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CHRB ADVISORY

OCTOBER 23, 2014

PARTIAL TRANSCRIPT OF 10-23-14 BOARD MEETING

The California Horse Racing Board apologizes for the technical problem that prevented some from connecting to the audio for the first 20 minutes of today's Board meeting. The entire audio file, including the first 20 minutes, is now available in the [archive](#) on the CHRB website. As a convenience, we are providing this written transcript of the initial proceedings.

Following the regular opening remarks and approval of minutes, Rick Baedeker provided the report of the Executive Director:

“There's been some talk about backside security and surveillance systems and so forth. I think most of you are aware that the Backside Security Committee has been exploring the use of camera surveillance systems in the stable area since June. We have identified a system currently used by the Rancho Cordova Police Department that is Wi-Fi and portable and relatively inexpensive. Staff will be seeing a demonstration of this system immediately following the Breeders' Cup, and if it looks like it could work, then we will arrange a demo for Commissioners (Bo) Derek and (Madeline) Auerbach plus interested stakeholders.

“You've also heard about the microchip process. CHRB staff has been exploring the use of microchips for the ID and tracking of race horses in California. In cooperation with The Jockey Club, The Jockey Club's InCompass Solutions, Santa Anita and the Breeders' Cup, we have arranged for a demonstration and presentation on microchips during Breeders' Cup week at Santa Anita. Horsemen and racetrack representatives are encouraged to attend this one-hour presentation next Thursday beginning at 11:30 a.m. at the Seabiscuit Pen, near the racing office. Following a live demonstration of the implant process, the program will move up here (the Baldwin Terrace Room) for a more detailed explanation of microchips and a proposed pilot program in California. And just to note, we are rather sheepish about asking Santa Anita and the Breeders' Cup to accommodate us during this chaotic time right before the event, so we really do appreciate that they've done that for us.

“It is worthwhile to note that Rule 1844, which introduces a new threshold for corticosteroids and other anti-inflammatories, took effect October 1. During August and September in advance of that

date, we issued courtesy warning letters to trainers whose horses tested and would have tested positive under the new medication threshold effective October 1. It might interest you to know that statewide we issued 300 such warning letters.

“We have done a little reorganization at the headquarters office. We have posted a job opportunity for a staff counsel. The org chart will flow vertically in two columns – right now it’s just one – beneath the executive director and assistant executive director, myself and Jackie (Wagner). The first column will flow from the Director of Administration and the other under the new counsel. He or she will be responsible for Policy and Regs, Law Enforcement, Licensing, and contractors, which includes stewards and official veterinarians. Chief Counsel (Bob) Miller and the equine medical director will report directly to the executive director and assistant executive director. This change will give us a much-needed resource in Policy and Regs. The legal expertise should facilitate that complicated work and result in a speedier process. And the reorganization in general will allow Jackie Wagner to assume a more active role in overseeing the entire staff. We’re very excited about that change.

“I want to clarify a few things about the Doug O’Neill situation...and this doesn’t relate... I don’t want it to reflect on the trainer. I want to reflect on the process. The Board has been vilified by bloggers and such who don’t have the facts, and I think some of the facts should be talked about. First of all, the CHRB ruled after action was taken by New York. Had the violation occurred in California, I think there’s no question that the outcome would have been different. The test would have been conducted by our lab and the investigation done by our investigators. Regardless, in every one of these cases, the Board of Stewards or the Board itself considered both aggravating and mitigating circumstances. One of the mitigating factors here was the delay in the New York complaint, which occurred after the trainer completed his probation for the 2012 violation. There were other mitigating factors as well. The Board weighed all of those factors, including the possibility of a long legal battle that likely would have centered around actions taken by another jurisdiction. And therefore, this Board imposed a 45-day suspension and a new 18-month probation. Nobody really has added them up. Together, the trainer was fined \$10,000, suspended for 70 days, and placed on a new 18-month probation. The trainer was not required to surrender his stalls because Rule 1843 pertains to a trainer whose license is suspended by the CHRB for 60 days or more. But it is not true that the trainer simply gets a paid vacation. In fact, our rule prohibits a suspended trainer from benefiting financially while on suspension. So he or she cannot charge day rates, cannot receive anything from purses, either directly or indirectly.

