

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

Robert Brodnick, Staff Counsel

Mike Marten, Associate Analyst

Rick Arthur, Equine Medical Director

Darrel McHargue, Chief Steward

ALSO PRESENT

Leo Vukmanovich

Bob Ike

Nick Alexander

Tim Ritvo, Stronach Group

John Valenzuela, Pari-Mutuel Employees Local 280

Joe Harper, Del Mar Thoroughbred Club

Josh Rubenstein, Del Mar Thoroughbred Club

Tom Robbins, Del Mar Thoroughbred Club

David Jerkens, Del Mar Thoroughbred Club

APPEARANCESALSO PRESENT

Craig Dado, Del Mar Thoroughbred Club

Sherwood Chillingworth, Oak Tree at Pleasanton

Larry Swartzlander, Oak Tree at Pleasanton and California
State Fair

Angel Moore, Alameda County Fair

Jack Liebau, Los Alamitos Race Course

Rick Pickering, California Exposition and State Fair

George Haines, Southern California Off-Track Wagering

Mr. Bannis, Tilted Kilt

Nick Alexander, Thoroughbred Owners of California

Greg Avioli, Thoroughbred Owners of California

Cliff Goodrich, California Thoroughbred Horsemen's
Foundation

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1. Approval of the minutes of April 19, 2018. --
2. Executive Director's Report. 3
3. Public Comment: Communications, reports, requests --
for future actions of the Board. Note: Persons
addressing the Board under this item will be
restricted to three (3) minutes for their
presentations.
4. Discussion and action by the Board regarding --
the distribution of race day charity proceeds
of the Del Mar Thoroughbred Club's 2017 summer
race meeting in the amount of \$48,234 to a
beneficiary of this race meeting.
5. Discussion and action by the Board regarding --
the distribution of race day charity proceeds
of the Del Mar Thoroughbred Club's 2017 fall
race meeting in the amount of \$12,329, to a
beneficiary of this race meeting.
6. Discussion and action by the Board regarding --
the distribution of race day charity proceeds

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- of the Del Mar Thoroughbred Club's 2017 Breeders' Cup Race Days in the amount of \$35,254 to a beneficiary of this race meeting.
7. Discussion and action by the Board regarding the impact of robotic wagering on late odds changes, as well as the probably competitive disadvantage posed to the broader wagering public. 33
8. Discussion and action by the Board on the Application to Conduct a Horse Racing Meeting of the Del Mar Thoroughbred Club (T) at Del Mar, commencing July 18, 2018 through September 4, 2018, inclusive. 40
9. 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. 53

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| 12. | Discussion and action by the Board on the renewal Application for License to Operate a Minisatellite Wagering Facility at the Tilted Kilt in Thousand Oaks, California, for a period of up to five years. | 72 |
| 13. | Public hearing and action by the Board regarding the proposed amendment to CHRB Rule 1588, Horse Ineligible to Start in a Race, to provide (1) that a horse that has not raced at a recognized race meeting in 120 or more consecutive days, and has not | 75 |

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raced in California since the conclusion of that absence in any race, is ineligible to start in a race until such horse, prior to entry, has undergone an examination by the official veterinarian or the racing veterinarian, and declared raceably sound and in fit physical condition to exert its best effort in a race, and (2) 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.

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- The Board may adopt the proposal as presented.)
14. Public hearing and action by the Board regarding 115
 The proposed amendment to CHRB Rule 2050,
 Beneficiaries, Welfare Programs and Activities,
 to expand eligibility for healthcare services
 provided by the California Thoroughbred
 Horsemen's Foundation (CTHF), as provided for
 under Business and Professions Code 1964(b)(3).
 (Note: This concludes the 45-day public comment
 period. The Board may adopt the proposal as
 presented.)
15. Discussion and action by the Board regarding the 117
 Proposed amendment to CHRB Rule, 1843.3,
 Penalties For Medication Violations, to correct
 A discrepancy in the phenylbutazone levels noted
 In the category "C" penalty chart in Rule 1843.3
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

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Government Code.

- A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," and as authorized by Government Code section 11126(e).
- B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending 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

9:34 A.M.

ARCADIA, CALIFORNIA, THURSDAY, MAY 24, 2018

CHAIRMAN WINNER: This meeting of the California Horse Racing Board will come to order. Please take your seats. Good morning to everyone.

This is the regular noticed meeting of the California Horse Racing Board on Thursday, May 24th, 2018 at Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California.

Present at today's meeting are: myself, Chuck Winner, Chairman, Madeline Auerbach, Vice Chair; Fred Mass, Commissioner; and Alex Solis, Commissioner.

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

In order to ensure all individuals have an opportunity to speak and the meeting proceeds in a timely fashion, I'll strictly enforce the three-minute time limit rule for each speaker. The three-minute time limit will be enforced during discussion of all matters as stated on the

1 agenda, as well as during the public comment period.

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

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

15 When all the names have been called I'll ask, is
16 there is anyone else who would like to speak on the matter
17 before the Board? Also, the Board may ask questions of
18 individuals who speak. If a speaker repeats himself or
19 herself I'll ask if the speaker has any new comments to
20 make. If not, if there are none, the speaker will be asked
21 to let others make comments to the Board.

22 Now as far as the agenda is concerned, we can't
23 have a vote on the approval of the minutes from the last
24 meeting because I wasn't at the last meeting, so I can't
25 vote on it. And that would mean we wouldn't have a quorum

1 to vote on it, so we'll dispense with that. Thank you very
2 much.

3 So we'll go to the Director's report.

4 Let me also note that items four, five and six
5 will have to be moved to the next meeting because Vice Chair
6 Auerbach would have to recuse herself, which would mean that
7 we wouldn't have a quorum to vote on those either. So after
8 the Executive Director's report and the public comment
9 period, we'll go on to item number seven.

10 EXECUTIVE DIRECTOR BAEDEKER: Thank you, Mr.
11 Chairman. Just a couple of notes.

12 An update on the microchip program. We're kind of
13 turning for home with this program. The rule becomes
14 effective on December 26th, that all hoses must be chipped
15 in order to start in California. We've gotten nothing but
16 positive cooperation from every one of the associations.
17 The bulk of the work has been done at Golden Gate and Santa
18 Anita. We're currently chipping about 100 horses per week.

19 And we also have a plan for Los Alamitos. We've been in
20 discussions with management there, and San Luis Rey Downs.
21 So we feel like we'll be in very good shape by the deadline.

22 And at that point, of course, then it's simply chipping
23 horses that are coming onto the stable area for the first
24 time.

25 And we're just scratching the surface on the

1 applications that can be developed to take advantage of all
2 the horses being chipped. The most obvious one is knowing
3 every horse within the enclosure -- an enclosure in
4 California, what their markings are for identification, what
5 their past performances are. And so there are going to be
6 very many useful tools for, specifically, the Racing Office
7 that can be developed going forward.

8 So that's a longwinded way of saying thank you to
9 everybody for helping us get it to this point.

10 Pleased to report that we have filled several
11 investigator positions, primarily in the north. We now have
12 a full complement of investigators at Los Alamitos and
13 Golden Gate. We are in the process of hiring an additional
14 investigator here for Santa Anita, who is in background
15 checks. And we do have one opening at Cal Expo going
16 forward. But we've been dealing with a lot of doubling up
17 and spreading people around over the last year. And so
18 we're pleased to say that we're at full complement now, just
19 about, at least.

20 Also, a note about an upcoming event at Keeneland,
21 the Welfare and Safety of the Race Horse Summit. I've been
22 to this the last couple of years. It brings together the
23 racing, breeding and veterinary communities to talk about a
24 host of issues that are really hands-on, useable subjects.
25 And, you know, at some of these symposiums and so forth you

1 get little bits and pieces, but this is focused on the
2 welfare of the race horse, lots of useful information to
3 bring home. It's June 27th at Keeneland.

4 Finally, the financials for the month. We had two
5 fewer race days during daytime racing and one less night of
6 racing. And so the numbers for the month, we show a decline
7 of 0.14 percent during the day. And if you do a daily
8 average handle, it's actually up over the same period last
9 year by about 14 percent.

10 The average daily for night racing, down one day
11 of racing, even though the statistic is that they were down
12 6.5 percent, their average daily handle stayed even with
13 last year.

14 And overall the industry showed a decline of less
15 than 1 percent, 0.88 percent, everything in. But again, if
16 you do an average daily handle, the numbs were up 8.4
17 percent. For the year, daytime racing is up 9.14 percent,
18 nighttime up 2.44 percent, and day and night combined, up
19 8.3 percent.

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

21 CHAIRMAN WINNER: Thank you very much.

22 I think before we proceed, on behalf of the CHRB,
23 we would all like to congratulate Bob Baffert and Justify on
24 their fantastic two recent wins. And we're all looking
25 forward to the Belmont. And, obviously, we also

1 congratulations the connections of the owners of Justify.

2 Let's go on to item number three. And I have
3 three cards here. If anybody else wants to speak during the
4 public comment period, please see Mike Marten and fill out a
5 card.

6 Leo Vukmanovich.

7 MR. VUKMANOVICH: Good morning, Chair Winner.

8 CHAIRMAN WINNER: Good morning.

9 MR. VUKMANOVICH: My name is Leo Vukmanovich and
10 I've been a gambler, a horse player here at Santa Anita for
11 40 years. I'm a weekend warrior and you can find me in the
12 Eddie Logan Suite on the weekends. And I'm also a new horse
13 owner, as well, so --

14 CHAIRMAN WINNER: Congratulations.

15 MR. VUKMANOVICH: -- and I have a horse running --

16 VICE CHAIRMAN AUERBACH: Or condolences.

17 MR. VUKMANOVICH: -- I have a horse running today,
18 so --

19 CHAIRMAN WINNER: Oh, good.

20 MR. VUKMANOVICH: -- this is exciting.

21 VICE CHAIRMAN AUERBACH: Good luck.

22 MR. VUKMANOVICH: This is an exciting day for me.

23 CHAIRMAN WINNER: Yeah.

24 VICE CHAIRMAN AUERBACH: What race are you in?

25 MR. VUKMANOVICH: The second race today.

1 VICE CHAIRMAN AUERBACH: Good luck.

2 MR. VUKMANOVICH: Thank you.

3 CHAIRMAN WINNER: We'll have to end the meeting
4 early, so you can --

5 MR. VUKMANOVICH: Yeah. Yeah. Yeah. So, first
6 of all, what I'm not here to do is to, you know, bash
7 anybody or complain. But what I am here to do is to give a
8 horse player's perspective.

9 I listen to a lot of these meetings for several
10 years now. And I don't think there's anyone from a horse
11 player's perspective that's come here and made a difference
12 and contributed in any way, except to come here and complain
13 all the time about what goes on. And what prompted me to
14 come today was the recent May 8th non-disqualification. And
15 I think from a horse player's perspective is what we're
16 looking for is just an objective decision with -- with a
17 consistent outcome.

18 And so on that day, for example, if you watch the
19 race, it becomes emotional when you have a horse involved.
20 And over the years, as a 40-year horse player, you can have
21 a good idea if a horse was going to come down or a horse
22 would come up, but now you have no idea what's going to
23 happen.

24

25 And I think one of the challenges is, is I think

1 sometimes to get an objective view, it's really -- it's hard
2 for the stewards. And I think some of the ideas that I have
3 would be for the stewards not to have a program, so have
4 numbers and not really know who the trainers are, who the
5 jocks are, who's anybody that's involved. I think they
6 should be looking at black and white, high-def video. One
7 of the things is I think there's so many things around the
8 track that are in 1970's technology and haven't moved
9 with -- moved forward in that area.

10 So getting some -- I don't know if most of you,
11 I'm sure, watched the Preakness, if you saw the -- well,
12 they saw Mr. Richfield (phonetic), but the view from the
13 track, you couldn't see anything. But if you watched the
14 NBC feed, you saw what was happening throughout the track.
15 You know, and having a drone over the top to be able to
16 really see, you know, what's really happening, so injecting
17 some technology.

18 And then the other thing is, is really to be
19 consistent, you know, with the rule that's in place, I know
20 that rule's not going to get changed, but how do you
21 quantify if a horse is -- you know, caused to place? That's
22 an opinion of the stewards.

23 Some of you who are Standardbred might be players.
24 I mean, over the years, there's something that you know as a
25 player in a Standardbred race where if a horse breaks stride

1 and the horse is lapped, meaning he's within one length,
2 he's coming down. But the way that we quantify if someone
3 is caused to place needs to be -- needs to have some sort of
4 mechanism or tool in place to measure that. It's just --
5 it's just those opinions and they're not consistent, and
6 then that, that's what I think really, really causes a
7 problem.

8 And then I think the biggest insult to the players
9 is when two or three days later they give Mike Smith four
10 days; right? And by that, it's just saying he did something
11 wrong, but yet he wasn't -- he wasn't taken down, so, you
12 know, that's one of the things.

13 And I would like to continue to show up to the
14 meetings and just, you know, be able to give a player's
15 perspective going forward.

16 So thanks for the time.

17 CHAIRMAN WINNER: Thank you. I hope I say this
18 right, Vukmanovich?

19 MR. VUKMANOVICH: Yeah. Vukmanovich. Yeah.

20 CHAIRMAN WINNER: Okay. Mr. Vukmanovich, first of
21 all, thank you for your suggestions and thank you for the
22 way that you presented them in such a positive way.

23 MR. VUKMANOVICH: Yeah.

24 CHAIRMAN WINNER: I do want to tell you and
25 everyone else, because I know there's been a lot of concern

1 about that particular call, we had a meeting yesterday,
2 Staff, Vice Chair Auerbach, myself, our chief steward and
3 our attorneys, and we evaluated, among other things, the
4 rule itself. And we are -- Staff is going to come back with
5 some language which might improve the rule. It's only --
6 there are always going to be subjective judgments.

7 MR. VUKMANOVICH: Right.

8 CHAIRMAN WINNER: In any sport, you're going to
9 have subjective judgments.

10 MR. VUKMANOVICH: Yeah.

11 CHAIRMAN WINNER: The question is whether you can
12 somehow reduce the amount of subjectivity that's required of
13 the stewards, which --

14 MR. VUKMANOVICH: Yeah.

15 CHAIRMAN WINNER: -- it's an incredibly tough job,
16 as everybody knows.

17 We're also going to look at rotating stewards
18 because that's been a concern of some, so we're going to
19 evaluate that.

20 But before I go any further, I'd like to allow our
21 Chief Steward Darrel McHargue to kind of make -- explain to
22 people what the stewards do and how difficult the process is
23 and what we're thinking about doing.

24 MR. VUKMANOVICH: That's great. Thank you so
25 much.

1 CHAIRMAN WINNER: Thank you very much.

2 MR. VUKMANOVICH: Okay.

3 CHAIRMAN WINNER: And again, thank you for coming
4 and speaking, and good luck today.

5 MR. VUKMANOVICH: All right. Thank you.

6 VICE CHAIRMAN AUERBACH: Whoops.

7 MR. MCHARGUE: Darrel McHargue, Chief Steward for
8 the California Horse Racing Board.

9 You know, the role of the steward is -- it's
10 pretty broad. So the steward has to possess the overall
11 knowledge of the industry and know the CHRB Rule Book by
12 heart. They are contracted that over -- they are entrusted
13 with the oversight responsibilities over all licensees,
14 while referring to these rules and strictly enforcing them.
15 And they're responsible to the Board for the conduct of the
16 meet. They're required to have the knowledge of the AAEP
17 Guidelines to conduct hearings. And thereafter, they're
18 going to be required to generate statements of decision and
19 proposed decisions.

20 I know the visible part of the stewards job is the
21 race. It's the most public part of it, which, although it
22 is the most visible, it's only part of the job.

23 Being a steward is a thankless job. And a lot of
24 the times, no matter what the decision is, it's going to be
25 second guessed. It takes a dedicated, determined individual

1 to want to be a steward and to do the job. And in my
2 opinion, the California Horse Racing Board has some of the
3 best stewards in the country. And we always strive for
4 consistency. We want that to be a part.

5 The thoughts from licensees or the wagering public
6 that the stewards let personalities be involved in their
7 decisions, I can assure you, in my 30 years as a steward,
8 you do not let the personalities become involved in your
9 decisions. It is just which horse fouled who you and you
10 make a decision based on that, based on the rule.

11 And as you mentioned, Commissioner, judgment calls
12 are just those. You know, there may be some that, you know,
13 any decision they make is going to be second guessed
14 depending on what side of the coin you're on.

15 So if you have any questions, I can answer any
16 questions, if you have any.

17 CHAIRMAN WINNER: Thank you. Again, let me state
18 that we are constantly -- we have meetings at least twice a
19 year with the stewards, the members of the Stewards
20 Committee, that's the Vice Chair and myself, we meet at
21 least twice a year with all of the stewards. And we're
22 constantly trying to -- as Mr. McHargue said, we're looking
23 for consistency, we're trying to improve the rules, we're
24 trying to reduce subjectivity as much as possible, but it is
25 a sport. And I can't think of any other sport where you

1 don't have subjectivity.

2 And there's always, of course, differences of
3 opinion in any sport with respect to the decisions of the
4 referees or the umpires, any of the officials who are making
5 those decisions. And we recognize that this is something
6 that we have to constantly be aware of.

7 And I can assure you that Darrel McHargue, there's
8 nobody in my opinion, who could be -- who could serve in the
9 position that Darrel serves any better than he does. He's
10 got the experience. He's a former jockey, as you know, a
11 fabulous jockey. And he's been a steward, as he said, for
12 30 years and he is on top of this like nobody else can be,
13 and we're just delighted that he's there.

14 And as he said, we have some really terrific
15 stewards. It's a thankless job, as Darrel said, but we
16 recognize the situation isn't perfect and we have to work on
17 it. And ideas and suggestions, such as Mr. Vukmanovich
18 made, those are appreciated. And we definitely will
19 consider every idea that's brought forward.

