR. BALCH: Right.

22 VICE CHAIRMAN AUERBACH: Yeah. And --

23 MR. BALCH: And I don't disagree with that at all.  
24 We just want -- and they're -- and Commissioner Auerbach  
25 and Commissioner Solis will remember the rather impassioned

1 discussion with the veterinarians at the meeting we had  
2 about the sense of urgency we should have to applying the  
3 program that was successful during Del Mar all the time,  
4 year-round, every week. And we got into a lengthy  
5 discussion about budgets and how that would be funded, and  
6 additional veterinarians and so forth. And I think the  
7 feeling in the room was that we really need to have a sense  
8 of urgency about that investment, and that includes the  
9 electronic recordkeeping.

10 I know that many times when I've made remarks like  
11 this, they've been interpreted as trying to stall something,  
12 and it's exactly the opposite. We want to expedite it, do  
13 whatever we can do to expedite the urgency of the  
14 recordkeeping.

15 So we just don't want this so-called stop-gap to  
16 say, well, we're doing that now and now we don't have to  
17 have as urgent an approach to the electronic record sharing.  
18 That's what we really want to push for.

19 VICE CHAIRMAN AUERBACH: Well, I think this did  
20 come up in kind of an offhanded way. And I think that this  
21 was put into the regulation this way so we wouldn't be  
22 delayed, so there wouldn't be an excuse, so we didn't have  
23 to come to a very specific, it's got to be X, Y and Z. It's  
24 all going to be electronic at some point. And it's getting  
25 sooner rather than later, especially now that every horse is

1 identified with microchips, so it's only a matter of time.  
2 And what this regulation would do is ensure that we can get  
3 this going because the thing that we know is the most  
4 important thing is that the vet can look at the horse and  
5 know what has happened in terms of these injections.

6 And that is, once again -- and I know you're not  
7 trying to stall it. We're not trying to stall it. We put  
8 this there to help us, not to be, you know, not to be an  
9 impediment.

10 MR. BALCH: Understood.

11 VICE CHAIRMAN AUERBACH: And we needed something  
12 to guarantee that the vet who's looking at the horse will  
13 know exactly what kind of injection the horse has had.

14 MR. BALCH: Thank you.

15 COMMISSIONER SOLIS: And that --

16 CHAIRMAN WINNER: Commissioner Solis?

17 COMMISSIONER SOLIS: Yeah. The thing that -- when  
18 we had the meeting I recall that all the veterinarians that  
19 were there, they were --

20 VICE CHAIRMAN AUERBACH: They were really good  
21 with it.

22 COMMISSIONER SOLIS: -- they were really good with  
23 this. And one of them said, "I include all these records.  
24 I put them in my phone and then I put them in my files."

25 VICE CHAIRMAN AUERBACH: They do.

1 COMMISSIONER SOLIS: They do. And they say --

2 VICE CHAIRMAN AUERBACH: And that one --

3 COMMISSIONER SOLIS: He said, "It's no problem to  
4 do that. We'd be willing to do it."

5 VICE CHAIRMAN AUERBACH: Right.

6 COMMISSIONER SOLIS: So --

7 MR. BALCH: I agree with you, and it's already in  
8 there already. It's just a matter of how to convert to  
9 electronics and make it sortable by horse, and to follow the  
10 horse.

11 VICE CHAIRMAN AUERBACH: One of the people that  
12 was there was Paul Jones from Los Al. And he said  
13 that -- he's, I guess, a big-time trainer, and pardon my  
14 lack of knowledge on this --

15 CHAIRMAN WINNER: Quarter horses.

16 VICE CHAIRMAN AUERBACH: -- at Los Al.

17 CHAIRMAN WINNER: Quarter horses.

18 DR. ARTHUR: Very big time.

19 VICE CHAIRMAN AUERBACH: He has a book in his  
20 office. And when that -- when the vet comes in to examine,  
21 they just flip to that horses page and they know everything.

22 So if these people can institute this kind of  
23 very simplified program on their own without our  
24 instruction, I trust that we can get this done. And I thank  
25 you for your comments.

1 MR. BALCH: Thank you.

2 CHAIRMAN WINNER: Thank you, Alan.

3 DR. ARTHUR: Could I make a comment very quickly?

4 CHAIRMAN WINNER: Please.

5 DR. ARTHUR: Several things.

6 Number one, I did present to the Medication  
7 Committee several meetings back the system that they use in  
8 New York, which is an electronic submission system. And New  
9 York has said that they would cooperate with us. That's a  
10 system whereby the trainers, or their designated  
11 veterinarian, enter these into an electronic format.

12 Secondly, we have worked with the Jockey Club for  
13 many years. In fact, there's a trial going on with a  
14 private veterinarian here on a system of, basically,  
15 electronic medical records. Unfortunately, it's going to  
16 take a veterinarian about another hour a day to use that  
17 particular system, which is really unworkable. But we are  
18 working in that direction so that they have searchable data.

19 Lastly -- or not lastly, but we also proposed, as  
20 is the international standard, that trainers keep a record  
21 of all treatments administered to horses under their care  
22 and have that available for inspection. That was not well  
23 received by members of the horsemen community.

24 And lastly, this particular form, as we do with  
25 shockwave, as we do with anabolic steroids, is a form that

1 can be submitted as part of their responsibilities under  
2 1842, Veterinary Confidential Reports. They don't have to  
3 redo it. They can copy it off. We may get it in a NCR  
4 format that already has a copy on it that they just submit  
5 that, give one version to the official veterinarian, and the  
6 other is left for the trainer to keep in their record so  
7 it's available for inspection.

8           So we have been working on this issue for a long  
9 time. And it is very frustrating. Everybody -- everything  
10 else we do electronically, but it is a real challenge to get  
11 all of our records, everybody in the same program, so that  
12 we can search these records and really identify if we're  
13 doing some things wrong and what we're doing right.

14           So, you know, I would love to have an electronic  
15 record for all of this.

16           CHAIRMAN WINNER: Thank you.

17           Darrell? Darrell Haire?

18           MR. HAIRE: Good morning, Mr. Chairman, Members of  
19 the Board, Darrell Haire, Western Regional Manager for the  
20 Jockeys' Guild.

21           Race driving is a dangerous profession. We know  
22 how dangerous it is to be riding a horse in a race that  
23 breaks down. A third of jockeys' falls are from breakdowns,  
24 but they account for over half of the jockeys' injuries.  
25 Breakdowns during racing are especially dangerous for

1 riders, not only for the rider on the horse that goes down,  
2 but for the following riders.

3           Whatever can be done to make racing safer, the  
4 Jockeys' Guild supports. We know that what's safer for the  
5 horse is safer for the jockey.

6           Cortisone is a potent drug. It can make a horse  
7 feel better than they really are. We would prefer no  
8 cortisone at all. But a five-day restriction is a big step  
9 in the right direction for the horses and riders.

10           The Jockeys' Guild supports this proposal. And  
11 the jockeys thank the Commission for looking out for their  
12 safety and their wellbeing. We appreciate it.

13           CHAIRMAN WINNER: Thank you.

14           MR. HAIRE: Thank you.

15           CHAIRMAN WINNER: Any questions for Darrell?

16           Thank you, Darrell, very much.

17           MR. HAIRE: Thank you, sir.

18           CHAIRMAN WINNER: Greg Avioli. Greg? There he  
19 is.

20           MR. AVIOLI: Greg Avioli, Thoroughbred Owners of  
21 California.

22           We applaud the compromise that was reached and we  
23 think it's, for the most part, it is a good compromise. But  
24 we would also stand in support of Alan Balch's comments as  
25 regards the need to move expeditiously to the electronic

1 recordkeeping, and this could be a good opportunity to do  
2 that.

3 Thank you.

4 CHAIRMAN WINNER: Thank you.

5 Any questions for Greg?

6 Dr. O'Neill?

7 DR. O'NEIL: Dr. Robert O'Neil, Director of Equine  
8 Health and Safety for the Stronach Group. Good morning,  
9 Board Members.

10 Again, this is a welfare and safety issue for the  
11 horse, the rider. We support this concept and we urge you  
12 to expedite the electronic records as quick as possible to  
13 make it more easy to access, but we support the concept.

