

MEETING
STATE OF CALIFORNIA
HORSE RACING BOARD

In the Matter of)
)
Regular Meeting)
)

LOS ALAMITOS RACE COURSE
4961 KATELLA AVENUE
FINISH LINE ROOM
LOS ALAMITOS, CALIFORNIA

THURSDAY, DECEMBER 14, 2017

9:30 A.M.

Reported by:
Martha Nelson

APPEARANCES

COMMITTEE MEMBERS

Chuck Winner, Chair
Madeline Auerbach, Vice Chair
Jesse Choper, Commissioner
Alex Solis, Commissioner
Araceli Ruano, 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

Alan Balch, California Thoroughbred Trainers
Cliff Goodrich, California Thoroughbred Horsemen's
Association
Tim Ritvo, Stronach Group
Brian Griffin
Darrell Haire, Jockeys' Guild

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6. Public hearing and action by the Board regarding --
the proposed addition of CHRB Rule 2073.1, Entities to Geo-Locate California Residents at the Time of Wager, to require advance deposit wagering (ADW) providers to use geo-locating when California residents use their ADW accounts to place wagers using any electronic devices while physically present within a licensed racing facility, simulcast wagering facility or minisatellite wagering facility; and the proposed amendment to CHRB Rule 2071, License to Conduct Advance Deposit Wagering by a California Applicant, and CHRB Rule 2072, License to Conduct Advance Deposit Wagering by an Out-of-State Applicant, to

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10. Discussion and action by the Board regarding the -- request from Southern California Off Track Wagering Inc. (SCOTWINC) to continue the modification of the distribution of market access fees from advance deposit wagering (ADW) at a rate of 2.9% as permitted under Business and Professions Code section 19604(f) (5) (E) for wagering conducted by thoroughbred associations

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in the southern and central zone during calendar year 2018.

11. 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. 47
- 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).
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authorized by Government Code section
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- C. The Board may convene a Closed Session for
the purposes of considering personnel
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P R O C E E D I N G S

9:40 A.M.

LOS ALAMITOS, CALIFORNIA, THURSDAY, DECEMBER 14, 2017

CHAIRMAN WINNER: Good morning. Ladies and Gentlemen, 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, December 14th, 2017 at Los Alamitos Race Course, 4961 Katella Avenue, Los Alamitos, California.

Present at today's meeting are myself, Chuck Winner, Chairman; Madeline Auerbach, Vice Chair; Jesse Choper, Commissioner; Fred Mass, Commissioner; Araceli Ruano, Commissioner; Alex Solis, Commissioner.

Before we go on to the business of the meeting, I need to make a few comments. The Board invites public comment on the matters appearing on the meeting agenda. 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'll strictly enforce the three-minute time limit rule for each speaker. The three-minute time limit rule will be enforced during discussion of all matters as stated on the agenda, as well as during the public comment period.

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

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

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

21 Now, obviously, a week ago today the tragedy of
22 San Luis Rey Training Center occurred. All of us witnessed,
23 either in person or through comment or through the media,
24 the horror that happened at San Luis Rey. But we also
25 witnessed the tremendous response, the overwhelming response

1 of the hundreds of volunteers who rushed to be helpful for
2 those horses that were saved and to provide for the people
3 who lived at the racetrack and who worked at the racetrack
4 or the training center and who worked there. And Del Mar
5 immediately pitched in and opened their hearts and opened
6 the track, the facility, for those horses that we were able
7 -- that we were able to get down, to get over to Del Mar
8 once the vans were allowed to proceed to San Luis Rey Downs.

9 The outreach, the response from volunteers and
10 folks who contributed to the various funds that were set up,
11 whether it be CARMA or GoFundMe, or the various other funds.

12 My understanding is that just on GoFundMe alone the
13 response, as of now, is somewhere around \$650,000, with well
14 over 5,000 contributors. And most of those contributions
15 are \$5.00, \$10.00, \$3.00, children having lemonade stands to
16 raise money for the folks who were hurt and the horses that
17 were lost and those that were injured in the tragedy.

18 And, of course, our hearts go out to Martine
19 Bellocq and Joe Herrick and Les Baker, two trainers and an
20 outrider who were injured trying to save their animals. So
21 many heroes who worked at the racetrack, instead of caring
22 for their own -- for their own lives and their own safety,
23 rushed to try to save these wonderful animals that we all
24 are so -- care so much about.

25 So with that in mind, I would also, before we

1 begin, like to ask Madeline, our Vice Chairman Madeline
2 Auerbach, to say a few words.

3 Again, let me just say thank you to all of you
4 here and those who may be listening who were so helpful, so
5 generous with your time and your pocketbook to help those in
6 need during this awful situation.

7 Madeline?

8 VICE CHAIRMAN AUERBACH: Thank you, Chuck.

9 We're going to get a little bit more specific as
10 the meeting goes on as to what's happening with the money.

11 For as horrified as I was to look at the pictures
12 and understand the tragedy, that was offset in such a large
13 portion by what happened in this community.

14 I know that we swipe at each other, we fight, we
15 can't agree on anything. We sometimes really look like the
16 prototypical dysfunctional family. But I was moved beyond
17 words, which you all know me, that can't be possible, but it
18 is, about what happened here. And everybody's response, and
19 not just in California, but the entire country, who have put
20 their hearts and souls into helping us, and we are so, so
21 grateful.

22 One of the things that I do want to make everyone
23 aware of is that the GoFundMe money, which is, Chuck alluded
24 to, which is around \$650,000, is being handled by a
25 committee of people that we feel is in the best possible

1 position, not only to be aware of the problems but to handle
2 them appropriately. And the committee is headed by Nate
3 Newby, who is an employee of the Stronach Group. The
4 committee is served, also, by Rick Hammerle with the
5 Stronach Group. It's served by David Jerkins of Del Mar,
6 and by Alan Balch of the trainers. And I'm on the
7 committee, too. And we think we have an eclectic mix of
8 people who are probably in the best position to address
9 these concerns.