20 One other thing that should be mentioned is that,
21 you know, when we talk about a lot of people think that, you
22 know, we ought to take stewards from up north, bring them
23 down here, et cetera, et cetera, other people have other
24 ideas but, you know, you're asking people to -- their lives
25 are affected if you ask them to move. They have families

1 who are living in a particular place. It's not easy to just
2 up and move from Northern California to Southern California.
3 But we are, with the help of Executive Director Baedeker,
4 working tirelessly on this, along with Mr. McHargue. We are
5 aware of the situation and doing whatever we can and any
6 suggestions would be helpful.

7 Does anybody have any other questions for -- yes?

8 COMMISSIONER MASS: Mr. Chair, I'd just like to
9 say is that as a horse player at the table, not to the
10 extent as you, Mr. Vukmanovich, but somebody who does play
11 and has watched these things and is obviously concerned, you
12 know, I have a new perspective sitting here now. And I
13 actually had the opportunity to sit in the stewards' box and
14 see what they go through. And I think it would be
15 instructive for every horse player to see what they go
16 through and their experience and judgment or not, but the
17 enormous pressure they're under, under very difficult
18 circumstances. I don't think they get enough credit for
19 that. I think they're a terrific group of people. And I'm
20 not always going to agree with them, nor is anyone else,
21 particularly if you placed a bet on a horse that got
22 disqualified or not disqualified.

23 But I just wanted to say, as somebody who's
24 sitting here now, I just want to thank them. Thank you,
25 Darrel and your team, for what you do. And hopefully we'll

1 set up a better framework to make it easier for you. But I
2 think the sport, by necessity, is imperfect. We don't have
3 lines like they do in football or in track and field. The
4 nature of our sport creates circumstances where it requires
5 judgment and it's never going to be perfect, but I just
6 wanted to say thank you.

7 MR. MCHARGUE: Thank you, Commissioner.

8 CHAIRMAN WINNER: Thank you.

9 EXECUTIVE DIRECTOR BAEDEKER: Can I add one thing?

10 CHAIRMAN WINNER: Yes, please.

11 EXECUTIVE DIRECTOR BAEDEKER: I'd like to add,
12 Commissioner Mass talked about being upstairs and watching
13 them work. And Mr. Vukmanovich, you talked about the
14 technology, the television technology. It really is quite
15 advanced over what it used to be. It is now all HD. And
16 largely, I think, because of the work done here at Santa
17 Anita, now the locations, at least here in Southern
18 California, their views of the race have been enhanced
19 dramatically. And I'd invite you to go up and see it. The
20 stewards, I'm sure, would welcome you up there to have a
21 look at it.

22 Just a little tidbit. They have six screens
23 operating with different angles at all times. And as the
24 race is being run real-time, one of the stewards is watching
25 just the monitors and can, if he sees, he or she sees an

1 incident, can hit a button and it marks that part of the
2 race. There may be multiple points during the race where
3 that occurs. They can instantly go back then and look at
4 that part of the race over again.

5 Maybe that doesn't sound too impressive, but
6 really, the technology that's been given to them over the
7 last couple of years is much better than it was.

8 And I do invite -- maybe I shouldn't invite on
9 behalf of the stewards, but I know that they're happy for
10 owners to come in and talk about decisions that were made. I
11 know that they responded to horse players, I remember a
12 photo finish at Del Mar a couple of summers ago, and they
13 will respond. And they actually do welcome the opportunity
14 to explain their rationale, with the understanding, of
15 course, that doesn't mean that somebody's going to change
16 their mind or agree with them.

17 But nonetheless, just like you coming here today
18 and expressing your opinion before the Board, that
19 communication is constructive and helpful. I encourage
20 anybody that is inclined to seek the stewards out and hear
21 from them why they may have made a decision that they did.

22 CHAIRMAN WINNER: Thank you.

23 VICE CHAIRMAN AUERBACH: I have something I wanted
24 to add.

25 CHAIRMAN WINNER: Yes. Please, go ahead.

1 VICE CHAIRMAN AUERBACH: I'm not going to try to
2 say your last name, Leo. I hope you don't mind.

3 MR. VUKMANOVICH: No. Leo is fine.

4 VICE CHAIRMAN AUERBACH: Okay. I'm going to call
5 you Leo.

6 I can't tell you how much I appreciate, and I
7 think the rest of the Board does, your approach. You were
8 very professional. You were not accusatory, you were quite
9 articulate, and I really appreciate that. That really helps
10 us.

11 Also, I get a sense that people will say, oh, it's
12 just them, they're making excuses again, blah, blah, blah,
13 and they're always defending the stewards. It's true, we
14 are always defending the stewards because they have a
15 difficult job. But if anybody in this room thinks that
16 there won't be some tinkering and/or changing coming is not
17 reading us correctly. We are going to very actively be
18 doing some things that will, hopefully, get a result that we
19 all want. All of us want a better result, and we're going
20 to -- we're going to get it done. And it's -- I know you
21 think that we're always just saying it and not doing
22 anything, and that is not what's going on here.

23 You will see shortly, at some point, as soon as
24 everything gets to be ironed out and we know what we're
25 going to be doing and now we're going to address it, and we

1 have a combination of things. It's a combination of the way
2 the rules are written, and we may need to make a little bit
3 of a change there, and also with the staff and how they view
4 and how they read the rules and what they put into it. And
5 we need to get some consistency on how we do all this, and
6 we are going to get it done, we are. Is it going to happen
7 tomorrow? I don't think so. But is it going to happen
8 sooner rather than later? I believe that it will.

9 CHAIRMAN WINNER: Thank you. I guess, I think
10 everybody involved in racing knows you're never going to
11 have perfection --

12 VICE CHAIRMAN AUERBACH: No.

13 CHAIRMAN WINNER: Because there is so much
14 subjectivity when it comes to officiating, as I said, in any
15 sport, certainly in this sport. But we're going to -- we'll
16 just keep trying to do the best that we can. And I know the
17 stewards are trying to do the best that they can at all
18 times. And I appreciate what Commissioner Mass has said and
19 Vice Chair Auerbach.

20 And again, thank you, Darrel. Now you may want to
21 stay there because Bob Ike is going to speak. And I think,
22 Bob, you're probably going to speak on the same issue.

23 MR. IKE: Good morning.

24 CHAIRMAN WINNER: Good morning.

25 VICE CHAIRMAN AUERBACH: Good morning.

1 MR. IKE: You're correct. I'm going to speak on
2 the same issue.

3 I've been involved professionally in Southern
4 California racing for 33 years now. I've had some email
5 correspondence with Mr. Winner and Mike Marten. And I have
6 a voice on two radio shows, so I'm not going to rehash what
7 I've already gone through with you guys, other than to say,
8 for the record, I think was the wrong call, the non-call was
9 the wrong call.

10 To me the bigger issue, and it's come up a lot of
11 times today, is consistency. And that consistency in
12 officiating, or lack of, I believe is costing California
13 gambling revenue.

14 I did a Twitter poll informally through my Twitter
15 account after this call and I asked people, please only
16 respond if you watched the head-on of the race or if you had
17 no vested financial interest. I got about 500 people that
18 responded to that Twitter poll; 91 percent disagreed with
19 the call. Now you can say that's sour Twitter land, but I
20 think there's a lot of passionate gamblers and fans that are
21 on Twitter, and I think 91 percent is a pretty big number.

22 So, you know, just using myself as an example,
23 like I said, I've been in the game for 33 years. To me,
24 that means I've watched about 60,000 races live, and
25 probably triple that when you count the replays that I go

1 back and watch. And I've probably gambled of those 33 years
2 about 95 percent of the racing days here in Southern
3 California. I don't bet other circuits. I just play
4 Southern California.

5 But as of May 6th, the eighth race that day, I've
6 stopped gambling on Southern California races, and I'll
7 continue to do so until I believe that there is better and
8 more consistent officiating. I might bet on other circuits
9 or I might not bet at all, but I just cannot play Southern
10 California anymore with the kind of consistent inconsistency
11 that I think I've seen from the stewards. And I think I
12 speak for a lot of other horse players also.

13 Thank you very much.

14 CHAIRMAN WINNER: Thank you, Mr. Ike. We're going
15 to do our best to bring you back.

16 MR. IKE: Thank you.

17 CHAIRMAN WINNER: That's a promise.

18 Any other questions? Anybody have anything to
19 say -- ask Mr. Ike? Okay, thank you.

20 Nick Alexander.

21 MR. ALEXANDER: Good morning.

22 CHAIRMAN WINNER: Good morning, Nick.

23 MR. ALEXANDER: Nick Alexander. I'm not speaking
24 for the TOC, just personally.

25 Similar to Mr. Ike, I've been coming here since I

1 was 11 years old and seen a lot of races, but something has
2 happened in the last year or so to the stewards here. The
3 calls have just been totally unpredictable and unreliable.
4 And in most sports, if this was a football game and a
5 referee made a bad call like that, they'd probably never be
6 referring again in the NFL. They're very strict with that.

7 And thank god, Madeline took up the torch here and
8 started to speak about that something will be done.

9 But, Chuck, listening to you and listening to Mr.
10 Mass, you're really just apologizing for an abysmal
11 performance, and that's not acceptable.

12 You know, that race cost people a lot of money.
13 The difference between a 20-to-1 shot and a 3-5 shot winning
14 that race, all the pools were dramatically affected.

15 The other thing is that in the last year, they
16 have taken three times as long as they used to make a
17 decision. I happened to be home that day and was watching.
18 I think it was at least 15 times that they reran that same
19 head-on. And after the first view of the head-on, you could
20 make a decision. The horse went from the two path to the
21 five path with Mike Smith trying as hard as he could to keep
22 him from doing that. He did impede the other horse. The
23 jock did stand up for a couple of strides. He only last by
24 a half-a-length. It was a no-brainer.

25 But as I sat there watching, after about the tenth

1 time, I thought, oh, my god, here we go again. These guys
2 are going to come up with the wrong decision again.

3 And then to add -- put fuel on the fire, a couple
4 of days later, to give Mike Smith days after saying that he
5 was not -- it wasn't a foul, is ridiculous. Mike Smith came
6 up the morning after the race and apologized to Phil D'Amato
7 at Clocker's Corner saying I'm so sorry, I knew I was coming
8 down. I couldn't believe that I stayed up. It was -- I
9 mean, like Mr. Ike said, 91 percent of 500 people said it
10 was a ridiculous call. And on the heels of the McKenzie
11 call recently, it's -- you have to do something about it.
12 Somebody needs to -- heads need to roll. Somebody needs to
13 get fired or replaced. It's just you're costing Southern
14 California a lot of money if you don't do something.

15 And, Madeline, thank you for saying that you are
16 going to do something.

17 CHAIRMAN WINNER: Let me -- let me --

18 MR. ALEXANDER: You can't -- you can't just let it
19 happen again and again and again.

20 CHAIRMAN WINNER: Okay. Let me respond to you.

21 MR. ALEXANDER: Sure.

22 CHAIRMAN WINNER: Okay. Thanks, Nick.

23 First of all, nobody here is apologizing. Let me
24 tell you that the moment --

25 MR. ALEXANDER: Darrel McHargue was apologizing

1 for his (indiscernible).

2 CHAIRMAN WINNER: I don't think that's true.

3 MR. ALEXANDER: That's like him saying it's a
4 tough --

5 CHAIRMAN WINNER: Darrel -- well, I disagree with
6 you.

7 MR. ALEXANDER: We know it's a tough job, but you
8 still have to do it --

9 CHAIRMAN WINNER: Okay.

10 MR. ALEXANDER: -- correctly.

11 MR. ALEXANDER: I disagree with you with respect
12 to whether he was apologizing, or any of us were
13 apologizing.

14 The fact of the matter is that the day after that
15 call, I got on the phone with Rick and said we need to have
16 a meeting, an internal meeting to discuss whether the
17 problem is with the rule or with the stewards, or both, or
18 neither. And a lot of people took time from other things in
19 order to have a meeting yesterday. We've had a number of
20 phone calls, as well. It's not as though we're just
21 apologizing or saying that there isn't a problem. We
22 recognize that there is a problem. We recognize that that
23 call has raised a lot of controversy. We recognize that. As
24 you know, it was a split call, it was two-to-one.

25 We're well aware of the ire, of the anger that

1 that call caused and the attention that it brought to the
2 process. But we also are aware that these guys are working.
3 It's not an apology. We know how hard they work. They
4 maybe made a mistake, they may make other mistakes. We're
5 not -- that's not what we're here to make a judgment on
6 today.

7 What we are trying to do is to make it better, not
8 go back and rehash that particular race. We can't un-ring
9 the bell. That bell is rung. And whether it was a good
10 decision or a bad decision, probably most of the people in
11 this room think it wasn't the right decision, but that's --
12 we can't go back and undo that decision.

13 What we want to do is try to find ways so that
14 decisions like that don't occur in the future. And that's
15 why what I said earlier was we're looking at the rule. What
16 the stewards did in that particular case, at least the
17 argument can be made that there is a difference in the rules
18 between whether you take a horse down and whether a jockey
19 gets days. The rules are different. So what they were
20 looking at was the rule with respect to whether it cost the
21 horse a better placing. We can disagree on that, okay? I
22 mean, probably you and I or a number of people in this room
23 may disagree with the decision as to whether it cost a horse
24 a better placing.

25 There is another rule with respect to whether a

1 jockey gets days or not. So they were applying the rules.
2 The rules may not be right, that's why we're looking at the
3 rules. They were applying the rules as the rules exist.

4 Okay, now I agree, it's very, very difficult to
5 look at a race like that. And I think probably, Nick, you
6 and I have had horses in situations like that, and probably
7 a lot of people in this room have, where the horse doesn't
8 get taken down and the jockey gets days. That's been going
9 on for a long time. This is nothing new there.

10 But this is a case where, again, we may -- a lot
11 of people may disagree with that decision. We can't go back
12 and undo it. But what we can do is try to improve it, and
13 that's what we're saying. And what we're -- we recognize
14 that there's a lot of concern about -- about the stewards.
15 We recognize that. And we recognize how difficult it is to
16 get stewards to do the job because, as Darrel pointed out,
17 it's not an easy job. It's a tough, tough job because
18 there's a lot more that goes into it besides what's going on
19 in the box.

20 But I can tell you from, you know, all the years
21 I've been around this game and from all the years I've been
22 on the board, I spend time up there with those people. And
23 whether you agree or disagree with a decision, and there are
24 times when I disagree with their decision, it isn't as
25 though they're not trying to make the right decision. Now,

1 again, you can disagree.

2 MR. ALEXANDER: That's what's frightening.

3 CHAIRMAN WINNER: Yeah. Well --

4 MR. ALEXANDER: You know, that's why I'm saying
5 consider maybe somebody should look at that.

6 CHAIRMAN WINNER: Well, and I guarantee you, Nick,
7 if you were up there, you'd make some wrong decisions, too.

8 MR. ALEXANDER: I know.

9 CHAIRMAN WINNER: Everybody can.

10 MR. ALEXANDER: I'm just saying in the last year
11 or so it's gotten incredibly, incredibly --

12 CHAIRMAN WINNER: That's why we're having --

13 MR. ALEXANDER: -- unreliable, and it's these
14 three people.

15 CHAIRMAN WINNER: Yeah. And that's why we're
16 having these meetings.

17 MR. ALEXANDER: Maybe somebody needs to get turned
18 over.

19 CHAIRMAN WINNER: Well, that's --

20 MR. ALEXANDER: Maybe they've been doing it too
21 long, maybe they're just burned out, maybe they can't make a
22 decision under pressure, but something needs to be done.

23 CHAIRMAN WINNER: We couldn't agree more.

24 MR. ALEXANDER: Good.

25 CHAIRMAN WINNER: Okay. We couldn't agree more

1 that something needs to be done and that's what we're
2 working on. And as I said, we're looking at the rule. And
3 as Madeline said, we're looking at the rule and we're
4 looking at rotations.

5 MR. ALEXANDER: Thank you.

6 CHAIRMAN WINNER: Thank you.

7 Tim. Tim Ritvo.

8 MR. RITVO: Tim Ritvo with the Stronach Group,
9 Chief Operating Officer. Thank you.

10 I'm glad you're looking at this very seriously,
11 and I'm glad that customers of our have come up and spoke
12 because they're the economic engine of the sport. If they
13 don't have a fair shot or feel that they were misrepresented
14 in a way, we're going to lose a lot of business. And when
15 we look at the Stronach Group, we're 40 percent of the
16 industry, so the industry is important to us, it should be
17 important to the horsemen, the trainers and the jockeys.
18 The integrity of the game is of the utmost importance.

19 The loss of market share in California over the
20 past ten years should be looked at. It's the most highly
21 regulated environment there is and we continue to see
22 mistakes like this being made. Whether you think they were
23 are not, I'd really like to poll the Commission.

24 When a horseman, a trainer or a jockey violate a
25 rule or make a mistake for trying, maybe a jockey trying too

1 hard to win a race, he gets suspended and the public sees
2 it, and he's penalized and loses money. There needs to be
3 some kind of reprimand.

4 As Mr. Alexander said, in a professional sporting
5 event, if it was the Super Bowl and a gentleman, one of the
6 referees or officials made a mistake, it's reviewed, as you
7 guys have done, he probably won't be in a Super Bowl or a
8 playoff game again.

9 So those things need to be considered as we move
10 forward. And it's all about the integrity of the sport and
11 trying to grow our business, so hopefully it gets addressed.
12 I mean, I see the outcry nationally. And to lose customers
13 when they have other opportunities to bet somewhere else
14 where they think the decisions are more fairly made or
15 correctly made is detrimental to California racing.

16 CHAIRMAN WINNER: Thank you, Tim. Again, I invite
17 you, Mr. Alexander, Mr. Ike, Mister -- Leo --

18 VICE CHAIRMAN AUERBACH: Leo. Mr. Leo.

19 CHAIRMAN WINNER: -- to come up with -- to let us
20 know any suggestions that you have and to go through the
21 process of how stewards are recruited or hired to see if
22 there's a better way to do it.

23 I think Darrell Haire is here. I spoke with
24 Darrell about this the day after that decision. We had a
25 lengthy conversation, I think, Darrell, with respect to how

1 we get our stewards and the process they have to go through
2 to become stewards. As Darrel McHargue pointed out, it is
3 not an easy process and it is not an easy job.