14 CHAIRMAN WINNER: Thank you.

15 Any questions for Dr. O'Neil?

16 Thank you, Doctor.

17 (Colloquy)

18 CHAIRMAN WINNER: Is there a motion?

19 VICE CHAIRMAN AUERBACH: So moved.

20 CHAIRMAN WINNER: Vice Chair Auerbach moves.

21 COMMISSIONER SOLIS: Second.

22 CHAIRMAN WINNER: Commissioner Solis seconds.

23 MR. LAIRD: What's the motion?

24 CHAIRMAN WINNER: Approval.

25 MR. LAIRD: Okay.



1 VICE CHAIRMAN AUERBACH: To move this for a 45-day  
2 public comment.

3 CHAIRMAN WINNER: Right. Any discussion?

4 VICE CHAIRMAN AUERBACH: Is that correct, Phil,  
5 because --

6 CHAIRMAN WINNER: Yeah. It is 45 days.

7 MR. LAIRD: That is correct, yes.

8 CHAIRMAN WINNER: Yeah. It will go out for 45  
9 days.

10 MR. LAIRD: Absolutely.

11 CHAIRMAN WINNER: Any discussion?

12 DR. ARTHUR: Just --

13 CHAIRMAN WINNER: Commissioner Mass, how do you  
14 vote?

15 DR. ARTHUR: Excuse me, Mr. Chairman.

16 CHAIRMAN WINNER: Yes?

17 DR. ARTHUR: Could I ask that you include in the  
18 motion an instruction to the staff to have the 45-day notice  
19 out within 30 days?

20 CHAIRMAN WINNER: Well, I don't think I'd include  
21 it in the motion. I would ask the staff to do that, but I  
22 won't include it in the motion. Actually, it's Commissioner  
23 Auerbach's motion, so it's up to her to include in the  
24 motion.

25 VICE CHAIRMAN AUERBACH: Well, I don't know that

1 it would have much bearing. I guess I trust that Staff will  
2 get it out as quickly as possible, especially since we  
3 called attention to it and said we need help to get this  
4 done so we can get this particular oversight in place as  
5 soon as -- I would love to see us start the oversight now,  
6 kind of informally. I mean, we've done this before. We've  
7 had things on the books that we have said, hey, informally,  
8 let's go ahead and start this. There's nothing that stops  
9 the community from right now doing the things that we've  
10 called for in this motion. And I don't know legally how  
11 this works, but I do know that if all of the vets are in  
12 favor of it and all of the trainers are in favor of it, and  
13 it will help the examining vet make good decisions when  
14 they're looking at these horses, I would expect the  
15 community to start it tomorrow morning, I really would.

16 DR. ARTHUR: We --

17 VICE CHAIRMAN AUERBACH: And I don't see a reason  
18 -- I mean, we'll go ahead and do this through normal  
19 procedure, but there's absolutely nothing that says we have  
20 to wait until this is passed into regulation for people to  
21 start acting responsibly.

22 DR. ARTHUR: I will make sure that each official  
23 veterinarian has the form that we're going to be using and  
24 how we expect this to be used, and encourage people to use  
25 it. And if the practicing veterinarians or trainers have

1 any suggestions in the 45-day period --

2 VICE CHAIRMAN AUERBACH: Right.

3 DR. ARTHUR: -- we can adjust accordingly.

4 VICE CHAIRMAN AUERBACH: That's why I don't want  
5 to do any restrictions on this, because I want to see us  
6 start using this.

7 CHAIRMAN WINNER: Okay.

8 VICE CHAIRMAN AUERBACH: We know it's the right  
9 thing to do. There's absolutely no excuse for us to sit  
10 here and say, well, you know, we've got 45 days. Let's do  
11 the right thing, and that's the way I'd like to see it  
12 handled.

13 CHAIRMAN WINNER: Okay. Under law, of course, the  
14 45-days is required, and so on.

15 VICE CHAIRMAN AUERBACH: No, I understand that.

16 CHAIRMAN WINNER: But from the standpoint of just  
17 doing the right thing, obviously, Vice Chair Auerbach is  
18 right, it would be great to have it implemented as soon as  
19 possible.

20 DR. ARTHUR: We saw the same thing with the  
21 corticosteroid regulation and the --

22 CHAIRMAN WINNER: Right.

23 DR. ARTHUR: -- lowering of the phenylbutazone.  
24 People got onboard well before the deadline, so --

25 CHAIRMAN WINNER: Right.

1 VICE CHAIRMAN AUERBACH: And it --

2 CHAIRMAN WINNER: There's a motion on the floor,  
3 and a second.

4 Commissioner Mass, how do you vote?

5 COMMISSIONER MASS: Yes.

6 CHAIRMAN WINNER: Commissioner Solis?

7 COMMISSIONER SOLIS: Yes.

8 CHAIRMAN WINNER: The Chairman votes yes.

9 Vice Chair?

10 VICE CHAIRMAN AUERBACH: Yeah.

11 CHAIRMAN WINNER: Votes yes. The motion carries  
12 unanimously.

13 Thank you all very, very much. This is a terrific  
14 step forward. In my view, I thank all of the participants.

15 And I certainly thank the Members of the Committee for  
16 their hard work on this important issue.

17 Number 11, discussion and action by the Board on  
18 the Application for License to Conduct a Horse Racing  
19 Meeting of the Los Alamitos Horse Racing Association at Los  
20 Alamitos Race Course, commencing November 29th, 2017 through  
21 December 19th, 2017, inclusive.

22 Jack?

23 EXECUTIVE DIRECTOR BAEDEKER: Mr. Chairman, before  
24 Mr. Liebau comments, I would like to let the Board know that  
25 the application is actually complete. The documents that

1 are indicated as still needed actually are filed, I think,  
2 Jackie, on an annual basis; correct?

3 MS. WAGNER: Yes, they're on file.

4 EXECUTIVE DIRECTOR BAEDEKER: Yeah, so those are  
5 on file.

6 And also, that the staff comment there should have  
7 said, instead of "Pacific Racing Association," Los Alamitos  
8 -- what are we calling it -- Los Alamitos Racing  
9 Association. So --

10 CHAIRMAN WINNER: Yeah.

11 EXECUTIVE DIRECTOR BAEDEKER: So it is complete.

12 CHAIRMAN WINNER: Jack?

13 MR. LIEBAU: Back Liebau from Los Alamitos Racing  
14 Association.

15 Our application is complete, thanks, in a lot of  
16 respects, to the staff because they were an immense help to  
17 us. And Laurel Lee (phonetic) is a champ. We filed the  
18 original application on the form that is not effective until  
19 2018, and she helped us out immensely and we are very  
20 thankful. It made life a lot easier.

21 CHAIRMAN WINNER: Okay. Any questions for Mr.  
22 Liebau? Okay.

23 We're going to put off -- we're one member short  
24 for a moment.

25 MR. LIEBAU: Oh.

1 CHAIRMAN WINNER: So we will wait to vote on this,  
2 and everybody can take a deep breath and relax for a few  
3 minutes until Vice Chair Auerbach gets back. And I'll go  
4 get a cup of coffee.

5 (Off the record at 10:45 a.m.)

6 (On the record at 10:52 a.m.)

7 CHAIRMAN WINNER: Okay. The item on the agenda is  
8 item number 11. Mr. Liebau has just spoken. There are now  
9 four members back.

10 So how do you -- is there a motion to approve?

11 COMMISSIONER MASS: So moved.

12 CHAIRMAN WINNER: That motion is made by  
13 Commissioner Mass.

14 COMMISSIONER SOLIS: Second.

15 CHAIRMAN WINNER: Commissioner Solis seconds.

16 How do you vote, Commissioner Auerbach?

17 VICE CHAIRMAN AUERBACH: Yes.

18 CHAIRMAN WINNER: The Chairman votes yes.

19 Commissioner Solis, yes?

20 COMMISSIONER SOLIS: Yes.

21 CHAIRMAN WINNER: Commissioner Mass?

22 COMMISSIONER MASS: Yes.

23 CHAIRMAN WINNER: Yes. Thank you, Jack. It's  
24 approved.

25 Moving on, a report from the Race Dates Committee.

1 I guess I'll give that report.

2 VICE CHAIRMAN AUERBACH: Please do.

3 EXECUTIVE DIRECTOR BAEDEKER: Enjoy.

4 CHAIRMAN WINNER: Yesterday we met with the  
5 various stakeholders for Northern California. I think  
6 everybody will recall that Southern California was  
7 completed. At the beginning of this meeting, Rick gave the  
8 dates for Southern California.

9 We've had a number of meetings with the Northern  
10 California stakeholders over a relatively long period of  
11 time, several months. As everybody knows and I've stated  
12 several times, we asked the stakeholders to try to work  
13 agreements amongst themselves. They have not been able to  
14 do that. We've been going through that now for a couple of  
15 years, to say -- maybe more. We haven't been able to agree.