10 In no way is the management and ownership of the
11 Stronach Group involved in this. And in no way is the
12 management and ownership group of Del Mar involved with
13 getting these funds out. We have given it to a group of
14 people who do not have to go through lengthy committees. Our
15 main objective and the objective of the people who gave us
16 money is to get it into the hands of the people who need it
17 the most, and that is what we are attempting to do.

18 Tomorrow morning at Del Mar there will be a
19 procession where we will give funds to every single groom
20 who worked at San Luis Rey. And money will be given to some
21 trainers, also, from San Luis Rey. And this is the initial
22 give-out of the money. And we will be as specific, once it
23 is done, as you want us to be, but everybody will be treated
24 in exactly the same fashion in getting these funds to try to
25 get their lives back in order.

1 I have heard from many different people. And we
2 will -- this didn't happen overnight, and it didn't happen
3 without a lot of community support and community
4 cooperation. And I don't know what order we're going to do
5 this in, but later you will hear from some of the
6 participants and what they've done to make this possible.
7 And I want to say thank you to every single person.

8 I also want to, while it's on my mind because I
9 tend to forget things, let you all know that I heard from a
10 trainer and -- pardon me, a person who owns a stable up in
11 the Northern California area, who, as you all know, they
12 were affected by wildfires a few months ago that were
13 devastating, that, unfortunately, as a result of being
14 declared an emergency and FEMA got involved and lists got
15 out, and they had a tremendous amount of people looking to
16 scam the system.

17 Now I don't want to throw a blanket over things,
18 but just to make the trainers aware, you may not even apply
19 for funds or apply for help, but this particular person,
20 whose name is Eric Anderson, actually got a request from the
21 SBA to verify these funds that they were going to give out
22 on his behalf and it was all fraudulent.

23 So along with everybody being wonderful and great,
24 and we're doing our best to do it as rapidly as possible,
25 please be aware that there are some people around us who are

1 not really part of our community who are trying to make
2 things more difficult than they already are. But I don't
3 want to close on a down note.

4 I want to close on a high note and tell you all
5 how grateful we are. And you have to let us know if we're
6 not taking care of things. I believe we will. And this has
7 never been a more important time for community output. And
8 I know we still have some people sniping at each other.
9 Guys, please get it together. Let's get through this.
10 Thank you.

11 CHAIRMAN WINNER: Thank you very much.

12 What I'm going to do, we'll take this a little bit
13 out of order, just so we continue on the same theme, I'm
14 going to call on a few people who want to speak on this
15 particular issue. And I'm going to start with Alan, because
16 I know he has to leave.

17 MR. BALCH: Alan Balch, California Thoroughbred
18 Chairman -- California Thoroughbred Trainers. Executive
19 Director, Chairman Winner, Members of the Board, thank you
20 for this opportunity.

21 I think Commissioner Auerbach has pretty much said
22 it all. Naturally, CTT's charter, as it were, is the health
23 and welfare of the backstretch community, not just trainers
24 but everybody on the backstretch who cares for our horses.
25 I endorse what you said. But let's just remember, even

1 though, for Martine and Joe that we're thinking of
2 constantly, there are dozens, if not hundreds, of unnamed
3 backstretch personnel who were so brave and who have been
4 effected. And we owe them all our deepest, deepest sympathy
5 and support, our gratitude for how they performed. And we
6 are concerned, of course, about their health going forward
7 because, Mr. Winner used the word horror and that's an
8 appropriate word, that they witnessed and participated in.

9 But to anyone who would doubt how much the
10 backstretch community, the trainers and their grooms, hot
11 walkers, everybody loves their horses, they just had to
12 witness the bravery of saving those horses that could be
13 saved and doing everything they could to evacuate that
14 backstretch immediately and take care of all these horses
15 thereafter.

16 And we are going to do everything we can. We're
17 working, basically, day and night with our committee to have
18 the money flowing and to make it count, every last dollar,
19 because it really has been coming in from all over the
20 world. And to anyone who may be listening or hearing this,
21 we owe and exception gratitude to all of them, too, who are
22 entrusting us with this important effort.

23 Thank you.

24 CHAIRMAN WINNER: Thank you, Alan.

25 And just to reiterate, all over the -- the point

1 you made about all over the world, I did an interview
2 yesterday with BBC Worldwide. And I think they have
3 something like 53 million listeners. And they wanted to do
4 that because they wanted their listeners to know how they
5 could help, so we were able to give them the names of the
6 organizations where they could send in their contributions,
7 if they so choose.

8 Thank you, Alan, to you and all of the people, all
9 of the trainers and the backstretch workers who did heroic
10 work.

11 COMMISSIONER RUANO: I have just one quick
12 comment.

13 CHAIRMAN WINNER: Please, Araceli.

14 COMMISSIONER RUANO: I just want to thank you,
15 Alan.

16 I also want to specifically mention Debbie Baltas,
17 who's been --

18 CHAIRMAN WINNER: Oh, unbelievable.

19 COMMISSIONER RUANO: -- doing so much amazing work
20 to help during this time of need.

21 CHAIRMAN WINNER: Cliff, where are you? There you
22 are.

23 I've told Cliff that he can have more than the
24 three minutes, if he so chooses.

25 MR. GOODRICH: Hopefully I won't take too long,

1 but Mr. Chairman, Commissioners, everyone in the audience
2 and those listening on the web, normally I'm pretty good on
3 my feet, but the things I have to say, I have to choose my
4 words carefully. I think by the end of what I have said it
5 will not be disturbing to anyone, but a lot has happened
6 with our little organization in the last few days.

