

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of: )

)

Regular Meeting )

)

CALIFORNIA EXPOSITION AND STATE FAIR GRANDSTAND

1600 EXPOSITION BOULEVARD

SACRAMENTO, CA

THURSDAY, OCTOBER 20, 2022

9:30 A.M.

Reported by:

Martha Nelson

APPEARANCES

BOARD MEMBERS

Gregory Ferraro, Chairman  
Oscar Gonzales, Vice Chair  
Dennis Alfieri, Commissioner  
Wendy Mitchell, Commissioner  
Damascus Castellanos, Commissioner  
Brenda Washington Davis, Commissioner

STAFF

Scott Chaney, Executive Director  
Cynthia Alameda, Assistant Executive Director  
Amanda Brown, Staff Counsel  
Jeff Blea, Equine Medical Director

ALSO PRESENT

Josh Rubenstein, Del Mar Thoroughbred Club  
Craig Fravel, The Stronach Group and Golden Gate Fields  
Alan Balch, California Thoroughbred Trainers  
Christina Wong, Baker McKenzie  
Tom Robbins, Del Mar Thoroughbred Club  
David Duggan, Golden Gate Fields  
Ed Cummings, Watch and Wager  
Ben Kenney, Watch and Wager  
Christopher Schick, Watch and Wager  
Larry Swartzlander, California Authority of Racing Fairs

APPEARANCES

ALSO PRESENT

Becky Bartling, Sonoma County Fair

Jim Morgan, Humboldt County Fair

Tom Martinez, Cal Expo

Gary Fenton, Thorough Owners of California

Jerome Hoban, California Authority of Racing Fairs

Matt Brott, Jockeys' Guild

PUBLIC COMMENT

Tweed Conrad

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11. Public Comment: Communications, reports, requests 137  
for future actions of the Board. Note: During the public comment period, a total of thirty minutes will be allowed for public comments via the teleconference line. After thirty minutes, no further comments will be accepted. Each person will be limited to two minutes.
12. Closed Session: For the purpose of receiving 140  
advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by section 11126 of the Government Code.
- 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

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PAGEClosed Session:

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).

Adjournment

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P R O C E E D I N G S

9:30 A.M.

THURSDAY, OCTOBER 20, 2022

CHAIR FERRARO: Good morning, everyone. We will begin the meeting, if everyone can have a seat. I have to make a few opening comments.

Ladies and gentlemen, this meeting of the California Horse Racing Board will please come to order. This is a regular noticed meeting of the California Horse Racing Board on Thursday, October 10th -- October 20th, excuse me, 2022, at the California Exposition and State Fair Grandstand, in Sacramento, California.

Present at today's meeting are: myself, Dr. Gregory Ferraro, Chair; Oscar Gonzales, Vice Chair; Dennis Alfieri, Commissioner; Damascus Castellanos, Commissioner; Brenda Washington Davis, Commissioner; Thomas Hudnut, Commissioner, Scott Chaney, Executive Director. Commissioner Wendy Mitchell is unable to join us today.

Before we go into the business of the meeting, the Board -- I have a comments to make.

The Board invites public comment on matters appearing on the meeting agenda. Procedurally, the Board will first hear from those directly involved in the agenda item. I will then invite public comment on the agenda

1 item. The Board will not answer questions. This item is  
2 for comment only, not questions.

3 Unsolicited speakers are limited to two minutes.

4 During all public comments a sign will be raised after the  
5 first 90 seconds, meaning the speaker will have 30 seconds  
6 remaining to conclude their remarks. At two minutes a  
7 second sign will be raised to indicate the speaker's time is  
8 up. The Board may ask questions of individuals who speak  
9 which may extend their two-minute time limit.

10 There are public comment sign-in sheets located at  
11 the designated table for each agenda item on which the Board  
12 invites comments. There is also a sign-in sheet for those  
13 wishing to speak during the public comment period for  
14 matters not on the Board's agenda if it concerns horse  
15 racing in California. Please print your name legibly on  
16 all sign-in sheets.

17 When a matter is open for public comment, your  
18 name will be called. Please come to the podium and  
19 introduce yourself by stating your name and organization.  
20 This is necessary for the court reporter to have a clear  
21 record of all who speak. When your two minutes are up, I  
22 will ask you to return to your seat so that others can be  
23 heard.

24 I will insist that all speakers stay strictly on  
25 topic for each agenda item. If a speaker strays off topic,

1 I will ask to move on to the next speaker. If a speaker  
2 repeats themselves, I will ask if the speaker has any new  
3 comments to make. If there are none, the speaker will be  
4 asked to let others comment.

5 If anyone has comments of a more general nature  
6 that are not specific to earlier agenda items, those  
7 comments must wait until agenda item number 11, Public  
8 Comment. There will be a 30-minute time limit for public  
9 comment. In order to allow as many individuals to speak as  
10 possible within that half-hour, I will strictly enforce the  
11 two-minute time limit for each individual speaker.

