

APPEARANCES

COMMITTEE MEMBERS

Madeline Auerbach, Vice Chair

Alex Solis, Commissioner

Araceli Ruano, Commissioner

Fred Mass, Commissioner

STAFF

Rick Baedeker, Executive Director

Jacqueline Wagner, Assistant Executive Director

John McDonough, Chief Counsel

Mike Marten, Associate Analyst

Rick Arthur, Equine Medical Director

ALSO PRESENT

Craig Dado, Del Mar Thoroughbred Club

Larry Swartzlander, California Authority of Racing Fairs

Richard Scheidt, California Authority of Racing Fairs

Eric Sindler, Stronach Group

Tim Ritvo, Stronach Group

Alan Balch, California Thoroughbred Trainers

Elizabeth Morey, Thoroughbred Owners of California

Jack Liebau, Los Alamitos Quarter Horse Association.

John Valenzuela, Pari-Mutuel Employees Local 280

Robert O'Neil, Stronach Group

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3. Public Comment: Communications, reports, requests --
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4. Discussion and action by the Board regarding 10
the distribution of race day charity proceeds
of the Del Mar Thoroughbred Club's 2017 summer
race meeting in the amount of \$105,656, to nine
beneficiaries.
5. Discussion and action by the Board regarding 10
the distribution of race day charity proceeds
of the Del Mar Thoroughbred Club's 2017 fall
race meeting in the amount of \$17,929, to four
beneficiaries.
6. Discussion and action by the Board regarding 10
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of the Del Mar Thoroughbred Club's 2017 Breeders' Cup Race Days in the amount of \$50,363, to four beneficiaries.

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| 7. | Discussion and action by the Board on the request from the California Authority of Racing Fairs, (CARF) to designate the following 2018 allocated race dates as a combined fair horse racing meeting, pursuant to Business and Professions Code section 19549.1: Oak Tree at Pleasanton, June 13,2018 through July 10, 2018; California Exposition and State Fair, July 11, 2018 through July 31, 2018; Humboldt County Fair at Ferndale, August 15, 2018 through August 28, 2018; and the Big Fresno Fair, October 3, 2018 Through October 16, 2018. | 12 |
| 8. | Discussion and action by the Board on the Application to Conduct a Horse Racing Meeting of the Oak Tree Racing Association at the Alameda County Fair (F), at Pleasanton, (Race meeting to be called "Oak Tree at Pleasanton") commencing June 13, 2018 through July 10, 2018, inclusive. | -- |

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9. Public hearing and action by the Board regarding the proposed amendment to CHRB Rule 1588, Horse Ineligible to Start in a Race to provide that a horse that receives an intraarticular injection (glucocorticosteriod/cortisone) is ineligible to race for five (5) days (120 hours) after the treatment and the proposed addition of CHRB Rule 1842.1, Additional Report for Intra-Articular Treatments, to require veterinarians administering medication or treatment into an articular structure of a horse located within the enclosure to provide an intra-articular treatment record to the trainer who shall maintain the records for a period of one year, and make the records available to the examining veterinarian for the purpose of assisting with pre-race veterinary examinations and other examinations as required by the Board. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.) --
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- the proposed amendment to CHRB Rule 1865,
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15. Discussion regarding a report and update from the Pacific Racing Association (Golden Gate Fields), the Thoroughbred Owners of California, and the California Association of Racing Fairs (CARF) on organizational changes to Northern California Off-Track Wagering, Inc. (NCOTWINC) and projected changes, if any, to the operation of satellite wagering in Northern California. 55
16. 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. 82
- 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,"

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and as authorized by Government Code section 11126(e).

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

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P R O C E E D I N G S

9:29 A.M.

ARCADIA, CALIFORNIA, THURSDAY, APRIL 19, 2018

CHAIRMAN WINNER: I'm going to get this meeting going right on time here.

I want to start out by telling all of you that at ten o'clock, I am going to call a break to the meeting because there is a charity event downstairs this morning. There's a pancake breakfast for Adrian Valenzuela, who was severely injured a week or so ago. And I'm going to allow everybody 15 to 20 minutes to go down there, eat a pancake, make a donation, whatever you wish to do.

So, at ten o'clock, I am going to stop the meeting for that purpose. And I hope that you'll all bear with me on that decision because I think a lot of you would like to be part of it. If anybody has any comment on that, now would be a good time to say it. Other than that, we will follow that procedure today.

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, April 19th, 2018 at Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California.

1 Present at today's meeting are: Madeline
2 Auerbach, Vice Chairman; Fred Mass, Commissioner; Araceli
3 Ruano, Commissioner; and Alex Solis, Commissioner.

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

10 In order to ensure all individuals have an
11 opportunity to speak and the meeting proceeds in a timely
12 fashion, I will strictly enforce the three-minute time limit
13 rule for each speaker, and I will strictly enforce, the
14 three-minute time limit rule for each speaker. The three-
15 minute time limit will be enforced during discussion of all
16 matters as stated on the agenda, as well as during the
17 public comment period.

18 There is a public comment sign-in sheet for each
19 agenda matter on which the Board invites comments. Also,
20 there is a sign-in sheet for those wishing to speak during
21 the public comment period for matters not on the Board's
22 agenda if it concerns horse racing in California. Please
23 print your name legibly on the public comment sign-in sheet.

24 When a matter is open for public comment, your
25 name will be called. Please come to the podium and

1 introduce yourself by stating your name and organization
2 clearly. This is necessary for the court reporter to have a
3 clear record of all who speak. When your three minutes are
4 up the Chairman will ask you to return to your seat so
5 others can be heard.

6 When all the names have been called the Chairman
7 will ask if there is anyone else who would like to speak on
8 the matter before the Board. Also, the Board may ask
9 questions of individuals who speak. If a speaker repeats
10 himself or herself the Chairman will ask if the speaker has
11 any new comments to make. If there are none, the speaker
12 will be asked to let others make comments to the Board.

13 Thank you for bearing with me with that. And
14 please see Mike Marten if you so wish to be heard. And --

15 EXECUTIVE DIRECTOR BAEDEKER: There. This one is
16 incomplete.

17 VICE CHAIR AUERBACH: Okay. Right.

18 EXECUTIVE DIRECTOR BAEDEKER: The meet
19 application. This is the one we talked about.

20 VICE CHAIR AUERBACH: Okay. Well, let's --

21 EXECUTIVE DIRECTOR BAEDEKER: It's one in the
22 same.

23 VICE CHAIR AUERBACH: -- we'll decide when we get
24 there.

25 EXECUTIVE DIRECTOR BAEDEKER: And then I think

1 maybe we didn't --

2 UNIDENTIFIED FEMALE: We can't hear you.

3 EXECUTIVE DIRECTOR BAEDEKER: Pardon me?

4 UNIDENTIFIED FEMALE: We can't hear you.

5 VICE CHAIR AUERBACH: That's okay.

6 EXECUTIVE DIRECTOR BAEDEKER: Yeah, that's okay.

7 VICE CHAIR AUERBACH: We're not telling secrets.

8 We'll let you know when it's a secret-secret.

9 EXECUTIVE DIRECTOR BAEDEKER: This is how I --

10 VICE CHAIR AUERBACH: We're trying to decide, we
11 have -- it's not a secret. We have a specific agenda and we
12 only have four Commissioners. And we are concerned that
13 some items, we might need more attendance of Commissioners
14 in order to conduct business. And we're trying to make this
15 meeting more user friendly for everybody, and that's all
16 we're doing. Although we would like to tell secrets, we
17 won't.

18 Okay, can we please have the Executive Director's
19 report?

20 First, you need to do minutes, I think.

21 VICE CHAIR AUERBACH: Oh. See how good I am at
22 this? Not at all.

23 Has everybody had a chance to read the minutes of
24 the previous meeting?

25 COMMISSIONER MASS: I have a motion to approve.

1 COMMISSIONER RUANO: Second.

2 VICE CHAIR AUERBACH: Motion to approve. Second.
3 Motion to approve by Commissioner Mass.

4 How do you vote?

5 COMMISSIONER MASS: Yes.

6 VICE CHAIR AUERBACH: Vice Chair votes yes.

7 COMMISSIONER SOLIS: Yes.

8 COMMISSIONER RUANO: Yes

9 VICE CHAIR AUERBACH: Minutes are approved as
10 read.

11 Now we can have the Executive Director's report.

12 EXECUTIVE DIRECTOR BAEDEKER: We certainly can,
13 Madam Chairman. And I think I'll do a medley of my favorite
14 horse racing songs while I wait for my computer here to --

15 VICE CHAIR AUERBACH: Camptown racetrack, sign a
16 song, doo-dah. Did that work?

17 EXECUTIVE DIRECTOR BAEDEKER: It worked for me.
18 Just give me one second here.

19 VICE CHAIR AUERBACH: The joys of the digital
20 world; right?

21 COMMISSIONER MASS: How about that?

22 EXECUTIVE DIRECTOR BAEDEKER: It actually worked.

23 VICE CHAIR AUERBACH: Yay.

24 EXECUTIVE DIRECTOR BAEDEKER: Okay. First, very
25 pleased to welcome Rob Brodnik to our staff.

1 Rob, can you stand up so everybody can see you?

2 (Applause.)

3 EXECUTIVE DIRECTOR BAEDEKER: Rob came to us --
4 Rob is the new Staff Counsel. He takes over for Phil Laird.
5 And as you've heard me say before, we had, oh, I think it
6 was 45 applications for the position. We interviewed 15
7 people and Rod -- we were so lucky to have him, among many
8 talented people that applied, join us. He comes from the
9 District Attorney's Office, Solano County, Assistant D.A.,
10 so extensive experience with prosecuting cases, and also
11 working with peace officers. So we're looking forward to
12 having him work with our stewards on procedural matters and
13 peace officers in putting their investigations together.

14 And also very much appreciate his enthusiasm.
15 He's already been over at Golden Gate and seen everything
16 from the morning to the afternoon, and also been to the
17 Maddy Lab, had a thoroughbred tour of the Maddy Lab. And
18 so, once again, we're pleased that he's onboard with us.

19 Let me just get that there. Okay.

20 Also, I think you've heard me mention, Phil Laird
21 did leave, but Phil Laird is a still a resource for us
22 because he went to the Business Consumer Services and
23 Housing Agency, to which we report. So he works for us now.
24 We're trying to convince him of that. But, no, he's still a
25 resource for us and so we're very lucky. And we've got John

1 McDonough, our Board Counsel. And Bob Miller still works
2 for us on a part-time basis, so we're very -- we've got lots
3 of legal help which, frankly --

4 VICE CHAIR AUERBACH: Apparently, we need.

5 EXECUTIVE DIRECTOR BAEDEKER: -- yeah, frankly,
6 the timing is very good when it comes to that.

7 The RCI Annual Conference was held two weeks ago
8 in Hot Springs, Arkansas. And there were several panel
9 presentations made, including things like identifying risk
10 factors in racing. Dr. Palmer from New York, Dr. Arthur
11 here from California were on that panel. We had a
12 presentation on bisphosphonates by Dr. Stover from UC Davis.
13 We also had that presentation, which you'll hear more about
14 in a recap of the Medication Committee meeting yesterday.

15 Also, an interesting topic about when participants
16 in racing should come under the purview of the regulator.
17 There was suggestions made that horses that are being
18 presented for sale, soon to be racing, that there ought to
19 be some regulatory oversight of that process. Actually, in
20 California, we do have that ability; other states don't.
21 Things like horses being trained off the grounds and so
22 forth, maybe by unlicensed personnel.

23 And then another one that was very fascinating,
24 and that was the anticipation of the decision by the Supreme
25 Court, which is really overdue at this point. And the panel

1 interpreted that as probably meaning that the Supreme Court
2 is going to make a major decision here, not just simply
3 relative to New Jersey. Nobody knows for sure, of course.

4 And then there was the question about the
5 interaction between sports' betting and racing. Somebody
6 talked about possibilities of combining different parlay
7 wagers and that kind of thing with, perhaps, other sporting
8 events, and then culminating with a major race at a
9 racetrack, and who in that instance would regulate something
10 like that? So it's a fascinating discussion and one that,
11 I'm guessing, we'll be spending a lot of time on in the not
12 too distant future.

13 And as I'm sure you probably know by now, San Luis
14 Rey Downs was reopened last week and all of the horses that
15 were stabled at Del Mar have now been relocated. Many in
16 this room are probably familiar with what it takes to build
17 anything and to go through the bureaucratic process to get
18 the permitting and so forth.