7 And as Madeline said, we've gone from a tragedy to
8 an unbelievable reaction by the racing community. Donors
9 from \$5,000 to \$25,000 who don't know a human or a state in
10 this state, who just love horses and who want to take care
11 of those people who were displaced, harmed, injured, or
12 worse, by this fire. It's been an unbelievable effort. I
13 think there are something like 6,000 donors at this point
14 through all the various committees.

15 So with that being said, just a few days since the
16 devastating fire, it's been that short a time, the GoFundMe
17 group immediately, the Stronach Group, Santa Anita, Del Mar,
18 reacted amazingly quickly and to this date has received, as
19 the Chairman said, some \$650,000 in donations to provide
20 relief to the victims of the fire, including humans, horses
21 and related parties.

22 In that time the CTHF has gone from a little-known
23 501(c)(3) within our California racing community, and from
24 absolutely a not-known entity to the outside world to the
25 organization that seems to be the 501(c)(3) vehicle of

1 choice, largely through the leadership of Jack Liebau, Doc
2 Allred, and the Los Alamitos benevolent group pointing
3 donors in our direction, let alone their own generous
4 contributions, along with the GoFundMe Committee, as both
5 they and we have realized the CTHF not only has provided
6 financial assistance to trainers, assistant trainers,
7 backstretch workers for over 30 years, but has the ability
8 to distribute badly needed money in a hurry to victims of
9 the fire.

10 We have collaborated with the GoFundMe Committee,
11 the Los Alamitos people in numerous conversations and are
12 convinced that all of our thoughts are on the same page.
13 Given that, we believe the GoFundMe Committee has enough
14 confidence in the CTHF to move all of their donated money to
15 our 501(c)(3) in order to expedite distributions, both
16 immediate and longer term.

17 Anticipating what was coming, I contacted
18 Executive Director Rick Baedeker last Friday, asking for
19 guidance on our ability to properly utilize nonstatutory
20 funds, which these are, they're voluntary donations, that we
21 would be receiving. Given the funds are nonstatutory, I
22 think Rick preliminarily agreed and indicated that the CHRB
23 has less authority with such funds, and indicated that he
24 felt the Board's interest aligned with ours, namely any way
25 we can financially assist those displaced was paramount. I

1 believe Rick advised the AG rep on the Board as to my email
2 to Rick. And Rick asked Counsel to weigh in if Counsel
3 disagreed. I have yet to hear anything, which is fine.

4 All of this has been a bit overwhelming for us.
5 And to ensure we are acting properly and correctly, we have
6 hired Counsel to guide us and ensure that are not acting
7 against the intended purposes of our charter as more
8 entities will require financial assistance than just the
9 normal categories of trainers and workers that we have
10 historically serviced.

11 I am advising all of you today that we are going
12 to do everything within our power to facilitate financial
13 assistance to as broad a spectrum as we can, given the
14 trust, the GoFundMe Committee and Los Alamitos has placed in
15 us. It would help a great deal if now, or in the next few
16 days, we have a sense of the Board as a whole of any
17 concerns it has, given the direction we are heading. But
18 we, the GoFundMe Committee and Los Alamitos don't feel we
19 can wait.

20 Therefore, as the Chair and Madeline have said,
21 tomorrow, plans are underway to distribute checks to 20 San
22 Luis Rey Down trainers, and cash to some 200 workers
23 impacted by the fire, regardless of degree. Those more
24 seriously harmed can come down the road as we learn more
25 about individual situations. Without the GoFundMe effort

1 and the Los Alamitos effort, such expediency would have been
2 extremely difficult for our foundation.

3 We want to comply with Racing Law, Board Rules,
4 our own Bylaws and IRS Regulations. There are clearly
5 complex issues in attempting to do that. And it would help
6 us a great deal if we had the Board's sense that we are
7 acting in the best interest of those most in need without
8 violating any Board Rules. If the Board feels differently,
9 then, of course, we would also need to know those feelings.

10 Thank you for allowing me to provide the
11 opportunity to give this status report on how our foundation
12 is attempting to deal with a crisis situation. Thank you to
13 the donors, everybody listening, everybody in the room, the
14 Commissioners. It's been an unbelievable effort that
15 shouldn't stop when this is all over, and that's the long-
16 term story.

17 I've been around a long time and the industry has
18 fought with each other for years. We can't afford to do
19 that anymore. This, hopefully, will be the catalyst to
20 bring us all together for the better good of racing and the
21 racing community.

22 Thank you.

23 CHAIRMAN WINNER: Thank you, Cliff. And let me
24 also tell you that we all owe you a tremendous debt of
25 gratitude, not just for what you're doing now but what you

1 and the foundation have been doing for so very long. And we
2 really appreciate everything you're doing. I think
3 everybody in this room and everybody listening would agree
4 that you are owed a debt a gratitude, and thank you.

5 MR. GOODRICH: Thank you very much. I'll pass
6 that along.

7 CHAIRMAN WINNER: Did you want to say something?

8 VICE CHAIRMAN AUERBACH: Yeah. Cliff, I wanted to
9 say something specifically, because I am a member of the
10 GoFundMe Committee. And quite frankly, I don't know what we
11 would have done without you guys. In order to give away
12 this money, I mean, it seems like such an easy thing to do,
13 to give away money, and it is not. And in an attempt to
14 comply with all the rules and regulations and not delay
15 anything, you were the organization that stepped up, and you
16 should be applauded for it. You stepped up in more ways
17 than just one because everybody thinks, oh, it's GoFundMe
18 and you get the money right away, you do not, because we're
19 talking about a significant amount of money, and it takes
20 days to actually get that money out. And your ability to
21 react much more quickly than GoFundMe could act has been
22 most useful.