16 There were even times when we left the room and asked the  
17 stakeholders to stay and work it out, and they weren't able  
18 to do that. And then we asked them to be creative and come  
19 in with their recommendations of calendars for the Northern  
20 California race dates. Some did. Some didn't. There were  
21 disagreements, of course, on all of the calendars.

22 Yesterday at our Race Dates Committee meeting,  
23 Vice Chair Auerbach and myself, some new calendars were  
24 presented that hadn't been presented until then for other  
25 people to look at and for people to make -- and for us,

1 even, to evaluate.

2           So at the end of the day, after hearing all of the  
3 discussion and all of the recommendations, it was a very, in  
4 my view, civil and intended to be productive meeting by all  
5 of the folks involved. There's no question that when you're  
6 dealing with a situation where the stakeholders themselves  
7 can't agree, that no matter what the regulators do there's  
8 going to be some folks who are happy and some folks who  
9 aren't happy, or maybe everybody won't be happy, and that  
10 probably means we've done a good job.

11           So at the end of the day the Committee made a  
12 recommendation and voted on the following dates, which Rick  
13 will now read.

14           EXECUTIVE DIRECTOR BAEDEKER: Mr. Chairman, the  
15 Committee proposed the following calendar for Northern  
16 California for 2018.

17           Golden Gate Fields begins on December 26 of 2017  
18 and runs through June 12th of 2018. That's 24 weeks.

19           Pleasanton would have four weeks of racing,  
20 concurrent with their four weeks of fair, beginning June  
21 13th and running through July 10.

22           Cal Expo would have two weeks of racing beginning  
23 on July 11 and continuing through July 24.

24           Santa Rosa would have three weeks of racing  
25 beginning on July 25 and continuing through August 14.



1 Ferndale would have two weeks of racing beginning  
2 on August 15 and running through August 28.

3 Golden Gate Fields would have six weeks of racing  
4 beginning on August 22 and continuing through October 2nd.

5 Ferndale -- I'm sorry.

6 Fresno would have two weeks of racing beginning on  
7 October 3 and continuing through October 16.

8 And Golden Gate Fields would have the balance of  
9 the calendar, I don't have the number of weeks in front of  
10 me, beginning October 4 and running through approximately  
11 December 20.

12 CHAIRMAN WINNER: All right. Now all of  
13 these --

14 MR. LAIRD: No. October 4th wouldn't be correct.

15 EXECUTIVE DIRECTOR BAEDEKER: Oh, I'm sorry.

16 Yeah. Let me get this correct for the record here.

17 So we're looking at Golden Gate fall meet  
18 beginning on October 17 and continuing until, I believe,  
19 December 18. Okay.

20 CHAIRMAN WINNER: All right. Now, obviously,  
21 these decisions were hard to come by. And as I said, there  
22 was a lot of discussion and a lot of agreement and  
23 disagreement. And we did what we thought was in the best  
24 interest of racing for any number of reasons, a whole  
25 variety of reasons. It's been discussed month in and month

1 out at Race Committee meetings, on and on and on. We've put  
2 this off the agenda a couple of times in order to try to get  
3 the industry to come together. And as I said, because they  
4 weren't able to do that, this is  
5 the -- this is what came out of the Race Dates Committee.

6 So that -- Vice Chair Auerbach, do you want to  
7 comment on the Race Dates Committee? We'll get to the vote  
8 on it on item number 15, but just as a report?

9 VICE CHAIRMAN AUERBACH: Do you have any speakers  
10 on the item? Do you have any speakers on the item?

11 CHAIRMAN WINNER: On 15, I do, which is the Race  
12 Dates Committee vote.

13 VICE CHAIRMAN AUERBACH: Okay.

14 CHAIRMAN WINNER: Under the race -- the Northern  
15 California race dates vote.

16 VICE CHAIRMAN AUERBACH: Okay. I just want to  
17 reiterate what Chuck said. It's very difficult for us to be  
18 charged with doing what is best for racing and to go to the  
19 people who are most intimately involved and encourage them  
20 to advocate for their point of view amongst one another and  
21 come up with a workable plan. We understand that there's a  
22 lot of self-interest. We understand that there's a lot of  
23 money.

24 Chuck and I are both very involved in racing on  
25 every level, everything from racing to breeding to how the

1 racetracks make money and how the fairs make money and what  
2 everybody does. And we don't want to be in this position.  
3 We would much rather you come to us and say what you want  
4 and we say, fine. You're like an unruly family. You're  
5 like having 18 kids and none of you wants to give in to your  
6 brother or your sister or whomever.

7           So we did what we felt was right. We've talked.  
8 We've done nothing but talk about it. We've done our best.

9     And Chairman Winner is right, if everybody's a little  
10 unhappy, we probably did a good job. But I don't think we  
11 went to the point of making any really major changes. When  
12 you look at the whole perspective of what's gone on in  
13 California fairs for many, many years, I don't think we made  
14 any major changes. We did tinker a little bit. And I know  
15 that some people are unhappy, and hopefully they will let us  
16 know, and hopefully next time they'll fix it so that all we  
17 have to do is -- we'd love to be a rubber stamp, wouldn't  
18 we?

19           CHAIRMAN WINNER: Oh, you bet.

20           VICE CHAIRMAN AUERBACH: So anyway, we did our  
21 best. If you're not happy, we're sorry. It's not personal.  
22 It's trying to do what's best for racing.

23           CHAIRMAN WINNER: Thank you. And again, we tried  
24 to do it based on all factors, including financial issues,  
25 grass race issues, fair issues, looking at what happened

1 over the last two or three years, some of the recent meets,  
2 some of the decisions that we made for the last two or three  
3 years or four years that we decided to try slightly  
4 differently, either reestablish the way they were or create  
5 some new situations.

6           But as the *Blood Horse Magazine* said, there were  
7 minor changes. I noticed some of you, there were major  
8 changes because those who maybe lost a week or had -- or  
9 weeks were moved, they are major changes, conceivably, to  
10 you. But we're looking at it from what we believe to be in  
11 the best interest of racing, what's in the best interest of  
12 racing, and we've done the best that we can. And we do  
13 believe that, just to make a point that has been made time  
14 and time again, that the fairs are in the best interest of  
15 racing for all kinds of reasons. And therefore, we tried to  
16 do as much as we could to protect the fairs, even when  
17 sometimes they're not financially as viable as we would like  
18 them to be because of the history of racing and because of  
19 the history of the role that the fairs have played in horse  
20 racing in the State of California.

21           All right, so that's the report.

22           Let's move on. Discussion and action by the Board  
23 regarding the allocation of 2018 harness race dates.

24           Mr. Schick?

25           MR. SCHICK: Good morning, Chairman Winner,

1 Members of the Board. Christopher Schick, Watch and Wager,  
2 Cal Expo Harness Racing.

3 We've submitted our request for dates for 2018.  
4 We're going to -- they're going to be consistent with our  
5 past couple of years' requests for allocation. We're going  
6 to start on December 26th and go through May 12th. And then  
7 we'll resume the '18 dates October 20th through December  
8 23rd, which obviously those dates will be run altogether  
9 starting in the fall, right on through May, essentially, so  
10 we don't really split. The meets are all kind of one meet,  
11 but it's split up by allocation.

12 So we don't have any, I don't think, any objection  
13 or any other facilities requesting harness dates, so we ask  
14 the Board for a favorable review of our dates.

15 CHAIRMAN WINNER: Thank you, Chris.

16 Are there any questions for Mr. Schick? Is there  
17 a motion?

18 COMMISSIONER SOLIS: Moved.

19 CHAIRMAN WINNER: Commissioner Solis moves.

20 VICE CHAIRMAN AUERBACH: Second.

21 CHAIRMAN WINNER: Vice Chair Auerbach seconds.

22 How do you vote?

23 VICE CHAIRMAN AUERBACH: Yes.

24 CHAIRMAN WINNER: The Chairman votes yes.

25 Commissioner Solis?

1 COMMISSIONER SOLIS: Yes.

2 CHAIRMAN WINNER: Commissioner Mass?

3 COMMISSIONER MASS: Yes.

4 CHAIRMAN WINNER: Thank you, Chris. Good luck.

5 MR. SCHICK: Thank you.

6 CHAIRMAN WINNER: Have a great meet.

7 Discussion and action by the Board regarding the  
8 allocation of 2018 quarter horse race dates.

9 Mr. English, are you speaking on this?

10 MR. ENGLISH: Yeah. Rick English representing Los  
11 Alamitos Quarter Horse Racing Association.

12 We are applying for the same dates in 2018. We'd  
13 like to keep the calendar the same as this year. There's no  
14 other quarter horse tracks clambering for the dates, and I  
15 hope we can stick with the calendar.

