# BEFORE THE CALIFORNIA HORSE RACING BOARD

# OF THE STATE OF CALIFORNIA

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| **In the Matter of:**<br><br>Complaint 26LA0009<br>January 21, 2026<br>Dunn Ranch, LLC, Matthew Dunn and Bendi Dunn<br><br>CHRB License Nos. 60158, 326204, 328474<br>Respondents. | Case No. SAC 26-0003 |

## DECISION

The attached Proposed Decision is adopted by the California Horse Racing Board as its Decision in the above-entitled matter. The licenses of Dunn Ranch, LLC, Matthew Dunn and Bendi Dunn shall be suspended for 90 days, with Matthew Dunn's suspension to be imposed upon renewal, if any, of his CHRB license, and that a $10,000 fine be imposed jointly and severally on Dunn Ranch, LLC, Matthew Dunn and Bendi Dunn.

This Decision is hereby remanded to the Board of Stewards to issue a ruling reflecting this decision.

IT IS SO ORDERED ON November 19, 2026.

Gregory L. Ferraro, DVM, Chairman
California Horse Racing Board

Dr. Gregory Ferraro, DVM
Digitally signed by Dr. Gregory Ferraro, DVM
Date: 2026.11.19 07:32:59 -08'00'

Scott Chaney, Executive Director
California Horse Racing Board

Chaney, Scott
Digitally signed by Chaney, Scott
Date: 2026.11.19 09:50:10 -08'00'

**SHAUNA WEEKS AVRITH (SBN 145085)**
savrith@yokasmith.com
445 South Figueroa Street, 38th Floor
Los Angeles, CA 90071
Phone: (213) 427-2300
Fax: (213) 427-2330

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| **In the Matter of**:<br>**Complaint 26LA0009**<br>**January 21, 2026**<br><br>**Dunn Ranch, LLC, Matthew Dunn and Bendi Dunn**<br><br>CHRB License Nos. 60158, 326204, 328474<br><br>**Respondents.** | Case No. **SAC 26-003**<br><br>**PROPOSED DECISION**<br><br>Hearing Date: April 14, 2026 |

## PROPOSED DECISION

This matter was heard on April 14, 2026 by Shauna Weeks Avrith, a Hearing Officer designated under California Horse Racing Board Rule 1414 (Appointment of Referee) remotely via Microsoft Teams audio and videoconference.

The Respondents Dunn Ranch, LLC, Matthew Dunn and Bendi Dunn (hereafter "Respondents" or "the Dunns") appeared and were represented by counsel Howard L. Jacobs and Katy Freeman of the Law Offices of Howard L. Jacobs.

The California Horse Racing Board (hereafter "CHRB" or the "Board") was represented by Deputy Attorney General Katharine Tremblay.

The proceedings were recorded by court reporter Natalie Thomas of Weinstein Court Reporters, LLC.

## PROCEDURAL BACKGROUND

This matter arises from a complaint filed by the CHRB against licensed owners Dunn Ranch, LLC, Matthew Dunn and Bendi Dunn, charging them with violation of CHRB Rules 1843(a)(b)(d) (two counts), 1843(d) (three counts), 1869(a)(7) (three counts), and 1887 based on the presence of the prohibited substance Carmoterol (Class 1 / Penalty Class A) in five urine samples taken from three horses owned by them and trained by CHRB licensee Monty Arrossa.

## APPLICABLE LAWS AND REGULATIONS

**Cal. Bus. & Prof. Code §19581**

No substance of any kind shall be administered by any means to a horse after it has been entered to race in a horse race, unless the board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof. The board may require that the official veterinarian approve, in writing, the administration of those substances in accordance with the regulations of the board. Any medication or equipment used to dispense medication that is located within the inclosure is subject to search and inspection at the request of any board official.

**CHRB Rule 1843 – Medication, Drugs and Other Substances.**

It shall be the intent of these rules to protect the integrity of horse racing, to guard the health of the horse, and to safeguard the interests of the public and the racing participants through the prohibition or control of all drugs, medications and drug substances foreign to the horse. In this context:

(a)No horse participating in a race shall carry in its body any drug substance or its metabolites or analogues, foreign to the horse except as hereinafter expressly provided.

(b) No drug substance shall be administered to a horse which is entered to compete in a race to be run in this State except for approved and authorized drug substances as provided in these rules.

. . .

(d) A finding by an official chemist that a test sample taken from a horse contains a drug substance or its metabolites or analogues which has not been approved by the Board, or a finding of more than one approved non-steroidal, anti-inflammatory drug substance or a finding of a drug substance in excess of the limits established by the Board for its use shall be prima facie evidence that the trainer and his/her agents responsible for the care of the horse has/have been negligent in the care of the horse and is prima facie evidence that the drug substance has been administered to the horse.