19 And the fact that the Stronach Group was able to
20 come in after that fire and have the entire thing ready for
21 horses within four months is fairly astonishing, I think.
22 And just imagine what the situation would have been if they
23 weren't able to do that, or if they were unwilling to do
24 that. I don't know what the price tag was, but I can't
25 imagine that it was cheap. But they did, they stepped up,

1 they got it done. The 412, I think, horses that were at Del
2 Mar are now relocated into San Luis Rey Downs.

3 So I'm sure that all the people there that are
4 utilizing that stable area and the training facility
5 appreciate the fact that it's been restored. And the stalls
6 are built on a temporary basis and there will be other plans
7 down the road to make them more permanent.

8 The financials are noteworthy.

9 First of all, our meeting last month was canceled,
10 so I didn't get a chance to report the February numbers, but
11 they were excellent. The daytime business was up 16.6
12 percent, nighttime business up 8.2 percent, and total
13 business up 15.7 percent.

14 Then for the month of March the numbers were still
15 up. We had one additional day of racing during the day and
16 at night. We had a 6.9 percent lift in daytime racing, 9.36
17 percent lift in nighttime racing, and overall the gain was
18 7.18 percent. So for the year, daytime racing is up 12.6
19 percent, nighttime, 5.9 percent, and everything in, 11.85
20 percent.

21 The biggest gains are off-track in ADW, and
22 particularly what's being bet on the California product by
23 out-of-state residents. So I know there are some weather
24 factors inside California that helped, but also the increase
25 in field size clearly has made the California product much

1 more appealing.

2 So we've got some good news on the financial
3 front, and that my report, Madam Chairman.

4 VICE CHAIR AUERBACH: Oh, that's actually very --
5 that's great news. And I would look for it to continue this
6 month because I'm looking, I think there's 11 races again at
7 Santa Anita on Saturday and with good field sizes, so we'll
8 keep our fingers crossed. Thank you.

9 EXECUTIVE DIRECTOR BAEDEKER: Uh-huh.

10 VICE CHAIR AUERBACH: Okay. Items three, four and
11 five -- oh, sorry, four, five and six, I want to take
12 together because it's all Del Mar and charity days. And
13 we're going to do something a little different with these
14 items.

15 Good morning, Mr. Dado.

16 MR. DADO: Good morning. Craig Dado from Del Mar.

17 VICE CHAIR AUERBACH: Thank you for coming up this
18 morning to talk with us.

19 CARMA is a recipient identified on the charity-day
20 giving on items three, four and five [sic] and because -- I
21 mean four, five and six. Because I am a founder of CARMA,
22 it is inappropriate for me to vote on that. And we only
23 have three other Commissioners, so we're going to hear
24 these, the remaining charities, and push the CARMA part over
25 to the next meeting when, hopefully, we will have sufficient

1 attendance to pass or not pass that part of it.

2 So please go ahead.

3 MR. DADO: Understood. So the summary of our
4 three requests are in your packets. There's just a few
5 things I'd like to point out.

6 One is that 100 percent of the proposed
7 distributions are to equine-related charities, and let me
8 just list the numbers now, taking the CARMA portion out. In
9 addition to our summer meet distribution without CARMA, it's
10 \$57,422. And the fall meet distribution without CARM is
11 \$5,600. We're pleased to also include this year the
12 distribution from the Breeders' Cup event. Without CARMA,
13 that distribution is \$15,109. So the total without CARMA is
14 \$78,131. At the next meeting when we move on to the CARMA
15 portion, that will be another \$95,817, but that's for
16 another meeting. The grand total will eventually be
17 \$173,948.

18 So, basically, those are the facts, and I'm here
19 to answer any questions if you have any.

20 COMMISSIONER RUANO: Move to approve.

21 COMMISSIONER SOLIS: Second.

22 VICE CHAIR AUERBACH: Commissioner Araceli moves
23 and Commissioner Solis --

24 EXECUTIVE DIRECTOR BAEDEKER: And, Madam Chair, I
25 would suggest that the motion include the stipulation that

1 the approval does not include the line items relative to
2 CARMA, that that will be brought up on the next agenda.

3 VICE CHAIR AUERBACH: Is that okay, Araceli?

4 COMMISSIONER RUANO: Yup.

5 VICE CHAIR AUERBACH: Okay.

6 Commissioner Mass?

7 COMMISSIONER MASS: Yes.

8 VICE CHAIR AUERBACH: Chair votes yes.

9 COMMISSIONER SOLIS: Yes.

10 COMMISSIONER RUANO: Yes.

11 VICE CHAIR AUERBACH: Motion carries.

12 Thank you, Mr. Dado.

13 MR. DADO: Thank you very much.

14 VICE CHAIR AUERBACH: Now moving -- this is moving
15 right along. Wow.

16 Okay, item number seven; right?

17 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

18 VICE CHAIR AUERBACH: Discussion and action by the
19 Board on the request for California Authority of Racing
20 Fairs to designate the following 2018 allocated race dates
21 as a combined fair horse racing meeting pursuant to blah,
22 blah, blah: Oak Tree at Pleasanton, June 13 through July 10;
23 California Exposition and State Fair, July 11 through July
24 31; Humboldt Fair at Ferndale, August 15 through August 28;
25 and the Big Fresno Fair, October 3rd, through October 16th.

1 MR. SWARTZLANDER: Good morning, Commissioners.

2 Larry Swartzlander --

3 VICE CHAIR AUERBACH: Good morning.

4 MR. SWARTZLANDER: -- the Executive Director of
5 CARF.

6 This particular request has been on the agenda for
7 the last three years. What this allows the fairs to do is
8 to -- the wagers can be carried over from one fair to the
9 other. We have a Pentafecta bet -- excuse me, wager, and a
10 Pick 6 wager where we have one winner only, which generates
11 a significant pool. And with the fairs being short two and
12 three weeks, we have to pay it out every two weeks and it
13 just never builds.

14 I'm sure you all followed the Florida Derby last
15 week at -- last weekend at Gulfstream when they bet \$20
16 million into the Pick 6 pool. This allows us to take our
17 pools and carry them over from -- starting with Pleasanton,
18 through Sacramento, Humboldt and Fresno, generate these
19 large pools. And the result, obviously, is increased
20 handle.

21 VICE CHAIR AUERBACH: Okay. Do you have anything
22 to add?

23 MR. SCHEIDT: No. Richard Scheidt, CARF. Larry
24 explained it very well.

25 VICE CHAIR AUERBACH: Okay. That's number seven.

1 Is this number seven?

2 EXECUTIVE DIRECTOR BAEDEKER: This is number
3 seven.

4 VICE CHAIR AUERBACH: Okay, we have a speaker for
5 item number seven, Eric Sindler.

6 MR. SINDLER: Good morning.

7 VICE CHAIR AUERBACH: Good morning.

8 MR. SINDLER: Eric Sindler with the Stronach
9 Group.

10 We had submitted written comments on this item.
11 Just very quickly, without boring you with all the legal
12 details, we believe that this not permitted by California
13 Law. Under California Law, for a combined fair to occur,
14 six elements must occur. And if any of the six are not met,
15 you cannot have a combined fair. Three of the six are not
16 met and they can never be met.

17 One of the elements that can never be met is who
18 is applying. It's very clear that there can be only one
19 entity applying for a license. Here, there are going to be
20 four individual people applying.

21 Additionally, the fair -- the combined fair can
22 only be for four weeks. This one is going to be for 11.

23 And lastly, the combined fair can only take place
24 when general fair activities are not occurring. This is
25 only when it is occurring, so it's in complete direct

1 conflict.

2 So this combined fair, as proposed, is in direct
3 contravention of California Law.

4 VICE CHAIR AUERBACH: Let me ask a question here.
5 Did we not do this last year and the year before?

6 MR. SWARTZLANDER: The last two years, Chair
7 Auerbach.

8 VICE CHAIR AUERBACH: So we have precedence that
9 it was done before.

10 I'm curious as to where your objections were
11 previously on --

12 MR. SINDLER: We've made the objections
13 previously.

14 VICE CHAIR AUERBACH: You have.

15 MR. SINDLER: Yes.

16 VICE CHAIR AUERBACH: In the record? Are you
17 sure? Because I don't remember hearing this at all.

18 MR. SINDLER: In 2016, absolutely. We may not
19 have last year. But I'm trying to say this as politely as
20 possible, even if it was done last year, it doesn't matter
21 if it's not legal. And legal precedent, there's no
22 precedent at all.

23 COMMISSIONER MASS: Are you an attorney, Eric?

24 MR. SINDLER: I am, yes.

25 COMMISSIONER MASS: You are? So are you doing

1 this because you're a Good Samaritan and you want to make
2 sure that we don't violate any laws, or are you doing this
3 because you have a competitive reason with Stronach?

4 MR. SINDLER: A combination of both.

5 COMMISSIONER MASS: Well, why don't you explain
6 the latter.

7 MR. SINDLER: We think that this combined fair has
8 a number of implications that are far more reaching than
9 just a combined carryover pool. Without getting into many,
10 many long discussions about the stabling situation up north,
11 it's been resolved, thank god, but if it was not resolved,
12 one of the big implications was whether it was a combined a
13 fair or not. It would have completely hinged on whether
14 CARF would or would not have used off-site stabling.

15 EXECUTIVE DIRECTOR BAEDEKER: I think,
16 Commissioners, that this --

17 MR. SINDLER: And so while it has been resolved,
18 this year, if this year is not resolved the issue will arise
19 again next year.

20 EXECUTIVE DIRECTOR BAEDEKER: Commissioners, our
21 attorneys have been looking at the legal issues that are
22 raised here and they can speak for themselves. But, as a
23 matter of fact, this agenda item relates only to the
24 combination for wagering purposes; correct?

25 MR. SINDLER: Yes.

1 EXECUTIVE DIRECTOR BAEDEKER: Yes. So we're
2 simply talking about their ability to do what the Board has
3 permitted them to do the last two years. As Eric said,
4 there was a legal question raised a couple of years. It was
5 addressed at that point.

6 So the Board can make it clear, if it so chooses,
7 in its motion that this approval relates simply and solely
8 to their request, and that is to approve it for the purposes
9 of wagering.

10 VICE CHAIR AUERBACH: As I recall, when this --
11 when all this came about, it was one of the big
12 disappointments, that we weren't able to get the fairs to
13 have a big enough pot at the end of the rainbow. And this
14 was something that the Board looked on very favorably and it
15 was restricted to this one area.

16 MR. SWARTZLANDER: Yes.

17 VICE CHAIR AUERBACH: And it had no implications
18 to anything beyond that.

19 So I think if the Board decides that we want to do
20 this, we should restrict this very clearly in the language,
21 maybe draw the language a little tighter, that says that
22 this -- recognizing this construction refers only to the
23 wagering on a carryover situation, if there is one because
24 somebody could hit it, but would only refer to this
25 particular wager, as opposed to -- and maybe it's just the

1 way it's -- maybe the language is the problem.

2 EXECUTIVE DIRECTOR BAEDEKER: It might be
3 appropriate to have Attorney John McDonough give us some
4 language for a motion. Would you, John?

5 VICE CHAIR AUERBACH: How would you -- how would
6 you structure it, John?

7 MR. MCDONOUGH: Just the way you suggested, Madam
8 Chairwoman. The request is solely in regards to wagering.
9 And while the legal research done by the Stronach attorney
10 is not incorrect, as long as it's limited solely to the
11 wagering aspect, which is what Larry has represented to the
12 Board, there should not be any problem.

13 So I believe there's a draft motion, I believe the
14 Executive Director has.

15 EXECUTIVE DIRECTOR BAEDEKER: And, John, you
16 said -- I think maybe you went a little further than you
17 intended there by saying that everything that the attorney
18 said is correct?

19 MR. MCDONOUGH: No, I didn't mean to say that. I
20 just said I admire the fact that he did such a thorough job
21 of researching, but I think he's incorrect in the regards to
22 the fact that the Board has the ability, as it has expressed
23 in the past, to limit it solely to wagering so that we can
24 have the big pot at the end of the rainbow, which I think --

25 VICE CHAIR AUERBACH: So how do -- let's do this

1 correctly then. If we're going to do it, how we would put
2 this into this motion? How would you structure the motion?

3 EXECUTIVE DIRECTOR BAEDEKER: Here, I can give it
4 to you right here.

5 VICE CHAIR AUERBACH: Okay, good. Oh. All right.
6 Let's see how this floats with everybody.

7 I move that the Board approve the request by CARF
8 to combine the currently allocated race dates of Pleasanton,
9 Expo, Humboldt, Fresno Fair as a combined fair horse
10 meeting, pursuant to California Professional Codes 19549.1,
11 for the express and sole purpose of allowing a combination
12 of wagering.