4 But any suggestions, any ideas, we're open to
5 hearing them and would very much appreciate it. We
6 recognize that it's an issue and we're doing the best we can
7 do deal with it. And we're certainly open to anybody's
8 thoughts and suggestions.

9 MR. RITVO: Thank you, Mr. Chairman. If I may,
10 just real quick --

11 CHAIRMAN WINNER: Yes, Tim.

12 MR. RITVO: -- maybe a camera inside the Steward's
13 Office as they're debating -- this has been done at some of
14 the bigger events -- as they're debating whether that horse
15 should come down or not come down would be in full
16 transparency to the public as they're watching them watching
17 the replays and debating among themselves whether this
18 should come down.

19 Thank you.

20 CHAIRMAN WINNER: Thank you.

21 VICE CHAIRMAN AUERBACH: You know, just one thing.
22 Are we done with the public comment?

23 CHAIRMAN WINNER: I think I have one more card
24 from John Valenzuela.

25 I don't know if you want to speak on that issue,

1 John? No? Okay.

2 VICE CHAIRMAN AUERBACH: Just one more thing on
3 this issue while we're wearing our hair shirt here, which I
4 think we have, and I think everybody in the room understands
5 that this is going to be addressed, I'd like to point out
6 that if you look at stewards' rulings all over the country,
7 there is always a level of discontent with what the stewards
8 do. And it's understandable because we all see things
9 differently.

10 So while we're wearing our hair shirt, we're
11 taking responsibility and we are addressing the issue, I
12 also wanted to point out that this is never going to be the
13 kind of thing that we're all going to be, oh, whoop-de-doo,
14 it's great. Because if you look at stewards' decisions all
15 over the country and the way racing is conducted, there is
16 always a level of unhappiness. And even though this is
17 beyond the level of unhappiness, I do want to point out that
18 it's not -- no matter what we do, it won't be perfect. It
19 will address the issues as we see them.

20 And take into the consider, when you watch what
21 goes on, that this is an evolving thing and that anytime you
22 have a judged sport, you will have issues with official
23 calls. Whether you're watching college football or NBA
24 basketball or anything, there will be issues with it.

25 And we hear you; consistency and something that we

1 can count on is what we're all looking for.

2 CHAIRMAN WINNER: Thank you.

3 Any other comments? Commissioner Solis.

4 COMMISSIONER SOLIS: One of the things that we
5 used to do a long time ago, I think that you'll remember,
6 the steward used to come into the jockeys' room the next day
7 and get all the jockeys' together to evaluate the race and
8 why they make such a decision. I don't know if we still do
9 that. I think that would help to get everybody on the same
10 page.

11 One of the things that helped, I know I have
12 mentioned that in the past, and it was done for a little
13 bit. I don't know if they kept doing it. I think it's
14 really important to get all the guys, jockeys, apprentices,
15 everybody to understand and work with each other, like at
16 least everybody knows where they stand. I feel like we're
17 separating. And I know a lot of guys that are frustrated,
18 jockeys. And I think it would be a great way to help each
19 other.

20 CHAIRMAN WINNER: Thank you. I think it should be
21 pointed out, and I think you know this, Commissioner Solis,
22 that on two or three occasions now, Darrel, correct me if
23 I'm wrong, and again, I can't speak to whether they're still
24 going down, whether the stewards are still going down and
25 meeting with the jockeys in the jocks' room, but I can tell

1 you that we have invited the jocks to the Stewards meeting.
2 We've also invited trainers at various times to the meetings
3 that we have with the Stewards Committee, so that there is a
4 cross discussion with respect to some of the very issues
5 that we're talking about today and so that they understand
6 each other.

7 I think that the more that relationship is
8 extended the better it is. I agree with Commissioner Solis
9 that the better communication between the jockeys and the
10 stewards the better it is.

11 But again, I can tell you that, you know, every
12 race where there is a DQ or where a jockey gets days, we
13 look at those. I mean, I look at them. Darrel looks at
14 them. Rick and Madeline look at them. We look at them very
15 carefully. And we recognize that probably there are times
16 that we don't agree with the decisions that are made, but
17 we're not the ones typically making those decisions. And we
18 recognize that consistency is absolutely critical, and so
19 that's what we're trying to work on.

20 Okay, thank you, Darrel.

21 John Valenzuela. Moving on.

22 MR. VALENZUELA: Good morning --

23 CHAIRMAN WINNER: Good morning.

24 MR. VALENZUELA: -- Executive Director, Chairman
25 and Commissioners, and the gallery. My name is John

1 Valenzuela. I'm President of Pari-Mutuel Employees Guild
2 Local 280.

3 I just wanted to report to you that Local 280 has
4 begun negotiations with the responsibilities of SCOTWINC,
5 NCOTWINC, Santa Rosa and Golden Gate Fields.

6 That's pretty much it.

7 VICE CHAIRMAN AUERBACH: Good.

8 CHAIRMAN WINNER: We know that.

9 VICE CHAIRMAN AUERBACH: Well, the last time they
10 weren't even in discussion.

11 CHAIRMAN WINNER: No, I know. I know they're
12 talking.

13 VICE CHAIRMAN AUERBACH: And you weren't here and
14 they weren't talking, so --

15 CHAIRMAN WINNER: Thank you.

16 MR. VALENZUELA: Thank you.

17 VICE CHAIRMAN AUERBACH: -- good.

18 CHAIRMAN WINNER: Thank you very much, John. Good
19 luck with those negotiations.

20 MR. VALENZUELA: Thank you.

21 CHAIRMAN WINNER: Moving right along, item number
22 seven, discussion and action by the Board regarding the
23 distribution -- oops, sorry, I'm sorry -- discussion and
24 action by the Board regarding the impact of robotic wagering
25 on late -- I have my glasses, now I can read -- on late odds

1 changes, as well as the probably competitive disadvantage
2 posed to the broader wagering public.

3 I'm going to ask Mr. Baedeker to open the
4 discussion on this.

5 EXECUTIVE DIRECTOR BAEDEKER: Thank you, Mr.
6 Chairman.

7 I asked the Chairman to put this on the agenda so
8 that we could have a public discussion about it. And I have
9 a lot of experience with the phenomenon of the odds changing
10 precipitously, dropping precipitously after the race has
11 started.

12 It began when I was at Hollywood Park in about
13 2003. And at the same time, we started to experience an
14 expansion of the wagering opportunities offshore. And then
15 those wagers became more significant over time and caused,
16 as I said, sometimes precipitous drops in the odds.

17 At the time in 2003, they were happening generally
18 at about 45 seconds into the race. In a six-furlong race
19 the horses would get to the top of the stretch, and all of a
20 sudden my 9-to-2 shot went to 9-to-5. And we saw a pattern.
21 We had a number of these happen. It had never happened
22 before, at least with any kind of regulatory. And we looked
23 into it and we found out that all of the wagers that had
24 caused these drops had come from offshore.

25 And we went up and did some research in the

1 building, as we did every season, asking general questions
2 about food, you know, quality of the -- cleanliness, all of
3 those different things. And we asked the question about
4 have you noticed the odds dropping after the start of the
5 race? And almost every customer that responded had noticed
6 it, and 65 percent of those people thought that there was
7 manipulation of the wagering taking place after the race
8 started.

9 This was alarming then and it was a simple
10 impression. When I bet before the race started the odds
11 were one thing. Now, with the horses turning for home,
12 they're another thing. And common sense says that something
13 happened after the start of the race to cause that change.

14 Now we know, as a matter of fact, we investigated
15 then, and every one of these is investigated and we find out
16 from the tote reports that the wagers are, in fact, made
17 prior to off. It's a legitimate bet. The problem is that
18 because multiple tote companies are involved, and because
19 wagers coming -- excuse me -- wagers coming from far away
20 bounce off multiple hubs until they finally get back here
21 the host, at that time it took 45 seconds. The industry has
22 been working on it and it's now down to 11 seconds. And
23 then there's another six-second delay between the receipt of
24 that information at the host and the transmission of that
25 information to the television screen, to the graphics. So

1 there are two problems.

2 The reason I asked it for it to be brought up
3 today is I still believe that there is a public perception
4 problem. Mr. Ritvo just talked about taking care of the
5 important customers, all customers. He also talked about
6 the Stronach Group with 40 percent of the handle in the
7 United States. I asked a question of a couple of tote
8 programmers when I had an opportunity to a couple of weeks
9 ago who said that this problem could be solved, responding
10 to my question, but that it took the resolve of the industry
11 to solve it.

12 So we've had some conversations with the
13 stakeholders. And there's no question that everybody would
14 like to have the problem solved, so I suggested that perhaps
15 a proposed rule would force the issue. So we're proposing a
16 rule that states, very simply, within five seconds of the
17 close of wagering, final odds for all horses in the race
18 shall be posted on the odds board and television monitors
19 and the simulcast audio-visual signal showing the race.

20 Rather than dictate to the industry how this
21 should be done, rather than say you've got to shut off
22 betting at zero minutes to post or when the first horse
23 enters the gate, you certainly would solve the problem of
24 the late odds dropping, but you would create another problem
25 where a horse could be scratched in the gate and then no

1 players would be able to change their wager.

2 Excuse me while I take some water.

3 So the proposal is simply to give the industry a
4 time frame within which to get this almost fixed. A five-
5 second window is obviously not zero, which is ideal. And
6 nobody is saying that if the industry is able to accomplish
7 five seconds that subsequently, with improvements in
8 technology, it can't become real-time at some point.

9 So I appreciate the Chairman putting this on the
10 agenda and helping us discuss it openly, so we can have an
11 ongoing dialogue and hopefully get the problem fixed. I
12 know none of us can be happy with the fact that we know that
13 some people think the game is fixed because when I bet the
14 horse, he was 9-to-2 and I only got \$5.60. Something seems
15 wrong with that. Now we know the reason for it. We know
16 that, as a matter of fact, everything's legit. But the
17 people that are affected by it are probably not asking us
18 the question, and we don't get an opportunity to give them
19 the answer.

20 And I know there's discussion about, you know,
21 putting something in the program about why this happens.
22 Well, there's a chance that somebody may read that, and
23 there's a chance that that may satisfy them. It's probably
24 better to try to solve the problem.

25 The other thing is simply for discussion, and I

1 know that the folks in the industry are open to trying to
2 accomplish something along these lines, but computer-
3 assisted wagering is offered to certain customers based on
4 their level of play. And it would seem desirable that
5 average players, who would have an interest, would have the
6 same access to tote connectivity that others have.

7 This one is obviously a difficult question to
8 answer: How do you do it? How do you make it? How do you
9 make it available on a daily basis to customers here on
10 track, maybe customers in ADW land and so forth? I simply
11 raise it because I know I've heard complaints that it's not
12 necessarily an even playing field.

13 And by the way, I'd like to let everybody know
14 that the people in the industry -- I'm looking at Mr. Ritvo,
15 I've had this conversation with him, he agrees. He agrees
16 that this is a desirable thing to have, so I added it to the
17 this just for conversation and discussion purposes. But I
18 really think with the odds drops, enough is enough. It's
19 been 15 years and it's arguably time to fix the problem.

20 End of speech. Thank you.

21 CHAIRMAN WINNER: Thank you, number one, for
22 bringing this to our attention and putting it on the agenda
23 for open discussion.

24 First of all, I don't have any cards on this
25 issue, so I'm going to assume, unless somebody wants to

1 stand up and speak on it or give a card to Mike, that there
2 are no -- there is no one here who wants to speak on it at
3 this time.

4 I can say that Rick and I and others have had a
5 number of conversations with a number of you in the room,
6 and others who are heavily involved in the sport about this
7 very issue, and I do think it needs further discussion. I
8 agree with Rick, that it's something that should be
9 discussed in an open meeting. And since there are only four
10 of us here today, I think that it would be preferable to
11 send this to Committee and to schedule it for discussion.

12 And in this particular case, because of the
13 situation, the peculiarity of it, what I'm going to do is
14 I'm going to create a special committee for this purpose and
15 put myself and Commissioner Mass on it. And we will, as
16 soon as we can, working with people within the industry on
17 timing, have a meeting to discuss these issues and the
18 recommendations of Mr. Baedeker, and any other
19 recommendations that the industry has in mind.

20 So if that's all right with the Board, that's my
21 thinking, okay?

22 COMMISSIONER MASS: Mr. Chair, if I just --

23 CHAIRMAN WINNER: Yes.

24 COMMISSIONER MASS: -- might add, I just want to
25 thank Mr. Baedeker for raising this. You know, as someone

1 who enjoys going to Striders and to Surfside and some of the
2 satellite places, to sit and observe when this circumstance
3 happens is living proof of the problem it has in the
4 integrity in this sport, and not just for smaller guys like
5 me, but I have friends that churn \$2 million and \$3 million
6 a year and have the same impact.

7 So I think in terms of the integrity of the sport,
8 for those people that don't understand, I think it's
9 important to look at it. By the same token, we've got to
10 worry about handle and think about the impact on some of the
11 tracks. So I think both of those things are important and I
12 think -- I appreciate your making the effort to try and
13 figure this out.

14 CHAIRMAN WINNER: Thank you. Thank you, Rick.

15 Okay, discussion and action by the Board on the
16 Application to Conduct a Horse Racing Meeting of the Del Mar
17 Thoroughbred Club at Del Marquez, commencing July 18th, 2018
18 through September 4th, 2018, inclusive.

19 Jackie, can you tell us what's missing?

20 MS. WAGNER: Jackie Wagner, CHRB Staff.

21 Your analysis notes that the TOC agreement is
22 outstanding. We have received that.

23 The fire clearance inspection is due to take place
24 on July 13th and that will be forthcoming.

25 The ADW contracts that are needed to complete the

1 application are in negotiations, and so I am confident that
2 that will --

3 CHAIRMAN WINNER: What, the only one is
4 TwinSpires, or are the other ones in?

5 MS. WAGNER: The other ones are in. The only
6 one --

7 CHAIRMAN WINNER: So it's just TwinSpires?

8 MS. WAGNER: Correct.

9 CHAIRMAN WINNER: Okay. So what we'll do,
10 gentlemen, what we'll do is we'll proceed. And if the Board
11 votes to approve the license, we'll approve it pending the
12 receipt of the fire -- from the fire marshal, which is just
13 perfunctory. And we'll ask that you at least keep us
14 informed as to how the negotiations are going with
15 TwinSpires. We won't make that a contingency. That would be
16 my recommendation. Let's see how the Board feels about it.

17 Okay, with that, Joe, who's -- Josh, who's leading
18 off?

19 MR. HARPER: I will, I guess.

20 Well, last year was probably the best year Del Mar
21 has ever had, from a number of different --

22 VICE CHAIRMAN AUERBACH: Joe, would you please
23 tell your name?

24 MR. HARPER: Joe Harper, Del Mar Race Track.

25 And so I was delighted. Obviously, our summer

1 meet was -- the numbers were terrific, but the best numbers
2 of all, of course, were the horse injuries were way, way
3 down. And again, I'd like to thank Santa Anita again for
4 letting us bring Dennis Moore down. He was the primary
5 reason that that happened.

6 The Breeders' Cup was a homerun, the most
7 successful, profitable Breeders' Cup ever, which was
8 interested with fewer people. And we just -- it -- \$100
9 million. I've never seen so much money in one town in my
10 life. It was a big success, and look forward to sometime in
11 the future getting it back.

12 So our license application is here, and these guys
13 will tell you a little about --

14 EXECUTIVE DIRECTOR BAEDEKER: And you also --
15 excuse me, but you also had an economic impact study done or
16 something down there.

17 MR. HARPER: We did. It was \$100 million,
18 basically.

19 EXECUTIVE DIRECTOR BAEDEKER: Oh, was that the
20 \$100 million?

21 MR. HARPER: Yeah. Yeah. And I think the only
22 complaint I got from anybody were the restaurants, where
23 they didn't buy enough high-end wine because everybody
24 wanted a \$500 bottle of wine that wasn't available. That's
25 a good problem to have. That's good.

1 CHAIRMAN WINNER: Well, congratulations. We
2 all -- we were all very excited and happy with the result of
3 the meet and with the result, obviously, of the Breeders'
4 Cup, which was a spectacular success.

5 MR. HARPER: Well, hopefully we can continue that
6 in July.

7 CHAIRMAN WINNER: Let's hope so.

8 MR. HARPER: Josh, you want --

9 MR. RUBENSTEIN: All right. Josh Rubenstein, Del
10 Mar Thoroughbred Club.

11 As Joe mentioned, we've got a lot of positive
12 momentum from '17 going into 2018. We are requesting,
13 basically, the same calendar as last year, a seven-week
14 season from July 18th through September 3rd, that's Labor
15 Day Monday.

16 We're requesting three new wagers, the Early Pick
17 4, Late Pick 5, and Win-Place-Show Parlays. We've been
18 looking at the numbers from Santa Anita, who -- they've had
19 these wagers and it seems like incremental handle, so we're
20 requesting to add those for this year.

21 We'll also continue the Single Ticket Pick 6
22 Jackpot. We started that last year and it really showed a
23 marked improvement to the Pick 6 pools. Pick 6 pools on
24 non-traditional carryover days are up 34 percent. We
25 attribute a lot of that to the Pick 6 Jackpot.

1 Lastly, our summer customers who weren't at
2 Breeders' Cup will notice some improvements that we put in
3 place for Breeders' Cup, renovated boxes, upgraded
4 restrooms, new furniture in luxury suites. We've also
5 modernized our paddock to have rubber bricks which looks a
6 lot better and is much safer.

7 So with that, I'll turn it over to Tom Robbins for
8 racing.

9 MR. ROBBINS: Tom Robbins. Yes, we liked 2017. I
10 thought what I would do is give a quick recap of some of the
11 things that we did in 2017 and some of the things that we're
12 planning on doing in 2018, and then toss it over to David,
13 our Racing Secretary, to talk about the summer racing
14 program.