**CHRB Rule 1843.1 – Prohibited Drug Substances**

For purposes of this division, prohibited drug substance means:

(a) any drug, substance, medication or chemical foreign to the horse, whether natural or synthetic, or a metabolite or analog thereof, whose use is not expressly authorized in this article.

**CHRB Rule 1843.3 – Penalties for Medication Violations**

(a) In reaching a decision on a penalty for a violation of Business and Professions Code section 19581, the Board, the board of stewards, the hearing officer or the administrative law judge shall consider the penalties set forth in subsections (d) and (e) of this Rule and any aggravating and mitigating circumstances. Deviation from these penalties is appropriate where the facts of the particular case warrant such a deviation, for example: there may be mitigating circumstances for which a lesser or no penalty is appropriate, and aggravating factors for which a greater penalty is appropriate. . .

(b) Mitigating circumstances and aggravating factors, which must be considered, include but are not limited to:

(1) The past record of the licensee regarding violations of Business and Professions Code section 19581;

(2) The potential of the drug(s) to influence a horse's racing performance and the amount of the drug present;

(3) The legal availability of the drug and whether the drug was prescribed to the horse by a California Horse Racing Board (CHRB) licensed veterinarian;

(4) Whether there is reason to believe the responsible party knew of the administration of the drug or intentionally administered the drug;

(5) The steps taken by the trainer to safeguard the horse;

(6) The steps taken by an owner to safeguard against subsequent medication violations including, but not limited to, the transfer of the horse(s) to an unaffiliated trainer;

(A) "Unaffiliated trainer" means a trainer or an assistant trainer who is not related by blood, marriage or domestic partnership, or who is not or was never employed by the trainer from whose care such horse(s) were transferred.

(7) The probability of environmental contamination or inadvertent exposure due to human drug use or other factors;

(8) The purse of the race;

(9) Whether the drug found to be present in the official test sample was one for which the horse was receiving treatment as determined and documented through the process described in Rule 1842 of this division;

(1) Whether there was any suspicious wagering pattern on the race;

(11) Whether the licensed trainer was acting under the advice of a CHRB licensed veterinarian.

(c) The Board shall consider the classification of a drug substance as referred to in Rule 1843.2 of this division and the California Horse Racing Board (CHRB)

Penalty Categories Listing by Classification (Rev. 02/21), which is hereby incorporated by reference, if a determination is made that an official sample from a horse contained:

(1) Any drug substance, medication, metabolites or analogues thereof foreign to the horse, whose use is not expressly authorized in this division, or

(2) Any drug substance, medication or chemical authorized by this article in excess of the authorized level or other restrictions as set forth in the article.

(d) Penalties for violation of each classification level are as follows:

. . .

**CATEGORY "A" PENALTIES**

| LICENSED OWNER: | | |
|---|---|---|
| **1st offense** | **2nd LIFETIME offense in owner's stable** | **3rd LIFETIME offense in owner's stable** |
| • Disqualification of horse and loss of purse. | • Disqualification of horse and loss of purse. | • Disqualification of horse, loss of purse and absent mitigating circumstances, minimum fine of $10,000. The presence of aggravating factors could be used to impose a maximum fine of $50,000. |
| **AND** | **AND** | **AND** |
| • Horse may be placed on the veterinarian's list for up to 90 days and must pass a Board - approved examination pursuant to Rule 1846 before becoming eligible to be entered. | • Horse shall be placed on the veterinarian's list for up to 120 days and must pass a Board - approved examination pursuant to Rule 1846 before becoming eligible to be entered. | • Horse shall be placed on the veterinarian's list for up to 180 days and must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered. |
| **AND** | **AND** | **AND** |
| • Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1. | • Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1. | • Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1. |
| | | **AND** |
| | | • Referral to the Board with a recommendation of a suspension of owners license for a minimum of 90 days. |

(h) Any drug or its metabolite or analogue thereof found to be present in an official test sample that is not classified in Rule 1843.2 of this division shall be classified as a Class 1 substance and a Category "A" penalty until classified by the Board.

**CHRB Rule 1843.4 – Multiple Medication Violations (MMV)**

(d) Multiple positive tests for the same medication incurred by a trainer prior to delivery of official notice by the Board may be treated as a single violation. . . .

**CHRB Rule 1869 – Prohibited Drug Substances in Out-of-Competition Testing.**

(a) In addition to those drugs, substances, doping agents, and medications described in rule 1867(a), the following substances are prohibited from being present in any official out-of-competition test sample collected in accordance with Rules 1859, 1859.1 and 1859.25:

. . .

(7) Beta-2 agonists, including all optical isomers [except clenbuterol and albuterol pursuant to veterinary prescription]

. . .

(c) A finding by the official laboratory that an official out-of-competition test sample taken from a horse contains a drug substance or its metabolites or analogues which is prohibited under this regulation shall be prima facie evidence the drug substance has been administered to the horse.

. . .