12 And with that, we can proceed.

13 First item on our agenda is approval of the  
14 minutes. Any comments or corrections from the Board?

15 Do we have public comment on this? No.

16 Can I have a motion to approve?

17 COMMISSIONER DAVIS: Davis moves.

18 COMMISSIONER HUDNUT: Hudnut. Second.

19 CHAIR FERRARO: It's been moved and seconded.

20 Commissioner Castellanos?

21 COMMISSIONER CASTELLANOS: Yes.

22 CHAIR FERRARO: Commissioner Alfieri?

23 COMMISSIONER ALFIERI: Yes.

24 CHAIR FERRARO: Commissioner Gonzales?

25 COMMISSIONER GONZALES: Yes.

1 CHAIR FERRARO: Commissioner Davis?

2 COMMISSIONER DAVIS: Yes.

3 CHAIR FERRARO: Commissioner Hudnut?

4 COMMISSIONER HUDNUT: Yes.

5 CHAIR FERRARO: And the Chairman votes yes. Thank  
6 you.

7 Item number two, discussion and action regarding  
8 the adjudication of Race Meet Agreement pursuant to CHRB  
9 Rule 2044 for applications submitted for Board consideration  
10 during the October Board meeting that do not have a current  
11 RMA.

12 I'm going to have our Executive Director open the  
13 comments, but we asked for the industry people to make their  
14 comments. In order to expedite this matter, I'm going to  
15 limit each of you to three minutes. We don't need to hear  
16 about the past or the complaints or whatever. We just want  
17 to know what your current position is on the Race Meet  
18 Agreement.

19 Mr. Chaney?

20 EXECUTIVE DIRECTOR CHANEY: Yeah. I mean, just to  
21 follow up, this was a suggestion by Commissioner Mitchell,  
22 last Board meeting, to the extent that the parties can come  
23 to an RMA. CHRB Rule 2044 allows the Board to impose one,  
24 if you will, after a hearing. This will be that hearing.

25 Just for the public's edification, the tracks, Del

1 Mar and Golden Gate Fields, as well as the CTT, have  
2 submitted a few documents after the digital packet was  
3 published. Those documents were distributed amongst the  
4 Board. They will be incorporated into the digital packet  
5 sometime today for the public's viewing. We also have hard  
6 copies here, should that be necessary.

7 If Craig and Josh, and maybe -- is it going to be  
8 Alan from the CTT or -- I'll point out for the Board that  
9 rule 2044 just provides for a hearing. It doesn't provide  
10 first specific procedures. So, really, this can be what the  
11 Chairman and the rest of the Board feels is necessary.

12 A/V REPRESENTATIVE: You're muted.

13 MR. RUBINSTEIN: Good morning, CHRB Commissioners  
14 and Staff. Josh Rubenstein, Del Mar Thoroughbred Club. As  
15 Executive Director Chaney said, we will be very brief.

16 So we are in agreement with a large majority of  
17 the Race Meet Agreement with CTT. However, there is one  
18 provision, exclusion, and the subsequent burden of proof  
19 that we cannot come to an agreement on.

20 And as we have said previously, the last thing we  
21 want to do is exclude a trainer. We are in the business to  
22 run races and run them safely. However, on the rare  
23 exception, when there's a bad actor that threatens the  
24 industry and our race meets, the tracks must be in a  
25 position to take action.

1           So in terms of moving forward, we've presented the  
2 Board with two options of a Race Meet Agreement. The first  
3 option, Option A, strips out the language that is under  
4 dispute, the exclusion language, and relies on the CHRB  
5 rules and regulations. So to simplify that, if a trainer  
6 was excluded, the trainer would have the ability to have a  
7 hearing with the CHRB. And if the CHRB decided that the  
8 tracks acted improperly, that trainer would -- excuse me --  
9 the trainer would be reinstated, very simple. We think that  
10 is the most practical, simple, and reasonable way to move  
11 forward.

12           We also have presented a second option, Option B,  
13 which lists reasons for exclusion. But as I said  
14 previously, the CHRB has its own rules and regulations the  
15 ability to deal with this issue.

16           MR. FRAVEL: So Craig Fravel, Stronach Group and  
17 Golden Gate Fields.

18           There was a question asked me this morning  
19 regarding exactly what our differences were with regard to  
20 the burden of proof. So I'll let Mr. Balch and his counsel  
21 describe their position. But I just wanted to read what our  
22 proposal was.

23           And I should add that we view the burden of proof  
24 as part and parcel of the overall grounds for exclusion, as  
25 well as the arbitration process that we came to an agreement

1 on which allows for notice and opportunity to be heard by  
2 the trainer a third party arbitrator who would ultimately  
3 make the final decision as to the propriety of our action.

4 But in order to do that, we felt, if we're going  
5 to agree to essentially waive our rights under Rule 1989,  
6 which Josh was describing, that our burden is to prove that  
7 we acted in good faith, that we had reasonable grounds for  
8 that decision based on a fair and substantial reason and did  
9 not discriminate on any improper basis against a particular  
10 trainer.

11 So the language that we have proposed, which is at  
12 least in the DMTC agreement on page 22, says,

13 "Burden of proof: DMTC shall have the initial burden to  
14 establish that, A, it had a reasonable belief that one  
15 or more of the specified grounds existed; B, it acted  
16 in good faith; C, it acted on the basis of a fair and  
17 substantial reason; D, It did not discriminate; and E,  
18 the adverse action was not manifestly disproportionate  
19 to the grounds relied upon. The trainer may then  
20 present evidence to rebut those grounds or to support  
21 any affirmative claims."