13 Do we want to be even more specific and point to
14 the specific wager that we're talking about rather than just
15 wagering in general, or do we want to allow it to -- it's up
16 to them to try some other --

17 EXECUTIVE DIRECTOR BAEDEKER: I think you
18 indicated there's two; right?

19 MR. SWARTZLANDER: It's important that -- you
20 know, generally, it's just the Pick 6 and the Pentafecta.
21 But also, we would like, you know, if the Pick 5 carries
22 over, or the Pick 4, they're all beneficial for handle.

23 VICE CHAIR AUERBACH: So do we want to say any
24 wager --

25 MR. SWARTZLANDER: Any wager.

1 VICE CHAIR AUERBACH: -- that has the potential
2 for carryover?

3 MR. SWARTZLANDER: Yes.

4 VICE CHAIR AUERBACH: Is that the way we want to
5 do that?

6 EXECUTIVE DIRECTOR BAEDEKER: That works.

7 VICE CHAIR AUERBACH: Yeah. Okay. So we'll say
8 for the sole purpose of allowing any wager --

9 EXECUTIVE DIRECTOR BAEDEKER: Utilizing a
10 carryover.

11 VICE CHAIR AUERBACH: -- utilizing carryovers. Is
12 that how you would like to present it?

13 MR. SWARTZLANDER: Yes.

14 VICE CHAIR AUERBACH: Does that change your point
15 of view, Mr. Sindler?

16 MR. SINDLER: It alleviates some of the concerns,
17 but candidly --

18 VICE CHAIR AUERBACH: Would you like to discuss it
19 with --

20 MR. SINDLER: I'm sorry.

21 VICE CHAIR AUERBACH: -- would you like to discuss
22 it with Mr. Ritvo before you respond or --

23 MR. SINDLER: So the only thing I will say is I
24 don't know how you can have a combined fair for wagering but
25 nothing else, since the wagering actually flows out of the

1 license to conduct a race meet. So I'm not sure how you can
2 have a combined fair for only one thing.

3 VICE CHAIR AUERBACH: Okay. And what do our
4 lawyers think of that response?

5 MR. MCDONOUGH: We would disagree with his
6 position. We believe that it is perfectly fine for the
7 Board to recognize a combined fair in regards to this
8 limited aspect, carryover in regards to wagering. It's
9 beneficial to horse racing. It's beneficial --

10 VICE CHAIR AUERBACH: Uh-huh.

11 MR. MCDONOUGH: -- in many aspects. And we don't
12 see any reason why that can't be allowed.

13 VICE CHAIR AUERBACH: All right.

14 EXECUTIVE DIRECTOR BAEDEKER: Plus, each of the
15 fairs is going to come before this Board with its race meet
16 application during the course of the summer. And those
17 wagers will be listed and, presumably, approved by the Board
18 during that process.

19 MR. SWARTZLANDER: Correct.

20 VICE CHAIR AUERBACH: Anybody else wish to opine
21 on this?

22 COMMISSIONER SOLIS: I'll move it.

23 VICE CHAIR AUERBACH: You want to move it?

24 COMMISSIONER SOLIS: Uh-huh.

25 VICE CHAIR AUERBACH: Commissioner Solis moves the

1 motion as I read it previously.

2 COMMISSIONER MASS: Second.

3 VICE CHAIR AUERBACH: Commissioner Mass seconds.
4 Commissioner Mass?

5 COMMISSIONER MASS: Yes.

6 VICE CHAIR AUERBACH: Chair votes yes.

7 COMMISSIONER SOLIS: Yes.

8 COMMISSIONER RUANO: Yes.

9 VICE CHAIR AUERBACH: Motion carries.

10 MR. SWARTZLANDER: Thank you, Commissioners.

11 VICE CHAIR AUERBACH: Thank you. Okay. Okay.

12 (Colloquy between Vice Chair Auerbach and Executive
13 Director Baedeker)

14 VICE CHAIR AUERBACH: Okay, you know what? This
15 is a very good time for us to break. I'm going to announce
16 that item number eight and item number nine will be
17 postponed because item number eight, we do not have
18 sufficient data, and item number nine, we think that we
19 would like to have more than four Commissioners. We would
20 really like to know that we have full support.

21 So when we come back are we going to start with
22 ten?

23 EXECUTIVE DIRECTOR BAEDEKER: Yes.

24 VICE CHAIR AUERBACH: Okay. When we come back,
25 we're going to start with ten. My watch says it's five

1 minutes to ten. I would like to reconvene at approximately
2 10:15. I would ask those of you who can to please go and
3 support the fundraiser that's been held downstairs for
4 Adrian Valenzuela, and we'll see you back here in 15, 20
5 minutes. Thank you everybody.

6 COMMISSIONER SOLIS: And it's going to be in the
7 Clocker's Corner, you said; right?

8 VICE CHAIR AUERBACH: It's in Clocker's Corner,
9 yes.

10 (Off the record at 9:54 a.m.)

11 (On the record at 10:25 a.m)

12 VICE CHAIR AUERBACH: Okay, thank you everybody
13 who did go downstairs and had an opportunity to participate.
14 On behalf of the family, I'm sure they appreciate it. And
15 thank you to Santa Anita for putting it on and all of the
16 money going to the concerned family, very generous of
17 everybody concerned.

18 Okay, item number ten is discussion and action by
19 the Board regarding the proposed amendment to CHRB Rule
20 1865, Altering Sex of Horse, to require that if the public
21 is not notified of the true sex of the horse prior to the
22 opening of wagering, the stewards shall declare the horse
23 from the race.

24 And as a little bit of background, we've gone
25 around and around about how to address this issue, and we're

1 hoping this is the final fix.

2 EXECUTIVE DIRECTOR BAEDEKER: Yeah, Madam
3 Chairman, the Board made a change with this rule last year,
4 towards the end of last year. And Chief Steward McHargue
5 pointed out to us that we need to close a loophole.

6 Basically, the way the rule was written said that
7 if the change of sex is not reported to the racing office
8 and then that change is then subsequently not made available
9 to the public that the horse is scratched, that doesn't
10 cover the situation where the trainer has made notice of the
11 change to the racing office, but then something happens
12 between that time and the race and the change is not
13 reported to the public.

14 So the significant language in the change is in
15 paragraph two, "If after starting any race the sex of the
16 horse has been altered and the public is not informed of the
17 true sex," simple, it doesn't matter why, but the public is
18 not aware of the true sex of the horse, then the horse is
19 scratched.

20 Also, the change the was made towards the end of
21 last year, the history of this rule was that the Board, a
22 couple of years ago, increased the fine to \$1,000. And the
23 intent of that was to, hopefully, eliminate these situations
24 where the change was not made known to the public.

25 But now that the horse is going to be scratched if

1 the public is not aware, there's no longer a need for the
2 specific \$1,000 -- minimum \$1,000 fine. The stewards still
3 have the ability to fine per the circumstances. But again,
4 at the suggestion of Darrel, we believe that this now is
5 superfluous.

6 So those are the -- those are the significant
7 changes to the rule. And we feel, after these changes, the
8 rule will be buttoned up.

9 In the meantime -- and by the way, the instances
10 of a reported change not being made by the racing office are
11 few and far between.

12 So before this gets on the books, after going out
13 for 45 days and the whole process, the most updated rule
14 passed toward the end of 2017 will still remain in effect. I
15 hope I didn't confuse the matter by that explanation. It's
16 simply to close the hole.

17 VICE CHAIR AUERBACH: Let's find out. Does anyone
18 have any questions or any comments they want to make on it?
19 Okay.

20 EXECUTIVE DIRECTOR BAEDEKER: I think you got one,
21 yeah.

22 VICE CHAIR AUERBACH: Okay.

23 MR. RITVO: Thank you. Tim Ritvo, Stronach Group.

24 A question on when betting starts. Does -- you
25 know, obviously with the horizontals today and everything, I

1 mean, is it opening at 10:30 when tote opens? Like in the
2 horse in the last race where there's been no bets initiated
3 on that horse, if it was reported at one o'clock, before
4 those pools opened, is -- how is the rule stated?

5 EXECUTIVE DIRECTOR BAEDEKER: Yeah. The Board
6 decided that it should be when betting opens, so it's when
7 the switch is flipped in the morning, the betting, the tote
8 is opened, it has to be reported by that time.

9 MR. RITVO: Okay. I just would recommend that you
10 take a look at that, because betting hadn't opened on the
11 tenth race at 10:30, you know, just --

12 VICE CHAIR AUERBACH: What if it's part of a
13 sequence though?

14 MR. RITVO: Then it would have. Then it would
15 have earlier when that race starts, the fifth race.

16 So, okay, I just think you should probably take a
17 quick look at that.

18 VICE CHAIR AUERBACH: No. Let's --

19 MR. RITVO: In other jurisdictions, that's how
20 it's been.

21 VICE CHAIR AUERBACH: Okay. Well, let's see if --
22 do we need to address that? Hold on.

23 EXECUTIVE DIRECTOR BAEDEKER: Well, it says here,
24 actually, "If after starting any race the sex of the horse
25 has been altered and the public is not informed of the true

1 sex of the horse prior to the opening of wagering for the
2 race in which the horse is entered."

3 VICE CHAIR AUERBACH: So if what you're --

4 EXECUTIVE DIRECTOR BAEDEKER: So it --

5 VICE CHAIR AUERBACH: In the morning, you can
6 still go in the morning and you want to only bet on the
7 tenth race, if you have not precluded that horse, people
8 will still bet on it, so it has to be that way.

9 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

10 VICE CHAIR AUERBACH: I think it needs to be that
11 way.

12 EXECUTIVE DIRECTOR BAEDEKER: Doesn't betting for
13 the whole card open at the same time? It does; right?

14 VICE CHAIR AUERBACH: Yeah.

15 EXECUTIVE DIRECTOR BAEDEKER: Yeah. Yeah. So
16 it's 10:30, or whenever the opening of --

17 VICE CHAIR AUERBACH: Yeah.

18 EXECUTIVE DIRECTOR BAEDEKER: -- wagering is
19 opened on the west coast.

20 MR. BALCH: Alan Balch, California Thoroughbred
21 Trainers.

22 I was just -- maybe I'm the only one, but I'm just
23 confused by it saying "If," and then the new language,
24 "after starting any race." Does that mean any race on the
25 card, or what does that mean?

1 EXECUTIVE DIRECTOR BAEDEKER: That --

2 MR. BALCH: "If after starting any race" --

3 EXECUTIVE DIRECTOR BAEDEKER: What we were
4 addressing there is a horse that has never started that may
5 be listed as a horse but, in fact, is a gelding.

6 MR. BALCH: Okay. May I just suggest --

7 EXECUTIVE DIRECTOR BAEDEKER: Staff didn't feel
8 that it was appropriate to have that horse scratched because
9 there's no misinformation, actually. The whole reasoning
10 behind this is --

11 MR. BALCH: Yeah.

12 EXECUTIVE DIRECTOR BAEDEKER: -- the form tends to
13 change when a horse is gelded.

14 MR. BALCH: Yeah.

15 EXECUTIVE DIRECTOR BAEDEKER: So that's what was
16 being addressed.

17 VICE CHAIR AUERBACH: Do you have a clearer
18 language that --

19 MR. BALCH: I would --

20 VICE CHAIR AUERBACH: -- you would like to
21 suggest?

22 MR. BALCH: -- just suggest, because this sounds
23 like the sex of the horse has been altered after starting in
24 a race, I mean, in that race. So I would say maybe if after
25 having started any race or having started --

1 EXECUTIVE DIRECTOR BAEDEKER: Having started --

2 MR. BALCH: -- in any race.

3 EXECUTIVE DIRECTOR BAEDEKER: Having started in
4 any race?

5 MR. BALCH: Having started any race, something
6 like that. If after having started in any race, the sex of
7 the horse.

8 EXECUTIVE DIRECTOR BAEDEKER: Yeah, that's good.

9 VICE CHAIR AUERBACH: That's good. Okay.

10 EXECUTIVE DIRECTOR BAEDEKER: So paragraph two
11 will now read, "If after having started in any race," and
12 then the rest will stay as is.

13 VICE CHAIR AUERBACH: Okay.

14 EXECUTIVE DIRECTOR BAEDEKER: So this would --
15 Commissioners, you'd be moving this to the 45-day public
16 comment period.

17 VICE CHAIR AUERBACH: Anybody want to move this?

18 COMMISSIONER RUANO: So moved.

19 COMMISSIONER MASS: I'll second that. And that
20 motion includes the revisions that --

21 COMMISSIONER RUANO: Yeah, it does.

22 COMMISSIONER MASS: -- you discussed; right?

23 VICE CHAIR AUERBACH: Right.

24 COMMISSIONER MASS: I'll second.

25 VICE CHAIR AUERBACH: Okay. Commissioner Ruano

1 moved and Commissioner Mass seconded it.