(2) If the official out-of-competition test sample was obtained inside a licensed enclosure, the trainer is the absolute insurer of and responsible for the condition of the horses under his or her care, regardless of the acts of third parties, excepts as otherwise provided in this article, and may be fined, and/or have his or her license suspended or revoked.

(3) The defenses described in Rule 1888 shall be available to any person charged with a violation of this regulation.

(d) The Board, the board of stewards, the hearing officer, or the administrative law judge shall assess a penalty for violation of this section based upon the classifications and penalties set forth in Rules 1843.2 and 1843.3

**CHRB Rule 1887 – Trainer or Owner to Insure Condition of Horse**

(a) The trainer is the absolute insurer of and responsible for the condition of the horses entered in a race, regardless of the acts of third parties, except as otherwise provided in this article. If the chemical or other analysis of urine or blood test samples or other tests, prove positive showing the presence of any prohibited drug substance defined in Rule 1843.1 of this division, the trainer of the horse may be fined, his/her license suspended or revoked, or be ruled off. In addition, the owner of the horse, foreman in charge of the horse, groom, and any other person shown to have had the care or attendance of the horse, may be fined, his/her license suspended, revoked, or be ruled off. The owner of a ship-in horse is the joint-absolute insurer of and is equally responsible for the condition of the horse entered in a race.

(b) A ship-in horse is defined as any horse entered to race that has not been in the care of a Board-licensed trainer for seven consecutive calendar days prior to the day of the race for which it is entered.

(c) Notwithstanding the above, if the Board or its agents fail to notify a trainer or the owner of a ship-in horse of a potential positive test within 21 calendar days from the date the sample was taken, the trainer or the owner of a ship-in horse shall not be deemed responsible under this rule unless it is shown by the preponderance of the evidence that the trainer or the owner of a ship-in horse administered the drug or other prohibited substance defined in rule 1843.1 of this division, caused the administration or had knowledge of the administration.

## LIST OF EXHIBITS

The following exhibits from the Complaints against CHRB licensed trainer Monty Arrossa (24LA0279, 24LA0280, 24LA0289, 24LA0290, and 24LA0298 were admitted into evidence:

**Arrossa Exhibits**

Exhibit 101: Complaint Packet for Case No. 24LA0289 (AMERICAN DREAMIN)

Exhibit 102: Complaint Packet for Case No. 24LA0280 (AMERICAN DREAMIN)

Exhibit 103: Complaint Packet for Case No. 24LA0298 (AMERICAN DREAMIN)

Exhibit 104: Complaint Packet for Case No. 24LA0279 (BLOOD VIPER)

Exhibit 105: Positive Test Notification Packet for Case No. 24LA0290 (erroneously identified as Complaint Packet for Case No. 24LA0290; see CHRB Ex. B) (AB SEIS CORAZONES)

Exhibit 106: UC Davis Maddy Lab Report re Sample **NC38924** (Case No. 24LA0280; AMERICAN DREAMIN sample taken October 20, 2024)

Exhibit 107: UC Davis Maddy Lab Report re Sample **NC38927** (Case No. 24LA0279; BLOOD VIPER sample taken October 20, 2024)

Exhibit 108: UC Davis Maddy Lab Report re Sample **PR01266** (Case No. 24LA0289; AMERICAN DREAMIN sample taken October 27, 2024)

Exhibit 109: UC Davis Maddy Lab Report re Sample **PR03049** (Case No. 24LA0290; AB SEIS CORAZONES sample taken November 10, 2024)

Exhibit 110: UC Davis Maddy Lab Report re Sample **NC51816** (Case No. 24LA0298; AMERICAN DREAMIN sample taken November 30, 2024)

Exhibit 111: Industrial Lab Documentation re Sample **NC38924** (Case No. 24LA0280; AMERICAN DREAMIN sample taken October 20, 2024)

Exhibit 112: Industrial Lab Documentation re Sample **NC38927** (Case No. 24LA0279; BLOOD VIPER sample taken October 20, 2024)

Exhibit 113: Industrial Lab Documentation re Sample **PR01266** (Case No. 24LA0289; AMERICAN DREAMIN sample taken October 27, 2024)

Exhibit 114: Industrial Lab Documentation re Sample **PR03049** (Case No. 24LA0290; AB SEIS CORAZONES sample taken November 10, 2024)

Exhibit 115: Industrial Lab Documentation re Sample **NC51816** (Case No. 24LA0298; AMERICAN DREAMIN sample taken November 30, 2024)

Exhibit 116: UC Davis Subpoena

Exhibit 117: UC Davis Subpoena Response (pages 147-148, 252-256, 340-341, 374-387 (see March 5, 2026 hearing transcript at 117:3-9, 15-20)]

Exhibit 118: UC Davis Method Validation Data

Exhibit 119: UC Davis Confirmation Validation Data

Exhibit 120: Industrial Lab Subpoena

Exhibit 121: UC Davis Documentation re Sample **NC63786** (blood) (sample taken October 20, 2024)