22 And our view, what the trainer position is, that  
23 we should prove the underlying allegations by preponderance  
24 of the evidence, requires us to engage in a level of  
25 discovery and proof that exceeds our ability to inquire. We

1 don't have subpoena power. We don't have the power to  
2 compel testimony. We don't have -- often don't have access  
3 to postmortem results, for example, on horses because many  
4 of those are protected under the Freedom of Information Act  
5 and not disclosed to us as a private party.

6           So we think it is entirely reasonable and  
7 consistent with both prior case law and Section 1989, that  
8 we retain the reasonable business judgment, that would be  
9 evaluated then by an arbitrator as to whether we exercise  
10 that properly, without having to prove the underlying  
11 allegations involved which is fundamentally the difference  
12 between the two of us.

13           So having said that, and in respect of your  
14 requests that we keep this brief, I will stop and just  
15 respond to questions, if there's a point in time for that.

16           CHAIR FERRARO: My first question is: Is there  
17 substantial difference between Del Mar and The Stronach  
18 Group's approach to this?

19           MR. FRAVEL: Only the names have been changed to  
20 protect the innocent.

21           CHAIR FERRARO: That's what I thought. And  
22 your --

23           MR. FRAVEL: No, there's no difference.

24           CHAIR FERRARO: -- your procedures that are  
25 described in your B suggestion talk about two meetings, a

1 meeting first within, I think, five days to determine the --

2 MR. FRAVEL: There is a difference between our  
3 version and Del Mar's version in that regard. In our  
4 version, we allow a second bite of the apple for the trainer  
5 after the first determinations. Then they may request a  
6 reconsideration, so they really get -- and to be honest with  
7 you, we're doing that to just be excessively careful in  
8 giving someone a chance to be heard. If they left a meeting  
9 and said, geez, I wish I had brought this up or that up and  
10 I wasn't prepared to respond to that, they get another crack  
11 at the apple. And I don't think -- sorry?

12 Oh, okay, there's no difference between us.

13 Sorry.

14 CHAIR FERRARO: Okay. So I'll ask you, and I'm  
15 going to ask Alan the same question, what I'm asking you, if  
16 you're going to have these hearings, and particularly when  
17 you get to arbitration, isn't it the hearing officer's duty  
18 to determine whether the burden of proof has been met?

19 MR. BALCH: Am I on?

20 CHAIR FERRARO: Not yet.

21 MR. BALCH: Oh, okay.

22 CHAIR FERRARO: I want these guys answered.

23 MR. BALCH: Okay.

24 MR. FRAVEL: Well, yeah, I think if there is an  
25 agreement that specifies the burden of proof, it would be

1 the obligation of the hearing officer to apply that  
2 understanding in the arbitration. But at the end of the  
3 day, you know, the hearing officer is going to evaluate the  
4 evidence, and on the basis of everything that they've seen  
5 in front of them, make the judgment as to whether we  
6 complied with the applicable standards.

7           And I will add, if you read carefully, the bases  
8 for exclusion that we agreed upon have to do with meeting  
9 industry standards of care, potential for adverse publicity  
10 or negative reputational injury to the racetrack and to  
11 other horsemen, for that matter. A lot of those involve  
12 judgments. I mean, they're not simply matters of proving  
13 certain facts. They are, you know, based upon the  
14 information we have available to us. You know, is someone  
15 going to fit within one of those specific guidelines? And I  
16 think to try and say with -- and some of them are easy.

17           For example, there's one that talks about somebody  
18 having a Class 1, 2 or 3 drug test. I mean, we have  
19 objective evidence on that. That's -- you know, it's not  
20 worth arguing about that. I think that's pretty clear. But  
21 there are a lot of other bases for exclusion that are going  
22 to involve judgments. And the hearing officer is going to  
23 look me in the eye or Josh in the eye, or whoever was  
24 actually making the decision, and ask us the basis upon  
25 which we made that and determine whether we acted in good

1 faith, whether we had some reason to do it, or if we're just  
2 being arbitrary. And we have no problem with that.

3 But I think to try and prove all of the underlying  
4 facts when we don't have that information easily available  
5 to us is the problem.

6 CHAIR FERRARO: Alan?

7 MR. BALCH: Alan Balch, California Thoroughbred  
8 Trainers. I'm accompanied today by Christina Wong of Baker  
9 McKenzie who is representing us.

10 We believe we have an agreement, based on an  
11 exchange of correspondence last night after the close of  
12 business which Mr. Chaney provided us and specifically  
13 provided us an opportunity to respond in writing, which all  
14 the Commissioners I hope have. And I verified with Mr.  
15 Fravel and Mr. Rubenstein that they have received it this  
16 morning.

17 So we believe we have a Race Meet Agreement, along  
18 the lines that we've been negotiating at this Board's  
19 direction for over 18 months, that includes dispute  
20 resolution process. We're agreed on the basis for  
21 exclusion. We're agreed on the legal standard. And I think  
22 we're agreed now on the long form dispute resolution, which  
23 begins with a meeting. And only after a meeting and some  
24 other intermediary steps does it -- does anything ever get  
25 to arbitration.

1           So the issue in front of this Board, we believe,  
2 today is the burden of proof in arbitration, in arbitration.  
3 And the last 12 years, I only know of one case that would  
4 have been in the arbitration. On a day-to-day-to-day basis,  
5 the things that come up would never even get to arbitration/  
6 The burden of proof wouldn't be an issue.

7           But I'm starting to get out of my depth as far as  
8 legal goes. And so I'm going to ask Christina to take it  
9 from here.