16 CHAIRMAN WINNER: Thank you.

17 Any questions?

18 MR. ENGLISH: Thank you.

19 COMMISSIONER MASS: So moved.

20 CHAIRMAN WINNER: Commissioner Mass moves.

21 COMMISSIONER SOLIS: Second.

22 CHAIRMAN WINNER: Commissioner Solis seconds.

23 Commissioner Auerbach?

24 VICE CHAIRMAN AUERBACH: Yes.

25 CHAIRMAN WINNER: The Chairman votes yes.

1 Commissioner Solis?

2 COMMISSIONER SOLIS: Yes.

3 CHAIRMAN WINNER: Commissioner Mass?

4 COMMISSIONER MASS: Yes.

5 CHAIRMAN WINNER: It unanimously passes.

6 Thank you very much.

7 Now we get on to item number 15, discussion and  
8 action by the Board regarding the allocation of  
9 northern -- of 2018 Northern California race dates.

10 I have a card from Mr. Pickering. I have a card  
11 from Mr. Swartzlander. And I think that those are the only  
12 ones. Oh, we're going to have a couple.

13 EXECUTIVE DIRECTOR BAEDEKER: No, one more.

14 CHAIRMAN WINNER: One more. Jim Morgan. Okay.

15 Let's start then with Larry.

16 MR. SWARZTLANDER: Chairman, Commissioners, Larry  
17 Swartzlander, California Authority of Racing Fairs.

18 I don't want to bore Chairman Winner and  
19 Commissioner Auerbach, but I want to speak. I do want to  
20 provide some additional information this morning, but -- and  
21 then I want to try to capsulize for Commissioner Solis and  
22 Commissioner Mass what we spoke about yesterday, the reasons  
23 why we wanted the calendar that we originally submitted.

24 I just want to go back. And sometimes when people  
25 sit down, you understand, like what are the fairs? What's

1 CARF? What is racing in Northern California? I just want  
2 to go over a little history of how did we get to where we're  
3 at now. I'll start with the fairs.

4 Pleasanton first raced in 1858. Sacramento, 1861.  
5 Humboldt, 1896. Fresno, 1884. That's a long time. As we  
6 move forward, Golden Gate. Golden Gate established the  
7 first race February 1st, 1941. Bay Meadows was November  
8 13th, 1934, closed August 17th, 2008.

9 In 1985, ten fairs formed what was called CARF.  
10 These were the live racing fairs. But also when I stand up  
11 here, CARF is just not live racing fairs, it's the simulcast  
12 facilities throughout the State of California. When it was  
13 first structured in 1986 there were 23 members all over the  
14 state, north and south.

15 So CARF has always had an instrumental mission in  
16 establishing -- we've established these facilities, we've  
17 improved them, and we've maintained them. There's a  
18 presence of CARF, not only in racing, live racing, but also  
19 in all the simulcast facilities that support racing  
20 throughout the state. So what CARF does in the future  
21 reflects on what the infrastructure is in the state. I just  
22 wanted to make sure that everybody understood that.

23 At this point we're looking at a situation where,  
24 I've said it many times, CARF will stay in racing, the live  
25 racing, we'll stay in racing, but to do that we have to



1 retain the dates we have, retain the purse structure,  
2 increase the purse structure and stakes' schedule and move  
3 forward. That was the intent of the schedule that we put  
4 out. We wanted to maintain State Fair with three weeks. We  
5 wanted Humboldt totally overlapped. We wanted to retain the  
6 OTP fall meet. You can't move forward, you can't improve,  
7 without increasing the revenue. I've talked about what  
8 we're going to do in purses.

9           And backing up, too, simulcast sites are what they  
10 call the brick and mortar, but approximately 40 percent of  
11 the handle comes from those facilities, and that's for  
12 Golden Gate, Santa Anita, Del Mar, the fairs, et cetera, a  
13 major portion of our business.

14           So as we spoke yesterday we made the cases as to  
15 as we -- if we want to maintain these dates the first  
16 challenge we have is the Stockton dates running without a  
17 fair. There was discussion as to how we did. I thought we  
18 did really well. You know, the attendance was similar to  
19 the same attendance at Golden Gate during the summer meet.  
20 I'm not going to compare it against the Triple Crown dates,  
21 et cetera.

22           But it was -- and the demographics, the young  
23 people, the families were there. You've all been to fairs.  
24 You know, what, you know, what goes on there, crowds,  
25 entertainment, excitement.

1           In looking at what the Committee came up with, the  
2 recommendation yesterday, as a Board the number one thing  
3 that I still challenge is the three weeks at Sacramento.  
4 Sacramento has been very successful. We had the worst heat  
5 that I've experienced in 19 years there. And also, all the  
6 fairs, 45 days of racing, we're only -- no breakdowns. We  
7 had one (indiscernible). Our racetracks, I would put them  
8 up against anybody in the world. They're the safest. And  
9 Sacramento is one of those.

10           And one of the criticisms of Sacramento was about  
11 turf racing. And I know Chair Auerbach is going to bite me  
12 when I said -- I put out some numbers. But when I looked, I  
13 ran samples, statistics of the turf races run at Golden Gate  
14 Fields and Santa Rosa, I did a 50 percent sample of Golden  
15 Gate Fields, a 33 percent sample of Santa Rosa, and it all  
16 came out the same. Sixty-seven percent of the races that  
17 the horses ran were on Tapeta or dirt. I only found two  
18 horses that ran on turf only.

19           And again, I understand turf racing, and it's  
20 necessary. It's necessary to create a sport. It's  
21 necessary for the quality of the sport. But at this point,  
22 I don't see turf as an argument to take a third week away  
23 from State Fair.

24           We're in a position of -- you know, we have a  
25 chance to run a meet without a fair. I think we did

1 excellent. A compromise was there. I've talked to our fair  
2 managers. I think we can live with this, the remainder of  
3 the schedule, but I still contend strongly that the State  
4 Fair should run for three weeks.

5 (Colloquy Between Chairman Winner and Executive  
6 Director Baedeker)

7 CHAIRMAN WINNER: Are there any questions for Mr.  
8 Swartzlander? Okay.

9 Thank you.

10 Rick?

11 MR. PICKERING: For the record, Mr. Rick  
12 Pickering, CEO of your California State Fair.

13 Honorable Chairman Winners, distinguished  
14 Commissioners, talented Executive Committee team members,  
15 thank you for all that you do on behalf of California horse  
16 racing that also supports racing around the country as a  
17 whole.

18 At last month's Board meeting you specifically  
19 requested that all parties submit hard data and plans in  
20 advance of your next meeting, which was yesterday and today.

21 According to the packet that was mailed out by Staff, the  
22 only new letter that came in was from your California State  
23 Fair, in which we presented a number of statistical data  
24 points that we hope you all had an opportunity to read, but  
25 there's a few key points that we'd like to share with you.

1           The first point is California Fair will run July  
2 13th through 29th next year, 2018. This format is  
3 consistent with what we've been doing for the last ten  
4 years. You asked, what have we spent on marketing? Our  
5 plan for the 2017 State Fair, we spent \$1.7 million. We  
6 provided you with a copy of that marketing plan. I know  
7 that other CARF fairs have done that, as well. I have not  
8 seen the marketing plans from Golden Gate Fields. I know in  
9 prior years there was a discussion that their information  
10 was considered proprietary.

11           We've also provided you with numbers on our  
12 investment at your California State Fair to support the  
13 future of racing in California. Cal Expo's grandstand is  
14 the newest grandstand in Northern California. It's --

15           CHAIRMAN WINNER: Let's just correct -- just to  
16 correct the record --

17           MR. PICKERING: Yes, sir.

18           CHAIRMAN WINNER: -- the marketing plan for Golden  
19 Gate has always been submitted to the Board.

20           MR. PICKERING: With dollar values?

21           CHAIRMAN WINNER: With whatever information is  
22 there that we ask for.

23           MR. PICKERING: Okay. Then I definitely stand  
24 corrected on that.

25           CHAIRMAN WINNER: Thank you.

1 MR. PICKERING: And thank you for correcting me. I  
2 appreciate that. I want to keep the record clear.

3 So Cal Expo's grandstand is the newest racing  
4 grandstand in Northern California, which was actually  
5 constructed by Governor Pat Brown. It's the only fair  
6 grandstand in Northern California that winterized and  
7 already accommodates winter racing when we look to the  
8 future. It has a night lit course which our Watch and Wager  
9 partners run Watch and Wager on it, so it is prepared to  
10 move racing into the future as a winterized and an night lit  
11 course in a community that already accepts night racing, so  
12 it's very well prepared.