Exhibit 122: UC Davis Documentation re Sample **NC63788** (blood) (sample taken October 20, 2024)

Exhibit 123: UC Davis Documentation re Sample **PR01266** (blood) (AMERICAN DREAMIN sample taken October 27, 2024)

Exhibit 124: Ohio Lab Documentation re Sample **NC63770** (blood); Sample **NC63786** (blood); Sample **NC63788** (blood); Sample **PR01266** (blood) (AMERICAN DREAMIN sample taken October 27, 2024)

**CHRB Exhibits:**

Exhibit A: Official Ruling of the Board of Stewards, Los Alamitos Quarter Horse Racing Association, March 22, 2025, Rule #31 (disqualifying AB Seis Corazones, the second place finisher in the ninth race at Los Alamitos Race Course on November 10, 2024 due to the presence of Carmoterol in a post-race urine sample)

Exhibit B: Complaint Packet for Case No.24LA0290 (AB SEIS CORAZONES)

The following additional exhibits were admitted:

Exhibit 201: CHRB Complaint in Case No. 26LA0009 against Dunn Ranch, LLC, Matthew Dunn and Bendi Dunn

Exhibit 202: Transcript of Proceedings on March 4, 2026 (Day one of hearing in CHRB Complaints against Arrossa)

Exhibit 203: Transcript of Proceedings on March 5, 2026 (Day two of hearing in CHRB Complaints against Arrossa);

Exhibit 204: Maddy Equine Laboratory Log

Exhibit 205: FedEx Package Airbill

Exhibit 206: Horse Profile – "American Dreamin"

Exhibit 207: Horse Profile – "Blood Viper"

Exhibit 208: Horse Profile – "AB Seis Corazones"

Exhibit 209: Dunn Ranch Press Release

Exhibit 210: New Mexico Racing Commission Ruling re Trainer Trey Wood

## LIST OF WITNESSES

CHRB Licensed Owner Matthew Dunn

CHRB Licensed Owner Bendi Dunn

Dr. Benjamin Moeller, section head of Kenneth L. Maddy Equine Analytical Chemistry Laboratory at UC Davis.

## FACTUAL FINDINGS

I.

The horses **BLOOD VIPER, AMERICAN DREAMIN** and **AB SEIS CORAZONES** were, at all times relevant hereto, owned by Dunn Ranch, LLC (CHRB License No. 601658). Matthew Dunn (CHRB License No. 326204) and Bendi Dunn (CHRB License No. 328474) are the sole owners of Dunn Ranch. (Ex. 202 [M. Dunn at 75:21-76:2].)

II.

On **October 20, 2024**, an Out-of-Competition urine sample, #**NC38927**, was taken from the horse **BLOOD VIPER**. CHRB licensed trainer Monty Arrossa was the trainer of record of the horse. Sample #NC38927 was tested by the CHRB official lab and was found to contain Carmoterol. Arrossa and the Dunns were notified of the positive finding on **November 9, 2024**. (Closing Brief of Dunn Ranch, L.L.C., Matthew Dunn, and Bendi Dunn ("Dunn Closing Brief") Appendix.) At Arrossa's request, a split sample was tested by Industrial Laboratory, who confirmed the presence of Carmoterol. (Exs. 104, 107, 112; Ex. 202 [Moeller at 202:23-203:6]; Ex. 203 [Scott at 190:24-182:2].

III.

On **October 20, 2024**, an Out-of-Competition urine sample, **#NC38924**, was taken from the horse **AMERICAN DREAMIN**. Arrossa was the trainer of record of the horse. Sample #NC38924 was tested by the CHRB official lab and was found to contain Carmoterol. Arrossa and the Dunns were notified of the positive finding on **November 9, 2024**. (Dunn Closing Brief Appendix.) At Arrossa's request, a split sample was tested by Industrial Laboratory, who confirmed the presence of Carmoterol. (Exs. 102, 106, 111; Ex. 202 [Moeller at 196:10-19]; Ex. 203 [Scott at 173:14-25].)

IV.

Arrossa was the trainer of the horse **AMERICAN DREAMIN** which ran in race #10 at Los Alamitos Race Course on **October 27, 2024** and finished first. A post-race urine sample, **#PR01266**, was tested by the CHRB official lab and was found to contain Carmoterol. Arrossa and the Dunns were notified of the positive finding on **November 30, 2024**. (Dunn Closing Brief Appendix.) Arrossa requested a split sample; however, because he was notified 34 calendar days after the sample was taken, a split sample was no longer available for testing, having been discarded according to CHRB regular retention policies. As such, the remaining original sample was sent to Industrial Laboratories, who confirmed the CHRB official lab's finding of the presence of Carmoterol. (Exs. 101, 108, 113; Ex. 202 [Moeller at 192:2-10]; Ex. 203 [Scott at 168:12-170:18].) Arrossa's appeal of the disqualification of **AMERICAN DREAMIN** pursuant to CHRB Rule

1859.5 based on the finding of Carmoterol in the post-race urine sample taken from the horse was denied on March 12, 2026. (See Decision in the matter of Appeal of the Board of Stewards Official Ruling #32, Los Alamitos Quarter Horse Association, Monty Arrossa, Trainer, CHRB Case No. SAC 25-010.) The purse earned by **AMERICAN DREAMIN** of $439,656.00 was forfeited. (Stewards Ruling LAQL032, March 22, 2025.)