23 And I want everybody to understand how important
24 your particular organization has been for doing this. And
25 publicly to tell you that we would not have been able to do

1 it without your help, and thank you.

2 MR. GOODRICH: Well, that is much appreciated.
3 But I will say, we are fortunate to be a nonprofit with a
4 501(c)(3) status. That is good for starters.

5 There wouldn't be any money to distribute,
6 Commissioner, without the donors and the help of everybody
7 in this room. So we are a conduit of sorts, I guess, but we
8 also have a responsibility to act within the bounds of our
9 charter, and at times there will be conflicts along the way.

10 And I think it's important to be totally transparent, that
11 we feel aid to these victims trumps anything else for the
12 time being, until somebody clearly looks at us and says
13 you've got to put the brakes on, and hopefully that won't
14 occur.

15 CHAIRMAN WINNER: Thank you, Cliff. Thank you
16 very much.

17 Tim Ritvo.

18 And as Tim comes up, let me also express our
19 gratitude to Santa Anita for the way that they jumped in. I
20 know I was on the phone with Tim Thursday night and they got
21 on, he and Mike Rogers, got a plane and flew out from the
22 East Coast and were out here Friday morning, and over at
23 both Del Mar and San Luis Rey. And, of course, they
24 immediately jumped in to do everything that they can. And
25 also, Los Alamitos, who, obviously, Jack and Doc and all did

1 a tremendous job of being helpful, not just racing money,
2 but in every other way that they could be helpful.

3 Timmy?

4 MR. RITVO: Good morning. Tim Ritvo, Chief
5 Operating Officer of the Stronach Group.

6 Commissioner Winner and Vice Chair Auerbach and
7 the Commission, on behalf of the Stronach Group, we cannot
8 tell the owners, the trainers, the grooms, the people that
9 love these horses, the heartfelt sorrow we felt for them.
10 Witnessing that firsthand, I pray I never see anything like
11 that again. It was a horrific scene.

12 There's just, you know, in incidents like this,
13 there's just not much you can say. I mean, you can look
14 back and try to evaluate, and we will go forward on what we
15 can do better, if there are some things that can be done,
16 obviously, moving forward to be more prepared. We believe
17 that there was nothing, when we interviewed our staff.

18 And all the people that had to react
19 instantaneously to try to save these animals was amazing.
20 Nobody knows what they would do in a situation with your
21 life threatened, fires breaking out all around you. And to
22 go running in and try to save these animals and turn them
23 loose, and risking their own lives, and people driving in
24 with vans to get them out of there, was
25 just -- it was just an amazing effort and love that people

1 show for the animals that we have.

2 And, you know, we as a company know that,
3 obviously, at times we struggle with each other, groups,
4 whether it's Del Mar or Los Al, the horsemen, but it was
5 really great to see everybody pull together. We couldn't
6 have been thankful enough to Josh and his crew at Del Mar to
7 reach out to accept the horses immediately, as soon as that
8 night. So, you know, once again, like other speakers have
9 said, the industry pulled together when it needed to pull
10 together.

11 We will do everything we can on our part to
12 continue to try to make life better, or as much as we can,
13 for the people that have lost so much, never to forget an
14 incident like this and to continue to move forward.

15 And, you know, we just can't thank, also, the
16 supporters, the volunteers that showed up immediately, many
17 that night, many the next day, the love and care they showed
18 for the horses, the donations on the GoFundMe page and the
19 fast reaction, and the words from all racetracks around the
20 country in support of the efforts to help, it was just a
21 horrific scene.

22 And one again, moving forward we will look at and
23 try to put in place protocols to better prepare us for
24 incidents like this, but there's just -- having the fire
25 department there, talking to the police, it was conflicted

1 reports of what people want you to do. They want to save
2 human lives and get you out of there, but those people,
3 those horsemen, those grooms and those backside workers that
4 work for us weren't leaving until they freed all the horses
5 that they could free, so it's just a horrific scene.

6 Moving forward, obviously there's a lot of talk
7 about what's going to happen in the future with the barns.
8 Where do we rebuild? How do we move forward? Those things
9 are being discussed now very seriously. And there will be
10 some fast and swift reactions on how to move forward and
11 repair barns, build new barns, both at San Luis Rey and at
12 Santa Anita. But all of that is being figured out.

13 Opening day, on December 26th at Santa Anita, we
14 will do -- we have our team now working on a memorial
15 service to list all the horses we lost and a moment of
16 silence and to be -- a minute to be thankful for all of the
17 efforts that were made to try to help and rescue these
18 horses as fast as they could. Everybody knows that's in
19 this business the number one thing is the love for the
20 animal. We want to kind of have a tribute for those animals
21 that we lost and the people that made the effort to save the
22 ones we saved.

23 So thank you.

24 CHAIRMAN WINNER: Thank you, Tim.

25 All right, moving along, the next item is the

1 approval of the minutes from the November --

2 VICE CHAIRMAN AUERBACH: Was that --

3 CHAIRMAN WINNER: Pardon me?

4 VICE CHAIRMAN AUERBACH: Was that everybody?

5 CHAIRMAN WINNER: Everybody on the fire, yeah.

6 Approval of the minutes of the September -- of the

7 November 16th meeting. Are there any additions to the

8 minutes? Is there a motion to approve the minutes?

9 COMMISSIONER MASS: Move.

10 CHAIRMAN WINNER: Commissioner Mass moves to

11 approve.