10           MS. WONG: Thank you. Good morning. Christina  
11 Wong from Baker McKenzie.

12           As I think both parties have agreed, the only  
13 issue here is that burden of proof. At the point, should we  
14 get to the point, where there's a dispute over action taken  
15 by the tracks to exclude a trainer and that dispute goes to  
16 arbitration. And the reason the burden of proof really is  
17 important and needs to be defined for the arbitrators is  
18 because that's going to give the arbitrators the rules of  
19 the road in terms of what is the standard that we're  
20 applying, how do we know if the conduct -- the action taken  
21 was justified and appropriate?

22           And what we're trying to do here, by inserting  
23 this burden of proof at that arbitration stage, is give the  
24 arbitrators or arbitrator the opportunity to understand what  
25 is being assessed and make a decision based on that burden.

1 We are not asking that this burden apply at the earlier  
2 stages where there's the initial meeting, where there's the  
3 conduct being discussed and the tracks make a decision.  
4 This is only when we get to the point where there is a  
5 dispute and that burdens can apply to that dispute  
6 resolution portion of the arbitration.

7 I think it's really important to keep that in mind  
8 because the arbitration is, essentially, a civil dispute.  
9 And over 230 years of American jurisprudence has held that  
10 in the civil disputes the burden of proof is a preponderance  
11 of an evidence -- of the evidence, and that's really what  
12 we're trying to apply here.

13 I do want to address a few points that were raised  
14 by the tracks, the first one being 1989. Now the tracks  
15 have referred back to this rule several times. I think it's  
16 very important that we look at the rule in context. When  
17 you pull Section 1989, it falls under Article 19 of the CHRB  
18 rules. And that section of the rules is titled "Policing  
19 the Public Enclosure." And it's important to look at this  
20 in context because the public enclosure is very different  
21 than the backstretch, the private enclosure. The public  
22 enclosure is accessible to the public, whereas the  
23 backstretch requires -- well, is restricted to authorized  
24 personnel. You need to have a license, an owner's license,  
25 a horseman's license, a trainer's license to even get to the

1 backstretch. You have to go through security. It is a  
2 gated area. For vehicles to come in and out, there must be  
3 approved access. And the individuals in the backstretch,  
4 the trainers, are our licensees.

5           1989 was enacted to regulate conduct in the public  
6 enclosure, the grandstand. And 1989 really doesn't apply to  
7 the situation we're talking about here, where there's a  
8 dispute, there's action taken against the trainer, the  
9 parties dispute it, we get to the point of arbitration.  
10 That's a very different situation than what's envisioned by  
11 1989 at the time that it was enacted. And I think it would  
12 be fair to say that the tracks recognize that.

13           In recent act litigation, including exclusion of a  
14 trainer, 1989 was not raised as a basis for exclusion  
15 because it applies, again, to the public enclosure, not the  
16 backstretch. And I think that's something really important  
17 to keep in mind because there is no need, from our  
18 perspective, the CTT's perspective, to reconcile 1989 with  
19 the procedures that we're putting in place for alternative  
20 dispute resolution.

21           The other point I would like to address is the  
22 issue of discovery that was raised by the tracks and the  
23 fact that, you know, the tracks are saying we don't have  
24 subpoena power. But that's not exactly true because the  
25 tracks are being supported by the full authority of the

1 CHRB. And the CHRB, as is recognized, is a law enforcement  
2 agency in the State of California and actually has subpoena  
3 power under California Rules, which I wrote it down, is  
4 California Business and Professions Code 19435. There is  
5 subpoena power, if necessary, if necessary.

6 But again, I do think that the -- or I'm sorry,  
7 excuse me. I do think that the tracks do have sufficient  
8 resources. The tracks are highly regulated. There is  
9 security on site. There are a lot of resources available to  
10 the tracks to collect evidence necessary for an arbitration  
11 proceeding, if need be. And I think it's important to  
12 contrast that to the resources of a trainer. An individual  
13 trainer is not going to have that ability to collect  
14 security discovery, or have the resources, whether it be  
15 financial resources or resources in terms of legal  
16 education, to have to carry that burden of proof.

17 And I think one of the things that we've raised  
18 multiple times in past hearings, in our communications with  
19 the tracks, as well as with the Board, is that it really is  
20 a situation where the accusing party, the party who's  
21 accusing a side of having committed misconduct, should carry  
22 that burden of proving by a preponderance of the evidence  
23 that the conduct occurred. And I think it's important to  
24 also point out in the CTT's proposal, if the trainers are  
25 seeking to sue the tracks, the trainers carry that burden.

1           So it really is again, in accordance with American  
2 jurisprudence, the accusing party is the party that carries  
3 that burden. And we submit to the Board that that is what  
4 is fair, that is what is what comports with due process, and  
5 that's really what would be appropriate here.

6           CHAIR FERRARO: Okay. Alright. Thank you.

7           Now to the track people here. Mr. Balch has said  
8 that you have an agreement. Do you have an agreement? You  
9 don't have an agreement, do you?

10          MR. FRAVEL: We have an agreement with -- we're in  
11 agreement on all the remaining provisions, except the two  
12 different versions of the burden of proof.