V.

Arrossa was the trainer of the horse **AB SEIS CORAZONES** which ran in race 9 at Los Alamitos Race Course on **November 10, 2024** and finished second. A post-race urine sample, **#PR03049**, was tested by the CHRB official lab and was found to contain Carmoterol. Arrossa and the Dunns were notified of the positive finding on **November 30, 2024**. (Dunn Closing Brief Appendix.) At Arrossa's request, a split sample was tested by Industrial Laboratory, who confirmed the presence of Carmoterol. (Exs. B, 109, 114; Ex. 202 [Moeller at 205:12-19]; Ex. 203 [Scott at 182:3-18; 182:19-183:1].) **AB SEIS CORAZONES** was disqualified and the $129,710.00 purse earned was forfeited. (Stewards Ruling LAQL031, March 22, 2025.)

VI.

On **November 30, 2024**, an Out-of-Competition urine sample, #**NC51816**, was taken from the horse **AMERICAN DREAMIN**. Arrossa was the trainer of record of the horse. Sample #NC51816 was tested by the CHRB official lab and was found to contain Carmoterol. Arrossa and the Dunns were notified of the positive finding on **December 20, 2024**. (Dunn Closing Brief Appendix.) At Arrossa's request, a split sample was tested by Industrial Laboratory, who confirmed the presence of Carmoterol. (Exs.103, 110, 115; Ex. 202 [Moeller at 200:13-22]; Ex. 203 [Scott at 178:13-16; 180:17-23].)

VII.

Carmoterol is classified by the CHRB as a Class 1 substance in penalty Category A. (Rule 1843.3(h) [substances not classified in Rule 1843.2 shall be classified as Class 1 substance and a Category "A" penalty until classified by the Board].) It is a bronchodilator and beta-2 agonist with performance enhancing characteristics. It is not approved by the FDA. Administration of Carmoterol to horses has the potential to cause serious side effects, including tachycardia,

arrhythmias, myocardial ischemia, tremors, and possibly rhabdomyolysis or "tying up." Administration of Carmoterol could result in cardiac death of a horse. (Ex. 202 [Blea at 108:20-109:22; 112:11-113:22; 141:6-142:22].)

IX.

It is undisputed that BLOOD VIPER, AMERICAN DREAMIN' and AB SEIS CORAZONES were not "ship-in horses" as that term is defined by CHRB Rule 1887. (*See* CHRB Reply Closing Brief at p. 3.) No evidence was presented that either Matthew Dunn or Bendi Dunn knew of, directed, authorized, ratified or participated in the administration of Carmoterol to any horse owned by Dunn Ranch, LLC and trained by Monty Arrossa. (April 14, 2026 Transcript ("Tr.") [M. Dunn at 45:22-51:10; 74:21-75:7; B. Dunn, April 14, 2026 at 88:24-89:11].) No evidence was presented that any horse owned by the Dunns had ever tested positive for a prohibited substance prior to the medication violations at issue here.

X.

The Dunns did not move their horses to another trainer after being notified of the positive findings for Carmoterol in their horses on November 9, November 30, and December 20, 2024. (Tr. [M. Dunn at 52:20-54:14.) Care of the Dunns' horses at Los Alamitos Race Track was transferred to Arrossa's assistant trainer Romero Castillo after Arrossa was charged with multiple Carmoterol positives and voluntarily stopped training in March, 2025. (Ex. 202 [B. Dunn at 95:7-12; M. Dunn, April 14, 2026 at 58:1-59:9].)

XI.

The Dunns removed their horses from Los Alamitos in or around December, 2025. (Tr. [M. Dunn at 59:1-24].) The Dunns are not currently racing any horses in California. (Tr. [M. Dunn at 33:2-7.) Matthew Dunn's CHRB license expired in August, 2026. (*See* Ex. 201.)

XII.

On December 11, 2025, three other horses trained by Arrossa and owned by the Dunns – "UP TO PARTY," "PARTY TIME TOM," and "SOUTHERN DIVINE," were disqualified from races run in 2024 and their purses forfeited pursuant to CHRB Rule 1859.5 [Disqualification Upon Positive Test Finding] due to the presence of Carmoterol in post-race urine samples taken from

those horses. (Ex. 202 [Arrossa at 17:5-23:24]; Rulings LAQL166, LAQL 170 and LAQL172 (Dec. 11, 2025); see https://www.chrb.ca.gov/stewards_rulings.aspx.) Arrossa testified that he has appealed these disqualifications. (Ex. 202 [Arrossa at 19:9-19].)