“I’ve been in this job now for eight months and it’s amazing to me that these commissioners continue to show up for this work. To a person they care deeply about the sport and want to clean it up. Yet they stand before a firing squad of social media just waiting to pull the trigger. At least staff gets paid for the work that we do. These folks get \$100 a month to cover their expenses. It is quite literally a thankless job. I know many of you, and many other people, do appreciate the time and

effort and care that they give. But I figured what the heck, I might as well bring it up and talk about it.

“Financials for the month, the Fresno Fair concluded down 8 percent. Really they did fine on tack, down just 1 percent. They had a drop in field size from 7 to 6.5. They really were hurt by out-of-state wagering on their product, which was down double digits. For the month, the numbers were down but so was the number of race dates. There were 15 percent fewer race days. The daytime business was down 9.45 percent; total night business, down 24 percent. But in addition to fewer race days, there were also fewer races run on those days. So the combined performance of the month was down just under 11 percent. Year-to-date, daytime business is up just fractionally – about a quarter of 1 percent, while the night business is down 11.7 percent. Combined year-to-date, everything in, night and day, we’re down just about 1 percent from the same period one year ago.

“And that’s my report, Mr. Chairman.”

Chairman Chuck Winner: “Thank you very much. Let me, first of all, thank you for that very kind comment you made about the Board, but let me also say, so that everybody understands that the staff that we have at the CHRB, no one has a staff that surpasses it. These folks work seven days a week, day and night, and are available all of the time. It’s really hard when we read what some of these bloggers say, even some reporters say, about what has taken place – we’re using the O’Neill case only because that’s the most recent – when they have no idea how much time these people put into trying to do the right thing; trying to make sure that racing is cleaned up when and if it needs to be cleaned up; trying to make sure that there’s a level playing field; trying to make sure that those who don’t play by the rules are rooted out. These folks work so hard at it. Those of us on the Board play a small part. To read some of the things that we read, from people who really don’t know what the facts are, and they really don’t know what the laws require and what the rules require, and what you have to work within. It really does cause heartburn for some of us who know what’s going on, who know all the facts, who are aware of the situation, know how hard Rick and his team are working to do the right thing. And that includes our equine medical director, Dr. Rick Arthur, and the time that he puts in to make sure that we’re doing everything we can to create a level playing field, so that those who play by the rules are benefitting, not those who don’t play by the rules.

“Having said that, we’ll move on to item #3, public comment. I have one card from Kevin Bolling.”

“Good morning, Kevin Bolling with the California Thoroughbred Horsemen’s Foundation. I just want to let the Board know that we have begun the annual flu vaccine program for backstretch workers. Here in Southern California we’ve already done the major racetracks. We’ll be out to Los Alamitos next week. And we’ll be going to Golden Gate after that.”

Chairman Winner, “Thank you very much. Let me make a quick announcement. If anybody is here by item #8 (Los Alamitos quarter horse meet application for 2015), that is coming off the agenda and moved to the November calendar. And item #14, which is the discussion and action by the

Board on the status update from the Los Angeles Turf Club on its backstretch improvement plans for Santa Anita and San Luis Rey, Commissioner Krikorian and I have met with Mr. (Scott) Daruty and Mr. (Keith) Brackpool. We had a very good discussion with them. I've also had conversations with trainers and I've had a conversation with Mr. (Joe) Morris (of the Thoroughbred Owners of California), and because we think those discussions are going well, and everything is going in our view in a positive direction, we are going to put that discussion as well off until at least the November meeting because we don't want to interfere with the discussions that have been taking place. We believe we're moving in a positive way, so that item also is coming off the agenda for today.

"Okay, moving on to item #4, discussion and action by the Board regarding the distribution of race day charity proceeds by the Los Alamitos Quarter Horse Racing Association in the amount of \$33,514 to five beneficiaries."

"Hello, Richard English for Los Alamitos. This is charity proceeds from the 2013 race meeting. I would be glad to answer any questions that you might have."

Chairman Winner: "Any questions about the distributions of charity proceeds by Los Al? Motion to approve? Commissioner (Madeline) Auerbach moves, Vice Chair (Richard) Rosenberg seconds. All in favor? (Ayes heard). Any opposed? Motion approved."

Rick English: "Thank you very much."

Chairman Winner: "Moving on to item #5, discussion and action by the Board on the Application for license to conduct a horse race meeting of the Pacific Racing Association at Golden Gate Fields, commencing December 26, 2014, through June 28, 2015, inclusive. Gentlemen."

(Full audio access resumed during discussion of this item.)