13 On the concept of financial viability, your  
14 California State Fair is debt free. We're not coming to you  
15 saying we're losing \$2.5 million a year because of a  
16 business model, whereas Golden Gate Fields is.

17 Over the last several years the California State  
18 Fair has invested more than \$5 million in beneficial racing  
19 infrastructure projects. More recently, within the last  
20 couple years, we invested over \$800,000 to renovate our barn  
21 area and to provide human habitable living quarters, as  
22 certified by the State's Office of the Fire Marshal, a very  
23 high standard indeed.

24 Last year we installed a new state-of-the-art  
25 inside racing rail to continue to plan for the future of

1 horse racing into the future. It was a cost of over  
2 \$110,000.

3 This next number is staggering. Due to last  
4 winter's storm, we had roof damage of our racetrack  
5 grandstand. We have a contractor repairing the roof now at  
6 an estimated cost of \$2.9 million, which will include the  
7 grandstand roof, remodeling of the turf club and our main  
8 kitchen areas that support your California State Fair.

9 On April 15th, 2015 at your Dates Committee  
10 meeting, so that's two years -- two-and-a-half years ago,  
11 Mr. Keith Brackpool, representing the Stronach Group,  
12 appeared and made the bold statement that the Stronach  
13 Group's or Golden Gate Fields' intent was to put the fairs  
14 out of the racing business so Golden Gate Fields could have  
15 all dates.

16 We were astounded yesterday when the new  
17 management team representing the Stronach Group, in front of  
18 the Dates Committee, none of us had seen this, presented a  
19 new calendar to take all racing dates away from fairs,  
20 except for the three weeks in September, aka, those might  
21 not be the best weeks. Just an amazing proposal.

22 They also stated that if they can't get the dates  
23 from the fairs, they're going to go out of business because  
24 real estate will be more valuable than racing. Your State  
25 Fair is not going out of business. The fairs that are in

1 front of you testifying today and yesterday are not going  
2 out of business. The fair tracks are owned by the People of  
3 California. We're a state agency run and operated. Del  
4 Mar is owned by the State of California and operated by the  
5 Del Mar Thoroughbred Club. The county fairs that are  
6 represented here today, all their tracks, their satellite  
7 wagering facilities are owned by the People of California.  
8 Every nickel, penny, dime that comes into horse racing  
9 through the fair network goes back into the local  
10 infrastructure, local jobs and local payrolls, a pretty  
11 astounding accomplishment.

12 In prior meetings this Board has asked fairs, what  
13 happens if Golden Gate Fields goes away? You've made that  
14 comment to the trainers, to the owners, to the fairs.  
15 You've asked Golden Gate Fields a number of times, what does  
16 their future look like? I believe their continued response  
17 is if they can't get the dates from the fairs, they'll  
18 probably go out of business. So the fairs are preparing  
19 themselves, should that day come.

20 While we appreciate Golden Gate Fields, it's  
21 keeping racing at a certain point in Northern California,  
22 the question has to be asked and there should be some answer  
23 in that when Bay Meadows was operating, Golden Gate Fields  
24 had 98 days, Bay Meadows had a little over 100. When Bay  
25 Meadows closed, this is a staggering number, the race days

1 that went from Bay Meadows to Golden Gate Fields increased  
2 the number of live race days at Golden Gate Fields by 80  
3 percent. And we've provided those statistics to you, which  
4 have come directly from the Horse Racing Board's annual  
5 reports. They went from 98 days to 175 days.

6 Not only did they go to that many days as a live  
7 racing product, they also went to that many days as a host  
8 signal facility. Therefore, they're capturing all the purse  
9 generation associated with the Triple Crown races, the  
10 Breeders' Cup. They've captured every single holiday in  
11 Northern California, except for the 4th of July which,  
12 fortunately, we've been able to protect that as a tradition  
13 at the Alameda County Fair. Staggering statistics.

14 So yesterday a comment was made by representatives  
15 of the Stronach Group, the fairs aren't looked at as kindly  
16 across the United States. They're not known as well as  
17 Golden Gate Fields. Well, absolutely. You've asked State  
18 Fair to run a two-week meet. What type of recognition do we  
19 have across the country? The majority of racing takes place  
20 at Golden Gate Fields, owned by the Stronach Group, and want  
21 them to continue to do a great job. We're just disappointed  
22 to continue to hear from the management, the only way they  
23 can keep the track open is to put the fairs out of business.  
24 Quite a staggering statement.

25 Yesterday's Committee --



1           CHAIRMAN WINNER: Rick, how long are you going to  
2 be? Your three minutes are long up.

3           MR. PICKERING: Oh, I believe I can wrap it up in  
4 two minutes.

5           CHAIRMAN WINNER: Okay. Thank you.

6           MR. PICKERING: Thank you very much, Chair.

7           Yesterday's Committee vote and recommendation was  
8 to take the third week of racing away from the State Fair.  
9 When that week was given to the State Fair a few years ago,  
10 Commissioners had made statements, "Well, our racing was  
11 different then." The third week of your California State  
12 Fair that you're taking -- you're suggesting taking a week  
13 of racing away from, is one of the largest attended weeks of  
14 fair in Northern California. That single week, attendance  
15 at the State Fair, that will now not have racing if this  
16 recommendation is approved, that single week body count is  
17 bigger than the three weeks of the Santa Rosa Fair.

18           In addition, as we provided statistics, when State  
19 Fair went from two weeks of racing to three weeks of racing  
20 the handle generation increased by \$10 million, three weeks  
21 Pleasanton, three weeks State Fair, three weeks Santa Rosa.

22           The recommendation, the compromise recommendation from  
23 yesterday, take one of those three weeks from State Fair,  
24 slide the Sonoma County Fair into one of those weeks, if  
25 that takes place and gets approved you'll be forfeiting from

1 the fairs and Northern California the \$10 million in handle  
2 that as generated from that one week, because we didn't add  
3 an additional week to Santa Rosa. We just slid them one  
4 week earlier in the calendar.

5 In addition to that, the average daily attendance  
6 at your State Fair's track is over 3,000. Those 3,000  
7 people pay parking, pay admission, eat food and beverage.  
8 Our per cap to our bottom line is about \$19.94. If you  
9 multiply it, let's round it to \$20.00 times 12,000 folks  
10 that won't be at the racetrack because there will be no  
11 racing at the State Fair, that's what, a \$240,000 impact to  
12 your State Fair.

13 In wrapping up, I think I've covered a number of  
14 points with the Committee, with the Board. Your State Fair  
15 generates more race starts in the State of California than  
16 any other fair facility. It's quite amazing, quite  
17 astounding.

18 Yesterday, whether they were trainers or the  
19 owners, they came forward and said, wow, State Fair has  
20 maximized the use of its racing facilities. We commend  
21 them. Let's take a week and give it to Golden Gate Fields.

22 That's, in essence, yesterday's recommendation. Golden Gate  
23 Fields wins. They knock off another week and the fairs give  
24 up a week.

25 You asked for predictions of the future. It's

1 pretty simple, fairs are public assets. We'll be here.  
2 We're debt free. Golden Gate Fields has stated that they  
3 will continue to march to take dates away from fairs. We  
4 should anticipate, it probably won't happen today, but  
5 shortly hereafter they will go after the new week at  
6 Ferndale. They will say it doesn't generate enough handle  
7 or enough purses. We should give it to Golden Gate Fields.  
8 They will go after the June week in Pleasanton, saying it's  
9 Father's Day weekend. We need that back or we're going to  
10 go out of business. It's unfortunate, but those benefits  
11 will go to Golden Gate Fields.

12 So there's more that we could say. We had nothing  
13 to do yesterday with the *Blood Horse Magazine*, but I  
14 understand he's over here typing away, so we'll see where he  
15 goes with that.

16 We're in racing. We plan to stay in racing. We  
17 apologize that you are put in this awkward position. You've  
18 repeatedly asked me and others to go and negotiate peace.  
19 It's very difficult to negotiate with a bully.

20 I have three sons. One is smaller than the other  
21 two. If he had a bully picking on him at school, I would  
22 not say to him, go negotiate with the bully. I would turn  
23 to his two big brothers and say stand up for your brothers.