12 COMMISSIONER SOLIS: Second.

13 CHAIRMAN WINNER: Commissioner Solis seconds. All

14 in favor? Oh, I guess we have to take a roll call.

15 Commissioner Ruano?

16 COMMISSIONER RUANO: Yes.

17 CHAIRMAN WINNER: Commissioner Choper?

18 COMMISSIONER CHOPER: Yes.

19 CHAIRMAN WINNER: Vice Chair Auerbach?

20 VICE CHAIRMAN AUERBACH: Yes.

21 CHAIRMAN WINNER: Chairman votes yes.

22 Commissioner Solis?

23 COMMISSIONER SOLIS: Yes.

24 CHAIRMAN WINNER: Commissioner Mass?

25 COMMISSIONER MASS: Yes.

1 CHAIRMAN WINNER: Okay. They're approved.

2 Now we'll go the Executive Director's Report.

3 Rick?

4 EXECUTIVE DIRECTOR BAEDEKER: Yeah. Thank you,
5 Mr. Chairman. Just one other note on the previous
6 discussion.

7 A lot has been said about Del Mar stepping up. It
8 was kind of amazing to see that everybody was there. The
9 track was being readied within an hour, in case horses
10 wanted to -- needed to be jogged the next morning. They
11 arranged for an ambulance to get there. All of this stuff
12 was happening, with everything else that was going on.

13 But I did want to mention that the first person
14 that I saw when I got there was Tim Fennell, the CEO of the
15 Fairgrounds. And I read somewhere that the first horses
16 that got to Del Mar got there before Del Mar knew there was
17 a fire, and that they opened the stable area and everything
18 and went from there, that you've heard. So I just want to
19 give credit where credit is due.

20 The other -- the only other point that I'd like to
21 make is I know there was a tweet put out early morning
22 hours, Thursday into Friday, saying that they needed racing
23 vets. And Luis Jauregui, our Safety Steward, got there at
24 dawn on Friday morning and there were six vets that have
25 traveled down south that were already examining the horses.

1 So just to add to every -- all the other positives that
2 have been talked about, it was, oddly, it was a wonderful
3 experience to see the racing community at its best.

4 Now going to -- back to business, I have good news
5 and I have bad news. The good news is that one member of
6 the CHRB Staff is getting a great new job. The bad news is
7 that we're losing him. Phil Laird is going to become the
8 Deputy General Counsel for the Business, Consumer Services
9 and Housing Agency, a very significant role for Phil. Mixed
10 emotions about this, of course.

11 You know, I don't know if you know, we have John
12 McDonough, who counsels the Board, and we have Phil as our
13 Staff Counsel. And Phil handles law enforcement, policy and
14 regs, licensing, and anything else we can think of. And
15 he's been doing -- he's been overachieving and we've
16 benefitted from it, so certainly mixed emotions. As Darrell
17 McHargue put it when I put out an email about it, he said,
18 "Well, it's like, for us, it's like getting a lump of coal
19 in your Christmas stocking."

20 But for Phil and for all of us who know him, have
21 had the privilege of working with him, we know this is a
22 good move for Phil. And we want to publicly express, and I
23 know I speak for the Commission, too, our gratitude for all
24 that good work. And the State of California is lucky that
25 you're staying involved in government work.

1 So thank you very much, Phil, and all the best to
2 you.

3 (Applause)

4 CHAIRMAN WINNER: And from me, Phil, also,
5 congratulations. Thank you, and I'm never speaking to you
6 again.

7 EXECUTIVE DIRECTOR BAEDEKER: The only other thing
8 I have, Mr. Chairman, is the financials for the month of
9 November. This is happy news. It was bolstered, of course,
10 by the Breeders' Cup at Del Mar, plus two additional days of
11 racing during the day. And as a result, daytime racing was
12 up just under 11 percent, everything in, nighttime racing
13 was down 3.7, and that brings the monthly total, everything
14 considered, to a gain of 9.89 percent. And that puts us
15 into the black for the year. Daytime racing is up 0.42
16 percent, nighttime is down just 1 percent, and the totals
17 are up 0.28 percent. So we've crossed that line and
18 hopefully will stay there.

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

20 CHAIRMAN WINNER: Thank you very much.

21 Let me announce that there are three items that
22 are coming off the agenda today. Item number six, item
23 number nine and item number ten are off the agenda.

24 All right, that takes us to the public comment
25 period. I have one card from Brian Griffin. If anyone else

1 wants to speak during the public comment period, please come
2 up and see Mike Marten and fill out a card.

3 Mr. Griffin, please come to the podium, introduce
4 yourself and who you represent.

5 MR. GRIFFIN: Okay. Good morning. My name is
6 Brian Griffin. I'm a farrier. And I'd like to thank the
7 Chairpersons of the Board and the Board for taking the time
8 to listen to me.

9 One quick note, based on what everyone was
10 speaking about at Del Mar and not related to what I have to
11 say, I was down there on Monday and it was heartwarming to
12 see that they actually had too many volunteers that were
13 able to help. We've had people show up that were not horse-
14 related people, and with good intentions. And they were
15 trying to feed the animals. They shouldn't have been there.
16 They could have gotten hurt. But it was just nice to see
17 that there's many members of the community out there, not
18 even involved with horses.

19 They had a room full of tack, which they had too
20 much donated. There was piles and piles of clothes that
21 were donated. People were still coming in there.
22 Volunteers kept showing up. So it was nice to see that
23 there was actually too many items of certain things that
24 were donated.

25 The reason I'm here today, I'm a farrier. I'm

1 licensed in five states, major racing jurisdictions, New
2 York, New Jersey, Florida, Virginia, Maryland and New
3 Hampshire. I've been shoeing for over 30 years, both on and
4 off the race tracks, many different breeds. I have quite a
5 bit of experience.