## DISCUSSION OF ISSUES

### A. Carmoterol Was Detected in the Five Urine Samples at Issue by the CHRB Official Chemist and the Split Sample Testing Lab.

The parties stipulated that the evidence presented in the hearing on the CHRB complaints against trainer Monty Arrossa would be admitted into evidence here. (Tr. at 1:7-21.) The CHRB presented substantial evidence at that hearing of the official chemist's finding of the presence of Carmoterol in the five urine samples at issue here. (*See* CHRB Decision in Case Nos. 24LA0280, 24LA0279, 24LA0290, 24LA0289, 24LA0298, dated September 11, 2026.)

Carmoterol is not approved by the FDA and no witness could identify any means by which environmental contamination could result in a Carmoterol positive test. (*See* Ex. 202 [Blea at 153:24-154:10; Moeller at 163:25-164:2].) The only reasonable inference to be drawn from a finding of Carmoterol in a test sample is that it was deliberately administered with the intent to enhance the horse's performance.

### B. As Owners, The Dunns May be Penalized for Culpable Conduct Resulting in Medication Violations Regardless of Whether They Had Care or Attendance of Their Horses.

CHRB Rule 1887(a) makes the trainer the absolute insurer of the horse's condition, and separately provides that upon a positive test showing the presence of a prohibited substance "the owner of the horse" – among others – "may be fined, his/her license suspended, revoked, or be ruled off". Pursuant to CHRB Rule 1843(d), a finding by an official chemist that a test sample taken from a horse contains a banned substance "shall be prima facie evidence that the trainer and his/her agents responsible for the care of the horse has/have been negligent in the care of the horse."

The owner is a co-insurer of the horse's condition only for ship-in horses. Otherwise, owners may be penalized for medication violations only upon a showing of "guilty conduct or culpable negligence." (*Sandstrom v. Cal. Horse Racing Bd.* (1948) 31 Cal.2d 401, 409.) Before

imposing a penalty on trainers or owners, the CHRB must consider "all the facts, circumstances, acts, and intent of the licensee." (Cal. Gov. Code §19582.) By contrast, a horse may be disqualified and winnings forfeited upon a positive finding of a prohibited substance in a post race sample, regardless of fault. (CHRB Rule 1859.5; *see Lavin v. Cal. Horse Racing Bd.* (1997) 57 Cal.App.4th 263.)

The Dunns argue that Rule 1887(a) requires the CHRB to show that they had the "care or attendance" of the horses before any penalty may be imposed upon them resulting from the positive tests. But in making this argument, the Dunns misread the plain language of the rule, which provides, in pertinent part, that

> **[T]he owner of the horse**, foreman in charge of the horse, groom, **and any other person shown to have had the care or attendance of the horse**, may be fined, his/her license suspended, revoked, or be ruled off.

(CHRB Rule 1887(a) [emphasis added].) The rules of statutory construction apply to interpretation of administrative regulations and provide that the language of a rule must be given its plain, commonsense meaning. (*Butts v. Board of Trustees of Cal. State Univ.* (2014) 225 Cal.App.4th 825, 835-836.) The fundamental objective is "to ascertain and effectuate the intent of the agency issuing the regulation." The agency's interpretation of its own regulation is entitled to "great weight and deference, unless the interpretation is unauthorized or clearly erroneous." The regulation is not considered in isolation, but instead must be read "with reference to the scheme of law of which it is a part." (*Environmental Health Advocates, Inc. v. Pancho Villa's Inc.* (2026) 118 Cal.App.5th 778, 796 [internal citations omitted].)

The plain language of the rule does not require the CHRB to show that an owner had the care or attendance of the horse as a prerequisite to issuing a penalty based on the finding of a prohibited substance in a sample taken from a horse entered in a race. Instead, the CHRB must make that showing for any person who is <u>not</u> an owner, foreman in charge of the horse, or the groom. And, if that showing is made, persons shown to have had the care or attendance of the horse are presumed negligent pursuant to CHRB Rule 1843(d). This interpretation effectuates the CHRB's intent in enacting these regulations to "protect the integrity of horse racing, to guard the

health of the horse, and to safeguard the interests of the public and the racing participants through the prohibition or control of all drugs, medications and drug substances foreign to the horse." (CHRB Rule 1843; Cal. Gov. Code §19440(a)(1) [CHRB is responsible for adopting rules and regulations that protect the health, safety, welfare, and aftercare of racehorses].)

Because there was no evidence that the Dunns had the care and attendance of their horses, the CHRB was not entitled to the presumption of negligence afforded by CHRB Rule 1843(d). But the CHRB could still present evidence that the Dunns, as horse owners, were negligent, and that their negligence had some causal relationship to the medication positives at issue. For example, the evidence may show that an owner authorized or ratified the administration of a prohibited substance to a horse, or learned that the horse's trainer had administered a prohibited substance to a horse, then failed to take actions (such as moving the horse to an unaffiliated trainer) to safeguard against future medication violations. (*See* CHRB Rule 1843.3(a)(6) [identifying as a mitigating or aggravating factor in imposing penalties for medication violations "[t]he steps taken by an owner to safeguard against subsequent medication violations including, but not limited to, the transfer of the horse(s) to an unaffiliated trainer"].)