2 Commissioner Mass?

3 COMMISSIONER MASS: Yes.

4 VICE CHAIR AUERBACH: I vote yes.

5 COMMISSIONER SOLIS: Yes.

6 COMMISSIONER RUANO: Yes.

7 VICE CHAIR AUERBACH: It carries. The motion
8 carries. Okay. Thank you.

9 Next is the report -- number 11 is a report from
10 the Medication Safety and Welfare Committee on yesterday's
11 meeting. And I apologize if this is going to be a little
12 bit long. I haven't been through this, but we do want to
13 tell you everything that happened at that meeting, not
14 everything that happened, but the highlights.

15 We had a discussion of bisphosphonates and
16 racehorses. And Dr. Susan Stover gave a lengthy
17 presentation on this matter and she explained the need for
18 horses and develop and maintain strong bones, et cetera.
19 Bisphosphonates potentially interfere with that process in
20 horses, as they do in humans, as well. They can also mask
21 pain. And there is no overriding medicinal purpose for
22 administering them to young racehorses. They are approved
23 by the FDA in horses to treat navicular disease and only in
24 horses over four and older. A continuing education model
25 will be released shortly so everyone will understand the

1 risk of using the bisphosphonates.

2 And we also talked about taking that particular
3 event and putting it into a continuing ed model that can be
4 used, so that a trainer can look at it and understand the
5 whole discussion in one easy sitting. And I think it's
6 vital because it was very clear to those of us who were
7 there that it is not something to give young horses. It is
8 not healthy for them in training when they're young. It's
9 not healthy for them when they're getting ready for sales.
10 In fact, it can be a detriment to the thoroughbred.

11 The second item was discussion of four special
12 testing projects. Dr. Arthur reported on several special
13 testing projects. Most of the discussion was on glyphosate,
14 is that how you pronounce it correctly, I don't know,
15 glyphosate. While the use of the glyphosate is contentious,
16 it's use is permitted on crops for humans and livestock
17 consumption. And Dr. Arthur's opinion, even though well
18 researched, there is currently no scientific consensus of
19 the risk, if any, that this poses to animals, humans or the
20 environment.

21 We arranged for the testing of 40 equine urine
22 samples. All samples showed glyphosate -- I know I'm not
23 saying it right -- and those results were within expected
24 range, if I understood Dr. Arthur correctly, three people in
25 the audience argued, rather vociferously, differently. We

1 encouraged them to voice their concerns with the California
2 Department of Food and Agricultural. Owners and trainers
3 can buy their feed from organic feed suppliers if they are
4 concerned about this particular issue.

5 Okay, let's see, number three, discussion of
6 planned continuing education for trainers and assistant
7 trainer for renewal of license. Executive Director Baedeker
8 said licensing requirements are in the regulatory pipeline
9 for new applicants. Alex stressed the need to have
10 knowledgeable, experienced trainers participating in the
11 licensing process to determine the qualification of
12 applicants. Continuing education is aimed at renewals.

13 Alan Balch said the CTT would like to be involved
14 in deciding the content of a continuing education program.
15 And I asked for the creation of a qualified group to
16 participate in determining content.

17 Rick said the first step is creation of a rule
18 requiring continuing education, and this is only the
19 beginning of the process. The content can be decided later.
20 In other words, we want to establish the framework and then
21 fill it in as we get closer to the date. I think we
22 specified 2020 is the start date we wanted to start this.
23 And then we want to have a group of everybody in the
24 community who is well versed in what is needed to have a
25 good trainer partake in what we need to do to make sure that

1 these trainers are well versed in the care of the animals.

2 Dr. Arthur said we have two education models
3 online soon. He said that the CTT should develop their own
4 content, and subject to the CHRB approval. But I think the
5 idea of all of us working together will point out who should
6 do what and how it should get done.

7 Discussion of the proposed amendment to update the
8 CHRB Classification for Drug Substance listing, I commented
9 that the changed format is much easier to read and
10 understand. And I suggested adding information and
11 penalties to the format to make everything clearer. When I
12 look at the drugs and I look at whether they're Class A,
13 Class B, Class C, and what the penalty is, my vision is that
14 we should have a ledger right next to it which would explain
15 the penalties for each of those things. So it's just a
16 bookkeeping thing, but I'm trying to make sure that we all
17 have the same information.

18 Then there was discussion on the proposed rule to
19 require the transfer of medical records of horses claimed in
20 a claiming race. Dr. Arthur and Rick Baedeker are working
21 with veterinarians and horsemen on the language for the
22 proposed rule that best suits our needs.

23 Dr. Jeff Blea said there could be unintended
24 consequence. The records do not include discussions between
25 the veterinarian, owner and trainer. The reason behind the

1 veterinary procedure or administration of a drug substance
2 may be misunderstood and some useful information will be
3 missing. And he expressed concern about sharing
4 confidential information. He advocated a separate process
5 for a more controlled transfer of regulatory-approved
6 electronic medication information, like a health passport.

7 I suggested that while we are waiting for the
8 creation of a health passport the new trainers and owners of
9 claimed horses need information specifically about
10 injections. I suspect that if that information on
11 injections becomes easier to obtain or automatically
12 obtained for a claiming horse, it might lead to fewer
13 injections and it might leave to a much safer horse
14 community.

15 Dr. O'Neil explained Gulfstream's process. They
16 have a similar process, albeit less extensive, that has
17 worked well with none of the issues. Basically, we got
18 through it.

19 So some of the things we will be talking more
20 about are the next two items, but that is a very brief
21 description of what was a very spirited meeting.

22 Anybody else want to comment on the meeting?

23 EXECUTIVE DIRECTOR BAEDEKER: No. I think that
24 characterizes it very well.

25 The only note, I think, would be in Dr. O'Neil's

1 comments. Florida has done this via a house rule, versus a
2 regulation; correct, Doc?

3 DR. ARTHUR: Exactly.

4 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

5 VICE CHAIR AUERBACH: Which works just as well,
6 except then we would have to do house rules with Del Mar and
7 with Santa Anita, and I think we probably need the
8 regulatory process to make sure we do it for everybody.

9 If no one has any further comment, item number 12,
10 discussion and action by the Board regarding CHRB Rule
11 1503.5, Continuing Education for Trainers and Assistant
12 Trainers, to require continuing education as a condition of
13 renewal for a license for trainer or assistant trainers.

14 EXECUTIVE DIRECTOR BAEDEKER: So as you can see,
15 Commissioners, from the proposed language, the requirement
16 is for 12 hours of approved continuing education over a
17 three-year period, so four hours per year.

18 I got to tell you, just in attending --

19 VICE CHAIR AUERBACH: It's not much.

20 EXECUTIVE DIRECTOR BAEDEKER: -- the RCI
21 Conference last week, or two weeks ago, there's a Welfare
22 and Safety Summit in Kentucky every year put on the Jockey
23 Club, similar to what we saw a couple weeks ago. And each
24 one of those panel presentations, which, you know, they
25 probably go about 40 minutes or so, I've sat there thinking,

1 gosh, it would be terrific if this was in California. And
2 everybody that's interested in the topic could hear it and
3 understand it and ask questions and so forth. And it's very
4 easily done, simply to tape them and package them and
5 present them for continuing education.

6 So, you know, we're not talking about PhDs here.
7 We're just talking about all of us that are involved in
8 interested in the health and welfare of that racehorse,
9 having tools to do a better job relative to that.

10 So I know that it sounds complicated, reading it,
11 but I really think in practice, there's going to be some
12 that's going to be very sophisticated work that's already
13 been done and will continue to be done. And some trainers,
14 I presume, will want to, as a matter of fact, progress as
15 far as they can with that education. But for most people,
16 it's going to be presentations, I think, like we saw
17 yesterday on bisphosphonates, that were eye-opening and that
18 everybody should know that's taking care of a racehorse. So
19 pretty simple thing, ultimately.

20 VICE CHAIR AUERBACH: I think this is kind of a
21 no-brainer. I don't think anybody in this room would go to
22 a physician who was not a part of a continuing education
23 program. I don't think anybody in this room would go to a
24 lawyer who was not part of a continuing education. I don't
25 think you would go to an eye doctor who was not part of a

1 continuing education. Because things are moving at a very
2 rapid rate and we have a lot more information than we did 10
3 years ago, 20 years ago, 30 years ago.

4 And I think it's incumbent on us to help establish
5 the professionalism of our training community. And I think
6 this is a very conservative, gentle approach to that. And,
7 hopefully, some trainers will find it so informative that it
8 might actually help them be better trainers.

9 So I firmly suggest that we go ahead and pass this
10 item and let's move on.

11 Can I move it, even though I'm Chair?

12 COMMISSIONER RUANO: Well, I want to -- I would
13 like to ask a few questions.

14 VICE CHAIR AUERBACH: Sure.

15 COMMISSIONER RUANO: I'm a lawyer. I go through
16 continuing legal education and I think these panels are
17 great. I think we should have it, I just want to make sure
18 that it's accessible and that, you know, you mentioned those
19 Kentucky panels, that people are able to participate and
20 know how to participate. I mean, do they log onto this
21 website? You know, what's the cost?

22 VICE CHAIR AUERBACH: Well, you know, we -- the
23 reason it's worded, Commissioner Araceli, I think the way it
24 is, is because you'll see that the start date is 2020 --

25 COMMISSIONER RUANO: Uh-huh.

1 VICE CHAIR AUERBACH: -- so it gives us a year-
2 and-a-half to make sure. Because you had the same concern I
3 had. That's what I've written in my notes. Do we have
4 enough data?

5 COMMISSIONER RUANO: Material.

6 VICE CHAIR AUERBACH: Right.

7 COMMISSIONER RUANO: Videos.

8 VICE CHAIR AUERBACH: Right, things of that
9 nature. And I'm sure Dr. Arthur will --

10 COMMISSIONER RUANO: We've also talked about, you
11 know, are they accessible, in Spanish? I mean, do they have
12 to take tests at the end or do they have to just right down
13 a number that kind of pops up during the video? How do
14 we -- how do we make it less burdensome and accessible for
15 trainers who are busy and also have other costs?

16 DR. ARTHUR: First of all, the -- Dr. Arthur,
17 Equine Medical Director. My file on this issue goes back to
18 2008.

19 COMMISSIONER RUANO: Uh-huh.

20 DR. ARTHUR: And the primary reason, for example,
21 lawyers, veterinarians, physicians, there's an
22 infrastructure of continuing education. There isn't, hasn't
23 been, for trainers. And I've been involved, in fact, this
24 came up at the Welfare and Safety Summit back in 2008, about
25 developing these courses. And I will send you some of the

1 courses where we've developed, most of them are online. The
2 Spanish language issue is a problem issue that we have
3 discussed with people at UCD Extension, who are experienced
4 with these.

5 But there are different formats. New York
6 actually has seminars at Saratoga that they put on. There's
7 a lot of different ways to do this. And I think, you know,
8 you build it and they will come. I mean, we are going to be
9 able to provide them with enough information, key
10 information, that they'll be able to meet their requirement.

11 COMMISSIONER RUANO: Uh-huh.

12 DR. ARTHUR: The entire industry, the Grayson-
13 Jockey Club is supporting many of these. The seminars,
14 there are different ways. The way this is written, we can
15 authorize or accredit programs. For example, the CTT wants
16 to invite some nutritionist to give a two-hour lecture. You
17 know, we can accredit those.

18 So we are aware of the issues you brought up. And
19 it's been really the why it's taken so long to get this far.

20 COMMISSIONER RUANO: Well, I just wanted to --

21 DR. ARTHUR: We're still looking at --

22 COMMISSIONER RUANO: -- I just wanted to make sure
23 we --

24 DR. ARTHUR: -- about 20 months.

25 COMMISSIONER RUANO: -- build it correctly --

1 DR. ARTHUR: Yeah.

2 COMMISSIONER RUANO: -- and that we have the
3 infrastructure. Because, you know, lawyers, you know, can
4 put together a course or seminar, I mean, we have so many
5 experts here that I'm sure could do it, but I want to make
6 sure we have the infrastructure to make sure they put
7 together the syllabus. I mean, it requires, it just
8 requires work and thought to have the infrastructure in
9 place --

10 DR. ARTHUR: There's been a lot of work and --

11 COMMISSIONER RUANO: -- and monitoring something.

12 DR. ARTHUR: There's been a lot of work and
13 thought on this.

14 COMMISSIONER RUANO: Yeah.

15 DR. ARTHUR: And we've been working on it for
16 probably four or five years, the best way to do it.

17 COMMISSIONER RUANO: Uh-huh.

18 DR. ARTHUR: Most of them that we will be
19 developing will be online modules. And you'll see some
20 examples of those, in fact, I'll send you some when I get
21 back to my office, as to how those will work and how people
22 can access them. But we're going to be very flexible, as
23 they have been in New York in terms of presenting this
24 information on. And certainly happy to work with the
25 trainers on how to do it.