15 As Joe mentioned, Dennis Moore, Track
16 Superintendent of Santa Anita, came onboard in early 2017.
17 And he, along with Dr. Mick Peterson, made some
18 modifications to the racetrack with the goal of trying to
19 make it closer to Santa Anita, recognizing that about 80
20 percent of the horses from Santa Anita showed up at Del Mar,
21 and they accomplished that. And the results prove that that
22 was a good thing. And, of course, Dennis, not just doing
23 some work to make modifications on the racetrack, but the
24 general maintenance program that he uses was also -- at
25 Santa Anita was also used at Del Mar. Both Mick and Dennis

1 will be back.

2 And Dennis has been doing some work in between
3 some of the horses that had been occurring on the racetrack
4 lately. And they'll both be there July 4th, which is the
5 close of the Del Mar Fair, and to get the track ready for
6 horses arriving on July 12th.

7 Some other new safety protocols in 2017, working
8 with the CHRB and Dr. Arthur, Equine Medical Director, which
9 we implemented last year, we're going to continue for this
10 year, namely the number of horses on our property. We cut
11 back from 2016 about ten percent. We dropped the number
12 down, a more reasonable number to have on the grounds of Del
13 Mar.

14 We're going to continue that this year, workers
15 only during the first ten minutes after the first two
16 renovations breaks, we're going to continue that as well,
17 allowing for a fresher track and less crowded conditions.

18 Again, also, we are going to be employing
19 additional vets that will be increasing their supervision of
20 certain horses throughout the meet, and that's going to
21 continue again. We did that last year. That seemed to work
22 well. And we're going to continue it again, identifying
23 those horses that we think may need a secondary look.

24 These were all changes that we strongly believe
25 contributed to an overall safer equine environment. And

1 we're happy to see the results that we had in 2017.

2 Moving on, third-party Lasix administration
3 started at Santa Anita on December 26th. It's going to
4 continue with us, of course. And the team that's currently
5 doing it at Santa Anita, the two veterinarians and two vet
6 techs will be -- those same four people will be performing
7 the work at Del Mar this summer, as well.

8 Last but not least, Ship and Win, it's back and
9 better than ever. For those that are unfamiliar with it,
10 it's, again, it's a program that we initiated in 2011. It's
11 a program that's designed to increase our Southern
12 California population. We are happy to be increasing the
13 amount for the bonus. In 2016, it was a \$1,000 bonus. In
14 2017, we jumped that up to \$1,500. This year, working with
15 our partners, Thoroughbred Owners of California, we're
16 increasing it to \$2,000, in addition to the 30 percent bump
17 that qualified horses can make in their first start at Del
18 Mar.

19 One thing I think I say every year here is that
20 it's a little bit misunderstood in that people think it's
21 just designed for horses and new stables coming to Del Mar.
22 And we try to emphasize that local owners and trainers can
23 benefit. The horse actually triggers the event. So a horse
24 that started anywhere outside of California that hasn't
25 raced in California in the last year is eligible. And since

1 2011, it's been pretty good; 65 to 75 percent of the
2 recipients have been local owners, so we just continue to
3 want to pass that word along. And it's been a very good
4 program for us. It's allowed us to maintain strong field
5 size.

6 And as Joe mentioned, on the heels of a successful
7 Breeders' Cup, we've had some added interest, so we hope to
8 benefit from that this year and see the strong numbers that
9 we've seen the last few years.

10 And that's all I have, if anybody has any
11 questions.

12 CHAIRMAN WINNER: That's good. No, I just, along
13 with everything else, thank you for -- to Del Mar for the
14 work that you have done on equine safety, and the results
15 speak for themselves, just a terrific job. And we
16 appreciate everything you have done and are doing on
17 everything, but especially on equine safety.

18 MR. ROBBINS: Thank you.

19 David?

20 MR. JERKINS: David Jerkins, Del Mar.

21 We're going into this summer with a similar race
22 program, again, just what Josh and Tommy said, trying to
23 build off the momentum that was gained in 2017. So the race
24 program is going to be pretty similar.

25 Purse levels will remain the same from a year ago,

1 which is still amongst the highest in the country.

2 We're presenting 41 stakes' races for the 36-day
3 meet, just minor tweaks, but purse levels are the same in
4 terms of stakes.

5 We're hoping to see an uptick in participation
6 coming off the higher Breeders' Cup, as more people were
7 exposed to Del Mar last fall.

8 Josh mentioned some renovations to the facility.
9 We will also have a renovated track kitchen, which is
10 probably long overdue and will be well received by owners
11 and horsemen alike.

12 I just wanted to kind of give a brief recap. As
13 you're all aware, we were open for a stabling facility at
14 Del Mar for about four-and-a-half months. Everything went
15 smoothly. We worked with Santa Anita right from the get-go.
16 The people from San Luis Rey were extremely grateful. We
17 received positive feedback on the racetrack. And we were
18 just thrilled to do our part for those four-and-a-half
19 months and just glad to report that everything went well
20 from a training standpoint. We had about up to over 400
21 horses by the time we had our last day of training. And
22 roughly about 75 horses were victorious at Santa Anita that
23 trained at Del Mar.

24 We're optimistic about the upcoming meet and
25 anxious to get started. And if there's no any questions,

1 I'll kick it off to Craig.

2 MR. DADO: Thank you. Craig Dado from Del Mar. I
3 won't rehash the marketing overview that's in your package,
4 but I do want to say that we've got more events planned this
5 year than ever. We actually have 50 events in 36 days, so
6 we're going to do everything we can to keep our numbers
7 strong coming off of a great 2017 year.

8 I do want to touch on a couple of highlights.

9 Our Real Money Handicapping Tournaments have doing
10 really well lately. Last July we had a two-day tournament
11 that attracted 141 players, who all put up an \$8,000
12 bankroll to play off of. Actually, \$2,000 went to the prize
13 pool and they bet \$6,000. We had, of those 141 players, 62
14 percent came in from outside the state of California, so we
15 attracted big players from out of state. And over two days,
16 those 141 players bet \$1.4 million on track.

17 So because of that, we're going to add an
18 additional tournament this year. This one is going to be
19 more for your everyday player. It's going to be a one-day
20 tournament on Pacific Classic for \$500. And we expect
21 several-several hundred players to play in this one, and we
22 hope it will have a positive impact on on-track handle on a
23 day where we have a great 11 race card right there; right,
24 David? Right. Okay.

25 We're also discounting food and beverage prices

1 for both horsemen, and for our regular players. It's
2 something we call \$30 for \$20, where you give us \$20 and we
3 give you \$30 in food scrip that can be used virtually
4 anywhere. For horsemen, they get it every day. For our
5 regular patrons, they get it once they come three times. On
6 their third visit, and then every day after that, you give
7 us \$20, we give you \$30 in food scrip that you can use
8 anywhere. That was very popular last year, doing it again
9 this year, promoting it even more. It's a way to give back
10 to our everyday players to make sure that they can have a
11 great time and afford to eat and drink.

12 From a PR perspective, we will continue to feature
13 the great work that Cal Racing Cares has done. We'll be
14 playing those videos and promoting that website through our
15 social media all season long. It's just a way for racing to
16 tell our story about how our equine athletes are treated.

17 And then finally, stay tuned, I'm not quite ready
18 to announce anything yet, but stay tuned about some news
19 about how we're going to honor the heroes related to the San
20 Luis Rey fires, probably on Pacific Classic Day. We're
21 looking forward to that, but not quite ready to talk about
22 it yet.

23 So with that, I'll take any question, or I guess
24 any of us will take questions.

25 CHAIRMAN WINNER: Are there any questions?

1 VICE CHAIRMAN AUERBACH: No. I just wanted to
2 comment, if I may.

3 I was happy to hear you say that about the San
4 Luis Rey fire because --

5 CHAIRMAN WINNER: Yeah.

6 VICE CHAIRMAN AUERBACH: -- someone approached us
7 last week and asked us if there was going to be any awards
8 or anything. So I'm glad I don't have to nag anybody,
9 that's in the works. That's great.

10 MR. HARPER: You can nag, it's okay.

11 VICE CHAIRMAN AUERBACH: Yeah, I know I can.

12 I wanted to congratulate Josh on his recent
13 elevation in status.

14 CHAIRMAN WINNER: From all of us.

15 VICE CHAIRMAN AUERBACH: And I wanted to
16 congratulate Del Mar again on the wonderful job they did
17 helping the San Luis Rey fire situation, and everybody from
18 Santa Anita to all of us, we're very grateful for what
19 transpired there and how it's worked out.

20 And I wanted to also report, I think CARMA now has
21 about, I think it's 15 horses from the fire that we're
22 actively seeking homes for, and that's an ongoing number.
23 And until it's -- it's not done until it's done.

24 And also, I wanted to acknowledge the fact that
25 you have a new board member.

1 MR. HARPER: I was just going to say that, yeah.

2 VICE CHAIRMAN AUERBACH: -- our previous
3 Commissioner, Bo Derek. And I'm really excited that she is
4 going to join your board. I think she's good for the sport
5 and gives us great, positive energy. And she's a great face
6 for not only Del Mar, but for racing. So I just wanted to
7 mentioned --

8 CHAIRMAN WINNER: Yeah.

9 VICE CHAIRMAN AUERBACH: -- I thought that was a
10 great move.

11 CHAIRMAN WINNER: When I --

12 MR. HARPER: I'll amend the application and
13 include her name.

14 CHAIRMAN WINNER: Good. Good. Please.

15 MR. HARPER: She didn't say yes until a couple
16 days ago.

17 CHAIRMAN WINNER: I talked to Josh. Josh called
18 about that the other day. And I can't tell you, I think all
19 of us who have ever worked with Bo, when I came on the Board
20 the first thing I was assigned to was Medication Committee,
21 and she was the chair. And I have to tell you, I learned so
22 much from her. And I think she's such a wonderful person
23 and just great for racing. And I really congratulate you
24 and her on that decision.

25 I also wanted to say, for those of you who might

1 have seen the story about Ms. Bellocq and the heroism that
2 she went through at the -- during the San Luis Rey fire and
3 what she's been going through since then, we all wish her
4 the very, very best. It's been an incredible, horrible
5 journey that she's gone through. But she is -- she and her
6 husband are very special people and we all wish them the
7 very best.

8 Okay, is there a motion to approve, pending the
9 fire marshal approval --

10 COMMISSIONER MASS: So moved.

11 CHAIRMAN WINNER: -- which we will get?

12 Moved by Commissioner Mass.

13 COMMISSIONER SOLIS: Second.

14 CHAIRMAN WINNER: Seconded by Commissioner Solis.
15 Commissioner Mass?

16 COMMISSIONER MASS: Aye.

17 CHAIRMAN WINNER: Commissioner Solis?

18 COMMISSIONER SOLIS: YES.

19 CHAIRMAN WINNER: The Chairman votes aye.
20 Commissioner -- Vice Chair Auerbach?

21 VICE CHAIRMAN AUERBACH: Yes.

22 CHAIRMAN WINNER: Have a wonderful meet, guys, and
23 thank you for everything.

24 MR. HARPER: Thank you.

25 CHAIRMAN WINNER: Okay, discussion and action by

1 the Board on the Application to Conduct a Horse Racing
2 Meeting of the Oak Tree Racing Association at the Alameda
3 County Fair at Pleasanton, race meeting to be called Oak
4 Tree at Pleasanton, commencing June 13th, 2018 through July
5 10th, 2018, inclusive.

6 Hi guys. Hi, Chillie, how are you?

7 MR. CHILLINGWORTH: Good morning.

8 CHAIRMAN WINNER: How're you doing?

9 MR. CHILLINGWORTH: (Speaking Spanish.)

10 CHAIRMAN WINNER: Who's going to start? Larry?

11 MR. SWARTZLANDER: Chairman, Commissioners, CHRB
12 Staff, Larry Swartzlander, the Director of Racing of the Oak
13 Tree at Pleasanton meet. I'll speak, go over the racing
14 operations. I'll turn it over to Angel Moore, who's the
15 Marketing Director of the Alameda County Fair to give you
16 the marketing plan. And we'll close with Chillie.

17 CHAIRMAN WINNER: Okay.

18 MR. SWARTZLANDER: The Oak Tree, and I believe
19 it's in our fifth year, Oak Tree --

20 MR. CHILLINGWORTH: Fifth time.

21 MR. SWARTZLANDER: -- fifth time, it's been a
22 wonderful marriage. We had a great meet last year, and it
23 will be even better this year.

24 As you know, we're running 15 days this year. We
25 only -- we were scheduled for 12 last year. We lost one to

1 the heat. And we'll be giving away \$1.6 million, three
2 stakes' races, which includes \$100,000 Cal-bred two-year-old
3 filly race going five-and-a-half furlongs. And the purses,
4 overnight purses will be the same as they were last year,
5 and those are the same overnight purses that are offered at
6 Golden Gate.

7 I also wanted to pass off that Jerome Hoban is not
8 here today. The Alameda meet always has a table-top
9 exercise, which is very good for the racing fairs because we
10 bring in all the law enforcement, medical people, fire
11 people and key personnel from staff. And what they do is
12 they put out a scenario of situations if they had an
13 incident on the -- during the races, what would we do?
14 Who's responsible? What's the command center? So that it's
15 already been thought out as to -- and as you know, it was
16 several years ago, we did have a shooting at the Alameda
17 County Fair. So it's a good thing to do, and Jerome has to
18 stay back to orchestrate that for the Alameda County Fair.

19 Also, the incentive program will remain in place
20 this year for the horses that start. If you start five
21 times, you get \$500. If you start ten, you get \$1,000.

22 We have raised the out-of-state recruitment from
23 \$450 to \$600. Horses that come in from out of state, which
24 is 600 miles from Sacramento, they'll get \$100 the first
25 start, \$200 the second start, and \$300 for the third start.

1 Just briefly, the stabling, we currently have
2 closing on 200 horses at the Alameda County Fair. We don't
3 expect, probably, to get much more than 300. The stabling
4 situation with Golden Gate and stabling over there, it looks
5 good. We had a lot of positive comments from owners and
6 trainers that are running on the fairs. I expect to have --
7 hopefully we'll break the seven per start this year. And if
8 the program works and if next year we don't have to -- or in
9 October, I shouldn't say next year, when we went to the
10 Stabling and Dates meetings, that there'd be a simpler
11 solution.

12 CHAIRMAN WINNER: I'd like that.

13 MR. SWARTZLANDER: Third-party Lasix, I'd like to
14 thank the Stronach Group. Obviously, they've already set up
15 the procedures at Golden Gate. We've gone over there,
16 walked through with them, and we're ready to put that in
17 place at the Alameda County Fair.

18 The chipping, we will dedicate at least one or two
19 days at each fair where we identify horses that have not
20 been chipped and make sure that that's taken care of.

21 And just briefly commenting on racetrack
22 maintenance, we had no injuries or fatalities last year, so
23 I can't improve on that program.

24 That's all I've got. I'd like to turn it over to
25 Angel.

1 CHAIRMAN WINNER: Thank you.

2 MS. MOORE: Angel Moore, Alameda County Fair.

3 So we are really looking forward to hosting the
4 next CHRB meeting on June 21st. And we'd like to invite you
5 all to stay for lunch and see the beautiful view of the
6 racetrack and the live race meet.

7 In addition to that, on June 16th, Oak Tree at
8 Pleasanton would also like to invite you to the Party in the
9 Paddock, which is a party that we put on for owners,
10 trainers and all of the backside support staff, so you're
11 invited to that. You will have an invitation in the bags
12 that we put up on the table.

13 CHAIRMAN WINNER: Thank you.

14 MS. MOORE: You're welcome.

15 So every year what we do is we really look at
16 doing an integrated marketing communications plan. We put a
17 few pieces of that, of our marketing material, in the bags.
18 You'll see some of our advertising pieces, some collateral
19 that we put out. And then on your video cards, our racing
20 commercial that we really focus on our purse money and that
21 we are free with fair admission for anybody who comes out.
22 We put together that plan and we do a pretty robust tv,
23 radio, print, and a big social media buy because, as we
24 know, that's one of the largest ways people hear about our
25 race meets today. In addition to that, we do a good buy

1 with our ADW partners.

2 Additionally, some of the things that we have
3 found that work at our track, and I'm sure you see that at
4 tracks across the nation, is we're really focused on putting
5 on events. So we have our seasoned betters, but we're
6 trying to go after those new millennial betters, who they're
7 really coming to our tracks for entertainment. So we've
8 done that by having live bands at the track, having a craft
9 beer, wine and craft cocktail festivals. So not only are we
10 embracing our seasons betters, we're bringing out new
11 betters and really creating a fun energy at the track. So
12 that's a goal that we will continue to work on and it's done
13 really well for us.

14 Any questions?

15 CHAIRMAN WINNER: No, that sounds terrific.

16 COMMISSIONER SOLIS: Yeah.

17 CHAIRMAN WINNER: Thank you.

18 MS. MOORE: Thank you.

19 CHAIRMAN WINNER: Chillie?

20 MR. CHILLINGWORTH: Well, I would like everybody
21 to know, we've enjoyed our experience at Pleasanton.
22 They're very good partners. We like them extremely well,
23 and I think they returned the favor, so we're happy to be
24 going back there again this year.

25 And Angel has done a great job in marketing.

1 We've tinkered with the marketing system over the past four
2 years, and Angel is very much responsible for what has come
3 up.