The CHRB decisions cited by the Dunns in their post-hearing brief are neither binding nor persuasive. (*See* Cal. Gov. Code §11425.60(a) [an administrative agency decision may not be expressly relied on as precedent unless it is designated as a precedent decision by the agency].) In both, the CHRB found that those owners did have care and attendance of the horses at issue, but made no finding that such a showing was a prerequisite to liability under the applicable rules. (*See CHRB v. Acosta,* Case No. SAC 14-0014 [cited by the Dunns as *CHRB v. January*]; *CHRB v. Gonzalez*, Case No. 15LA0149.)

The Dunns also argued that the CHRB did not notify them of a positive test result for the sample taken on October 21, 2024 within 21 calendar days, and as such they may not be deemed responsible unless the CHRB proves by a preponderance of the evidence that they administered the drug, caused its administration or had knowledge of it, pursuant to Rule 1887(c). But as the CHRB points out, because the samples at issue were not taken from a ship-in horse, Rule 1887(c) does not apply here.

### C. The Dunns Engaged in No Culpable Conduct in Connection with the First Three Carmoterol Positives.

The evidence is undisputed that the Dunns did not have the care and attendance of their horses during the relevant time period; instead, their trainer, Monty Arrossa did. Unquestionably, the Dunns were entitled to delegate care and control of their horses to Arrossa, and to rely on his expertise. The racing rules impose a much higher duty of care on trainers than owners, because the trainers are primarily responsible for the horses' day to day welfare. (*See* CHRB Rule 1894.) To be licensed, trainers must pass written, oral and practical examinations, and must participate in continuing education. (CHRB Rules 1503, 1503.5.) As noted above, trainers are the absolute insurers of the condition of the horses in their care. (CHRB Rule 1887.) The Dunns are licensed as owners, not trainers. They live and work out of state and rarely visited Arrossa's stable area. (Matthew Dunn, April 14, 2026 at 62:19-63:13; 64:2-18.) They were "hands off" with Arrossa and relied on him to do his job. (Ex. 202 [M. Dunn at 79:1-25; Tr. [M. Dunn April 14, 2026 at 67:7-11].)

The Dunns are well aware of the medication rules. Matthew Dunn testified that the first thing he tells any trainer he hires is "[W]e are high profile. Do not give us a bad test. Do not cheat with our horses." (Tr. [M. Dunn at 46:17-52:12.) In fact, the Dunns fired New Mexico trainer Trey Wood after hearing rumors that one of the horses in his care tested positive for albuterol. (*Id.* at 75:15-76:19.) No evidence was presented that any horse owned by the Dunns had tested positive for a prohibited substance prior to the spate of Carmoterol positives in horses trained by Arrossa. Further, the CHRB presented no evidence that the Dunns had prior knowledge of or involvement in the administration of Carmoterol to their horses. As such, prior to November 9, 2024 when the Dunns were notified of the first two Carmoterol positives, they were justified in continuing to delegate responsibility for their horses' care to Arrossa, based on their assessment of their horses' condition. (*See* Ex. 202 [M. Dunn at 77:4-15]; Tr. [M. Dunn at 51:10-52:19].)

The sample resulting in the third positive test was taken on October 27, 2024, before the Dunns received notice of any positive test on November 9, 2024. The record evidence supports the conclusion that the Dunns had no involvement in or prior knowledge of the administration of the

first three positive tests, and could not reasonably have taken steps to prevent them. (*See* Dunn Closing Brief Appendix showing timing of notifications attached hereto.)

**D. The Dunns Could Have Acted to Prevent the Fourth and Fifth Medication Positive by Scratching AB SEIS CORAZONES from the November 10, 2024 Race and Promptly Moving Their Horses to an Unaffiliated Trainer.**

Matthew Dunn testified that when Arrossa called him on November 9, 2024 to tell him about the first two positive tests, he was "very surprised." (Ex. 202 [M. Dunn at 80:6- 81:7].) Bendi Dunn heard their conversation and testified that she and her husband were "very shocked and upset." (Tr. [B. Dunn at 88:7-23].) Arrossa told Matthew Dunn he had never heard of Carmoterol, he had not administered it to Dunn's horses and didn't know what was going on. (Ex. 202 [Arrossa at 49:8-50-18; M. Dunn at 89:2-18].) Dunn believed him. (Tr. [M. Dunn at 47:13-16].) He understood that Arrossa took steps to increase barn security by installing additional surveillance cameras. (Ex. 202 [M. Dunn at 84:19-25].)