1 The real issue is getting trainers accustomed to
2 the fact, as lawyers, veterinarians, physicians are, that
3 continuing education is part of their professional
4 responsibility. So it is a paradigm change.

5 We appreciate all the issues you brought up, but
6 they've been discussed for years and years. And it's really
7 why this has taken so long to get to where we are today.

8 COMMISSIONER RUANO: So many how many videos are
9 online now that they have access to?

10 DR. ARTHUR: There's probably about between the
11 Veterinary Orthopedic Research Laboratory, the Grayson-
12 Jockey Club Laboratory, there's probably about half a dozen
13 videos.

14 COMMISSIONER RUANO: Uh-huh.

15 DR. ARTHUR: And there's a couple that are
16 actually embedded in YouTube that New York Gaming has put in
17 place, as well. So they're fairly -- they're not easy to
18 produce if you do it at high quality.

19 COMMISSIONER RUANO: Uh-huh.

20 DR. ARTHUR: But some of them are actually fairly
21 easy to do, and I'll give you some examples for that.

22 COMMISSIONER RUANO: And is it an honors policy,
23 where the trainer just --

24 DR. ARTHUR: You have to -- it's -- I don't know
25 if you have to do it, but at the university, you have to go

1 through sexual harassment training; right?

2 COMMISSIONER RUANO: Uh-huh.

3 DR. ARTHUR: And it sits down and, yes, you could
4 get your four-year-old to sit in front of the computer and
5 push the button for you if you're so inclined, but you have
6 to go through every slide, listen to the entire discussion,
7 then you have to fill out a form at the end that you only
8 have access to. So it is a little bit as an honor system.

9 COMMISSIONER RUANO: Uh-huh.

10 DR. ARTHUR: The same thing with us.

11 COMMISSIONER RUANO: Uh-huh.

12 DR. ARTHUR: We got a CE meeting and, yes, you can
13 go down to the coffee shop and not go to any lectures, but
14 you do get a certificate at the end after you've signed up
15 for a course and you're expected to attend. There's a
16 little bit of an honor system there.

17 COMMISSIONER RUANO: Uh-huh.

18 DR. ARTHUR: So, you know, we don't -- you don't
19 chain them to the seat, just like they don't do with -- I
20 don't know, maybe they do with lawyers, but they don't with
21 veterinarians.

22 COMMISSIONER RUANO: No, they don't.

23 VICE CHAIR AUERBACH: Maybe --

24 DR. ARTHUR: So -- and the point I'm trying to
25 make is those issues that you brought up have all been

1 discussed and is actually the reason this has taken so long
2 to get in place. New York has had this rule for about two
3 years.

4 COMMISSIONER RUANO: Uh-huh.

5 DR. ARTHUR: Indiana started even before that.

6 VICE CHAIR AUERBACH: Maybe Commissioner Araceli
7 would like to get involved with this particular project,
8 especially as it relates to the Spanish language aspect of
9 it.

10 COMMISSIONER RUANO: No. And I would say, look,
11 if it's not going to be implemented until 2020 --

12 VICE CHAIR AUERBACH: There's --

13 COMMISSIONER RUANO: -- maybe I would recommend we
14 maybe --

15 VICE CHAIR AUERBACH: -- plenty of time for you --

16 COMMISSIONER RUANO: Plenty of time.

17 VICE CHAIR AUERBACH: -- to get active with it.

18 COMMISSIONER RUANO: And also to pass the pending,
19 you know, I don't know, but at least the year before, that
20 we have an infrastructure built in order to implement it.

21 VICE CHAIR AUERBACH: So you want to add something
22 to it?

23 COMMISSIONER RUANO: Well, I would move to
24 approve, requesting, I don't know, report in. I don't know
25 what Rick thinks, 2019, that provides, you know, an

1 infrastructure, an implementation plan for it.

2 VICE CHAIR AUERBACH: I think that the reason that
3 this was done this loosely --

4 COMMISSIONER RUANO: Uh-huh.

5 VICE CHAIR AUERBACH: -- was to give everybody
6 sufficient time --

7 COMMISSIONER RUANO: Yeah. I just want to make
8 sure it happens.

9 VICE CHAIR AUERBACH: -- to do it.

10 COMMISSIONER RUANO: Yeah.

11 VICE CHAIR AUERBACH: Yeah.

12 EXECUTIVE DIRECTOR BAEDEKER: Yeah. That what I
13 said.

14 COMMISSIONER RUANO: Because it's been talked
15 about for years. I mean, I just want to make sure it
16 doesn't just get talked about and talked about, but it's
17 actually --

18 VICE CHAIR AUERBACH: Well, that's actually why --

19 COMMISSIONER RUANO: Yeah.

20 VICE CHAIR AUERBACH: -- I think they put it out -
21 -

22 COMMISSIONER RUANO: I know. I know.

23 VICE CHAIR AUERBACH: -- if I can extrapolate that
24 it wasn't put for 2019 because there's no way we'd be ready.

25 COMMISSIONER RUANO: Uh-huh.

1 VICE CHAIR AUERBACH: And I think everybody
2 recognized that we needed to do a lot more work, so this is
3 like the framework --

4 COMMISSIONER RUANO: Yeah.

5 VICE CHAIR AUERBACH: -- that we're putting in
6 place to get everybody ready.

7 So I don't know if we need to adjust this. I
8 mean, if you want to --

9 DR. ARTHUR: Well, may I say --

10 VICE CHAIR AUERBACH: Yeah.

11 DR. ARTHUR: -- you always have the option on
12 July 1st, 2020 to delay implementation, okay, if the -- if
13 you don't think the infrastructure is ready. I am confident
14 it will be ready --

15 COMMISSIONER RUANO: Uh-huh.

16 DR. ARTHUR: -- because there's a lot of people
17 working on these --

18 EXECUTIVE DIRECTOR BAEDEKER: And one thing you'll
19 find --

20 DR. ARTHUR: -- not a lot, but there are people
21 working on them.

22 EXECUTIVE DIRECTOR BAEDEKER: -- is that we're not
23 the only ones that are now focused --

24 DR. ARTHUR: Right.

25 EXECUTIVE DIRECTOR BAEDEKER: -- on continuing

1 education. As Dr. Arthur has pointed out to me, when he was
2 talking to a legislator about this, you know, my daughter
3 cuts hair for a living. She has to go through continuing
4 education.

5 VICE CHAIR AUERBACH: Uh-huh.

6 EXECUTIVE DIRECTOR BAEDEKER: So I think everybody
7 agrees that we need it.

8 COMMISSIONER RUANO: No. I totally agree.

9 EXECUTIVE DIRECTOR BAEDEKER: This is --

10 COMMISSIONER RUANO: It's a great thing.

11 EXECUTIVE DIRECTOR BAEDEKER: I know you do.

12 COMMISSIONER RUANO: Yeah.

13 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

14 COMMISSIONER RUANO: Yeah.

15 EXECUTIVE DIRECTOR BAEDEKER: This is a vehicle.

16 COMMISSIONER RUANO: That's not the issue.

17 EXECUTIVE DIRECTOR BAEDEKER: And one thing about
18 keeping it simple is we don't have to build everything into
19 this. And the delivery method for these classes --

20 COMMISSIONER RUANO: Uh-huh.

21 EXECUTIVE DIRECTOR BAEDEKER: -- will likely
22 change between now and the time that it's implemented. So
23 this gives us the flexibility to get all of that, all the
24 important stuff done. This just gets the process started.

25 COMMISSIONER RUANO: I think that --

1 DR. ARTHUR: All the online education is -- has
2 moved very dramatically in the last five year or so, so, you
3 know, there's a lot of -- frankly, I spend more time on
4 these educational modules than I hate to admit. So -- but
5 they are -- they will be available, I'm confident.

6 VICE CHAIR AUERBACH: I think we could -- what we
7 could do is note in Staff now that we would like an update,
8 January 1, 2019.

9 DR. ARTHUR: Okay.

10 VICE CHAIR AUERBACH: So let's just tell Staff
11 to -- in the January meeting, we want to see an update. We
12 want to see where we are.

13 COMMISSIONER RUANO: Yeah. That great.

14 VICE CHAIR AUERBACH: We want to see if we want to
15 direct --

16 COMMISSIONER RUANO: Uh-huh.

17 VICE CHAIR AUERBACH: -- more focus on it or
18 whatever we want to do.

19 COMMISSIONER RUANO: Exactly.

20 EXECUTIVE DIRECTOR BAEDEKER: That's a good idea.

21 VICE CHAIR AUERBACH: I think let's just do it
22 this way.

23 COMMISSIONER RUANO: That sounds great.

24 VICE CHAIR AUERBACH: And then --

25 COMMISSIONER RUANO: I feel comfortable with that,

1 yeah.

2 VICE CHAIR AUERBACH: Is that okay?

3 COMMISSIONER RUANO: I like that. Yeah.

4 VICE CHAIR AUERBACH: Okay.

5 COMMISSIONER MASS: Yeah.

6 VICE CHAIR AUERBACH: Well, do you want to make a
7 motion then?

8 COMMISSIONER RUANO: I'll move that.

9 VICE CHAIR AUERBACH: Thank you.

10 COMMISSIONER SOLIS: I'll second.

11 VICE CHAIR AUERBACH: Okay, so Commissioner Ruano
12 moves it and Commissioner Solis seconds it.

13 Commissioner Ruano, your vote?

14 COMMISSIONER RUANO: Yes.

15 COMMISSIONER SOLIS: Yes.

16 VICE CHAIR AUERBACH: Yes.

17 COMMISSIONER MASS: Yes.

18 VICE CHAIR AUERBACH: Motion carries. Thank you.

19 Moving on to --

20 COMMISSIONER RUANO: And Alex just agreed to do
21 the first one in Spanish.

22 VICE CHAIR AUERBACH: All right, there you go.

23 COMMISSIONER SOLIS: We are.

24 VICE CHAIR AUERBACH: Yeah. Team Española right
25 there. Okay. Good deal.

1 Okay, item number 13 is the discussion and action
2 by the Board regarding the proposed addition of CHRB Rule
3 1660.1, Delivery of Medical Records.

4 And I have asked a member of our community to
5 please come up and tell us what we had decided yesterday,
6 because I think this was a very well-done piece of work.

7 MR. BALCH: Commissioner Auerbach forgot my name.
8 Alan Balch, CTT.

9 VICE CHAIR AUERBACH: What did I call you?

10 MR. BALCH: A member of the community.

11 VICE CHAIR AUERBACH: Oh. Okay. Well, I know --

12 MR. BALCH: I didn't know what community you were
13 referring to.

14 VICE CHAIR AUERBACH: -- sometimes he doesn't act
15 like a member of the community, so --

16 COMMISSIONER RUANO: Oh. Ouch.

17 VICE CHAIR AUERBACH: I was nice enough to let you
18 speak. Now sit down and shut up.

19 COMMISSIONER RUANO: She's fierce.

20 MR. BALCH: Yeah. Well, I think --

21 COMMISSIONER SOLIS: She's feisty from yesterday.

22 MR. BALCH: I think Commissioner Auerbach covered
23 this item, I think, very well in your report.

24 Dr. Blea attended the meeting, spoke at length.

25 And I think there was a great exchange of views with Dr.

1 Arthur, Executive Director Baedeker, really exploring the
2 whole issue and concerns about everything from veterinary
3 practices to confidentiality to the ongoing electronic age
4 of being able to share vet confidentials and so forth.

5 But there are a great number of issues. And I
6 think the resolution, ultimately, was that we should have a
7 working group, a task force, a small group to work with Dr.
8 Arthur, Mr. Baedeker and others in really ironing out those
9 problems, so we can move forward with this as quickly as
10 possible to make it effective, rather than -- because there
11 are things that have to be done, I think, here in the
12 language, we all agree, to really make this effective.

13 So CTT would be participating. TOC would be
14 participating. Obviously, the CHRB.

15 VICE CHAIR AUERBACH: We -- and if you want to
16 stay there for one minute, in case you want to correct
17 anything I say here?