13          CHAIR FERRARO: Okay.

14          MR. RUBINSTEIN: Can I respond to one thing that  
15 Ms. Wong just mentioned?

16          EXECUTIVE DIRECTOR CHANEY: Yeah. Just for the  
17 clarity of the Board, is it fair to say, I mean, just from  
18 both parties, because I'm always thinking ahead of like  
19 Staff and trying to, you know, impose the proper RMA, if you  
20 will, going forward, like ten minutes from now, when we hear  
21 to license applications, is it fair to say, let's say we  
22 took the tracks B proposal, if you will, is it a fair  
23 statement that you agree on everything except for, I don't  
24 know, I wrote it down, 24(d) small double I, A, I mean,  
25 basically, the section that says "Burden of Proof," is

1 that --

2 MR. FRAVEL: That's correct. That's our --

3 MR. BALCH: And we agree, the burden of proof at  
4 arbitration, that's the only place the burden applies.

5 EXECUTIVE DIRECTOR CHANEY: Got it. I just wanted  
6 to make sure. I just think that's a maybe a better one to  
7 work off of, because I think the CTT, as you pointed out,  
8 had some like third-party beneficiary and a few other items  
9 that you folks don't agree on.

10 MR. BALCH: Well, we think we resolve that by  
11 correspondence last night, but let's hear what Mr. Fravel --

12 MR. FRAVEL: Yeah, as Alan and I have discussed, I  
13 don't think there's any further debates on those based upon  
14 their letter to you.

15 EXECUTIVE DIRECTOR CHANEY: Okay, we've heard

16 MR. FRAVEL: I know you've heard that before.

17 EXECUTIVE DIRECTOR CHANEY: Yeah. Okay. Thank  
18 you. Sorry to interrupt.

19 MR. BALCH: So let me just add a couple of points.

20 One, Rule 1989 reads that, "Associations, fairs, a  
21 simulcast facility may remove from its premises any person  
22 who" -- and then it lists the various reasons. The term  
23 "premises" is defined in Rule 1420 to include,

24 "All areas collectively utilized by an association in  
25 connection with its conduct of a licensed race meeting,

1 including parking lots, auxiliary stabling areas,  
2 public enclosure, and restricted areas, whether or not  
3 the areas are adjacent to the enclosure."

4 So we continue to believe that Rule 1989 is  
5 pertinent. And it's also pertinent with regard to the  
6 wontade of 230 years of jurisprudence. There's also  
7 thousands of years of jurisprudence and common law relating  
8 to the rights of private property owners and your ability to  
9 protect your business.

10 And I know -- just one final word. We went back  
11 and looked at race meet applications, stall applications for  
12 tracks around the country. Every single one of them the  
13 track may ask a trainer to vacate within 48 to 72 hours of  
14 notice of exclusion. There are no protections granted.

15 Now having said that, I think what we've reached  
16 with the CTT on the other stuff is a measure of progress.  
17 It helps define the rights of the parties. More  
18 importantly, it prevents outrageously expensive lawsuits  
19 because we can settle these things in arbitration.

20 We're just asking that the Board recognize that we  
21 do have some property rights as an operator, and we need to  
22 be able to make rational, well thought out business  
23 decisions in terms of who we do business with, and that's  
24 really what we're trying to protect here. It's not trying  
25 to protect the ability to act arbitrarily and vindictively

1 towards trainers. It's trying to manage the business.

2 CHAIR FERRARO: We got it. We got it.

3 Do we have members of the Board who have  
4 questions, please?

5 COMMISSIONER DAVIS: Yes, Chair Ferraro.

6 What is your response to Ms. Won's statement about  
7 the subpoena power? And what is the relevance as far as  
8 you're concerned?

9 MR. FRAVEL: Well, I have to tell you, and maybe  
10 that's better directed at Mr. Chaney, but very frequently,  
11 once the Racing Board is engaged in an investigation, our  
12 ability to get information from them with respect to those  
13 investigations is very limited. We're treated like any  
14 other third party. And I know a rather fundamental  
15 principle of regulatory or prosecutorial investigations is  
16 you don't discuss them outside the circle of trust.

17 So I don't recall any occasion, maybe Scott does,  
18 where we could have gone to the Racing Board and said we  
19 want you to subpoena Trainer, X, Y, and Z so we can get  
20 information from them. I can't imagine that. If you want  
21 to commit your resources to us from that standpoint, we'd be  
22 happy to consider it, but I don't think that that's likely  
23 if there's a, you know, an investigation going on.

24 I can also tell you in the past, back when I was  
25 at Del Mar, we requested the results of all the postmortem

1 investigations for all the horses that died during a race  
2 meet at Del Mar. And the reason was because everybody  
3 always points at the track as the culprit when you have  
4 breakdowns and so I wanted to get the information. Every  
5 bit of relevant information with regard to the medical and  
6 diagnostic materials in that Freedom of Information Act  
7 request was deleted. I wasn't able to look at it. And that  
8 is not unusual. We don't get a lot of the information that  
9 we might otherwise be able to get with regard to, you know,  
10 even testing, the, you know, quantifications. A lot of that  
11 information simply isn't available to us.

12 MR. BALCH: Commissioner, let me just add, what we  
13 have here, as we all know, is an interdependent sport where  
14 we're all reliant on the others. Now we are, obviously, in  
15 a different state than Mr. Fravel's other enterprises are.  
16 California is even more regulated. We have what we believe  
17 are the world's leading regulations as far as conduct on the  
18 racetrack, preparation of horses, all the things that  
19 everybody, including the tracks, have to observe. And so we  
20 think there should be a very high standard also applied to  
21 dispute resolution.