With the knowledge that two of their horses had tested positive for a banned substance, the Dunns allowed **AB SEIS CORAZONES** to race on November 10, 2024. That horse ran second and earned $129,710, then tested positive for Carmoterol. Under the circumstances, the Dunns should have scratched the horse and taken steps to prevent additional medication violations. But Matthew Dunn testified did not consider moving his horses, even though he had fired another trainer based on a rumor that a horse he trained had tested positive for albuterol. (Tr. [M. Dunn, at 75:15-76:19; B. Dunn at 83:24-89:17].) Dunn testified that he had considered firing Arrossa, but as far as he was aware, there was not another trainer at Los Alamitos with stalls and the capability to care for the Dunn's 40 horses. (Tr. [M. Dunn at 53:8-54:1].) But regardless, the Dunns could have moved their horses off the property, as they eventually did in December, 2025. (*See* Tr. [M. Dunn at 59:1-24].) The fact that two of their horses had tested positive for an illegal performance-enhancing substance should reasonably have caused them to take whatever steps necessary to prevent future positive tests and ensure the safety and welfare of their horses. Had they moved their horses promptly after learning of the first two positives, the fourth and fifth Carmoterol positives

may have been avoided. Notably, that fifth sample, taken from **AMERICAN DREAMIN**, was the third positive Carmoterol test for that horse.

Further, although the evidence suggested that Matthew Dunn was primarily responsible for overseeing the training and care of the Dunn Ranch racehorses, Bendi Dunn is also an experienced horsewoman and co-owner of Dunn Ranch and the 40 Dunn Ranch horses trained by Arrossa at Los Alamitos. Once she was notified that two of her horses had tested positive for an illicit substance, she could not escape the duty to act by delegating decision-making to her husband any more than her husband could escape that duty by delegating decision-making to Arrossa.

**E. Penalty.**

Because there is no evidence that the Dunns knew or should have known prior to November 9, 2024 that Carmoterol had been administered to their horses, no penalty should be imposed on them with respect to the positive tests from the three samples taken on October 20 and October 27, 2024. With respect to the post-race sample taken on November 10 and the out-of-competition sample taken on November 30, 2024, the Dunns were negligent in failing to take action to prevent future medication violations.

In determining an appropriate penalty Rule 1843.3 provides that the Hearing Officer shall consider the penalties set forth in subsections (d) and (e) of that Rule and any aggravating and mitigating circumstances. Deviation from the penalty guidelines is appropriate where warranted by the facts presented in a particular case.

Here, the Dunns are liable for two medication violations involving Class 1 substances in penalty category A. Rule 1843.3's guidelines provide for an owner's first and second Category A medication violation provide for disqualification of the horse and forfeiture of the purse; placement of the horse on the veterinarian's list for 90 to 120 days, subject to a Board approved veterinarian's examination pursuant to Rule 1846 before becoming eligible to be entered in any future face, and drug testing at the owner's expense.

The Dunns have no record of prior medication violations, and there is no reason to believe they knew of the administration of or intentionally administered the drug. These are mitigating factors. (*See* CHRB Rule 1843(b)(1) and (4).) Aggravating factors include: the potential of the

drug to influence a horse's racing performance; the fact that the drug was not legally available; the Dunns' failure to take any steps to safeguard against subsequent medication violations; and the purse of the November 10, 2024 race. (*See* CHRB Rule 1843(b)(2), (3) (6) and (8).)

Two of the tests at issue here resulted in disqualifications and purse forfeitures totaling $569,366.00. The Dunns removed their horses from Los Alamitos and are no longer racing any horses in California; Matthew Dunn's license has expired. Nevertheless, their failure to act in the face of evidence of serious wrongdoing involving their horses warrants upward deviation from Rule 1843.3's penalty guidelines. It is the recommendation of this Hearing Officer that the licenses of Dunn Ranch, LLC, Matthew Dunn and Bendi Dunn be suspended for 90 days, with Matthew Dunn's suspension to be imposed upon renewal, if any, of his CHRB license, and that a $10,000 fine be imposed jointly and severally on Dunn Ranch, LLC, Matthew Dunn and Bendi Dunn.

DATED: November 4, 2026

By Shauna Avrith
Shauna Weeks Avrith
Hearing Officer

**APPENDIX FROM DUNN CLOSING BRIEF**

| Case No. | SAMPLE No. | HORSE | COLLECTION DATE | NOTICE DATE |
|---|---|---|---|---|
| 24LA0280 | NC38924 | American Dreamin | 10/20/24 | 11/09/24 |
| 24LA0279 | NC38927 | Blood Viper | 10/20/24 | 11/09/24 |
| 24LA0289 | PR01266 | American Dreamin | 10/27/24 | 11/30/24 |
| 24LA0290 | PR03049 | AB Seis Corazon | 11/10/24 | 11/30/24 |
| 24LA0298 | NC51816 | American Dreamin | 11/30/24 | 12/20/24 |