18 We really did narrow the scope of what we're doing
19 initially. And what we are looking for is a methodology, a
20 mechanism of when a horse is claimed, that the horse that is
21 claimed the records of injections will follow that horse's
22 claim. And we are going to create a mechanism which will
23 mandate a period of time, maybe 30 days, what kind of
24 injection has the previous vet who was responsible for that
25 horse given that horse in the last 30 days? And what we're

1 narrowed it down to. It's not going to come back to
2 Committee. The way we talked about it was everybody
3 understood the scope of what we were trying to do initially
4 and that we will see it on the agenda for the May Board
5 meeting.

6 Is that -- do you wish to -- anybody wish to add
7 something to that?

8 MR. BALCH: Well, I would, just to refine it
9 somewhat. We --

10 VICE CHAIR AUERBACH: Please do.

11 MR. BALCH: -- certainly agree with the urgency of
12 getting this done, but I think the veterinary practitioners,
13 whether it's via Dr. Blea or a small group, really need to
14 be involved in the whole thing because of their perspective
15 on it, which I really can't speak to.

16 VICE CHAIR AUERBACH: Well --

17 MR. BALCH: I mean --

18 VICE CHAIR AUERBACH: -- I'm only saying that
19 based on my discussion with --

20 MR. BALCH: Right.

21 VICE CHAIR AUERBACH: -- a lot of the different
22 vets, that they see no issue in us making that narrow
23 information available at this time without further study,
24 and that's --

25 DR. ARTHUR: Yeah. I think --

1 VICE CHAIR AUERBACH: Dr. Arthur?

2 DR. ARTHUR: -- the point is we're going to try to
3 develop something that's simple and reasonable that provides
4 information that protects the health and welfare of the
5 horse.

6 I would like to point out, however, that the two
7 recent papers have shown that there's a relationship between
8 intraarticular medications and injuries to horses. In one
9 Australian paper had up to 42 days. And in a paper that was
10 just published, and I can't remember, I think it -- where
11 it's from, but for up to 50 days, 57 days, actually.

12 So we'll probably be looking at a time frame of
13 about 60 to 90 days and be limited to certain procedures
14 that will be -- that information will be transmitted. And
15 how that information will be transmitted, I think will be
16 important. It's got to be done in a very simple way for
17 both the person that's providing that information to the
18 person that's getting it.

19 VICE CHAIR AUERBACH: Well, I think that Dr. Bob
20 from Miami is going to send us a copy of the rule that they
21 use there that works well, and we could probably use that as
22 a basis to start the discussion, if we want to modify it,
23 you know, up the time frame or whatever we want to do.
24 There is precedence for what we're trying to do here. And
25 it's important for everybody to remember that we only have

1 one agenda, and that's the health and safety of the horse.
2 And once we take care of the horse, we know that the jockeys
3 and everybody else will be taken care of, so that's what
4 we're trying to do. And, hopefully, we will have this for
5 the May agenda so we can get this going.

6 MR. BALCH: Great. Thank you.

7 VICE CHAIR AUERBACH: Thank you, gentlemen.

8 Okay, the next thing, number 14, is the report for
9 the Special Committee on Northern California Racing.

10 And I will call on Commissioner Mass to please
11 take that -- Mass.

12 COMMISSIONER MASS: Thank you, Chairman.

13 VICE CHAIR AUERBACH: I meant Mass. Madeline.

14 COMMISSIONER MASS: Yes, I'm pleased to report.

15 I first want to say that we -- that understand the
16 leadership of Chairman Auerbach, and I serve as a member of
17 the Committee, we had a spirited and robust discussion up in
18 Golden Gate on a rainy day on a number of issues.
19 Stakeholders were well represented. And I just want to
20 applaud the stakeholders and private sector for
21 participating in the settlement, the terms of which I'll
22 outline now.

23 First is that Golden Gate will be open for
24 stabling and training for all 2018 Northern California
25 racing fairs. Stabling and training schedules will be in

1 accordance with past practices. Golden Gate will receive
2 the full two percent that is generated from handle for the
3 Stabling and Vanning Fund during all 2018 Northern
4 California racing fairs.

5 All trainers stabled at Golden Gate during the
6 summer fair season will be required to make at least one
7 start per stall during that period, or the minimum start
8 requirement. If the trainer does not make the minimum start
9 requirement the trainer will pay \$5.00 per day for all
10 stalls less than the minimum start requirement. So to give
11 you an example, if a trainer has ten stalls at Golden Gate
12 and the trainer only has seven starts during the 2018
13 Northern California racing fair season, the trainer will owe
14 \$5.00 per day for the three stalls.

15 The Stabling and Vanning Committee will collect
16 the stall rent. The monies collected will go toward the
17 California Authority of Racing Fairs purse overpayment. And
18 Golden Gate will open as a simulcast wagering facility
19 during the 2018 Northern California racing fairs meet.

20 That's --

21 VICE CHAIR AUERBACH: Thank you.

22 COMMISSIONER MASS: -- obviously the results of
23 their negotiation.

24 VICE CHAIR AUERBACH: Anybody have any questions
25 or comments about that?

1 I know a lot of the stuff that we've been doing
2 lately, the community has really been amazing. They've
3 really stepped up and helped and we've gotten stuff done,
4 and I think I'd like to thank them. I applaud them for
5 that.

6 Okay, item number 15, discussion regarding a
7 report and update from the Pacific Racing Association,
8 Golden Gate Fields, the Thoroughbred Owners of California,
9 and the California Association of Horse Racing Fairs on
10 organizational changes to Northern California Off-Track
11 Wagering, also known as NCOTWINC, and projected changes, if
12 any, to the operation of satellite wagering in Northern
13 California.

14 If we could have the interested parties step
15 forward please?

16 EXECUTIVE DIRECTOR BAEDEKER: Have them come to
17 the table probably, huh?

18 VICE CHAIR AUERBACH: Did I miss somebody?

19 (Colloquy between Vice Chair Auerbach and Mike Marten)

20 MR. SINDLER: Good morning.

21 VICE CHAIR AUERBACH: Good morning. Please
22 identify --

23 MR. SINDLER: Eric Sandler --

24 VICE CHAIR AUERBACH: Thank you.

25 MR. SINDLER: -- on behalf of the Stronach Group

1 and Golden Gate Fields.

2 So as we have announced, at the end of our current
3 meet, after that will no longer be using NCOTWINC as our
4 service provider for OTB wagering. It's for a variety of
5 reasons. First, handle in the Northern California OTBs has
6 continued to decline over the years while expenses continue
7 to rise. In 2010, when Jack Liebau was still with Bay
8 Meadows, there was a CHRB meeting about the financial
9 liability of NCOTWINC. And at that point he raised that
10 there are solvency issues. Since then, it has just gotten
11 worse.

12 When you take into account all of the costs for
13 the industry, and the includes the ADW override fee, it has
14 about \$15 million to run the network, and we believe we can
15 do it better than that.

16 Just so you know, we have talked to Local 280 a
17 number of times. And to be more specific, we have attempted
18 to get in touch with them. Our lawyer, who is representing
19 us in the upcoming negotiations, has tried to communicate
20 with their lawyer. We have heard very little, if anything,
21 back. So we are reaching out to them, but we can't force
22 them to come to the table.

23 And we are going to continue working with the TOC
24 to come up with a sustainable business model. Right now the
25 model is broken. It's a disease. We just keep feeding the

1 disease every time we keep pumping more and more money into
2 it. And we don't want to continue to feed the disease, so
3 that is why we are doing what we are doing.

4 MS. MOREY: The TOC, while agreeing with Eric,
5 that --

6 VICE CHAIR AUERBACH: Can you please identify
7 yourself?

8 MS. MOREY: Oh. Elizabeth Morey, TOC.

9 While we agree with Eric that there are flaws in
10 the current system, we feel that the flaws could be dealt
11 with within the existing framework of NCOTWINC. And we
12 would encourage the SG to keep working with NCOTWINC and to
13 try to continue to take advantage of the great things that
14 NCOTWINC does do. It still contributes an enormous amount
15 of money to the industry in Northern California, to the
16 tracks purses and a variety of industry organizations. And
17 we're hoping that a resolution can be reached where we can
18 fix some of the systemic issues but maintain NCOTWINC.

19 MR. SWARTZLANDER: Larry Swartzlander with CARF.

20 You know, I totally agree with Liz on the
21 restructure. We've talked about this, that both NCOTWINC
22 and SCOTWINC have been around for a long time. And the
23 structure and financial the package that goes along with
24 them, there's a lot of questions as to can some of these
25 functions be, and as Eric alluded to, the cost?

1 The approach that's going on right now, speaking
2 for CARF and the TOC and Santa Rosa, yeah, we feel that
3 NCOTWINC is a viable organization and can continue. We're
4 looking at going to restructure it. Right now we're working
5 with issues with the union, whether SCOTWINC and NCOTWINC
6 want to work together or we want to work separately?
7 There's a lot of unanswered questions here. I think the
8 current contract with Local 280 is up on July 17th.

9 The current question on the table is: Who's going
10 to negotiate for the racing organizations in the state of
11 California? Is it SCOTWINC? Is it NCOTWINC? Is it a
12 combination of these organizations? Or does Del Mar go out
13 by themselves? Does CARF go out by themselves? And then
14 the organization itself, in the north, for example,
15 NCOTWINC, with Golden Gate opting out as a voting member,
16 they are accepting the financial responsibilities at this
17 point too. We have to address the issues of the pension and
18 liability that NCOTWINC carries with it. Also the
19 (indiscernible), we have a current lawsuit. And that will
20 have to be resolved before, and if there is a total
21 separation of the Stronach Group from NCOTWINC. Those are
22 things that are being discussed and worked on, on how to
23 handle them.

24 From CARF's perspective in dealing with TOC,
25 NCOTWINC has to continue in some capacity. I have to have

1 an organization which orchestrates my OTB network. And what
2 that will look like, call it NCOTWINC, call it whatever you
3 want to be, that's the path we're on right now.

4 The current challenge that we're facing is this
5 pension liability. What is it? How do we deal with it?
6 You know, my fair managers are not feeling easy by telling
7 them we've got a \$12 million pension liability, and I sent
8 them all a bill. So it's a restructure of NCOTWINC that's a
9 major challenge.

10 You know, the lawsuit is, you know, you could say
11 whatever it is, it can be dealt with, and we'll move on
12 there.

13 But you've got an organization that has to be
14 restructured, put in place. And we've all used the term,
15 it's broken, but let's fix it. That's why we're trying to
16 work with the Stronach Group and the TOC, and we'll get
17 there. We've got some major challenges right now and at
18 this point, you know, I will support the TOC and work with
19 the Stronach Group and make it better.

20 VICE CHAIR AUERBACH: Okay. Jack Liebau, do you
21 want to come and discuss this with us, please?

22 MR. LIEBAU: My name is Jack Liebau and I'm
23 representing Los Alamitos, the Quarter Horse Association.

24 Los Alamitos is very dependent upon the Northern
25 California satellite network as far as distributing its

1 signal. While I don't represent Watch and Wager, the
2 harness are in the same position as Los Alamitos. There
3 seems to be a lot in flux up north with respect to the
4 satellite network.

5 It's my understanding that Golden Gate Fields has
6 given a notice, which certainly can be withdrawn, where they
7 are terminating, at the end of their meet, their signal
8 being distributed through NCOTWINC, so that's a huge
9 problem. I would say that, you know, it's not necessary for
10 Golden Gate Fields to distribute their signal through
11 NCOTWINC. They can distribute it in some other manner. But
12 there is a legal obligation to make its signal available for
13 wagering to all the satellites in Northern California, and
14 that's pretty clear in the law.

15 And I think that the Horse Racing Board, as far as
16 having supervision over NCOTWINC in the Northern California
17 satellite facilities and acting in what is the best interest
18 of racing, really needs to get involved in this issue. I
19 mean, there's, you know, things floating around that all of
20 the existing satellites in Northern California are going to
21 be converted to ADW lounges, and wagering will only be done
22 through an ADW provider at these facilities. We think that
23 that would be a huge risk, that right now there's about \$185
24 million that's bet through the Northern California satellite
25 network.

1 I think it's very important to the continued
2 viability of Northern California racing that you put that
3 \$185 million in some perspective. On-track at Golden Gate
4 and at racing fairs, I think, is only about \$70 million.
5 So, I mean, most of their -- 72 percent of their brick-and-
6 mortar wagering in Northern California is through the
7 satellite facility that sort of seems to be in a state of
8 flux. And I would just urge the Horse Racing Board to
9 exercise its oversight and make sure that something happens.

10 I mean, I'm worried about what happens after the
11 fairs are over. What's -- how is that signal going to be
12 distributed to these satellites, or is there going to be
13 some move to try to close down these satellite facilities,
14 some of which have been -- the state has made huge
15 investments in buildings for satellite facilities? I think
16 there's a lot at stake. And speaking for Los Alamitos, it
17 is very dependent upon the continued distribution of its
18 signal for wagering purposes through the Northern California
19 satellite networks.