22 Now the Board, in recognizing the burden of proof  
23 that we suggest, and the race mean agreement that it seems  
24 like we're together on except for that, might in a case,  
25 like the subpoena power you just talked about, we might have

1 to have a very clear understanding with the Racing Board  
2 that its police powers might need to be involved, if  
3 necessary.

4           But I want to emphasize, there's been maybe one  
5 case that got to that stage over time. And let's also  
6 remember that whether it's New York, which does have the  
7 trainer not carrying the burden of proof, that is the  
8 accusing party in New York, the tracks have to carry the  
9 burden of proof, that's very unlikely to come up. But when  
10 it does, what power does a single trainer have against the  
11 resources of a multimillion or even a multibillion dollar  
12 corporation?

13           We look to you, the regulator, to even that scale  
14 and make sure that if the track accuses a trainer of  
15 misconduct, that they have to carry the burden. If the  
16 trainer -- if the tracks think that their resources are  
17 limited, which is what we just heard, Mr. Fravel say, just  
18 think what the trainer's resources are to try to prove  
19 himself innocent. They almost don't exist. The trainer  
20 can't go to the Racing Board and ask for a cooperation or  
21 anything.

22           So I think if you're -- we look to the regulator  
23 to balance these scales, and we hope you will balance them  
24 in favor of the way New York does it and the way we should  
25 do it here in California.

1 CHAIR FERRARO: Go ahead, Scott.

2 EXECUTIVE DIRECTOR CHANEY: Yeah, just two things.  
3 I need to follow up on what Alan says, I think, for  
4 edification of the Board.

5 I don't think there's a dispute over who has the  
6 burden of proof. I think that was -- it was just misstated.  
7 I think both you agree that the -- I mean, I'm reading it  
8 right here, "PRA shall have the initial burden of proof."  
9 The only disagreement is what that burden looks like; right?  
10 And I just want to point that out for the Board.

11 MR. BALCH: That is correct. Thank you for --

12 EXECUTIVE DIRECTOR CHANEY: And then secondly,  
13 with respect to the subpoena power, the attorney is correct,  
14 we, CHRB, obviously has broad subpoena powers. But I think  
15 Mr. Fravel is correct, we're not doing it on the behalf of a  
16 licensee, is what the claim is at the end of the day. We  
17 would certainly grant subpoenas. I sign them all the time  
18 for parties in complaints that we file, but not for  
19 licensees who just, you know, need some information.

20 So hopefully that answers the -- Commissioner  
21 Davis's question.

22 CHAIR FERRARO: Do other Commissioners have  
23 comments?

24 COMMISSIONER CASTELLANOS: Castellanos.

25 So my question is to both parties. From my

1 understanding, in an arbitration, when it becomes that far,  
2 whether it's an arbitrator or whether it's a Board,  
3 somebody's hearing it, whatever you want to call them,  
4 Judge, whatever, isn't the case framed at that time and what  
5 you are going to decide on framed, and then the -- what is  
6 the to be the outcome? Isn't that what normally happens  
7 during arbitration in that part of the world? I know what  
8 happens on my part of the world, but what happens on your  
9 part of the world on both sides? You've said there's only  
10 been one or two that's been arbitrator.

11 MR. FRAVEL: Well, I think the one that Mr. Balch  
12 is referring to ended up in court and not in an arbitration,  
13 although the Board itself did have some hearings with  
14 respect to enforcement of the Race Meet Agreement, but that  
15 was not vis-a-vis the individual trainer.

16 But I think your statement is correct, the  
17 arbitration agreement, just like a labor agreement, would  
18 set forth the grounds for decision making, and that's really  
19 what we're talking about here. There are grounds for  
20 decision making, which I think was pretty clearly included  
21 in your package as of last Friday, and those grounds include  
22 a number of things that involve business judgment or,  
23 ultimately, sort of broader decision making with respect to  
24 the conduct of the business and safety and integrity of the  
25 business.

1           And so what we're suggesting is we did agree that  
2 we would bear the burden of proof to show that we had a  
3 substantial reason for acting. And it may be -- I think the  
4 big thing is, I've heard this over and over again, well, you  
5 guys can just make up some spurious accusations accusation  
6 and throw somebody out and then they can't challenge you.  
7 Well, I think an arbitrator would see immediately that that  
8 was the case.

9           And by the way, you know, we're not stupid. I  
10 mean, we're not just out to get rid of people. We need  
11 their horses. We need their cooperation. We need their  
12 goodwill. And there is a natural -- and 99 out of 100  
13 cases, we're on the same team. We want races with full  
14 fields and competitive wagering and all of that. And so the  
15 notion that we're going to, you know, exercise these powers,  
16 you know, irrationally I think is mis-founded.

17           MR. BALCH: Thank you, Mr. Castellanos. I agree  
18 with almost everything Craig said because it was really at  
19 his direction, and because of the extensive litigation, at  
20 least in part, that he has -- the tracks have had to endure  
21 that Craig suggested to us that we have an arbitration  
22 process rather than court. Correct; Greg?

23           MR. FRAVEL: I don't know if I can claim all the  
24 credit but I've certainly supported that outcome.

25           MR. BALCH: Right. And so at a meeting at Santa

1 Anita, and then a follow-up meeting at Del Mar, our  
2 attorney, Mr. Murray, went forward with the arbitration that  
3 you see. My statement was that in the last 12 years, we  
4 would have had maybe one case that would have gone through  
5 this arbitration, okay? And so just to clarify that.