4 Thank you.

5 CHAIRMAN WINNER: Thanks, Chillie.

6 Any -- yes, please.

7 EXECUTIVE DIRECTOR BAEDEKER: Thank you. I just
8 had a quick question of Larry with the unique new stabling
9 situation and a charge per stall but reimbursable if you
10 start on the fairs. Have you been able to get that word out
11 in a significant way to the stable area at Golden Gate
12 and --

13 MR. SWARTZLANDER: Yes. It's very clear, yeah.

14 EXECUTIVE DIRECTOR BAEDEKER: -- it's
15 understood --

16 MR. SWARTZLANDER: Yes.

17 EXECUTIVE DIRECTOR BAEDEKER: -- and accepted?

18 MR. SWARTZLANDER: Yes.

19 EXECUTIVE DIRECTOR BAEDEKER: Good.

20 MR. SWARTZLANDER: The first, I won't call it --
21 let's call it a challenge, is that when we count the stalls
22 as to, you know, what that number is and how it's maintained
23 through the summer, that would be the challenge in relation
24 to this \$5.00 charge. But we think, as long as you keep it
25 at a stall count, rather than try to get into counting

1 horses --

2 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

3 MR. SWARTZLANDER: -- everybody agrees that stalls
4 is the best approach.

5 VICE CHAIRMAN AUERBACH: It has to be stalls.

6 CHAIRMAN WINNER: Is there a motion to approve?

7 VICE CHAIRMAN AUERBACH: So move.

8 CHAIRMAN WINNER: Vice Chair Auerbach moves.

9 COMMISSIONER MASS: Second.

10 CHAIRMAN WINNER: Commissioner Mass seconds.

11 Approval, Commissioner Auerbach?

12 VICE CHAIRMAN AUERBACH: YES.

13 CHAIRMAN WINNER: The Chairman votes yes.

14 Commissioner Solis?

15 COMMISSIONER SOLIS: Yes.

16 CHAIRMAN WINNER: And Commissioner Mass --

17 COMMISSIONER MASS: Yes

18 CHAIRMAN WINNER: -- votes yes.

19 Have a wonderful meet, guys. We look forward

20 to --

21 VICE CHAIRMAN AUERBACH: Good luck.

22 CHAIRMAN WINNER: -- seeing you up there.

23 MR. SWARTZLANDER: Thank you very much.

24 MR. CHILLINGWORTH: Thank you very much. Yeah.

25 CHAIRMAN WINNER: Thank you.

1 MS. MOORE: Thank you.

2 CHAIRMAN WINNER: Moving right along, item number
3 ten, discussion and action by the Board on the Application
4 for License to Conduct a Horse Racing Meeting of the Los
5 Alamitos Horse Racing Association at Los Alamitos Race
6 Course, commencing June 27th, 2018 through July 17th, 2018,
7 inclusive.

8 Jackie, outstanding items?

9 MS. WAGNER: Jackie Wagner, CHRB Staff.

10 The only item outstanding on this application is
11 the agreement with TwinSpires. We have received the TOC and
12 the CTT agreement.

13 CHAIRMAN WINNER: Thank you.

14 So, Jack, we'll do the same thing with Los Al that
15 we did with Del Mar and just ask you to keep us informed how
16 your discussions are going with TwinSpires, which is the
17 only outstanding, I think, agreement.

18 MR. LIEBAU: Correct.

19 CHAIRMAN WINNER: Okay. You're on, sir.

20 MR. LIEBAU: We have an application to run from
21 July --

22 EXECUTIVE DIRECTOR BAEDEKER: Identify yourself,
23 Jack.

24 CHAIRMAN WINNER: Yeah, Jack.

25 MR. LIEBAU: Oh.

1 CHAIRMAN WINNER: I'm sorry.

2 MR. LIEBAU: Jack Liebau. And we have an
3 application to start running in July 28th [sic]. We run for
4 12 -- we have 12 racing days. We --

5 EXECUTIVE DIRECTOR BAEDEKER: On June 28th;
6 correct?

7 CHAIRMAN WINNER: June.

8 MR. LIEBAU: June.

9 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

10 MR. LIEBAU: Correct. Sorry. And then on July
11 4th, which comes on Wednesday, during that week, we will be
12 dark on Thursday.

13 One correction that's in the digest that you got
14 prepared is we aren't planning on running at night. We have
15 a post time at one o'clock.

16 CHAIRMAN WINNER: Any discussion? Any questions?
17 What -- can you just say anything you want to say
18 with respect to any marketing plan that you have?

19 MR. LIEBAU: Sure, I've got a -- I don't have the
20 Del Mar team here. And as you know, even our audience is
21 reduced now that Del Mar has left. But I do have our
22 marketing director here who can tell you what we have
23 planned.

24 CHAIRMAN WINNER: Okay.

25 MR. LIEBAU: Thank you.

1 CHAIRMAN WINNER: Thank you, Jack.

2 MR. GUTIERREZ: Hello everyone. Orlando
3 Gutierrez, Marketing Director of Los Alamitos Race Course.

4 Yeah, we will have a traditional marketing plan
5 where we'll be advertising on tv through Spectrum and Direct
6 TV, as well as our radio partners with ESPN.

7 (Indiscernible) we're reaching out to our Hispanic audience,
8 and through the traditional industry radio media.

9 A couple of things that we'll be doing will be
10 some handicapping tournaments, one of them on Wednesday,
11 July 4th. We'll try to have a great tournament for a couple
12 of the -- the normal player, knowing that it is a holiday.
13 But we'll also follow it up with another, little bit bigger
14 tournament on our final Saturday, which will be on Saturday,
15 July 14th.

16 We're doing something a little bit new that we did
17 try during the winter meet and we felt it was very
18 successful, which was we sent out some of our marketing team
19 to various satellites to hold smaller tournaments there. It
20 was extremely well received. We visited six different
21 satellites. And we'll be doing that again during this meet.

22 It's a great way to reach out to our simulcast players and
23 kind of keep ourselves in touch with them, as well.

24 So some of the improvements around the plant, we
25 have a lot of new televisions that we added throughout the

1 facility. In the Vessels Club, we'll be having some special
2 lunch menu items. And we're actually working with Firestone
3 Walker and Ballast Point Beer to introduce some craft beers
4 to the Vessels Club, as well. So we're looking forward to a
5 great summer meet.

6 CHAIRMAN WINNER: Thank you.

7 MR. GUTIERREZ: Any questions?

8 CHAIRMAN WINNER: Any questions? All right, is
9 there a motion?

10 COMMISSIONER SOLIS: Move.

11 CHAIRMAN WINNER: Commissioner Solis moves.

12 COMMISSIONER MASS: Second.

13 CHAIRMAN WINNER: Commissioner Mass seconds.

14 Commissioner -- Vice Chair Auerbach --

15 VICE CHAIRMAN AUERBACH: YES.

16 CHAIRMAN WINNER: -- votes yes.

17 Chair votes yes.

18 Commissioner Solis votes --

19 COMMISSIONER SOLIS: Yes.

20 COMMISSIONER MASS: Yes.

21 CHAIRMAN WINNER: -- yes. Commissioner Mass votes
22 yes.

23 Have a great meet. Good luck.

24 MR. GUTIERREZ: Thank you.

25 CHAIRMAN WINNER: Okay.

1 VICE CHAIRMAN AUERBACH: Ten.

2 CHAIRMAN WINNER: Discussion and action by the
3 Board on --

4 VICE CHAIRMAN AUERBACH: No, 11.

5 CHAIRMAN WINNER: No.

6 VICE CHAIRMAN AUERBACH: 11.

7 CHAIRMAN WINNER: 11, yeah. Discussion and action
8 by the Board on the Application to Conduct a Horse Racing
9 Meeting of the California Exposition and State Fair at
10 Sacramento, commencing July 11th, 2018 through July 31st,
11 2018, inclusive.

12 Anything missing, Jackie? Nothing? Okay.

13 Gentlemen. Who's starting? Larry?

14 MR. SWARTZLANDER: Good afternoon, Chairman,
15 Commissioners and CHRB Staff. Larry Swarztlander. I'm also
16 the Director of Racing at the California State Fair.

17 We have the same 11-day meet we had last year.
18 We'll have one stake's race, the Governor's Cup.

19 Again, we have the same incentive program. We
20 have the same out-of-state program. We had no injuries or
21 fatalities, also, at the State Fair last year.

22 CHAIRMAN WINNER: That's great.

23 MR. SWARTZLANDER: The operation, it was a very
24 good success. It was a little warm last year. We had ten
25 days where it was over 100 degrees, and it was still -- it

1 was -- we were very happy with the results.

2 VICE CHAIRMAN AUERBACH: Larry, is the Governor
3 going to come and present the cup?

4 MR. SWARTZLANDER: No.

5 VICE CHAIRMAN AUERBACH: I think that would be
6 great.

7 MR. SWARTZLANDER: I don't know, you have to ask
8 Rick that question.

9 VICE CHAIRMAN AUERBACH: Rick --

10 CHAIRMAN WINNER: Did you ask him?

11 VICE CHAIRMAN AUERBACH: -- is the Governor going
12 to come and --

13 CHAIRMAN WINNER: Did you invite him?

14 MR. PICKERING: It's a standing invitation and we
15 will continue to follow up and encourage that.

16 CHAIRMAN WINNER: Good.

17 MR. PICKERING: The Governor was very -- we were
18 excited, the Governor did spend about eight hours at the
19 State Fair on --

20 CHAIRMAN WINNER: Right.

21 MR. PICKERING: -- the closing Sunday last year.

22 VICE CHAIRMAN AUERBACH: Oh, cool.

23 CHAIRMAN WINNER: Yeah.

24 MR. PICKERING: The First Lady came out opening
25 weekend and closing weekend.

1 VICE CHAIRMAN AUERBACH: How about the first dog?

2 CHAIRMAN WINNER: I think the first dog passed.

3 VICE CHAIRMAN AUERBACH: No.

4 MR. PICKERING: Absolutely.

5 VICE CHAIRMAN AUERBACH: But I think they have
6 another first dog.

7 CHAIRMAN WINNER: Yeah, they do. Yeah.

8 MR. PICKERING: Yeah. Absolutely. Colusa "Lucy"
9 was there with us, as well, but stayed in the security area.

10 VICE CHAIRMAN AUERBACH: And in the shade.

11 MR. PICKERING: Yes.

12 Once again, thank you. The request before you and
13 the license application is racing at your California State
14 Fair from July 11th to 31st, 11 days of racing.

15 Regarding marketing, we put information into your
16 packet.

17 CHAIRMAN WINNER: We have it.

18 VICE CHAIRMAN AUERBACH: Uh-huh.

19 MR. PICKERING: The Blue Ribbon marketing campaign
20 at your California State Fair yet again won the Sweepstake's
21 Award at the International Association of Fairs and
22 Expositions for the number one marketing and advertising
23 fair program in the world.

24 CHAIRMAN WINNER: Yeah, congratulations.

25 MR. PICKERING: So that's three years in a row for

1 the State of California, phenomenal. So it's a great team
2 that does that.

3 I think you're aware, we're expanded the State
4 Fair's website and Cal Expo's website now to include nine
5 separate foreign languages. So if you would like to see
6 what your name looks like or any of that type of
7 information, you can visit our website. It's a great
8 translation service. We would encourage all tracks to take
9 a look at the Google translation that's out there.

10 We also initiated last year and will expand it
11 this year, more diversity outreach programs. We began an
12 Out at the Fair Program with the statewide LBGT community.
13 We have programs at the Del Mar Fair, the San Diego County
14 Fair, our fair, and then we're also able to get it expanded
15 into the New Mexico State Fair in Albuquerque. So we'll see
16 that continue at fairs across the country.

17 Continuing in our Latino outreach, we have now
18 officially announced that we have booked Mariachi Vargas,
19 which is one of the premier mariachi groups in the world. So
20 we will be flying them in from Mexico and they will be
21 performing on Sunday, July 22nd. And we're creating the
22 first ever State of California Youth Mariachi Competition.
23 So we've identified youth mariachi teams from around the
24 state that will be coming to State Fair. Mariachi Vargas
25 has agreed to allow the teams to be on stage and play.

1 I bring this up in that these youth mariachi teams
2 will have a welcoming dinner on Friday night that will be at
3 the turf track or at the Turf Club overlooking the track.
4 And members of the legislature and the Latino caucus will
5 bet at the grandstands, viewing the track. So it's a
6 fantastic outreach.

7 We've continued our expansion of marketing through
8 Univision. Univision will actually be interviewing these
9 youth mariachi teams in their home communities, so from El
10 Centro to San Diego to L.A., throughout Central Coast, all
11 the way up, and placing them on Univision Television in the
12 local market saying support these kids coming to your State
13 Fair. So again, trying to -- as State Fair, our task is to
14 reach statewide, not just in a local county or an individual
15 region.

16 You mentioned the Governor's Cup. We continue to
17 have the standing invitation. Any of you that might be able
18 to join us would be appreciated.

19 We also have fair associations from around the
20 country coming in. Last year a number of state fairs came
21 and visited us. This year, Florida is already coming out
22 for the same weekend that Mariachi Vargas is performing.

23 VICE CHAIRMAN AUERBACH: Which weekend is that?

24 MR. PICKERING: That's our middle weekend, so that
25 would be Sunday, July 22nd, then 21st, and then the 20th.

1 The Governor's Cup is actually on Saturday, July 21st.

2 New, exciting things to continue to try and pull
3 people toward the track, we're setting up a tiny home
4 exhibition of about eight tiny homes, adjacent to the
5 grandstand. So it's a hot fad on tv right now. Certainly,
6 folks are paying attention to that, and conservation issues,
7 as well. So that's adjacent to the grandstand, so that will
8 draw some people up to the grandstand, as well.

9 Steam Punk at the Track, we're bringing that back.
10 We started it last year. Again, it's a great media hit.
11 Media crews love to come out and take photographs of people
12 doing Steam Punk stuff and we'll bring that to the track.

13 Racing workshops are continuing, \$1.00 beer
14 promotions.

15 I continue with our out-of-state horse
16 recruitment. And then this year we're actually marketing
17 around cool with a C and kool with a K. So we're
18 establishing a number of cool spots around the fairgrounds,
19 at the track with misting stations, with additional shade.
20 And we're actually looking at a cool-down trailer that's
21 going to showcase the latest in technology, air
22 conditioning, et cetera.

23 So we're very excited about your state fair. A
24 number of things taking place. We hope that you'll be able
25 to come up and have a cool with a C and a cool with a K

1 time.

2 EXECUTIVE DIRECTOR BAEDEKER: Commissioners, I
3 should point out that on that cool thing, Cal Expo, CARF,
4 did a terrific job last year working with Safety Steward Tom
5 McCarthy to keep the horses cool in that hot weather. I
6 think there were seven or eight locations spaced every, I
7 don't know, 20, 30 yards --

8 MR. PICKERING: Right.

9 EXECUTIVE DIRECTOR BAEDEKER: -- and with hoses
10 and ice. And they really stepped up and did a heck of a
11 job. And we had safe horses throughout that hot weather
12 time frame, so congratulations. Thank you for that. And we
13 look forward to working with you again to do the same thing.

14 MR. SWARTZLANDER: Just one last point, too.
15 We've moved the post time to 2:15 for every day. We'd like
16 it to be later in the day. It cools off.

17 CHAIRMAN WINNER: Yeah.

18 MR. SWARTZLANDER: Also, there was some concerns
19 about dovetailing with Del Mar, and also the East Coast.
20 And I think this will help our handle tremendously.

21 CHAIRMAN WINNER: Well, I'm glad to hear that.
22 That's a good move, I think.

23 Any questions? Any suggestions?

24 MS. WAGNER: Jackie Wagner, CHRB Staff.

25 CHAIRMAN WINNER: Please, Jackie.

1 MS. WAGNER: Just for the record, I do want to
2 put -- let you know that the fire clearance is outstanding
3 on this application. However, the inspection is due, I
4 believe, June 4th, so it will forthcoming.

5 CHAIRMAN WINNER: Okay. So we'll -- the motion,
6 like the others, will be pending the fire marshal approval.

7 COMMISSIONER SOLIS: Move.

8 CHAIRMAN WINNER: Commissioner Solis moves;
9 correct?

10 COMMISSIONER MASS: Second.

11 CHAIRMAN WINNER: Commissioner Mass seconds. How
12 do you vote, Commissioner Mass?

13 COMMISSIONER MASS: Yes.

14 CHAIRMAN WINNER: Commissioner Solis?

15 COMMISSIONER SOLIS: Yes.

16 CHAIRMAN WINNER: Chairman votes yes.

17 Commissioner Auerbach?

18 VICE CHAIRMAN AUERBACH: Yes.

19 CHAIRMAN WINNER: Okay, have a wonderful meet.

20 And we'll try to get up there --

21 MR. PICKERING: Thank you.

22 CHAIRMAN WINNER: -- participate.

23 MR. PICKERING: Thank you.

24 COMMISSIONER SOLIS: I'll bring my mariachi band.

25 CHAIRMAN WINNER: All right, moving on, item

1 number 12, discussion and action by the Board on the renewal
2 Application for License to Operate a Minisatellite Wagering
3 Facility at the Tilted Kilt in Thousand Oaks, California for
4 a period of up to five years.

5 Hello, George.

6 MR. HAINES: Good morning.

7 CHAIRMAN WINNER: Good morning. You're on,
8 George.

9 MR. HAINES: George Haines, Southern California
10 Off-Track Wagering.

11 This is a license renewal for the Titled Kilt
12 minisatellite in Thousand Oaks. Mr. Bannis has operated
13 this facility for the past few years and he does a very good
14 job. It's a very nice place to go and spend the afternoon
15 and make your wagers on horse racing and enjoy the ambiance
16 of the Tilted Kilt.

17 EXECUTIVE DIRECTOR BAEDEKER: Great example of how
18 terrific a minisatellite can be. It's a beautiful
19 restaurant --

20 MR. BANNIS: Thank you.

21 EXECUTIVE DIRECTOR BAEDEKER: -- and great
22 service, great food, and it's a fun day.

23 MR. BANNIS: Thank you very much.

24 MR. HAINES: There is one big change in the
25 license application from the last time and that's Mr. Bannis

1 got married.