20 Now the one distinction is that the night signal
21 in Northern California is distributed by SCOTWINC. NCOTWINC
22 doesn't have anything to do with that at night.

23 So all I'm doing is urging everybody to --

24 VICE CHAIR AUERBACH: Would you say that last
25 thing again, please, Jack?

1 MR. LIEBAU: Yeah. The night signal in Northern
2 California is distributed by SCOTWINC, not by NCOTWINC.

3 VICE CHAIR AUERBACH: Okay.

4 MR. LIEBAU: And --

5 EXECUTIVE DIRECTOR BAEDEKER: Both the night
6 signals?

7 MR. LIEBAU: Yes. SCOTWINC operates -- provides
8 the clerks and everything at night.

9 So my whole point is that there's a lot at stake
10 here. There's a lot at stake for Los Alamitos. We would
11 just urge that the Board become involved, that all of the
12 people involved that are stakeholders work together to come
13 to some solution, and that we have transparency so that we
14 all know what's going on so that we can make plans.

15 Thank you.

16 VICE CHAIR AUERBACH: John Valenzuela.

17 MR. VALENZUELA: Hello. My name is John
18 Valenzuela, Pari-Mutuel Employees Local 280 President. Good
19 afternoon, Executive Director and Commissioners, Counsel,
20 Staff, and everybody in the gallery.

21 I just want to bring it to your attention that on
22 July 18, 2018, our CBA expires with the Federation, which is
23 opening day at Del Mar.

24 Local 280, as you can see, I gave you some emails
25 there, there's two emails and a letter, a formal letter,

1 requesting dates to negotiate since January, and a formal
2 letter in March. We request -- we have requested to
3 negotiate with the Federation, all employers, NCOTWINC and
4 SCOTWINC, and any other parties. Local 280 wants to
5 negotiate fairly and bargain in good faith.

6 As of now, Golden Gate Fields announced that they
7 want to negotiate separate from the NCOTWINC organization.
8 We believe that negotiations will be difficult, regardless.
9 We believe that this will lead to a serious problem or
10 serious problems, possibly a labor dispute. We believe this
11 is not good for the industry as a whole.

12 You know, since the -- approximately about 30
13 years since the satellite industry started, well, since the
14 beginning of satellites becoming legal, traditionally we
15 had -- Local 280 has negotiated with the Federation, all the
16 employers, NCOTWINC and SCOTWINC. That has set precedence.

17 At this time, we request the Board to encourage
18 all employers to negotiate as one unit. This is going to
19 create -- separately, it is going to create a problem for
20 everybody in this industry. So we believe that this is a
21 reasonable request and we encourage the Board to have all
22 parties come together as one entity to negotiate with Local
23 280.

24 We have reached out to everyone. Eric said that
25 we did not respond. We have had our lawyers talk back and

1 forth with their lawyer from the Golden Gate Fields. And
2 the response that we ask to negotiate as one whole unit.

3 EXECUTIVE DIRECTOR BAEDEKER: And, Eric, you've
4 asked to negotiate --

5 MR. SINDLER: Correct. We --

6 EXECUTIVE DIRECTOR BAEDEKER: -- independently of
7 the others?

8 MR. SINDLER: That's correct. And we received
9 their letter. Our counsel responded to their counsel,
10 saying that we are no longer using NCOTWINC as our service
11 provider. So whatever you guys do at NCOTWINC is your
12 business, but we will be negotiating separately. We have
13 indicated dates that we are ready, willing and able to
14 negotiate in good faith. That was approximately a week or a
15 week-and-a-half ago our counsel sent it to Local 280's
16 counsel. We have not heard anything back since then.

17 EXECUTIVE DIRECTOR BAEDEKER: Commissioners, I
18 don't think, and the lawyers here can correct me if I'm
19 wrong, but I don't think that the statute stipulates that
20 the Board direct those negotiations.

21 MR. VALENZUELA: We know that (indiscernible)
22 involved as negotiations, per se, but you can encourage that
23 all parties come together as one because that the tradition.
24 It sets the precedence.

25 EXECUTIVE DIRECTOR BAEDEKER: Encouragement is

1 fine, but --

2 MR. VALENZUELA: That's what we ask, that you
3 encourage all parties as one, because this is going to be
4 quite difficult. If we separate -- this is quite an
5 urgency. I mean, as you can see, Local 280 has been
6 requesting dates as of January, yet we have not gotten a
7 date today.

8 VICE CHAIR AUERBACH: Well, I think it's important
9 that everybody talk. And I hate to see opportunities missed
10 because one side wants seven people in the room and the
11 other side wants four people in the room. Whatever you're
12 doing, you're going to have to all end up talking to one
13 another.

14 So, Mr. Liebau, did you want to add something to
15 the discussion?

16 MR. LIEBAU: As a historian that probably has more
17 time in this industry than most people, all I can say is
18 that I don't think the Board has ever become involved in
19 labor negotiations or how they're carried out. And I don't
20 know whether you'd want to break that precedent.

21 I have different feelings as to what should happen
22 now, and I'm sort of in the minority but, you know, I'm in
23 the minority, and that's where we are. And everybody has a
24 right to do what they want as far as being an employer and
25 bargaining collectively for their own interests.

1 VICE CHAIR AUERBACH: I don't -- I'm not
2 comfortable with the Board directing any of this. I don't
3 think it's -- at this point, I don't think it's any of our
4 business. I don't -- I don't know how anybody else feels at
5 this point. I don't think there's anything for us to do,
6 other than to listen.

7 COMMISSIONER MASS: Can I ask a couple questions?

8 VICE CHAIR AUERBACH: Please do.

9 COMMISSIONER MASS: I just, I mean, I've tried to
10 take a look at the statutes and understand this. And to say
11 its antiquated is probably the nicest thing we could say
12 about the --

13 VICE CHAIR AUERBACH: Uh-huh.

14 COMMISSIONER MASS: -- statutes and regs that
15 relate to this.

16 But what I didn't hear, Larry, from you or from
17 Jack or Elizabeth, is do you believe that they -- that
18 Stronach does not have the right, Golden Gate does not have
19 the right to withdraw from NCOTWINC?

20 MR. SWARTZLANDER: According to the agreement,
21 they did have the right, yes.

22 COMMISSIONER MASS: And you all agree with that.
23 So now we're confronted with the circumstance, which they
24 have the right to do it. So the question is: Is there a
25 model that works that would be in their advantage that might

1 fix that? Or, second, how do you operate NCOTWINC without
2 them?

3 I'd urge you -- I don't know, Eric, have you had
4 conversations at all with the respective members of NCOTWINC
5 to try and figure out whether there is, in fact, a model?

6 MR. SINDLER: Yes, we have had conversations. We
7 talk to them pretty regularly. We talk to the TOC very
8 regularly. As of now, nothing has been resolved though, but
9 we are always willing to talk and discuss --

10 COMMISSIONER MASS: And --

11 MR. SINDLER: -- to see if anything can be had.

12 COMMISSIONER MASS: And what is the resolution?
13 And you may have not decided this. What are you going to do
14 with the signal as it relates to the individual fairs? It's
15 separately negotiated with each of them with you?

16 MR. SINDLER: That is still to be determined. We
17 have not made any determination on that yet.

18 EXECUTIVE DIRECTOR BAEDEKER: Well, Commissioners,
19 you know, that's going to come before you next month --

20 COMMISSIONER MASS: Right.

21 EXECUTIVE DIRECTOR BAEDEKER: -- because the race
22 meet application for Golden Gate will be on the agenda next
23 month. And they will stipulate to whom they are sending
24 their signals. And then, of course, that triggers the
25 statute relative to like a bargaining agreement and so

1 forth. So you will -- and that probably is the appropriate
2 way for the Board to consider this issue, and that is as
3 part of their consideration of the individual race meet
4 application.

5 MR. SINDLER: Yes. I believe that would be the
6 June meeting, though, correct, since we race in August?

7 EXECUTIVE DIRECTOR BAEDEKER: Yeah, that's right.
8 You submit it in May and --

9 MR. SINDLER: Correct. Yeah. We submit it 90
10 days out. They may do it two months out.

11 EXECUTIVE DIRECTOR BAEDEKER: Good with 30 days.

12 MR. SINDLER: Every day counts.

13 VICE CHAIR AUERBACH: Yes, sir?

14 MR. VALENZUELA: There's a question I would like
15 to ask, and the question is: Is the Stronach Group part of
16 the Federation? And they have been for quite a long time.
17 It sets the precedence. So how -- oh, I'm sorry.

18 So the question I'm saying is -- can you hear me?

19 VICE CHAIR AUERBACH: Yes.

20 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

21 COMMISSIONER MASS: Yeah.

22 MR. VALENZUELA: The question I'm saying is that
23 how is it that they want to be able to -- they want to be
24 part of the federation? They want to be in the negotiations
25 as far as the south is concerned, and then all of a sudden

1 now they want to be separate from the NCOTWINC organization.
2 Now they might have the right to do that, but the question
3 is: Are they part of the Federation? They are the -- the
4 Stronach Group is the control unit here. They are one
5 party. So you would think that they would negotiate
6 everything as one.

7 EXECUTIVE DIRECTOR BAEDEKER: So I think -- and,
8 if you don't mind, I'm confused about this too. I think,
9 clearly, the statutes contemplates and provides for the
10 organization of SCOTWINC and NCOTWINC, but I don't think
11 there's any reference in the statute anywhere to the
12 Federation of Racetracks. I think that's a private
13 agreement that's been place for decades, is suppose, but I
14 don't think that there's any regulatory reference to that.

15 VICE CHAIR AUERBACH: In other words --

16 EXECUTIVE DIRECTOR BAEDEKER: I'm getting nodding
17 heads out here.

18 VICE CHAIR AUERBACH: -- what we're saying, it's a
19 little inappropriate for us to even comment on this. It's
20 not -- it's not ripe for us to even look at, I don't think.
21 I don't.

22 EXECUTIVE DIRECTOR BAEDEKER: You can have an
23 opinion, but you don't have a hammer.

24 VICE CHAIR AUERBACH: We don't. I don't even know
25 that -- I don't even feel versed enough to have an opinion.

1 I don't think we belong in this discussion at this point.
2 I don't think this is -- I don't think we have any say in
3 what's going on right now. I don't know that --

4 COMMISSIONER RUANO: Do you agree, Rick?

5 VICE CHAIR AUERBACH: Pardon?

6 COMMISSIONER RUANO: Do you agree with what
7 Madeline says?

8 EXECUTIVE DIRECTOR BAEDEKER: Yeah. I go back to
9 what I said before, it's -- you will look at the race meet
10 application for Golden Gate. And if, as a matter of fact,
11 there is a component of that, of sending the signal to
12 receiving sites has happened in the past, excuse me, then,
13 as required by law, they're going to have to provide the
14 agreement with the union a part of that race meet
15 application. So that will be simply to ask -- answer -- ask
16 and answer the question: Have they negotiated an agreement
17 and is it before the Board for consideration of the meet
18 application, which is in June?

19 VICE CHAIR AUERBACH: I think that what's going on
20 is that the industry is changing and has changed over the
21 years. And a lot of the things that were done many years
22 ago are -- they're getting stale, and there's revision
23 that's coming. And I think it's up to the parties to decide
24 most of these things. I don't really know how much we
25 should be included in the -- in this process. I think the

1 parties have to work things out before they come to us for
2 comments, blessings, directives or anything. That's the way
3 I look at it. You know, to quote the kids from today, peace
4 out. I mean, we, you know, we -- this is not our --

5 COMMISSIONER MASS: Thing.

6 VICE CHAIR AUERBACH: -- this isn't our job. This
7 isn't our -- we haven't been empowered to do this, I don't
8 think.

9 COMMISSIONER MASS: I don't -- it doesn't say
10 anything in the -- any statutory authority or mandate for us
11 to do it.

12 EXECUTIVE DIRECTOR BAEDEKER: The statutory
13 authority is complicated, as you referenced earlier. And
14 beyond the -- actually, the labor agreement is specific in
15 the statute, that's undeniable, but what triggers the labor
16 agreement is not as specific. The requirement to send a
17 signal is open to some interpretation. And a lot of the
18 statutory language is circular. It refers to a later one,
19 which goes back and refers to an earlier one, and you've all
20 been through it. It's very difficult to decipher it.

21 Our legal staff has been working on this now for
22 about two months and continuing to work to the point where
23 when it does come before the Board, we will have firm legal
24 opinions for you to consider. That's one of the reasons
25 that this is on the agenda today. We should flush out what

1 the plans out. Rather than vague notions or even threats,
2 let's just get it all on the table, what the plan is for
3 Northern California satellite wagering in the future and so
4 win, lose or draw, everybody can understand where they
5 stand. Waiting until the last minute probably means that
6 nobody will be happy with the outcome.