6 Now I think it's -- on the actual point of  
7 arbitration and burdens of proof and that kind of thing,  
8 this is for Christina to comment on, but we believe that  
9 conduct is the very important thing, and that the arbitrator  
10 has to have something to look at. Now we've already agreed  
11 on the bases of exclusion. We've agreed on the legal  
12 standard. Obviously, the arbitrator is going to refer to  
13 that. But the arbitrator also needs guidance. My  
14 understanding is the arbitrator also needs guidance on the  
15 specific burden of proof. We don't know what initial means  
16 in their proposal. The arbitrator wouldn't either.

17 Number two, he has to understand what the level of  
18 evidence is required, preponderance of evidence or clear and  
19 convincing evidence. We've used the lower of those two  
20 standards, preponderance of the evidence.

21 And to the third point that Mr. Fravel made that I  
22 think is critically important to respond to, we know that  
23 the tracks would not intentionally ever go after somebody  
24 without some reason. We agree on the meeting. We agree on  
25 the elaborate process that Mr. Sindler has taken the lead in

1 developing. And it is difficult to read and follow but it  
2 is important because it is there, including the  
3 reconsideration meeting, because they are bending over  
4 backwards to see to it that they don't make an error up to  
5 the point of arbitration. So that is great and we're  
6 together on that.

7           But I must say, on a go-forward basis, if we reach  
8 this agreement and there is the burden of proof at the point  
9 of arbitration, that the burden, the way they have worded,  
10 it is, unfortunately, an invitation to problems.

11           We have just witnessed in this very industry, with  
12 a person who is sitting in this room, what happens when  
13 there's an accusation made by, shall we say, adversaries of  
14 racing, and how far something can go when somebody is  
15 falsely accused.

16           Now, we know that the track would never falsely  
17 accuse anyone. But there are a lot of other people, there  
18 are lots of racetrack rumors, they are very competitive  
19 trainers who might float some kind of plausible idea of some  
20 kind of negative behavior. And if the track, in good faith,  
21 believe that, the way we understand their approach to the  
22 burden of proof, all they would have to say is, well, we  
23 believed it.

24           But in the meantime, what happens to the person?  
25 The person who is accused does not have the resources,

1 including in the case that you know what I'm talking about,  
2 to try to prove himself innocent of the conduct. That  
3 should be the burden of the accusing party.

4 But I do want Christina to correct me if I said  
5 anything wrong, for sure.

6 CHAIR FERRARO: We get we get it, Alan. We get  
7 it.

8 MR. BALCH: Okay.

9 CHAIR FERRARO: Does anyone have any --

10 COMMISSIONER ALFIERI: I have a question. I mean,  
11 wouldn't those -- what you were talking about, the process,  
12 by then, by the time it gets all the way to arbitration, the  
13 facts are all out; right? I mean --

14 MR. FRAVEL: At least to the extent that they can  
15 be discerned.

16 COMMISSIONER ALFIERI: Not rumors. Not rumors.

17 MR. FRAVEL: Right.

18 COMMISSIONER ALFIERI: Facts are out.

19 MR. FRAVEL: And just to refute, in part, what  
20 Alan said, the language that we proposed is that the  
21 decision -- the arbitrator can decide that it was based upon  
22 a fair and substantial reason. I mean, we put language in  
23 ours to specifically address all of these issues. They just  
24 want more, and they want to make it harder to get, you know,  
25 get the job done if we have to exercise our business

1 judgment.

2           COMMISSIONER CASTELLANOS: Well, that's what I was  
3 getting at, is the clarification of what I mentioned  
4 earlier, is that when you get into arbitration the case is  
5 framed and then you decide, what is the remedy? That's from  
6 what I understand. If you guys do it differently, then tell  
7 me, but it appears it's not done differently. It appears  
8 that when you get to arbitration, that both parties express  
9 what the case is, they frame it, and then they ask,  
10 basically, what is the remedy of this, after you give each  
11 side -- each side gives their evidence or case or whatever  
12 they bring up.

13           What you were talking about, Alan, has to do with  
14 what happens from the time that that person gets either  
15 suspended or removed to the time that they get to the  
16 arbitration? I totally understand that. I mean, I come  
17 from the labor side. I deal with it every day. So I  
18 understand that but it is the reality of what we deal with.

19           I just wanted to make sure that I understand, if  
20 your arbitration is different than what I've experienced  
21 that? That was my question. Thank you.

22           MR. BALCH: Mr. Chairman, with respect, I would  
23 like Christina to be able to comment on that, please.

24           CHAIR FERRARO: Go ahead. Make it short.

25           MS. WONG: Thank you. Yes, so the point of the

1 arbitration is to decide whether, when there's this dispute,  
2 whether there should be a reversal of the exclusion if that  
3 conduct was correct.

4           So I think you're right, Commissioner Castellanos,  
5 that it is -- that is what we're trying to decide. But  
6 there needs to be a burden there in terms of deciding,  
7 giving the arbitrator a roadmap as to how do you know if the  
8 action was proper? How do you know whether this action by  
9 the track should be upheld or if it should be overturned?