2 CHAIRMAN WINNER: Congratulations.

3 MR. BANNIS: Thank you very much.

4 CHAIRMAN WINNER: Are there any questions on this
5 one? Did you have -- I think everybody had a chance to read
6 it.

7 VICE CHAIRMAN AUERBACH: I one, just one question.

8 CHAIRMAN WINNER: Please.

9 VICE CHAIRMAN AUERBACH: Have we turned you into a
10 big-time horse player yet?

11 MR. BANNIS: Myself? Not yet.

12 VICE CHAIRMAN AUERBACH: We'll have to work on
13 that.

14 CHAIRMAN WINNER: Yeah.

15 VICE CHAIRMAN AUERBACH: And then when you come up
16 for renewal, I want to hear a different answer.

17 CHAIRMAN WINNER: Right.

18 MR. BANNIS: Definitely, I will.

19 CHAIRMAN WINNER: You've got five years to --

20 VICE CHAIRMAN AUERBACH: Yeah, to work on it.

21 CHAIRMAN WINNER: Is there a motion, Commissioner?

22 VICE CHAIRMAN AUERBACH: So moved.

23 CHAIRMAN WINNER: Vice Chair Auerbach moves. I'll
24 second, for a change.

25 COMMISSIONER MASS: Yes.

1 CHAIRMAN WINNER: Commissioner Mass?
2 COMMISSIONER MASS: Yes.
3 COMMISSIONER SOLIS: Yes.
4 CHAIRMAN WINNER: Commissioner Solis? Yes.
5 Chairman votes yes.
6 VICE CHAIRMAN AUERBACH: Yes.
7 CHAIRMAN WINNER: Vice Chair Auerbach votes yes.
8 Good luck.
9 MR. BANNIS: Thank you.
10 CHAIRMAN WINNER: Keep up the good work.
11 VICE CHAIRMAN AUERBACH: Thank you.
12 MR. BANNIS: Thank you very much.
13 MR. HAINES: Thank you.
14 CHAIRMAN WINNER: Thanks, George.
15 Okay, item number 13, this is a long one, so bear
16 with me.
17 Public hearing and action by the Board regarding a
18 proposed amendment to CHRB Rule 1588, Horse Ineligible to
19 Start in a Race, to provide (1) that a horse that has not
20 raced at a recognized race meeting in 120 or more
21 consecutive days, and has not raced in California since the
22 conclusion of that absence in any race, is ineligible to
23 start in a race until such horse, prior to entry, has
24 undergone an examination by the official veterinarian or the
25 racing veterinarian and declared raceably sound and in fit

1 physical condition to exert its best effort in a race, and
2 (2) that horse that receives and intra-articular
3 injection -- it's easy for me to say --
4 glucocorticosteroid/cortisone, is ineligible to race for
5 five days, 120 hours, after the treatment, and the proposed
6 addition of CHRB Rule 1842.1, Additional Report for Intra-
7 Articular Treatments, to require veterinarians administering
8 medication or treatment into an articular structure of a
9 horse located within the enclosure to provide an intra-
10 articular treatment record to the trainer, who shall
11 maintain the records for a period of one year and make the
12 records available to the examining veterinarian for the
13 purpose of assisting with pre-race veterinary examinations
14 and other examinations as required by the Board. This
15 concludes the 45-day public comment period. The Board may
16 adopt the proposal as presented.

17 Jackie, have we received comments? And they're in
18 the book? Yes.

19 Who's going to start? Doctor or --

20 DR. BRODNICK: Sure, I can start, Chairman. Thank
21 you very much. Good morning, Chairman, Members of the
22 Board, Robert Brodnick, Staff Counsel, California Horse
23 Racing Board.

24 Item number 13 on your agenda deals with this
25 amendment to Rule 1588, Horse Ineligible to Start in a Race.

1 This rule, in essence, would preclude certain horses from
2 entering a race if certain conditions aren't met. The rule
3 as currently drafted requires that a horse be checked by the
4 veterinarian if it has not raced in over 120 days, and that
5 it has not raced in California, or that it has received one
6 of these intra-articular injections within five days.

7 We, candidly, we did have discussions with
8 shareholders, in particular, members of the thoroughbred
9 owners, the TOC. Currently, the rule as it's written in
10 subsection (m) does require that if the horse has not raced
11 at a recognized race meeting in 120 or more consecutive
12 days, and that it has not raced in California since the
13 conclusion of that absence, it would require an official
14 veterinarian to observe the horse.

15 Now, ultimately, the goal of Staff and the Equine
16 Medical Director is for the benefit of the horse, to make
17 sure that these horses are safe. In discussing the concerns
18 that the TOC had, we do think that, actually, a simple
19 amendment to this rule as it's currently presented before
20 you could achieve the goals of everyone.

21 Subsection (f) -- or, excuse me, (m) as in Mary, I
22 believe could just read "if such horse has not raced in any
23 recognized race meeting in 120 or more days," and then
24 comma --

25 EXECUTIVE DIRECTOR BAEDEKER: Or consecutive days?

1 DR. BRODNICK: Or consecutive days. And then end
2 there and delete the "and has not raced in California since
3 the conclusion of that absence" can achieve our goal.

4 Ultimately, we recognize that there are races
5 outside of the state of California that this Board, and I
6 believe Dr. Arthur will agree, are appropriate races, such
7 as the Derby or the Triple Crown. And those races, if a
8 horse has raced there and then were come back to California,
9 we feel confident that the veterinarians there have done a
10 good job.

11 So with that, we're asking for the Board to
12 approve this amendment to the rule.

13 CHAIRMAN WINNER: Well, wait a minute. Let me --
14 I have a couple of questions, Rob.

15 Number one, there may be some other suggestions,
16 besides that one.

17 And then the question is: By accepting these
18 amendments, do we have to go back out for 45 days? I
19 believe we do.

20 DR. BRODNICK: We probably would, yes.

21 CHAIRMAN WINNER: Yeah. So let's find out --
22 let's let Dr. Arthur speak. And then Nick Alexander would
23 like to speak.

24 Are you speaking on behalf of yourself or the TOC?
25 Speaking on behalf of the TOC? Because my understanding is

1 they may have some other changes or amendments that they'd
2 like to recommend. At least we'll hear from Nick.

3 VICE CHAIRMAN AUERBACH: Actually, there was one
4 other thing I wanted to know.

5 CHAIRMAN WINNER: Okay. Please go ahead.

6 VICE CHAIRMAN AUERBACH: You know, in thinking
7 about this afterwards, and I don't really -- I have an idea
8 what I want to say, but I think I have another idea, too.

9 A hundred and twenty-days, I know with my horses,
10 when they're in training, it's not uncommon for them to go
11 out. They're out for a couple of months. And then by the
12 time -- and they're not out for anything other than a rest.

13 One of the things, I think whatever days we
14 consider, I think probably I don't know whether a horse has
15 to have raced or worked. In other words, if you've had a
16 horse out for a couple of months and you bring him back in
17 and then sometime in between these time frames, that horse
18 works, that horse is workable, and I don't know that it
19 requires the same veterinary approach that a horse who's
20 been out for a longer period --

21 CHAIRMAN WINNER: Right.

22 VICE CHAIRMAN AUERBACH: -- of time. Just another
23 thing to -- in other words, what I'm saying is I think we
24 might have more issues than just one or two in talking about
25 some of these things. It's overly broad the way we've

1 written it --

2 CHAIRMAN WINNER: Well, yeah. One of the --

3 VICE CHAIRMAN AUERBACH: -- in my opinion.

4 CHAIRMAN WINNER: One of the things, I believe,
5 that might deal with that, and I'll ask Nick in a moment to
6 come up, but one of the suggestions that I think you may be
7 making may solve that problem, as well. Because you're, if
8 I understanding correctly, you're thinking in terms of some
9 discretion. And if that's the case, I think that might
10 solve both of these problems. At any rate, let me go to Dr.
11 Arthur.

12 And then if you'll come up, Nick, and make your
13 points?

14 Dr. Arthur?

15 DR. ARTHUR: Yes. Dr. Arthur, Equine Medical
16 Director.

17 The genesis of this particular proposal is last
18 year about this time I was contacted by Del Mar about trying
19 to identify all issues that we could address to improve
20 course safety at -- during the Del Mar meet. Above -- a
21 number of those issues, in reviewing the necropsy reports
22 from past years, is the number of horses that had been off
23 for an extended period of time, and horses we had not
24 previously examined.

25 The issue here, and to get to Commissioner

1 Auerbach's point, the issue here is to make that we have had
2 an official examination of a horse, that's not necessarily
3 requiring that horse to work, but equivalent by a pre-race
4 examination for those horses that have been off for 120 days
5 because no examining veterinarian has examined those horses
6 for those periods of time. And we can talk about analyzing
7 data, but my estimate is that the risk of a catastrophic
8 injury for a horse that's been off for 120 days is -- in
9 that first and next two races after that is three times
10 higher than a horse who hasn't experienced a 120-day rest.

11 We certainly recognize that horses that are
12 spelled, unfortunately, I don't think horses get spelled
13 enough, but that's a different issue, and what we're talking
14 about is an examination equivalent to a pre-race
15 examination. That is a really -- better described as an
16 inspection, so that we don't walk in, we haven't seen a
17 horse for 120 days. In some instances, it's been a year-
18 and-a-half the morning of a race. Because the tendency is,
19 believe it or not, to let a horse run, you can have a knot
20 in your stomach when you're looking at that horse, but if
21 you can't identify a specific infirmity on that horse the
22 tendency is to let that horse run.

23 This allows us to go into the barn. The examining
24 veterinarian, in this instance, has been doing this
25 voluntarily since the Del Mar meet because of the success we

1 had there, go in, talk to the veterinarian. We have, and a
2 very small number, probably one, two, not more than three
3 percent of those horses, put those horses on the vet's list
4 and required them to work in the standard way we do. In
5 other words, a horse that's on the vet's list for unsound,
6 has to work of the vet, has to work five furlongs in 1:03,
7 has a blood test, and remember, that is a stress test.
8 That's why we require horses to work under those
9 circumstances with the medical regulations that we have.

10 So that is the basis of this particular proposal.

11 The corticosteroid issue is a separate one. I'm
12 not entirely sure why they got in here.

13 EXECUTIVE DIRECTOR BAEDEKER: Hey, Doc --

14 DR. ARTHUR: You go ahead.

15 EXECUTIVE DIRECTOR BAEDEKER: -- before you go
16 there, I'd like to add the statistics that Doc referenced.
17 This measure is just trying to put a framework around the
18 program that Doc described. And it's rare that we can come
19 to the Board with a proposal that we have proven works.
20 Listen to these stats.

21 Since the program that Doc developed, along with
22 Del Mar and the Jockey Club, was implemented in the summer
23 of 2017. We have had a 35 percent reduction in fatalities.
24 And that has continued in the first five months of this
25 year. We have had fewer fatalities than at any comparable

1 time in the last seven years. So we -- this is exciting
2 news, I think, that we actually have come upon a program
3 where we see a cause and effect. And in the vast majority of
4 these instances, probably 90 percent or more, we're just
5 really talking about bringing the horse out of the stall;
6 right, Doc?

7 DR. ARTHUR: That right, just like you would on a
8 pre-race examination. The horse is jogged. He's examined.
9 He's palpated and put back in the stall. The average pre-
10 race examination is probably 60 to 90 seconds. That's what
11 we're looking at.

12 We can do these routinely at about 15, 20 a
13 morning. That's what Dr. Grande has been doing when he's
14 been coming in on dark days, examining these horses. We
15 think we can make that more efficient going forward with --
16 particular with the regulation that puts particular
17 procedures in place and encourages trainers to cooperate in
18 this particular process.

19 CHAIRMAN WINNER: You want to go onto the next
20 section?

21 DR. ARTHUR: Sure. The next section -- it's
22 unfortunate these were combined together, but --

23 CHAIRMAN WINNER: They are. That's the problem --

24 DR. ARTHUR: -- but the --

25 CHAIRMAN WINNER: -- with them.

1 DR. ARTHUR: -- the fact is, is this is an issue
2 we've talked about for years. As you know, horses in New
3 York can't race within seven days of an intra-articular
4 injection. Internationally, it's 14 days. What we're doing
5 here is we sat down and, really as a compromise, and I think
6 it was a win-win for everybody, we agreed that there is a
7 five-day stand-down period for intra-articular injections.
8 And really remember that these are very, very potent
9 glucocorticosteroids, reducing inflammation. And what the
10 examining veterinarian looks at is for signs of
11 inflammation. As we know, our horses don't talk to us, so
12 we have to look at those signs of inflammation which is
13 heat, swelling, pain. And corticosteroids compromise that.

14 What we also have as part of this is, as they do
15 in New York, Hong Kong and other jurisdictions, and Europe,
16 as well, an ability for the examining veterinarian to go in
17 and to identify those horses, or if they need to review the
18 records, if they see something suspicious on the horse that
19 the trainer is maintaining these intra-articular records, we
20 think we've simplified this so we're not duplicating efforts
21 with our already in-place veterinary reporting format.

22 So this is, I think, a very important issue and
23 one we have been talking about for a long time.

24 CHAIRMAN WINNER: Thank you.

25 Let's have Nick come up, I don't have any other

1 cards on this issue, and then we can discuss it further.

2 MR. ALEXANDER: Nick Alexander, Chairman of the
3 TOC.

4 First of all, I want to applaud you for what you
5 are doing, and it does seem to be working. And that brings
6 up the question, is more necessary? You're already getting
7 a handle on 35 percent less fatalities.

8 But I don't think that you are anticipating the
9 volume of horses that will fall into this category. I just,
10 in the parking lot, I looked at the Racing Form this
11 morning. Today's card, there's six races with older horses
12 or horses that would be involved. Of the 42 horses, 25 of
13 them have been out for at least 120 days sometime in the
14 last year-and-a-half. If you project that over years of
15 racing, that's a tremendous amount of horses.

16 And so our concern is that if you make this
17 mandatory, you get a situation where there's not enough vets
18 and too many horses and you miss a start, and then the book
19 doesn't come out for another -- you know, that race doesn't
20 come out for another two books and you've wasted a lot of
21 effort.

22 The other thing I wanted to bring up is what
23 you're trying to find are the people that aren't doing a
24 good job with their horses. If I have a horse that my
25 trainer calls and says this horse needs to come home, we

1 found a chip in an ankle, we found a shin's bothering him,
2 whatever, we bring him home, cool him out for a week. Our
3 vet comes and looks. We establish a plan. We're going to
4 operate and take that chip out.

5 Then we give him, usually, 45 days with
6 instructions and a post-op report from the clinic saying, as
7 a percentage, we predict that this horse has 100 percent
8 opportunity to race again at its previous level, or it will
9 say this horse is suspect, it can race again but it will
10 be -- his ability will be compromised, or we don't suggest
11 this horse races again.

12 So we take the ones that do have 100 percent
13 chance to go back to the races. We follow our clinics and
14 our vet's instructions. And after whatever period they
15 recommend, 45 days, that joint is x-rayed again. And if the
16 problem is healed, then they go on an Equicizer for 30 days.
17 And then the vet looks at it again and says, okay, that
18 horse is ready to come in.

19 Well, that process takes a long time, obviously,
20 and it puts it beyond 120 days.

21 So, one, I would consider -- I would ask you to
22 consider that being six months instead of 120 days.

23 And number two, that you consider making it --
24 changing it so that you have the right to come and inspect
25 that horse, but it's not mandatory before a race. So if you

1 have 40 horses one morning that need to be inspected and you
2 only can inspect 10, that you don't prevent that horse
3 that's been out the 120 days, done everything they're
4 supposed to do, come back, had six works up to a race, and
5 then at the last minute you can't get in the race you want
6 to get in, it just seems unreasonable.

7 The -- a couple of years ago you implemented a
8 rule where if a horse had been out for six months, when it
9 came back you allow that horse to run in a claiming race at
10 the same level and were protected. In other words, you were
11 rewarding the owner that took the time to take the horse
12 home for the appropriate amount of time, spend all that
13 money, spend all that time and give him a chance when the
14 horse comes back to race one time without it being claimed.

15 Now it seems like you're going the other way where
16 you're even asking certain people if they don't want to
17 be -- fall into that category, to rush their horse back in
18 less than 120 days, so they don't fall under that room and
19 they aren't totally healed, and it could possibly be a
20 problem.

21 So it just seems to be some issues there that
22 maybe haven't been thought totally out, unintended
23 consequences. But we ask you to take a little longer to
24 look at it and consider, as I said, that it be not
25 mandatory --

1 CHAIRMAN WINNER: Yeah.

2 MR. ALEXANDER: -- but at your discretion, but
3 don't hold up the process.

4 CHAIRMAN WINNER: Thank you, Nick.

5 DR. ARTHUR: Could I respond to some of that?

6 CHAIRMAN WINNER: You can, and I also have
7 something I'd like to say.

8 DR. ARTHUR: I'll follow you.

9 CHAIRMAN WINNER: No, no, you go ahead.

10 DR. ARTHUR: First of all, remember, you have 120
11 days to have that horse examined, so there's plenty of time.
12 And what we really need to do by this particular
13 regulation --

14 EXECUTIVE DIRECTOR BAEDEKER: Will you clarify
15 that, Doc? What do you mean, it's not automatic?

16 DR. ARTHUR: That if a horse is off 120 days, all
17 horses, if you're off 120 days, you're going to have a whole
18 bunch of works before you're ready to run again, so you have
19 that entire period. We don't do this exactly the day before
20 the race. Some of these have been a month or two months
21 before the horse has actually come back. So you can
22 actually set a schedule up to do this.

23 I've gone over the past performances for the last
24 couple weeks and they average about six percent of the
25 horses fall under this particular category any race day.

1 They go from one horse in a race to -- I think there were 10
2 percent on the weekends sort of thing, so it's not
3 overwhelming job to do. So, yes, there -- we understand the
4 workload and we think it is quite manageable the way that we
5 are doing this.

6 Just remember, the punishment is -- the negative
7 aspect is if you have a horse that's unsound. And from our
8 numbers, it looks like certainly the only ones that go on
9 the vet's list are only a few percentage points. And then
10 there's others where the veterinarians have had discussions
11 with the trainers and tell them things that they're
12 concerned about, and we'll go back and recheck those, or we
13 have them on the record.

14 The horses that stay in here, we have records on.
15 So I don't think this is unmanageable. I think we have
16 successfully administered it. I will tell you, there are
17 horses now that slip through the system because now we don't
18 know when those horses are going to run. We try to -- on
19 our printouts, we try to look for the horses that have
20 multiple five-furlong works that are getting closer to
21 racing, trying to prioritize those.

22 So I do think it is manageable. I will say that,
23 you know, we can't get trainers to check whether horses are
24 geldings. We can't -- obviously, we always have trainers
25 that aren't aware the horse is on the vet's list. So, yes, I

1 do expect some last-minute hiccups on this, but a trainer
2 should know whether a horse has been off for 120 days and
3 get it taken care of. It should be very simple to do.