7 VICE CHAIR AUERBACH: Especially if we're put in a
8 position to have to make a decision, because no one every
9 likes anything we do, so --

10 EXECUTIVE DIRECTOR BAEDEKER: True.

11 VICE CHAIR AUERBACH: -- so that's why we'd like
12 you guys to work it all out. We don't see this as -- I
13 don't think any of us see this as our role, do we?

14 EXECUTIVE DIRECTOR BAEDEKER: Just as described --

15 VICE CHAIR AUERBACH: Just --

16 EXECUTIVE DIRECTOR BAEDEKER: -- within the
17 specifics of our statutory authority relative to satellite
18 wagering --

19 VICE CHAIR AUERBACH: Right.

20 EXECUTIVE DIRECTOR BAEDEKER: -- and relative to
21 the race meet application.

22 MR. VALENZUELA: Again, I think -- again, Local
23 280 requests that you encourage the employers as one unit,
24 as has in the past.

25 At this time, I realize, other than Golden Gate

1 removing themselves from NCOTWINC, we've asked to sit down
2 SCOTWINC and all the employers in the south. We asked
3 that -- we had requested and we've wondered whether
4 NCOTWINC, being CARF, the TOC and Santa Rosa, are going to
5 be involved in that -- those conversations. And at this
6 point, we'd be left with not knowing exactly what's going
7 on. We're confused as to why they won't include what's left
8 of NCOTWINC to negotiate as one unit, also.

9 VICE CHAIR AUERBACH: I suggest you talk to them.

10 MR. VALENZUELA: Well, like I said --

11 EXECUTIVE DIRECTOR BAEDEKER: They're right here.

12 VICE CHAIR AUERBACH: They're right here.

13 MR. VALENZUELA: They're right here.

14 VICE CHAIR AUERBACH: I mean --

15 MR. VALENZUELA: I have already.

16 VICE CHAIR AUERBACH: -- these folks are right
17 here.

18 MR. VALENZUELA: Yeah.

19 VICE CHAIR AUERBACH: I mean, there's no --

20 MR. VALENZUELA: Well, we've asked, again, and
21 then they --

22 VICE CHAIR AUERBACH: I think --

23 MR. VALENZUELA: -- don't even know if they're
24 going to be on the table.

25 MR. SWARTZLANDER: This is Larry Swartzlander.

1 I spoke to John earlier. Here's the plan from the
2 CARF perspective, and it's not confirmed by TOC, but what's
3 left of NCOTWINC right now is CARF, Santa Rosa and TOC.

4 So what we know, the Stronach Group has told me
5 officially that they do not want CARF to negotiate with them
6 with the SEIU 280. They're going to do it separately from
7 NCOTWINC. That's a fact.

8 So the question to me and Santa Rosa and TOC is,
9 okay, who negotiates with the 280 now? Is it NCOTWINC under
10 the umbrella of Santa Rosa, TOC and CARF, or do I side with
11 SCOTWINC? Because I hear John's concern, I would, too, I
12 would like to have one. The Federation is an organization,
13 also, which is dying. Ken Walker retires at the end of
14 April. We have nobody that represents Federation
15 negotiations with unions anymore. The point man for the
16 south is George Haines, who is the General Manager of
17 SCOTWINC. So in the north, who's going to take charge and
18 who is going to talk to the SEIU?

19 I've talked to Richard (indiscernible) and our
20 position right now is that we have a NCOTWINC meeting within
21 the next week or two weeks and that we've got to say that,
22 okay, I want to formally send a letter to the Stronach
23 Group, number one, requesting that I negotiate with them,
24 have them formally say no. Then we'll send a letter to the
25 SCOTWINC group saying that we would like to negotiate with

1 SCOTWINC with the SEIU. And if they say formally, no, then
2 only my position is to negotiate separately from those
3 organizations.

4 VICE CHAIR AUERBACH: Well, I think you have an
5 indication of what CARF is going to do.

6 Liz, from the TOC point of view?

7 MS. MOREY: I can say that we definitely want to
8 be involved in the negotiation process, along with CARF and
9 anyone else that would like to be involved. I do think
10 there are a number of issues that are specific to Northern
11 California that are not specific to Southern California and
12 that for the first time this year, it may make sense to make
13 Northern California negotiations separate from Southern
14 California. That's something that still needs to be
15 decided.

16 I would just like to clarify for the record, since
17 Becky is not up here, NCOTWINC does handle the distribution
18 of the signal for Santa Rosa, but Santa Rosa is not a member
19 of NCOTWINC, so I don't want there to be any
20 misunderstanding there.

21 VICE CHAIR AUERBACH: Do you think any of us are
22 going to remember that when it comes up? Okay.

23 Well, it sounds as if this whole issue is not
24 ripe. I mean, I know we put it on the agenda. I think we
25 wanted to get a view, hear what's going on, but this

1 isn't -- this is -- it's noticed as a discussion regarding,
2 not a discussion and action, so we have, maybe, a better
3 understanding of --

4 EXECUTIVE DIRECTOR BAEDEKER: You know, we've used
5 the word encourage, and --

6 VICE CHAIR AUERBACH: Right.

7 EXECUTIVE DIRECTOR BAEDEKER: -- and so that's why
8 it's on the agenda, to bring --

9 VICE CHAIR AUERBACH: And it sounds as if they
10 are --

11 EXECUTIVE DIRECTOR BAEDEKER: -- people into the
12 room. Well --

13 VICE CHAIR AUERBACH: Well, it sounds as if
14 they're talking, sort of.

15 EXECUTIVE DIRECTOR BAEDEKER: They're -- but not
16 talking together about the same subject. It seems to me
17 that, you know, refusal to talk because not all groups are
18 willing to negotiate together means that there can't be any
19 progress because there's no talking. I mean, even -- just
20 to kind of reiterate what Larry just said, he's going to get
21 a firm answer to the question: Are we going alone or are we
22 going together? Once that is answered definitively, then at
23 least -- you can't make any progress if nobody is talking to
24 each other. So that's just a word of --

25 VICE CHAIR AUERBACH: Right.

1 EXECUTIVE DIRECTOR BAEDEKER: -- encouragement to
2 go in the direction of communication, wherever it's going to
3 lead you.

4 My fear, after all these years of, you know, these
5 negotiations always being difficult, under the best of
6 circumstances, or certainly better circumstances, being
7 difficult, that we're running out of time. And so waiting
8 for the whole group to get together and negotiate as one is
9 certainly probably desirable, but maybe not feasible.

10 So your business. Your business, but --

11 VICE CHAIR AUERBACH: And I think maybe Mr.
12 Valenzuela thought maybe he could see if we could intervene
13 to the point where we said, you know, everybody has to
14 negotiate together, but that's not in the cards because
15 that's not our job. That's not our mission. It is the
16 mission of the parties to work out their own agreements.
17 It's not up to us to tell them how to go about doing it or
18 what to do.

19 So back to the drawing boards, as far as I can
20 see. I mean, I was --

21 EXECUTIVE DIRECTOR BAEDEKER: Yeah, and we'll work
22 on the legal questions and have answers --

23 VICE CHAIR AUERBACH: So maybe we'll --

24 EXECUTIVE DIRECTOR BAEDEKER: -- for the Board.
25 Yeah.

1 VICE CHAIR AUERBACH: Maybe we'll be -- we're not
2 well versed enough to do any of this stuff. I mean -- and I
3 don't -- and I hope that the -- that it will show that we're
4 not supposed to do any of this stuff. I don't believe we
5 are, so --

6 EXECUTIVE DIRECTOR BAEDEKER: I would guess,
7 having worked with the lawyers now for -- poor Rob, he got
8 here right here in the middle of this firestorm. But having
9 worked with the legal questions, and including input from
10 stakeholders, I would guess that this probably is going to
11 come down to the Board considering the best interests of
12 racing.

13 VICE CHAIR AUERBACH: If it does, it does, but
14 we're not --

15 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

16 VICE CHAIR AUERBACH: -- at that point yet, so I
17 think we're all getting a feel for what some of the issues
18 are, which is probably very good and educational.

19 But beyond that, you guys, you know, you're free
20 and independent to go after getting done what you need to
21 get done; right?

22 Anybody else?

23 MR. VALENZUELA: Again, I just wanted to -- oh,
24 excuse me. I apologize. Again, I just want to reiterate
25 that Local 280 has made an attempt to sit down with the

1 group as a whole to start negotiations in good faith,
2 bargain in good faith and fairly.

3 VICE CHAIR AUERBACH: I think we heard you, John.

4 MR. VALENZUELA: No, I just --

5 VICE CHAIR AUERBACH: But we --

6 MR. VALENZUELA: I understand that.

7 VICE CHAIR AUERBACH: The parties are not willing
8 to do it in that fashion.

9 You know, I think one of the problems we all have,
10 especially as older Americans or older people in general, is
11 recognizing that things change. And when things change,
12 some of us are not happy with changes. And change is
13 difficult. And just because we did it that way last week or
14 last month or last year doesn't mean that going forward
15 we're going to be able to do it the same way. So I --

16 (Unidentified male sneezes.)

17 VICE CHAIR AUERBACH: Bless you.

18 UNIDENTIFIED MALE: Thank you.

19 VICE CHAIR AUERBACH: I think that the parties
20 should take care of their businesses, whatever they are.

21 Thank you, everybody.

22 I want to just recall, we have an item agenda 13,
23 go back to it for a minute, because Dr. Robert O'Neil would
24 like to express his opinion.

25 Thank you, everybody.

1 Dr. O'Neil, are you here?

2 DR. O'NEIL: Yes.

3 EXECUTIVE DIRECTOR BAEDEKER: He's coming up.

4 VICE CHAIR AUERBACH: Okay. I didn't see him.

5 There were people moving.

6 DR. O'NEIL: A quick comment.

7 VICE CHAIR AUERBACH: Yes, sir.

8 DR. O'NEIL: -- about how -- Dr. Robert O'Neil,
9 Gulfstream -- I mean, Stronach Group, Director of Equine
10 Health and Safety -- about how simple this process of
11 claiming injections can be.

12 I'm sitting here in a Board meeting with you
13 gentlemen and ladies. There's been three claims at
14 Gulfstream today, one in the first race, two in the second
15 race. I have the results of the claiming of one of the
16 horses already for the claims today.

17 EXECUTIVE DIRECTOR BAEDEKER: The records?

18 DR. O'NEIL: The records already. It's on my
19 phone.

20 VICE CHAIR AUERBACH: Dr. Bob shared with me, he
21 showed me that it's a simple process that they use where he
22 says to X person, this horse was claimed, this horse was
23 claimed out of this race, this horse was claimed out of that
24 race, and it goes right to the vet and he gets the answers,
25 like right away. This horse had no injections. This horse

1 had whatever it is. It's very simple. It's very
2 straightforward. There's nothing complex about it, so --

3 DR. O'NEIL: And there should be pushback from the
4 veterinarians on this.

5 VICE CHAIR AUERBACH: I don't think there's going
6 to be. I know there isn't going to be any pushback. I
7 think that Mr. Balch was just covering his thought processes
8 by expressing that there was a possibility, but I think most
9 people are very comfortable --

10 DR. O'NEIL: Well, yeah.

11 VICE CHAIR AUERBACH: -- with what we did.

12 DR. O'NEIL: It's not -- don't want to reinvent
13 the wheel.

14 VICE CHAIR AUERBACH: Yeah. No.

15 DR. O'NEIL: This is pretty simple.

16 VICE CHAIR AUERBACH: No, we don't. We don't want
17 to reinvent the wheel.

18 DR. O'NEIL: It's pretty simple. And, again, it's
19 worked very well. And, again, like I said, I've got the --
20 there was three -- we had three races at Gulfstream. Three
21 horses have been claimed out of the first two races. I got
22 the results of one of them --

23 VICE CHAIR AUERBACH: Right.

24 DR. O'NEIL: -- so far.

25 VICE CHAIR AUERBACH: Okay.

1 DR. O'NEIL: Thank you for --

2 VICE CHAIR AUERBACH: Sure.

3 DR. O'NEIL: -- I just wanted to share that, what
4 happened after the -- after your finished.

5 VICE CHAIR AUERBACH: Thank you.

6 DR. O'NEIL: Thank you for your time.

7 VICE CHAIR AUERBACH: If there's no other
8 business, we're adjourned.

9 (The meeting of the California Horse Racing Board
10 adjourned at 11:35 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 26th day of April, 2018.



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

April 26, 2018