6 I was informed, when I came out here to
7 California, that there was a licensing requirements, such as
8 a practical test, which is in, to my knowledge, in all the
9 other states, it's not required. They do have what's known
10 as a reciprocal license agreement. And if I'm not mistaken,
11 that reciprocal license is granted to trainers and jockeys.

12 In my argument, if there should be any type of test, it
13 would be for a jockey, only because they have the potential
14 to hurt somebody. I would think that they would want to be
15 tested before they can compete on the racetracks.

16 So it -- the licensing requirement for farriers is
17 based on an outdated and antiquated test that's not even
18 relevant to the work performed. In order to practice for
19 this test and pass this test, it requires certain equipment
20 that is very difficult to find. And the test is given at
21 times of the year which restricts competition because when
22 the meets start, the test is given after the meet start. So
23 any incoming farriers from other racetracks, it would be too
24 late to secure their customers.

25 I have a few customers lined up now for the Santa

1 Anita meet, that if I were to take the test, it would be too
2 late. It's going to be administered in January. And I'm
3 not sure that I could even pass it, based on the
4 requirements.

5 It is designed to limit fair competition. That's
6 openly acknowledged by even the other farriers and everybody
7 else across the country.

8 So my position would be to ask if either a
9 temporary waiver could be issued for me, so I could practice
10 my trade, and practice for the test because the equipment is
11 pretty much only a racetrack, or if the test, the practical
12 part of the test, could be altered to be relevant to what --
13 the services performed.

14 A modern-day farrier needs to be able to fix
15 quarter cracks, white line disease. He needs to be able to
16 glue on shoes. And there's other new techniques out there
17 called ABS plastic which, to my knowledge, now the farriers
18 can actually administer it onto the hoof. I was trained to
19 do that. It actually lengthens the time that horses can go
20 between shoeings and strengthens the horses foot. A lot of
21 farriers won't attend these clinics because they have no
22 desire to, and they really have no need to. There's just
23 too much work for them back there, and the prices are high,
24 and that's pretty much the way they want it.

25 I think that's about -- one other point I would

1 like to make. I know I don't have a lot of time.

2 There are farriers that come in from out of state
3 for the Breeders' Cup. They're given provisional waivers
4 and provisional licenses to work on these certain horses. I
5 don't know of any other state that would do that. They
6 would just go -- if they come in for the Breeders' Cup, they
7 would get a license and that would be it.

8 I would also think it might be a legal liability
9 for the owners of the racetrack if these certain farriers
10 are given provisional licenses and they come on the backside
11 and something happens to them or somebody else, then the
12 tracks would be liable for some kind of legal action for
13 having people that are unlicensed on the backside.

14 So that's the point that I would like to make, but
15 --

16 CHAIRMAN WINNER: Thank you.

17 MR. GRIFFIN: Thank you for your time.

18 CHAIRMAN WINNER: As you know, I think you sent to
19 me -- I know I received an email from you, as did Executive
20 Director Baedeker. And I referred it to the Executive
21 Director. I think he responded to you. I'm not sure I know
22 --

23 EXECUTIVE DIRECTOR BAEDEKER: I did.

24 CHAIRMAN WINNER: -- what the rules are or how
25 they would have to be changed.

1 Perhaps, Rick, you know that, or John or Phil?

2 EXECUTIVE DIRECTOR BAEDEKER: Well, the
3 information that we have, relative to what you've stated, is
4 mostly anecdotal. This has come up now and then. Some of
5 the issues that you've pointed out, we've talked about. I
6 think that there's clearly resistance among the current
7 farriers to change anything, which shouldn't concern a
8 regulatory body. We should just be doing it the right way.
9 However, we do have a rule, and the rule is specific,
10 relative to getting an original farriers license in this
11 state.

12 So I don't know what the options are for the
13 Board. I don't think this Board has to grant a waiver.
14 We'll go back and look at it. And I think maybe the issue
15 could be brought before the stewards.

16 But on the other hand, when I did consult with our
17 attorneys and with Chief Steward Darrell McHargue, before
18 contacting you, we came back to the letter of the rule. So
19 we'll look at it, but I would say to you that I wouldn't
20 necessarily get my hopes up, you know? The Board isn't in
21 the habit of just waiving the rule because somebody asks,
22 but we will look at it.

23 CHAIRMAN WINNER: And we can also say that it may
24 -- as you look at it, if the rule needs to be changed, as is
25 suggested by Mr. Griffin, we ought to take a look and either

1 -- and put it on the agenda for a change of the rule, if the
2 rule, in fact, needs to be changed.

3 EXECUTIVE DIRECTOR BAEDEKER: Yeah. I think
4 there's two issues. One is the rule itself.

5 The other is, as you mentioned, the farrier's
6 test. I've heard from Luis Jauregui, who is, you know, on
7 the backside every day, that this is something that needs to
8 be addressed.

9 So based on his observations, his comments, we'll
10 certainly research it.

11 VICE CHAIRMAN AUERBACH: Can I --

12 CHAIRMAN WINNER: Please.

13 VICE CHAIRMAN AUERBACH: I'd like to weigh in,
14 too.

15 I understand the predicament this gentleman is in.
16 And I would suggest, if I might, that you get letters from
17 the trainers, specifically, that you mentioned. And I would
18 get them notarized, saying that they request your ability to
19 service their barns here in California. And I would suggest
20 that we maybe take that to the stewards and ask them to
21 start talking about it.

22 Because the reason I'm saying that is because I
23 know that in our experience, having a lot of horses, we did
24 have some issues trying to have enough good farrier help.
25 And I would hate to see an opportunity for somebody who may

1 be overqualified -- and I don't want to go around the rules,
2 but I do want to see if there's a way that we can perhaps
3 help this gentleman and have a little bit of -- I'm not
4 suggesting we drop the rule. I'm suggesting some
5 flexibility towards addressing this.