4 CHAIRMAN WINNER: Thank you. I personally think
5 that there's some merit to what Nick Alexander has said with
6 respect to, not -- I'm not as supportive, I don't think, of
7 the six months versus 120 days. But I think by making it
8 discretionary, in some ways you take care of that issue, as
9 well.

10 What I don't think we would want to do is to, I
11 mean, to encourage trainers to not leave their horses out as
12 long as they ought to be, or owners to do that. I think
13 it's -- I think that the point you made at the outset with
14 respect to encouraging trainers to take care of their
15 horses, and if it requires 120 days or 150 days or whatever
16 it may be, I, as an owner, and I think you as an owner, and
17 probably most of those in the room here, would agree that
18 what we want to do is take care of the horses and encourage
19 layoffs where layoffs are needed and required.

20 So I'm somewhat sympathetic to the notion of
21 making it discretionary, which I think could solve a lot of
22 these problems.

23 That's -- I know you wanted to speak on this, as
24 well.

25 VICE CHAIRMAN AUERBACH: Well, first of all, when

1 I got this I was a little concerned why these two things
2 were lumped together.

3 CHAIRMAN WINNER: Well, they were, though, in
4 the --

5 EXECUTIVE DIRECTOR BAEDEKER: Yeah. They're
6 separate processes, but they ended up coming back to you at
7 the same time, and they're the same rule, so that's why
8 they're lumped together.

9 VICE CHAIRMAN AUERBACH: Well, only because if we
10 wanted to vote, like we split them up if we wanted to?

11 EXECUTIVE DIRECTOR BAEDEKER: Yeah, you can do
12 anything you want. It sounds like we're moving --

13 CHAIRMAN WINNER: Well, wait. If we split them
14 up, does it have to go back out for 45 days? I mean, I'm
15 not suggesting that we --

16 VICE CHAIRMAN AUERBACH: Well, because I'm kind of
17 thinking that because, you know, I've been approached by not
18 only Nick, but other people, too, about the first item, I'm
19 willing to hold one more meeting on it, but that's it.
20 That's kind of the end of it.

21 I think the major concern I heard from Nick, and
22 he's up there and he can correct me if I'm wrong right now,
23 is the potential for -- and Dr. Arthur, you can address
24 this, the potential for the getting to the point where
25 you're going to enter a horse and not having an opportunity

1 to make sure that the vet has seen the horse. Now I have no
2 problem in mandating that the Board has the right to look at
3 these horses.

4 DR. ARTHUR: We already --

5 VICE CHAIRMAN AUERBACH: And the vet can get --

6 DR. ARTHUR: -- we already have the right.

7 VICE CHAIRMAN AUERBACH: Well, I understand that.
8 And if the vet can get there, that's great. But if we're
9 transferring the onus and saying that it's up to that
10 trainer, you better have this horse looked at, and through
11 maybe no fault of the trainer and/or the owner, they don't
12 get a vet out and they miss a race, that's -- I don't want
13 that to happen, either, because I know how difficult it is
14 to get in a race.

15 There's got to be a way we can address that so
16 that it works for both of us. And I don't really know what
17 that answer is, but there has to be a way to do that.

18 EXECUTIVE DIRECTOR BAEDEKER: Madam Vice Chair, I
19 think that there is. I think that since we're taking this
20 back anyhow to revise that language that Robb pointed out, I
21 think we could add a very simple clause that puts an unless
22 condition in there, unless excused by the official vet or
23 something like that, that says that, listen, the vet's
24 familiar with the horse, familiar why the horse was out,
25 talks to the trainer and understands that this may be the

1 exception to the rule or something, my fear is that if we
2 don't put a framework around this, as I said, when all --
3 excuse me -- when all of these parties have moved on to
4 other things --

5 VICE CHAIRMAN AUERBACH: Right.

6 EXECUTIVE DIRECTOR BAEDEKER: -- we'll just slip
7 back to the way it was. And, you know, that's the strength
8 of having it in a rule.

9 And again, I go back to what I said, and everybody
10 acknowledges, this is pretty exciting stuff. It's working
11 and we need to continue it.

12 So I think we're all open to tweaking this so that
13 everybody can support it. That's where everybody should be,
14 I think, and I think we're close.

15 VICE CHAIRMAN AUERBACH: Yeah. I would like to
16 see it go back to Committee, only -- I'd like to, actually,
17 really talk about it a little bit to see -- do you want it
18 to just go back the way you want to do it or do you want to
19 talk about it some more, what kind of language we can do to
20 make it really work for everybody.

21 EXECUTIVE DIRECTOR BAEDEKER: You mean today, talk
22 about it?

23 VICE CHAIRMAN AUERBACH: No, no, no. I mean, do
24 we want to go back to Committee or what do we --

25 CHAIRMAN WINNER: Could I -- let me suggest that

1 we have Staff, first of all, work on the amended language. I
2 would hope that you'd talk to Mr. Avioli or Mr. Alexander,
3 to work with them on it, also to Alan Balch, to make sure
4 that we have the language so that everybody's --

5 VICE CHAIRMAN AUERBACH: I want everybody --

6 CHAIRMAN WINNER: -- comfortable with it.

7 VICE CHAIRMAN AUERBACH: -- to be comfortable.

8 CHAIRMAN WINNER: And maybe then just bring it
9 back to the Board at the next meeting, because what -- I
10 just -- because then it's going to have go out for 45 days.

11 VICE CHAIRMAN AUERBACH: Right.

12 CHAIRMAN WINNER: By the time this thing gets
13 done --

14 DR. BRODNICK: Yeah, we can do that.

15 CHAIRMAN WINNER: -- if we have another Committee
16 meeting, then we're going to pass --

17 VICE CHAIRMAN AUERBACH: No, I agree.

18 CHAIRMAN WINNER: -- another 30 days.

19 VICE CHAIRMAN AUERBACH: My big concern and the
20 thing that resonated with me when Nick and I talked about it
21 was the availability, when they get close to entering a
22 horse, and sometimes you can't always get, you know, a vet.
23 It's not as easy as all that --

24 EXECUTIVE DIRECTOR BAEDEKER: No, that's right.

25 VICE CHAIRMAN AUERBACH: -- all the time.

1 EXECUTIVE DIRECTOR BAEDEKER: Yeah, we understand.

2 VICE CHAIRMAN AUERBACH: And I just don't want
3 anybody to lose out on the opportunity of racing. And I do
4 want people to still send their horses out for the time they
5 need to be off.

6 DR. ARTHUR: Commissioner Auerbach, with all due
7 respect, we have veterinarians on the backside all the time
8 that are in the stables examining horses. If you look at
9 the number of works that a horse has been off for a 120 days
10 before they actually get to enter a race, there is plenty of
11 time, if there is -- if trainers make an effort to get this
12 done.

13 The big problem is trainers will ignore it unless
14 there is a consequence --

15 VICE CHAIRMAN AUERBACH: A stick and a carrot?

16 DR. ARTHUR: Yeah, a stick and a carrot.

17 I am totally happy with trying to figure out
18 different ways to do it because I will tell you, some of my
19 examining veterinarians tell me they're more worried about a
20 horse that's been here for 60 days and hasn't started than a
21 horse that's been to the farm --

22 VICE CHAIRMAN AUERBACH: Right.

23 DR. ARTHUR: -- and coming back, so there's a lot
24 of issues.

25 We had a lot of success with this, and I think we

1 have had a lot of success with this. And the analogy I make
2 with this, it's not necessarily the horse that we catch, but
3 it's like a lot of things we do in drug testing, we don't
4 really want to have a drug policy because we want everybody
5 to be paying attention. And this puts everybody on notice
6 that we're watching, everybody's paying attention to horses
7 with soundness issues, and I think that benefits all of us
8 in the long run.

9 So I'm more than willing, I think it's totally
10 appropriate to look at different avenues and get people
11 confident with the logistics of doing this. It's not that
12 difficult.

13 MR. AVIOLI: Could I?

14 CHAIRMAN WINNER: Yeah, Greg.

15 MR. AVIOLI: Greg Avioli, TOC.

16 I just wanted to add one point that I think should
17 come out of the next round of discussions because it's not
18 clear to me or the -- or Nick or Liz Morey is when we
19 started this process looking at the rule, we weren't aware
20 of the detail and how successful this voluntary program is
21 that you put in place last year, which I think you said
22 you've looked at over 500 horses.

23 I've yet to hear what obstacles you have run into
24 while you are requesting the further rule? And as you know,
25 historically, the one thing the TOC, we have a close eye on

1 rules because there are, in many cases, there are too many
2 of them.

3 In this case, it seems to us that you have the
4 full powers of everything that you need. And so I think as
5 this process going forward, it would be good for us to
6 understand why is there a need for this rule? Is somebody
7 not allowing a test? Is it -- right? That has been
8 articulated to us.

9 VICE CHAIRMAN AUERBACH: Well, I think, and I'd
10 like to sort of start and then you can follow up and correct
11 me if I'm wrong, I think what happens, Greg, is that we all
12 get on the same page, and especially with having the
13 Breeders' Cup here and we implemented all these programs and
14 did all this stuff, and everybody was paying attention.

15 And what tends to happen, unless it's written
16 somewhere in a rule, that cooperative spirit, that, oh, I
17 don't feel like it today, I'm not going to, I think we tend
18 to backslide. I think we do it as human beings all the
19 time, and I think that's the reason why we needed to codify
20 it. Now I have no problem in codifying it with allowances
21 that will help us all comply, as Dr. Arthur said. I want
22 everybody to comply. And I want the owners to be onboard
23 with it so they know why.

24 And I think that's the reason, unless I'm
25 mistaken, as to why we want to codify it.

1 EXECUTIVE DIRECTOR BAEDEKER: That's correct,
2 Madeline. As I said a minute ago, there will be a whole
3 different cast of characters in this room at some point in
4 the future.

5 VICE CHAIRMAN AUERBACH: Right.

6 EXECUTIVE DIRECTOR BAEDEKER: And this is working.
7 This is important enough. We all acknowledge the fact that
8 this should be our highest priority, the safety of the race
9 horse. We found something that works. We have tangible
10 results now over an extended period of time. That's
11 terrific. What we don't want to do is we don't want to put
12 ourselves in a box or an owner/trainer in a box where --
13 because of logistical purposes. And, you know, even under
14 the best of cases, we'll have a scenario where a horse slips
15 through the cracks and we haven't gotten to them. We get
16 that.

17 So what we look forward to doing is putting in
18 some language that gives us kind of an escape clause if we
19 find ourselves in that situation that we can all work on
20 together.

21 MR. AVIOLI: I'm sorry if I'm probably being
22 pedantic here, but I'm still missing the point of you have
23 your metrics that you have put in place for which horses you
24 think need to be looked at, and you're looking at them. And
25 I don't believe there's a single instance where a trainer

1 could say you can't look at my horse. You have the
2 authority now to any horse you want to do. And whether it's
3 a different character or not, unless they change the rules,
4 you still have that authority, so --

5 EXECUTIVE DIRECTOR BAEDEKER: Well, what it's
6 going to result in, though, Greg, is with this cooperative
7 effort that we've had, the official vet has on occasion,
8 just a handful of times, placed a horse on a vet's list.

9 MR. AVIOLI: Right.

10 EXECUTIVE DIRECTOR BAEDEKER: Otherwise the horse,
11 regardless of the examination, is eligible to start and run.

12 MR. AVIOLI: Right.

13 EXECUTIVE DIRECTOR BAEDEKER: Under this scenario,
14 what -- I think if you don't give this route, then you're
15 going to go the route where the official vet starts putting
16 many more horses on the vet's list to keep the horse from
17 starting. And so nobody --

18 MR. AVIOLI: I'm not sure why, though.

19 EXECUTIVE DIRECTOR BAEDEKER: -- nobody wants
20 that.

21 MR. AVIOLI: Because your own experiment with 500
22 horses has not had that result, which is why I'm confused.

23 DR. ARTHUR: Well, I --

24 MR. AVIOLI: It looks like it's working very well.

25 DR. ARTHUR: Can I answer that?

1 CHAIRMAN WINNER: Doctor?

2 DR. ARTHUR: Certainly. What we're doing now is
3 we actually get a printout and we know the horses haven't
4 started in 120 days, and we get their last two works. So we
5 try to guess which horses are closest to racing. And we
6 kind of choose that based on their work patterns that we can
7 identify.

8 I will tell you, we have had horses that are on
9 our list that we didn't get to that ran and are fatalities
10 at this meet.

11 CHAIRMAN WINNER: Why didn't you get to them?

12 DR. ARTHUR: Because we didn't -- we tried to
13 prioritize them from how we expect them to run, but we don't
14 enter the horses. We're trying to guess when that is. We
15 can't get all of the horses. If we knew that trainer --
16 Horse X was going to race next week and we have another
17 horse that's racing in three weeks, which hopefully the
18 trainer would tell us about it with this particular
19 scenario, with this particular regulation, we would
20 prioritize the horse that's racing next week with the horse
21 that's racing three weeks from now.

22 EXECUTIVE DIRECTOR BAEDEKER: In other words, the
23 trainer needs to contact us at that point --

24 DR. ARTHUR: Yeah. We need --

25 EXECUTIVE DIRECTOR BAEDEKER: -- and say I'm ready

1 to enter.

2 DR. ARTHUR: And it also makes the whole thing
3 more efficient right now.

4 So, you know, there are ways to work it out. But,
5 you know, I think getting the trainer involved and getting
6 everybody to understand that they have to have a horse
7 that's examined that hasn't been off 120 days, it just gets
8 everybody on the same page.

9 CHAIRMAN WINNER: So what you're talking about is
10 the requirement of the -- the burden is on the trainer under
11 this rule to notify you?

12 DR. ARTHUR: If we can't -- if we haven't figured
13 out that his horse should be higher up on the priority, he
14 needs to call us and say, hey, I'm going to be running this
15 horse in three weeks.

16 CHAIRMAN WINNER: Right.

17 DR. ARTHUR: Could you get in my barn and get him
18 examined in the next week?

19 Remember, we have veterinarians in the barn four
20 or five times a day. And now what we're doing is we're
21 bringing a veterinarian in on a dark day to examine those
22 horses. We may just say, if he's going to Patty Gallagher's
23 barn and looking at some horses in that day, we'd also have
24 on that list, you know, look at that horse right next door.
25 It just makes it more efficient for everybody.

1 So -- but the goal here is we want to be
2 cooperative and get everybody --

3 CHAIRMAN WINNER: Right.

4 DR. ARTHUR: -- on the same page. So we're not
5 trying to jam anything down anybody's throat on this.

6 CHAIRMAN WINNER: All right, so let's ask, first
7 of all, I think, unless there's --

8 COMMISSIONER MASS: I have a few.

9 CHAIRMAN WINNER: Yes, go ahead.

10 COMMISSIONER MASS: Just a couple questions.

11 Dr. Arthur, you, and for Nick, because in reading
12 the report, there seems to be a dispute as to what the
13 impact would be in the amount of horses that died as a
14 result of the 120-day layoff. You say between 13 and 17, it
15 was 21 percent. The TOC's letter said you don't agree with
16 that empirical statement. Have you done your own study?
17 Have you looked at this? I mean, the horses are dead. We
18 know we're starting with a baseline. What is the
19 discrepancy?

20 MR. AVIOLI: Well, our view, and we've had a
21 number of meetings with Dr. Arthur, is we don't see that
22 correlation. We think the percentages of horses -- we
23 believe 1,700 horses this year would have to be tested based
24 on that.

25 COMMISSIONER MASS: But I'm -- that's not what I'm

1 asking.

2 MR. AVIOLI: But if you look at the percentage of
3 horses overall that have fatalities, it's the same. It's --
4 whether it's 120 or not, it's the same general percentage of
5 the population. That's our view of the statistics.

6 DR. ARTHUR: That's --

7 COMMISSIONER MASS: I don't think -- that's not
8 what (indiscernible).

9 DR. ARTHUR: Yeah. That's disputed by evidence
10 that's been analyzed at the Equine Injury Database that has
11 been presented. I gave some of that information to Liz
12 Morey. And we've done some internal analysis here.

13 So, you know, I don't know what their numbers are
14 and where the discrepancy is, but there's very little doubt
15 that a horse is at higher risk that has been off for 120
16 days in its next three starts.

17 MR. AVIOLI: And we welcome -- we'd welcome,
18 because I think we're all reasonable people, to review all
19 that data. And if there's very little doubt, then I'm sure
20 we're going to agree with it. We've yet to be presented
21 with the full exams, and that's one of the things we asked
22 for.

23 (Colloquy between Chair Winner and Executive Director
24 Baedeker)

25 COMMISSIONER MASS: That would certainly be

1 helpful from my perspective. I mean, my threshold question,
2 not being a horse owner, is does it --

3 EXECUTIVE DIRECTOR BAEDEKER: Well, we have all of
4 that data. And, as a matter of fact, that was the genesis
5 of this whole program is looking at a small sample of the
6 horses that died during the catastrophic meeting at Del Mar
7 two summers ago, and of the 17, 6 had been off for 120 days
8 or more. And so we started looking at every time frame, 60
9 days, 90 days, 120 days, and so forth. And so we've gone
10 back ten years, at least seven and done all of the
11 statistical reporting. We have all of that. We went
12 through a lot of this data with Liz Morey last week. We had
13 a two-hour meeting about all of this. So, you know, we're
14 going to get together again in an ad-hoc meeting and we can
15 share the data and you can challenge it.

16 And you can't dispute the fact that since we put
17 the program in place, we have a 35 percent reduction in
18 fatalities, so there does seem to be a correlation.

19 DR. ARTHUR: I think, Greg, it would be behoof you
20 to review Dr. Parkin's presentations at the Jockey Club
21 Welfare and Safety Summit from the analysis of EID data.
22 It's fairly well documented and readily accessible. I
23 realize that's national data, but our experience is that
24 California is not different than other jurisdictions or the
25 national risk.