24 CHAIRMAN WINNER: Okay, Rick.

25 MR. PICKERING: And I put that before you today.

1 Thank you for being so generous with your time.

2 CHAIRMAN WINNER: Thank you. I want to just --

3 VICE CHAIRMAN AUERBACH: I have a couple  
4 questions.

5 CHAIRMAN WINNER: -- try to correct the record, if  
6 I may?

7 VICE CHAIRMAN AUERBACH: Yeah. And can you come  
8 back please, Rick, because there --

9 CHAIRMAN WINNER: Yeah. I want to just -- at  
10 least my recollection, to correct the record.

11 First of all, let's take the last point, Rick. We  
12 weren't asking you to negotiate necessarily with Golden Gate  
13 only. There is negotiation between the fairs.

14 MR. PICKERING: Which --

15 CHAIRMAN WINNER: That was the thing that was so  
16 important that we felt that you ought to at least work out  
17 an agreement with, that would be whether it's Santa Rosa,  
18 whether it's CARF, whether it's the State Fair, Cal Expo.  
19 You weren't able to negotiate and reach an agreement with  
20 the fairs. So to put the blame on Golden Gate or the  
21 Stronach Group is not fair, it's not right.

22 MR. PICKERING: All but one. We reached agreement  
23 with all but on fair, which was Santa Rosa.

24 CHAIRMAN WINNER: Well, okay, but you didn't reach  
25 agreement with that fair, which is the very issue which is

1 at hand is that fair.

2 A further point that I'd like to make is that you  
3 keep -- you did yesterday and you did today, and it was in  
4 the *Blood Horse*, this, what Keith Brackpool said two or  
5 three years ago at a meeting. Fine. He said it at meeting.

6 That may have been his opinion. I'm not -- I don't think  
7 it's -- I don't think this Board took that into  
8 consideration, should take it into consideration or will  
9 take it into consideration.

10 As you'll recall yesterday when this issue was  
11 raised I asked the Stronach Group to come forward and tell  
12 us what their position was, what the Stronach's Group  
13 position was with respect to continuing racing in Northern  
14 California. Mr. Ritvo came forward and spoke. He's here.  
15 He can speak today, if he'd like. And he said that the  
16 Stronach Group and the Stronach Family was very committed to  
17 continuing racing in Northern California, and he didn't say  
18 that was contingent on putting the fairs out of business.  
19 He didn't say anything like that.

20 Now it is true that they came in with this  
21 calendar which, for whatever -- you can take it any way you  
22 want to take it. The point is, it wasn't adopted, as you  
23 know. And it was a last-minute calendar and I don't know  
24 what the purposes were, but nonetheless it wasn't adopted,  
25 but they did come in with it. You're correct about that.

1           But to say that they're trying to put the fairs  
2 out of business and that they can't -- I didn't hear anybody  
3 yesterday say if we don't put the fairs out of business then  
4 we're going to go out of business. If we don't get all the  
5 racing days, we're going to go out  
6 of -- I didn't hear that. Now maybe I missed something, but  
7 my recollection of the meeting is that that did not occur.  
8 So I just want to set the record straight.

9           And then on other point, the fact is that three  
10 years ago we gave that extra week to -- this Board gave that  
11 extra week to the California State Fair, to the detriment of  
12 the Santa Rosa Fair. And for three years the Santa Rosa  
13 Fair has been asking us to move that back so that -- for  
14 their reasons and the reasons that they felt were  
15 appropriate, and that wasn't done.

16           I don't recall, and they're all here, I don't  
17 recall that anyone from any of the horsemen's groups, people  
18 who represent the owners, the trainers and the jockeys and  
19 everybody else, I don't recall any of them coming up and  
20 saying that it's in the best interest of horse racing to  
21 have that extra third week at Cal Expo. They're here.  
22 They're welcome to come up and correct me on that. We  
23 looked at the numbers. We looked at all of that. And  
24 you're saying, well, we lose \$10 million because we didn't  
25 give that week to Santa Rosa, but, in fact, it goes to

1 Golden Gate. So from the standpoint of racing, it's not a  
2 \$10 million loss. It may be, actually, a gain from the  
3 standpoint of racing.

4 So I respect all of your points. I understand why  
5 you're upset about it. And if I were you, I'd be upset  
6 about it too. And I understand that there are others who  
7 are upset about it because Cal Expo has done a terrific job,  
8 and you have done a great job at managing it and doing those  
9 things that you mentioned. You're accurate about all of  
10 that.

11 MR. PICKERING: Thank you.

12 CHAIRMAN WINNER: But at the same time, we had  
13 tried to do the best that we can under difficult  
14 circumstances, when people could not get together to work  
15 out their differences, to try to do what we think is best.  
16 For the last three years it worked out to your benefit.  
17 This year it doesn't.

18 I asked you yesterday if you could move the fair  
19 to accommodate a change that would allow you to continue  
20 with three weeks. You indicated you could not because of  
21 contractual obligations and so forth. You might think about  
22 the following year and whether now there's enough time so  
23 that possibly for 2019, you would be able to do that and  
24 then you would get those -- you might get those three --  
25 probably would get those three weeks back.

1 MR. PICKERING: We might or we probably?

2 CHAIRMAN WINNER: I can't speak for the Board.

3 MR. PICKERING: Yeah. To move a behemoth --

4 CHAIRMAN WINNER: I can only speak for myself.

5 MR. PICKERING: To move a behemoth on a promise is  
6 like building --

7 CHAIRMAN WINNER: Well --

8 MR. PICKERING: -- a turf track on the  
9 promise --

10 CHAIRMAN WINNER: Well, I'm not --

11 MR. PICKERING: -- you might get more racing.

12 CHAIRMAN WINNER: Yes, I understand. And  
13 committing dates for eight or ten years is, some have said  
14 that we needed to do --

15 MR. PICKERING: Yeah.

16 CHAIRMAN WINNER: -- in order to get the turf  
17 track is also behemoth. So --

18 MR. PICKERING: Thank you, sir.

19 CHAIRMAN WINNER: -- I'm just suggesting that I  
20 think the Board might be very willing to -- for 2019, this  
21 is my view, I can't speak for other Board Members, might be  
22 very willing to consider three weeks again if you could move  
23 the fair to accommodate Santa Rosa, to accommodate everybody  
24 else. And we could -- we can discuss that, for sure.

25 MR. PICKERING: Thank you.



1 CHAIRMAN WINNER: So those are the points I just  
2 wanted to correct. I wanted to remind you that I asked  
3 yesterday if you could move the fair and you made your  
4 point, and that's a legitimate point.

5 So, all right, I've had my --

6 EXECUTIVE DIRECTOR BAEDEKER: And can I add  
7 something that I think --

8 CHAIRMAN WINNER: Please.

9 EXECUTIVE DIRECTOR BAEDEKER: -- I think is  
10 important for context, and that is where we started with  
11 this whole conversation a year ago which was caused by the  
12 fact that by the vagaries of the calendar, July 4th fell  
13 later than it had in previous years. And in order to  
14 accommodate the racing industry and the fair industry on  
15 July 4th the calendar needed to be changed.

16 The burden of that change fell on Santa Rose,  
17 according to Santa Rosa, because it pushed the Santa Rosa  
18 Fair into the school year. And there was considerable  
19 discussion last year about the fact that, yes, Santa Rosa  
20 will suffer because of it, and we all understand that, but  
21 the July 4th day is critical to racing and critical to the  
22 fair. And at the time the Board did consider other changes,  
23 including a reduction of Cal Expo from three to two. It  
24 didn't go in that direction, but I remember specifically the  
25 Chairman, at least, indicating that next year everything

1 would be reevaluated.

2 I only mention all of that because of the context  
3 of the unique July 4 problem. And going forward, as we've  
4 talked about before, in 2019 the calendar shifts back to  
5 where that shouldn't be an issue again.

6 MR. PICKERING: That is exactly correct in that  
7 the calendar does shift again in 2019. CARF did attempt to  
8 negotiate a multi-year contract -- or a multi-year calendar  
9 amongst the fairs to address the shift again in 2019, and we  
10 were unable to get agreement from Santa Rosa.

11 CHAIRMAN WINNER: Okay. Go.

12 VICE CHAIRMAN AUERBACH: My turn. I take umbrage  
13 at your usage of bully. I have felt bullied from some of  
14 the fairs, not all of them, from some of them. And I don't  
15 like how uncomfortable it makes me because I believe that we  
16 need the fairs, and I believe that we need Golden Gate. The  
17 idea that if Golden Gate goes out of business the fairs will  
18 be able to keep California as a whole circuit I think is  
19 wrong, and vice versa, I think it's wrong the other way too.  
20 I don't think that just keeping Golden Gate and not having  
21 the fairs is going to help the health of California. We  
22 need both groups --

23 MR. PICKERING: Yes.

24 VICE CHAIRMAN AUERBACH: -- desperately. We need  
25 racing in the northern part of the state desperately. Now

1 it doesn't surprise me that we all have different views  
2 about what's healthy and what isn't.