6 We're so tied up now with other issues that it's
7 hard, and I don't want to forget about individuals while
8 we're doing this.

9 EXECUTIVE DIRECTOR BAEDEKER: Yeah. I think what
10 we -- what I've heard from the Chairman and from you, Vice
11 Chair Auerbach, is that we should review the current
12 situation and see what our options are, which we'll do.

13 However, relative to the rule itself, which the
14 Chairman has directed that we should have a look at and see
15 if it needs to be changed, that's appropriate for an open
16 meeting where anybody can get up and comment and contribute
17 to the process. So we'll do both of those things.

18 CHAIRMAN WINNER: Thank you. All right, thank
19 you.

20 Moving on, item number four, public hearing and
21 action by the Board regarding the proposed amendment to CHRB
22 Rule 1689, Safety Helmet Required, and CHRB Rule 1689.1,
23 Safety Vest Required, to provide that no person may be
24 mounted in or riding on a jog cart on the grounds of a
25 facility under the jurisdiction of the Board unless such

1 person is wearing a Board approved safety helmet and safety
2 vest. This concludes the 45-day public comment period. The
3 Board may adopt the proposal as presented.

4 Phil, first of all, were there any comments during
5 the 45-day period?

6 MR. LAIRD: No comments were received.

7 CHAIRMAN WINNER: Is there any reason to have
8 discussion? Does anybody want to discuss this matter?

9 Did you want to say anything, Phil?

10 Anybody on the Board have any comment?

11 VICE CHAIRMAN AUERBACH: Well, we did discuss it.

12 CHAIRMAN WINNER: We did, before the first time it
13 went out.

14 Is there any further discussion on it? Is there a
15 motion?

16 COMMISSIONER RUANO: Move.

17 CHAIRMAN WINNER: Commissioner Ruano moves.

18 COMMISSIONER CHOPER: Second.

19 CHAIRMAN WINNER: Commissioner Choper seconds.

20 Commissioner Mass?

21 COMMISSIONER MASS: Yes.

22 CHAIRMAN WINNER: Commissioner Solis?

23 COMMISSIONER SOLIS: Yes.

24 CHAIRMAN WINNER: Chairman votes yes.

25 Vice Chair Auerbach?

1 VICE CHAIRMAN AUERBACH: Yes.

2 CHAIRMAN WINNER: Commissioner Choper?

3 COMMISSIONER CHOPER: Yes.

4 CHAIRMAN WINNER: Commissioner Ruano?

5 COMMISSIONER RUANO: Yes.

6 CHAIRMAN WINNER: The measure carries unanimously.

7 Thank you, Phil.

8 MR. LAIRD: A lot of hard work on that one.

9 CHAIRMAN WINNER: Yeah. Item number five, public
10 hearing and action by the Board regarding the proposed
11 amendment to CHRB Rule 1865, Altering of Sex of Horse, to
12 provide that if the true sex of the horse is not reported to
13 the racing office prior to the opening of the wagering for
14 the race in which the horse is entered, the stewards shall
15 declare the horse from the race.

16 This has to do with gelding.

17 This concludes the 45-day public comment period.

18 The Board may adopt the proposal as presented.

19 Were there any comments on this one, Phil?

20 MR. LAIRD: Once again, no comments received.

21 CHAIRMAN WINNER: Yeah. Is there any -- we
22 discussed this, as you know, when it was brought up the
23 first time. Is there any further discussion?

24 Commissioner Choper does.

25 COMMISSIONER CHOPER: One question.

1 CHAIRMAN WINNER: Yes.

2 COMMISSIONER CHOPER: It says "prior to all
3 betting."
4 When does betting usually start?

5 EXECUTIVE DIRECTOR BAEDEKER: About eight o'clock
6 in the morning.

7 COMMISSIONER CHOPER: Okay. I got you. That's
8 all I wanted to know.

9 CHAIRMAN WINNER: Any further comment? Is there a
10 motion?

11 COMMISSIONER CHOPER: So moved.

12 CHAIRMAN WINNER: Commissioner Choper moves.

13 COMMISSIONER MASS: Second.

14 CHAIRMAN WINNER: Commissioner Mass seconds.
15 Commissioner Ruano?

16 COMMISSIONER RUANO: Yes.

17 CHAIRMAN WINNER: Commissioner Choper?

18 COMMISSIONER CHOPER: Yes.

19 CHAIRMAN WINNER: Commissioner Auerbach?

20 VICE CHAIRMAN AUERBACH: Yes.

21 CHAIRMAN WINNER: Chairman votes yes.
22 Commissioner Solis?

23 COMMISSIONER SOLIS: Yes.

24 CHAIRMAN WINNER: Commissioner Mass?

25 COMMISSIONER MASS: Yes.

1 CHAIRMAN WINNER: It carries unanimously.

2 Good job, Phil.

3 MR. LAIRD: I'm on a roll.

4 CHAIRMAN WINNER: Commissioner six is --
5 commissioner -- item six is off the agenda, and we'll move
6 on to number seven.

7 Discussion and action by the Board regarding the
8 proposed amendment to CHRB Rule 1467, Paymaster of Purses,
9 to include trainer and jockey purse deductions from any
10 thoroughbred race conducted at a thoroughbred or fair race
11 meeting to be contributed to the California Retirement
12 Management Account, CARMA, a charitable trust fund
13 maintained by CARMA, a nonprofit org.