1 VICE CHAIRMAN AUERBACH: I think --

2 CHAIRMAN WINNER: Well, the numbers are the
3 numbers.

4 MR. AVIOLI: Well --

5 VICE CHAIRMAN AUERBACH: I think --

6 MR. AVIOLI: -- but maybe not, Mr. Chairman.
7 Because if you believe our numbers, which is that 1,700
8 horses in the state would be off 120 day, then you look at
9 the number of fatalities, it's not necessarily the direct
10 correlation. Look, if it were 100 horses that had been off
11 and 17 of them had fatalities, that would make a lot of
12 sense; right? You'd see that directly. But we're talking
13 about, you know, as much as half the horse population, a
14 third of the horse population. So the number of -- I'm
15 just -- that's our analysis. But we've all -- we asked in
16 our letter of April 16th to look at the data.

17 CHAIRMAN WINNER: Yeah. Got it.

18 MR. AVIOLI: We've seen some of it. Let's get
19 together --

20 VICE CHAIRMAN AUERBACH: You know, I think that --

21 MR. AVIOLI: -- and agree.

22 VICE CHAIRMAN AUERBACH: -- I think we need to
23 reframe this discussion, because I don't think anybody has a
24 problem with the vets examining the horses. I don't think
25 that's the issue.

1 I think the issue is, who is responsible for
2 making sure that the vet looks at the horse. That's the
3 issue. That's absolutely the issue. Whose responsibility
4 is it? I don't think anybody objects to these -- these
5 inspections. I think the objection comes because we know we
6 have trainers out there who, as you pointed out, no matter
7 how many times you tell them, you've got to check to see if
8 the horse is a gelding, what, you never looked, I mean, you
9 got -- there are so many things that the trainers are
10 responsible for, I think the concern is that they might be
11 somewhat remiss in making sure that their horses are
12 inspected prior to the time that they need to be entered.
13 And is there a way that we can do this? Because I don't
14 think anybody has a problem with the vets looking at the
15 horses.

16 I think what their -- I think what your concern
17 is, once again, I don't know if this is true or not, I think
18 what the concern is, is that the trainers might not get to
19 the vets when they really need to. And I think if we said
20 the vet is going to come by -- if your horse has been out
21 for 120 days, it's up to the vet. If we leave it at the
22 vet's discretion to make sure it happens, I don't think we'd
23 have the TOC complaining or objecting or anything. I think
24 that's where we need to frame it.

25 EXECUTIVE DIRECTOR BAEDEKER: But I think that

1 that's going to be the practical result --

2 CHAIRMAN WINNER: Yeah.

3 EXECUTIVE DIRECTOR BAEDEKER: -- of the
4 implementation of this rule. Right now we're doing it all,
5 the official vets are doing it all. But because of this
6 condition --

7 VICE CHAIRMAN AUERBACH: It shifts --

8 EXECUTIVE DIRECTOR BAEDEKER: -- that the horse
9 remains ineligible, then it shifts --

10 VICE CHAIRMAN AUERBACH: -- it shifts
11 responsibility.

12 EXECUTIVE DIRECTOR BAEDEKER: -- a portion of --
13 it's not as though the CHRB is going to back off and just
14 wait for the phone to ring.

15 VICE CHAIRMAN AUERBACH: No, no, no, no, no, but
16 it does shift the responsibility. That's what I'm saying.
17 And I think that's what I think --

18 EXECUTIVE DIRECTOR BAEDEKER: To a shared
19 responsibility.

20 CHAIRMAN WINNER: Well, and --

21 VICE CHAIRMAN AUERBACH: -- I think that's what
22 the struggle is here, I believe.

23 CHAIRMAN WINNER: Right. Also, I think the
24 discretionary part of it, so that it puts the -- it creates
25 a decision process that, yeah, we should or we don't need

1 to. Because everybody's going to know, the vets are going
2 to know which trainers and owners are going to be
3 responsible, maybe more responsible, maybe, than some others
4 with respect to why that horse is out and whether that horse
5 is being properly cared for.

6 DR. ARTHUR: Yeah. I will say, this is a new
7 program. And people were a little bit surprised when we
8 started doing it. Well, why are you looking at that horse?
9 He's not in. Of course, we have to deal with issues like
10 the horse is not -- is done up or isn't where he's supposed
11 to be. But we've actually gotten to the point where we go
12 into barns now and a trainer will say, hey, this horse just
13 came back in, take a look at him, and we get that
14 examination done earlier.

15 So, you know, this will mature. And, you know,
16 ideally, I think, what we're proposing, you know, I'm not as
17 concerned with it as the TOC is. I think it will work. But
18 on the other hand, I'd rather have people come along --

19 CHAIRMAN WINNER: Right.

20 DR. ARTHUR: -- than --

21 VICE CHAIRMAN AUERBACH: Than fight it. Yeah, I
22 would --

23 DR. ARTHUR: -- than fight it.

24 CHAIRMAN WINNER: Did you --

25 VICE CHAIRMAN AUERBACH: -- I would like to find a

1 way to do it so that everybody is comfortable with it.

2 CHAIRMAN WINNER: I think Commissioner Mass had a
3 couple of questions.

4 COMMISSIONER MASS: Well, no.

5 CHAIRMAN WINNER: Let me ask him.

6 COMMISSIONER MASS: I asked the one question,
7 which I'm still -- which I think is an important question.
8 Because me, with all due respect, I think the real threshold
9 question is, is the regulation going to save the horse, a
10 horse's life? And how many is it going to save? And I'm
11 not for, you know, burdensome regulation. I'm not for
12 imposing more costs on owners, I'm not.

13 CHAIRMAN WINNER: Right.

14 COMMISSIONER MASS: But as a non-horse owner, I
15 think that would be the threshold question. And if we're
16 not going to save any more lives, then we should be imposing
17 any more regulations.

18 But I think that should be the question we should
19 all be concerned about because there are a lot of folks out
20 there in this industry that are not horse owners.

21 So that's at least where I'm coming from and why I
22 asked the question I did, because it either is 21 percent of
23 it's not, and we probably ought to know that.

24 EXECUTIVE DIRECTOR BAEDEKER: We can come up with,
25 I think, a little bit clearer data going forward. And in my

1 opinion, there's very little doubt that this saves horses
2 lives.

3 EXECUTIVE DIRECTOR BAEDEKER: But, yeah, we get
4 it. Everybody's entitled to that.

5 CHAIRMAN WINNER: Right. Okay. Then what I'm
6 going to suggest is, with respect to this section of the
7 agenda item, that it go back to Staff. And hopefully they
8 can come up with some language after further discussion with
9 TOC, possibly CTT and Dr. Arthur, and obviously the lawyers,
10 and come back with language at the next meeting. And then
11 we'll have to start the process over again.

12 Now the question I have is separating the second
13 part where I don't think there's any disagreement, and see
14 if we can't begin the process of at least -- I think we
15 have -- if we separate it, then it has to go back out for 45
16 days, but at least we'll begin that process.

17 MS. WAGNER: Jackie Wagner, CHRB Staff.

18 It may be more prudent for us to separate and make
19 this two rule-making files. It appears that we have no
20 discrepancy on subsection (m) which deals with the intra-
21 articular injection.

22 CHAIRMAN WINNER: Right.

23 MS. WAGNER: And then we will -- because we have
24 to go back and start over anywhere.

25 VICE CHAIRMAN AUERBACH: Can we vote on half of it

1 or not?

2 CHAIRMAN WINNER: Yeah.

3 MS. WAGNER: We cannot.

4 VICE CHAIRMAN AUERBACH: We can't?

5 CHAIRMAN WINNER: Well, why can't we?

6 VICE CHAIRMAN AUERBACH: Because she said so.

7 CHAIRMAN WINNER: Why can't we amend out the first
8 part and vote on the amendment which only includes the
9 second part, vote on that, pass it and send it out for 45
10 days?

11 EXECUTIVE DIRECTOR BAEDEKER: No, that would be
12 adoption.

13 MS. WAGNER: We can't do that because the proposal
14 as presented to the public includes both of these sections.
15 Any changes made to the proposed language has to go out
16 again for the public to have --

17 CHAIRMAN WINNER: For 45 days?

18 MS. WAGNER: Yeah, for the public to have an
19 opportunity.

20 CHAIRMAN WINNER: So -- but that's what I'm
21 asking, Jackie. What happens if we vote to amend out the
22 whole first section, so then we're only voting on the second
23 part --

24 MS. WAGNER: Which --

25 CHAIRMAN WINNER: -- which -- as amended, and then

1 if it passes, it then goes out to 45 days? Whereas the
2 first part is going to go back to Staff. So we're not
3 delaying the second part as much as we are the first.

4 MS. WAGNER: I think we may be saying the same
5 thing. Because if the Board votes to amend this proposal
6 before us --

7 CHAIRMAN WINNER: Yeah.

8 MS. WAGNER: -- to take out the section that we
9 have been discussing --

10 CHAIRMAN WINNER: Right.

11 MS. WAGNER: -- essentially we will have a rule
12 that only has an amendment for the injection --

13 CHAIRMAN WINNER: Yeah.

14 MS. WAGNER: -- and that amendment will go out.

15 CHAIRMAN WINNER: For 45 days.

16 MS. WAGNER: We're saying the same thing.

17 CHAIRMAN WINNER: Okay. Good.

18 MS. WAGNER: All right.

19 CHAIRMAN WINNER: Then I would move. I would make
20 that motion.

21 CHAIRMAN WINNER: Is there a second?

22 VICE CHAIRMAN AUERBACH: Sure.

23 CHAIRMAN WINNER: Okay. We have a second.

24 COMMISSIONER MASS: Yes.

25 CHAIRMAN WINNER: Commissioner Mass votes yes.

1 Commissioner Solis?

2 COMMISSIONER SOLIS: Yes

3 CHAIRMAN WINNER: Chairman votes yes.

4 Vice Chair, yes?

5 VICE CHAIRMAN AUERBACH: Yes.

6 CHAIRMAN WINNER: Okay. That's the amendment.

7 Now we've amended it.

8 Now we have to vote on the rule. Is there a
9 motion? Commissioner Auerbach?

10 VICE CHAIRMAN AUERBACH: And this is on the intra-
11 articular?

12 CHAIRMAN WINNER: Yes, just on the intra-articular
13 portion.

14 VICE CHAIRMAN AUERBACH: So move.

15 COMMISSIONER MASS: Second.

16 CHAIRMAN WINNER: Okay. And let's let
17 Commissioner Solis second because it's a Medication issue.

18 COMMISSIONER SOLIS: Yeah.

19 CHAIRMAN WINNER: Commissioner Mass, how do you
20 vote?

21 COMMISSIONER MASS: Yes.

22 CHAIRMAN WINNER: Commissioner Solis?

23 COMMISSIONER SOLIS: Yes.

24 CHAIRMAN WINNER: Chairman votes yes.

25 VICE CHAIRMAN AUERBACH: Yes.

1 CHAIRMAN WINNER: Commissioner Auerbach votes yes.
2 Okay, so we have now passed the measure as amended, and the
3 first part will go back to Staff for rewording.

4 EXECUTIVE DIRECTOR BAEDEKER: Should we --
5 should --

6 VICE CHAIRMAN AUERBACH: And I want to point out,
7 I don't think we've lost any ground. Because the program
8 that the vets are conducting will still continue.

9 EXECUTIVE DIRECTOR BAEDEKER: That's right.

10 VICE CHAIRMAN AUERBACH: We just haven't
11 solidified the way it's going to be, but we'll have a little
12 bit more input and make sure that every group can get behind
13 it, because I want everybody to be behind it because this is
14 very important. So -- but we're going to still do it. And
15 I want there to be clarity among the parties, the vets and
16 the trainers and the owners, so everybody understands what
17 we're talking about and that it gets done. Nothing is
18 really going to change except -- because we just want to
19 make sure that the spirit of the work we're doing continues.
20 And the way to ensure that is to make sure we put some meat
21 on the bones, so --

22 EXECUTIVE DIRECTOR BAEDEKER: Do we need, Jackie,
23 do we need to have somewhere in the record, because it
24 wasn't specifically in the motion, that the motion involved
25 paragraph N specifically?

1 MS. WAGNER: No, I don't believe so.

2 EXECUTIVE DIRECTOR BAEDEKER: We don't need to?

3 MS. WAGNER: No.

4 EXECUTIVE DIRECTOR BAEDEKER: Okay.

5 VICE CHAIRMAN AUERBACH: Thank you, Jackie.

6 CHAIRMAN WINNER: Thank you. Thank you, guys.

7 Item number 15, public hearing and action by the
8 Board regarding the proposed amendment to CHRB Rule 2050,
9 Beneficiaries, Welfare Programs and Activities, to expand
10 eligibility to for healthcare services provided by the
11 California Thoroughbred Horsemen's Foundation, CTHF, as
12 provided for under Business and Professions Code section
13 19641(b)(3). This concludes the 45-day public comment
14 period. The Board may adopt the proposal as presented.

15 Mr. Goodrich, go ahead.

16 MR. GOODRICH: How about a less controversial
17 subject for once?

18 CHAIRMAN WINNER: It sounds pretty less
19 controversial, to me.

20 MR. GOODRICH: My name is Cliff Goodrich. I
21 represent the California Thoroughbred Horsemen's Foundation
22 which, as most of you know, provides healthcare services for
23 backstretch workers, largely in the medical and dental
24 arena.

25 And as mentioned before, I think before the

1 countdown started on the 45 days, we don't run at capacity.
2 We have some room for additional patients to serve. And
3 we're always looking for every dollar we can find. And
4 we're always looking to create more awareness of our
5 locations at the three racetracks we service.

6 Sadly, and this is my opinion and it's our fault,
7 I don't think 20 percent of the back-stretchers could find
8 our clinic in a scavenger hunt, and that's our fault. So we
9 want to make our services available to a broader section of
10 the racetrack. And I'm talking about anybody with a CHRB
11 license, any employee of a racing association, or any
12 employee of a charitable foundation that directly or
13 indirectly benefits backstretch workers.

14 I don't think there will a long line out the door,
15 especially in the medical arena because we're only primary
16 care, give them an aspirin, diagnose what the problem is, go
17 see your doctor. But a lot of people either don't have
18 dental insurance or, if they do, it's capped at \$1,000 or
19 \$1,500 a year. And right now, we're formulating the rates,
20 but we'll probably be able to offer procedures at a third or
21 half of what the retail rate would be if you'd go to an
22 outside dentist.

23 And I think it's handy. People are right here at
24 the racetrack. We'll only take appointments the day before,
25 or walk-ins, so that we don't displace backstretch workers.

1 And I think this is a win-win for the industry.

2 CHAIRMAN WINNER: I think this is a great plan,
3 Cliff. Thank you.

4 Is there any discussion? Is there a motion?

5 COMMISSIONER SOLIS: Move.

6 CHAIRMAN WINNER: Commissioner Solis moves.

7 VICE CHAIRMAN AUERBACH: Second.

8 VICE CHAIRMAN AUERBACH: Vice Chair Auerbach
9 seconds.

10 How do you vote?

11 VICE CHAIRMAN AUERBACH: Yes.

12 CHAIRMAN WINNER: Chairman votes yes.

13 Commissioner Solis?

14 COMMISSIONER SOLIS: Yes.

15 CHAIRMAN WINNER: Commissioner Mass --

16 COMMISSIONER MASS: Yes.

17 CHAIRMAN WINNER: -- votes yes.

18 Thanks, Cliff.

19 MR. GOODRICH: Thank you. The real reason behind
20 this is about half the people in the room, we'd love to
21 perform a root canal on without --

22 VICE CHAIRMAN AUERBACH: Well, we have that done
23 at every meeting. Haven't you been here?

24 CHAIRMAN WINNER: All right, now item number 15,
25 discussion and action by the Board regarding a proposed

1 amendment to CHRB Rule 1853.3, Penalties for Medication
2 Violation, to correct a discrepancy in the phenylbutazone
3 levels noted intra-articular the category C penalty chart in
4 Rule 1843.3.

5 Dr. Arthur?

6 DR. ARTHUR: Well, I guess -- Dr. Arthur, Equine
7 Medical Director. I guess I get this one.

8 What happened, the Medication Committee in January
9 2015, this shows you how cumbersome our system is, approved
10 the penalty guidelines at five micrograms. When it came
11 back in October of 2015, you approved the five microgram
12 level that this rule is correcting. And when the Board
13 voted in August of 2016, after the 45-day notice, it said
14 five micrograms. Somewhere in the process, when it got
15 filed, the five became a ten. So we have this --

16 VICE CHAIRMAN AUERBACH: Oh, god.

17 DR. ARTHUR: -- space in here. So we're really
18 just correcting, somewhere, an administrative error.

19 CHAIRMAN WINNER: I didn't know we had
20 administrative areas.

21 EXECUTIVE DIRECTOR BAEDEKER: Very rare.

22 MS. WAGNER: Very rare.

23 EXECUTIVE DIRECTOR BAEDEKER: Very rare.

24 VICE CHAIRMAN AUERBACH: Don't we have erasers
25 on -- in the office?

1 MS. WAGNER: I wish.

2 CHAIRMAN WINNER: Okay. Is there a motion?

3 VICE CHAIRMAN AUERBACH: Move.

4 CHAIRMAN WINNER: Commissioner Auerbach moves.

5 COMMISSIONER SOLIS: Second.

6 CHAIRMAN WINNER: Commissioner Solis seconds.

7 Commissioner Mass?

8 COMMISSIONER MASS: Yes.

9 CHAIRMAN WINNER: Commissioner Solis?

10 COMMISSIONER SOLIS: Yes.

11 CHAIRMAN WINNER: I vote yes.

12 VICE CHAIRMAN AUERBACH: Yes.

13 CHAIRMAN WINNER: Commissioner Auerbach. Thank

14 you very much.

15 Is there a motion to adjourn?

16 COMMISSIONER MASS: So moved.

17 CHAIRMAN WINNER: Commissioner Mass, okay.

18 This meeting is adjourned.

19 (The meeting of the California Horse Racing Board

20 adjourned at 11:59 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 28th day of May, 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

May 28, 2018