3 MR. PICKERING: Sure.

4 VICE CHAIRMAN AUERBACH: You advocate for your  
5 position, and you're supposed to, that's your job. And our  
6 job is to try to sit here and play God, and it's not fun.

7 MR. PICKERING: No.

8 VICE CHAIRMAN AUERBACH: And we don't like it.  
9 And we don't like everybody coming down on us, certain  
10 people, because they're unhappy with what we've done. We  
11 can only do what is presented to us.

12 Now the other fairs have been really quiet this  
13 year and I'm a little bit surprised, but I'm pleased that  
14 we're all trying to figure out how to make it healthy.

15 One last stab at this, it's probably not going to  
16 work, but would you guys please get your ducks in a row  
17 because it will help us if the fairs can decide what will  
18 work best for the fairs, for all the fairs. You all belong  
19 to the State of California. So necessarily, what's doing  
20 the best for Sacramento might not be the best for Santa Rosa  
21 and vice versa, and Pleasanton. However you work it, if you  
22 guys could work it together, you'd make our jobs easier.  
23 Then it's, hey, the fairs want this. They've all worked  
24 together. They've talked it out. They've got it straight.  
25 We don't have to. But that's not what you've done to us

1 for the last few years.

2           So please don't make this a failure for the part  
3 of regulators to be able to help. We are only regulators  
4 and we only can work with what we are presented. Do we want  
5 anybody to have problems? No. Do we want the fairs not to  
6 do well? No. That doesn't serve our purpose at all. That  
7 doesn't help racing.

8           You're both going to be here, you're going to have  
9 to -- Golden Gate and the fairs, and we can't do without  
10 either group. We need both of you, so we're going to have  
11 to figure out how to coexist.

12           But please don't use bully because that's not  
13 what's going on here, at least not from our point of view.

14           MR. PICKERING: I completely concur that you as a  
15 Board and you as various Commissioners and you as Chair,  
16 you're not bullying anybody. But sending us out to  
17 negotiate with folks that have made it clear outside this  
18 room and made it clear to me, I feel like I'm being picked  
19 on because there is a well-communicated message --

20           VICE CHAIRMAN AUERBACH: Well --

21           MR. PICKERING: -- coming our direction.

22           VICE CHAIRMAN AUERBACH: -- you know what, I think  
23 we also have to remember that the race dates do not belong  
24 to Golden Gate, and they do not belong to the State Fair.

25           MR. PICKERING: Absolutely.

1 VICE CHAIRMAN AUERBACH: They belong to the State  
2 of California. And that's our job, is to try to pass them  
3 out in a manner that we think is beneficial to racing.

4 MR. PICKERING: Absolutely.

5 VICE CHAIRMAN AUERBACH: And if everybody  
6 remembers that, they can't be sold, they can't be bought,  
7 they can't be negotiated away without everybody agreeing to  
8 it, and that's important to remember.

9 MR. PICKERING: Thank you for that comment.

10 CHAIRMAN WINNER: And, Rick, just again, I  
11 understand your frustration and I understand that you're  
12 upset with this, and I don't in any way blame you for that.

13 I know that it's a tough pill. And again, for the last  
14 three years it's been -- it's kind of been a sugar pill. I  
15 hope that next year we can work this out, as we discussed,  
16 for 2019, hopefully we can work it out. And hopefully,  
17 again, in all honesty I believe that if the fairs had been  
18 able to work it out amongst themselves, then the other party  
19 involved, Golden Gate or the Stronach Group, might not have  
20 been in the position that they're in, but the fairs weren't  
21 able to work it out themselves.

22 So if you could maybe -- you have year now to --  
23 assuming this measure passes, this recommendation, these  
24 dates, then you have a year to try to work with Santa Rosa  
25 and CARF and work out within your own organizations a plan

1 for 2019. This is a one-year plan.

2 MR. PICKERING: Thank you.

3 CHAIRMAN WINNER: Thank you.

4 MR. PICKERING: Duly noted. And thank you for  
5 your good work.

6 CHAIRMAN WINNER: Thank you. Okay.

7 Jim?

8 MR. MORGAN: Jim Morgan, Humboldt County Fair. I  
9 didn't know when I submitted the card whether this would be  
10 a contentious debate or something other than that. But  
11 basically, on the behalf of the citizens of Humboldt County,  
12 we would like to thank you, Chairman Winner, and you, Vice  
13 Chairman Auerbach, for taking the positive leadership to  
14 control, correct and stabilize racing in Northern California  
15 at the six remaining venues, five of which are fairs.

16 Your analogy to a dysfunctional family is very  
17 well taken and very apropos. We feel the pain for Cal Expo,  
18 a further CARF member. However, moving Santa Rosa and  
19 Humboldt County up a week in the calendar, as you did, makes  
20 such a tremendous difference to those populations who want  
21 their fair to coincide with the last weeks of summer, not  
22 the first weeks of school when they have football games and  
23 everything else going on. It makes a huge difference to  
24 those communities. And I'm not sure anyone's thanked you  
25 for that.

1           Also, providing Humboldt with a week without  
2 overlap and with host status means the world to that venue  
3 who have suffered deficits because they've had no host  
4 status and no racing without overlap for the last few years.

5           So on behalf of Humboldt County, we thank you for  
6 that proposal, sincerely.

7           CHAIRMAN WINNER: Thank you.

8           Any questions for Mr. Morgan? Okay.

9           Thank you, Jim. Thank you very much.

10          Okay. Is there a motion?

11          MR. AVIOLI: I had a card.

12          CHAIRMAN WINNER: Oh, I didn't see your card.

13          MR. AVIOLI: That's all right.

14          CHAIRMAN WINNER: I apologize. I have so many  
15 cards, it got lost in the shuffle. I have 12 for you, Greg.

16          I don't have 15.

17          MR. AVIOLI: Well, it could be my handwriting. I  
18 apologize.

19          CHAIRMAN WINNER: Go ahead.

20          MR. AVIOLI: Greg Avioli, Thoroughbred Owners of  
21 California.

22          Not to belabor this subject, which has been much  
23 belabored --

24          VICE CHAIRMAN AUERBACH: It's been belabored.

25          MR. AVIOLI: -- well, I've got a little different

1 take. But I want to first of all thank you both for the  
2 Committee's work.

3 I just wanted to give you -- the TOC's position  
4 was we needed a balancing act between Golden Gate and the  
5 fairs and with -- always with one eye on purse generation.  
6 So we requested that you try to limit fair racing to when  
7 the fairs are running live, and you did that and we think  
8 that's a good result.

9 I'm here, though, because one thing I mentioned  
10 yesterday in the Committee meeting which the Committee  
11 didn't address, I just want the record to note that we've  
12 left a pretty big hole in 2018 as regards stabling. And  
13 it's not something that is going -- is far off.

14 For example, in the current draft we know that we  
15 don't have horsemen's agreements with the Stronach Group in  
16 the north or in the south. In the north the current draft  
17 of that agreement involves when they will open up prior to  
18 their race meet, and it's dependent on whether or not  
19 there's going to be an agreement with CARF for offsite  
20 stabling. The TOC in our sort of mediator role has gone  
21 back and forth and back and forth with CARF and the Stronach  
22 Group. And I can tell you, there is nowhere close to a deal  
23 right now for offsite stabling for the fairs.

24 I'm don't -- I'm not saying this Board needs to  
25 condition anything on anything, but I want you to be aware,



1 as of now, if you had to ask me, what do I believe is the  
2 status quo, it's that the fairs are going to choose to  
3 stable at their fairs next summer to provide no compensation  
4 to Golden Gate. And Golden Gate is going to be put in the  
5 situation of do we remain open for the summer racing season,  
6 the dates that you're going to award, without compensation  
7 from the North's Stabling and Vanning Fund. And unless and  
8 until CARF requests that, the TOC doesn't have -- we can't  
9 mandate it. The way it works is CARF says for our meet,  
10 we'd like to stable here. And we'd like the TOC to agree to  
11 fund 50 percent of that cost. And we've made it clear, I  
12 believe, that we would be willing to do that, but CARF to  
13 date is not interested. And I believe, not to put them on  
14 the spot, I believe Golden Gate has not indicated they're  
15 willing to stay open for free.