14 Discussion?

15 Are you recusing yourself from this?

16 VICE CHAIRMAN AUERBACH: Yeah. I would like to
17 recuse myself, not only from the voting but from any
18 discussion, unless I have -- someone has a question for me,
19 so --

20 CHAIRMAN WINNER: Okay. Is there any discussion?
21 Any discussion? Is there a motion?

22 COMMISSIONER MASS: Move.

23 CHAIRMAN WINNER: Commissioner Mass moves.

24 COMMISSIONER SOLIS: Second.

25 CHAIRMAN WINNER: Commissioner Solis seconds.

1 Commissioner Ruano?

2 COMMISSIONER RUANO: Yes.

3 CHAIRMAN WINNER: Commissioner Choper?

4 COMMISSIONER CHOPER: Yes.

5 CHAIRMAN WINNER: Chairman votes yes.

6 Commissioner Solis?

7 COMMISSIONER SOLIS: Yes.

8 CHAIRMAN WINNER: Commissioner Mass?

9 COMMISSIONER MASS: Yes.

10 CHAIRMAN WINNER: The measure carries five to
11 nothing with Commissioner -- with Vice Chair Auerbach
12 abstaining.

13 On to item number eight.

14 Discussion and action by the Board regarding the
15 request for approval of the continuation of the 0.50 percent
16 distribution to the Southern California Stabling and Vanning
17 Fund from advance deposit wagering, ADW, hosted by -- you
18 know what, Darrell, you wanted to speak on seven, and I have
19 a card from you, but I didn't see it, so I apologize.

20 MR. HAIRE: That's okay.

21 CHAIRMAN WINNER: So I'm going back to item seven.
22 We already passed it. Did you want to oppose it?

23 MR. HAIRE: No. Mr. Chairman, we're -- Darrell
24 Haire, Jockeys' Guild.

25 We're in favor of this proposal, item seven. The

1 jockeys are behind it in general. And the ones that want to
2 opt out, they'll have the opportunity, if they so choose.
3 So -- but we do support it.

4 CHAIRMAN WINNER: Thank you.

5 MR. HAIRE: Yes, sir.

6 CHAIRMAN WINNER: And we followed your guidance,
7 Darrell, and we voted it unanimously.

8 Okay. I apologize. Item number eight.

9 Discussion and action by the Board regarding the
10 request for approval of the continuation of the 0.50 percent
11 distribution to the Southern California Stabling and Vanning
12 Fund from advance deposit wagering, ADW, hosted by
13 thoroughbred racing associations and racing fairs conducting
14 racing in the Central and Southern zones for the period
15 commencing January 1, 2018 through December 31, 2018 as
16 permitted under Business and Professions Code section
17 19604(f)(5)(E).

18 Is there anyone in the audience who wants to speak
19 about this item? Because I do not have a card. Okay.

20 Any discussion on the Board?

21 This is an action item; correct?

22 EXECUTIVE DIRECTOR BAEDEKER: It is an action
23 item.

24 CHAIRMAN WINNER: And it would go out for 45 days;
25 correct?

1 EXECUTIVE DIRECTOR BAEDEKER: No, this doesn't go
2 out for 45 days.

3 CHAIRMAN WINNER: It does not?

4 EXECUTIVE DIRECTOR BAEDEKER: This is not a new
5 rule proposal. It's --

6 CHAIRMAN WINNER: Okay.

7 EXECUTIVE DIRECTOR BAEDEKER: And this has been
8 done for --

9 CHAIRMAN WINNER: Ever.

10 EXECUTIVE DIRECTOR BAEDEKER: -- for a long time.

11 CHAIRMAN WINNER: Okay.

12 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

13 CHAIRMAN WINNER: All right.

14 EXECUTIVE DIRECTOR BAEDEKER: It's just a renewal
15 --

16 CHAIRMAN WINNER: Okay.

17 EXECUTIVE DIRECTOR BAEDEKER: -- of a policy.

18 CHAIRMAN WINNER: Is there a motion?

19 COMMISSIONER CHOPER: Move.

20 CHAIRMAN WINNER: Commissioner Choper moves.

21 VICE CHAIRMAN AUERBACH: Second.

22 CHAIRMAN WINNER: Vice Chair Auerbach seconds.
23 Commissioner Ruano?

24 COMMISSIONER RUANO: Yes.

25 CHAIRMAN WINNER: Commissioner Choper?

1 COMMISSIONER CHOPER: Yes.

2 CHAIRMAN WINNER: Vice Chair Auerbach?

3 VICE CHAIRMAN AUERBACH: Yes.

4 CHAIRMAN WINNER: Chairman votes yes.

5 Commissioner Solis?

6 COMMISSIONER SOLIS: Yes.

7 CHAIRMAN WINNER: Commissioner Mass?

8 COMMISSIONER MASS: Yes.

9 CHAIRMAN WINNER: Moving right along, item number

10 11. Nine and ten are off. We go right to 11. No, there is

11 no 11.

12 EXECUTIVE DIRECTOR BAEDEKER: There is no 11.

13 CHAIRMAN WINNER: Eleven is a closed session.

14 None of you are invited.

15 Any other discussion? Is there a motion to

16 adjourn?

17 VICE CHAIRMAN AUERBACH: So moved.

18 COMMISSIONER RUANO: So moved.

19 COMMISSIONER CHOPER: So moved.

20 COMMISSIONER SOLIS: So moved.

21 COMMISSIONER MASS: So moved.

22 CHAIRMAN WINNER: It's moved by every Commissioner

23 to adjourn.

24 Thank you all for attending. Again, thank you all

25 for everything that you've been doing with respect to the

1 fire and the tragedy. And this meeting is adjourned.

2 (The meeting of the California Horse Racing Board adjourned
3 into Closed Session at 10:29 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 15th day of December, 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

December 15, 2017