16 So when you make this vote, realize as of now  
17 you're voting with, more than likely, a plan to have the  
18 fair dates for the first time ever without stabling at  
19 Golden Gate.

20 VICE CHAIRMAN AUERBACH: And, you know, you bring  
21 up an interesting point. And I don't know that anybody's  
22 talked about this, but the representations are accurate.  
23 And I know that CARF did get up and say that they were  
24 planning on doing their own stabling. Do they have the  
25 facilities, do we know?

1 MR. AVIOLI: I would defer to Larry on that, but  
2 they definitely have, from basic math, they appear to have  
3 enough stalls throughout the fair circuit to cover the  
4 horses that are renting the stalls, yes.

5 VICE CHAIRMAN AUERBACH: So if Golden Gate chose  
6 to close the stabling, that would be their choice. So they  
7 don't have to provide it if they're not being compensated.

8 MR. AVIOLI: You're absolutely correct.

9 CHAIRMAN WINNER: There are issues here, of  
10 course, that are statutory. There is a statutory date  
11 requirement. There are issues between organizations that  
12 we, the Board, don't have oversight over, regulatory  
13 oversight over, stabling and vanning.

14 Mr. Baedeker was making a point that I'd like you  
15 to make publicly with respect to the November 1st date.

16 EXECUTIVE DIRECTOR BAEDEKER: Yeah. The law  
17 requires that the plans for the vanning and stabling  
18 calendar year be submitted the previous year by November  
19 1st. I think everybody's aware of that.

20 We've been approached, I think it was you, Greg,  
21 or maybe it was Larry, said, "You know, we haven't even got  
22 the dates for Northern California, so there's no way to have  
23 a plan submitted to the Board by November 1st," which is  
24 obvious.

25 The south should be easier.

1 MR. AVIOLI: The south plan is on my desk right  
2 now.

3 EXECUTIVE DIRECTOR BAEDEKER: Very good. So we'll  
4 get that on a timely basis.

5 I suggested to the Chairman that we put this on  
6 the agenda for next week -- or next month, which is November  
7 16th, and have a formal discussion about this issue with the  
8 statute and the timing and so forth and what the Board will  
9 require given that, the time frame that has resulted from  
10 the extended race dates' controversy.

11 MR. AVIOLI: That's fine.

12 EXECUTIVE DIRECTOR BAEDEKER: So it will be on the  
13 agenda next month.

14 MR. AVIOLI: We can also, to be compliant, north  
15 Stabling and Vanning can issue a plan to you that says as of  
16 now there will be no stabling and vanning in the north,  
17 because that's what the plan's going to say.

18 EXECUTIVE DIRECTOR BAEDEKER: Well, it might be a  
19 good idea. And I suppose then we'll have Legal Counsel tell  
20 us how those can be amended if that happens, and we can go  
21 from there. But I think because this is a statutory --

22 CHAIRMAN WINNER: Actually, that's a pretty good  
23 idea.

24 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

25 CHAIRMAN WINNER: Yeah.

1 EXECUTIVE DIRECTOR BAEDEKER: It's a statutory  
2 issue, so I think it's a good idea to go ahead and submit  
3 them on time. And then we'll get advice from Counsel about  
4 how those things can be amended and how they should be  
5 submitted to the Board after that date.

6 MR. AVIOLI: I'd be happy to do that.

7 CHAIRMAN WINNER: Okay.

8 MR. AVIOLI: Thank you.

9 CHAIRMAN WINNER: Thank you, Greg.

10 Any other questions for Greg? Okay.

11 We're going to vote on the Northern California  
12 race dates. The Committee has made a recommendation, as  
13 read by Mr. Baedeker.

14 Would you like to move, the Vice Chair?

15 VICE CHAIRMAN AUERBACH: Yeah. To where?

16 Yes, I would like to move the recommendation of  
17 the Committee.

18 CHAIRMAN WINNER: Out of state?

19 VICE CHAIRMAN AUERBACH: Out of state.

20 CHAIRMAN WINNER: All right. There's a motion.  
21 I'll second the motion. Is there discussion on the motion?

22 The motion is to accept the race dates for Northern  
23 California as recommended by the Race Dates Committee?

24 COMMISSIONER MASS: Mr. Chairman, I would just  
25 like to say thank you. Now that I'm a two-meeting veteran,

1 I know the hard work that you and Vice Chairman Auerbach  
2 went through and how difficult these things are. It's, you  
3 know, navigating a field of Jack-in-the-Boxes in a  
4 minefield.

5 CHAIRMAN WINNER: Right.

6 COMMISSIONER MASS: And just when you think you  
7 have all the Jacks down, one of the mines goes off. And I  
8 appreciate that it's difficult, but thank you both for your  
9 labor in all this.

10 CHAIRMAN WINNER: Thank you very much. How do you  
11 vote?

12 COMMISSIONER MASS: Yes.

13 CHAIRMAN WINNER: Commissioner Solis?

14 COMMISSIONER SOLIS: Yes.

15 CHAIRMAN WINNER: The Chairman votes yes.

16 Vice Chair?

17 VICE CHAIRMAN AUERBACH: Yes. And would you like  
18 my spot on this Committee?

19 (Colloquy Between Commissioners)

20 CHAIRMAN WINNER: All right. That motion carries.

21 I believe that's the last item on the agenda.

22 EXECUTIVE DIRECTOR BAEDEKER: No.

23 CHAIRMAN WINNER: No? What did I miss?

24 EXECUTIVE DIRECTOR BAEDEKER: Sixteen.

25 CHAIRMAN WINNER: Oh, 16. I thought we crossed

1 that out. Sorry.

2 Discussion and action by the Board on the  
3 Application for License to Conduct a Horse Racing Meeting of  
4 the Los Alamitos Quarter Horse Racing Association at Los  
5 Alamitos Race Course, commencing December 29th, 2017 through  
6 December 16th, 2018, inclusive.

7 Gentlemen, I apologize for kind of skipping over  
8 this.

9 EXECUTIVE DIRECTOR BAEDEKER: And, Mr. Chairman, I  
10 might preface the discussion by a note about the outstanding  
11 items that are related. Los Alamitos has not yet been able  
12 to put together its third-party Lasix plan and until that  
13 time -- which requires approval by the horsemen  
14 organization. And I think we're going to hear testimony  
15 that that's the only thing holding up the horsemen's  
16 organization at this point. I know Los Alamitos has been in  
17 contact with Dr. Arthur and has been working diligently to  
18 find staff, whether veterinarians or vet techs to do the  
19 work. So it's not for lack of effort. And there's  
20 confidence that it will be done on a timely basis.

21 And if the Board would so choose, you might  
22 consider, if everything is satisfactory to you, you might  
23 consider approving their license application conditioned  
24 upon receipt of those two outstanding items.

25 CHAIRMAN WINNER: Thank you.

1           Gentlemen?

2           MR. ENGLISH: Thank you. Rick English  
3 representing Los Alamitos Quarter Horse Racing Association.  
4 I'm accompanied by Orlando Gutierrez, our Director of  
5 Publicity and Marketing, and Dino Perez representing Pacific  
6 Coast Quarter Horse Racing Association.

7           CHAIRMAN WINNER: Welcome, gentlemen.

8           MR. PEREZ: Thank you.

9           MR. GUTIERREZ: Thank you.

10          MR. ENGLISH: Thank you. Mr. Baedeker adequately  
11 -- accurately described the situation of our application.  
12 At this point in time that is the only outstanding  
13 application -- only outstanding item. And I've requested  
14 provisional approval or application. Happy to answer any  
15 questions you might have.

16          CHAIRMAN WINNER: Any questions? Is there a  
17 motion to approve conditionally?

18          COMMISSIONER SOLIS: Move.

19          CHAIRMAN WINNER: Commissioner Solis moves.

20          COMMISSIONER MASS: Second.

21          CHAIRMAN WINNER: Commissioner Mass seconds.

22          How do you vote?

23          VICE CHAIRMAN AUERBACH: Yes.

24          CHAIRMAN WINNER: The Chairman votes yes.

25          Commissioner Solis?

1 COMMISSIONER SOLIS: Yes.

2 CHAIRMAN WINNER: Commissioner Mass?

3 COMMISSIONER MASS: Yes.

4 CHAIRMAN WINNER: Thank you, gentlemen. And it is  
5 a conditional approval.

6 MR. ENGLISH: Thank you very much.

7 CHAIRMAN WINNER: Thank you very much.

8 The meeting is adjourned.

9 (The meeting adjourned at 11:45 a.m.)

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## CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of October, 2017.



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

October 30, 2017