10           I do want to jump back to one thing that was  
11 discussed earlier, just to touch on it in terms of discovery  
12 and subpoena power, which I think you make a good point,  
13 Commissioner Alfieri, that the facts should be out by this  
14 point. The facts should be there and we might not even need  
15 to get to the point where there needs to be subpoena power.  
16 But also in the scope of arbitration, there are mechanisms  
17 for discovery. And if the parties have agreed to  
18 arbitration, contractually, they're submitting to those  
19 processes and submitting themselves to say, if there needs  
20 to be discovery, we will turn over documents within our  
21 possession. So there is that mechanism, as well, in the in  
22 the scope of an arbitration proceeding.

23           CHAIR FERRARO: Thank you.

24           Do we have public comment on this? No public  
25 comments? Wow.

1 Well, it seems to me, and other Commissioners may  
2 disagree, what you're asking us to do is, I mean, you  
3 basically have agreement, but you're asking us to decide  
4 whether we were going to adopt the tracks version of what  
5 establishes sufficient proof or whether we're going to take  
6 the CTT's version of what constitutes sufficient proof. Is  
7 that my understanding? Is there any disagreement? So  
8 you're leaving it for us to decide.

9 So which way do we want to go?

10 Mr. Gonzales, do you have a comment to make?

11 VICE CHAIR GONZALES: The only thing that comes to  
12 my mind, Mr. Chairman, is the role that our counsel can  
13 play, our leadership team, when it gets that far. I mean, I  
14 think any arbitrator might not be versed in all of the  
15 different layers and rules that are in place, so they're  
16 going to need to have counsel in our Executive Director.

17 So whatever we decide to do, I just want to make  
18 sure that, given that all the facts will be out there by  
19 then, I think our staff does a great job of communicating  
20 with us separately and individually, so whatever we decide  
21 to do. The second part -- so, well, whatever we decide to  
22 do, we have to make sure that staff is ready for that.

23 The second thing is this, it may be a couple of  
24 years before it gets to this point but, regardless, there  
25 has to be an ability to revisit what worked and what didn't

1 work, and it could very well change. And if we go the track  
2 version one route, I think we have to have the ability to  
3 make any kind of adjustments, if it didn't work out.

4 But I think what we're really trying to do, I sum  
5 th9is up as accountability. I think we've all seen us  
6 trying to be reform-minded while holding people accountable.  
7 This is really what this comes down to. And I think every  
8 hour that has been put forth between CTT and management has  
9 been important time that's been invested because I believe  
10 we are distinguishing ourselves and the horse racing  
11 industry is holding a holding people accountable, including  
12 ourselves.

13 So, Mr. Chairman, I think you did a good job of  
14 bringing all this together. And if we, you know, are at a  
15 point where we have to either vote, I don't know if that's  
16 what this is coming down to, but I'm, you know, I'm willing  
17 to do whatever is going to, you know, put this out.

18 CHAIR FERRARO: Well, let's try by starting out of  
19 the motion.

20 My personal opinion is that the track's version,  
21 based on the fact that the parties agreed to everything but  
22 the standard of proof, it's my belief the draft version is  
23 sufficient, and that the CTT's version is a step too far as  
24 it takes away the rights of the business operator in  
25 California.

1           So with that said, I would move that the Board  
2 approve the version of agreement that's put forth by  
3 Stronach Group and Del Mar as the standard rate meet  
4 agreement going forward is the second version.

5           COMMISSIONER ALFIERI: Is that the second version?

6           CHAIR FERRARO: Second version, yeah --

7           COMMISSIONER ALFIERI: Right.

8           CHAIR FERRARO: -- with arbitrary -- the meetings  
9 and the arbitrator.

10          COMMISSIONER ALFIERI: Right.

11          CHAIR FERRARO: Do I have a second for that?

12          COMMISSIONER ALFIERI: Second.

13          VICE CHAIR GONZALES: Since we're open for  
14 discussion, Scott, do you want to weigh in on anything here  
15 as it relates to what's on the table here, just before we  
16 vote here?

17          EXECUTIVE DIRECTOR CHANEY: Sure. Just to your  
18 first comment, I think Staff is prepared to -- I mean,  
19 we've, Rob and our Hollendorfer DAG (phonetic), have been  
20 sort of following the progress of this and so we're  
21 comfortable with whichever version the Board decides.

22          VICE CHAIR GONZALES: Okay.

23          EXECUTIVE DIRECTOR CHANEY: Were you looking for  
24 an opinion or --

25          VICE CHAIR GONZALES: No. I just wanted to make

1 sure --

2 EXECUTIVE DIRECTOR CHANEY: I can offer one but  
3 it's not -- I don't want to overstep.

4 CHAIR FERRARO: Chair Hudnut? Sorry, I'll get  
5 (indiscernible).

6 COMMISSIONER HUDNUT: I think that I prefer the  
7 trainer's version because I worry that a smalltime trainer  
8 will, essentially, be forced out of business. In the time  
9 from exclusion to the time of arbitration, he or she will  
10 have lost clients, will have lost income, will have lost  
11 standing, will have lost his or her livelihood.

12 And I think that the greater protections afforded  
13 by what TTC [sic] has come forth with is greater comfort to  
14 me. In the incidences that have been cited, and the public  
15 awareness of a couple of trainers, those are both high  
16 profile, high income trainers who have had the resources to  
17 defend themselves satisfactorily. And I worry about the  
18 little guy and whether he or she has the same opportunity.

19 CHAIR FERRARO: Commissioner Davis?

20 COMMISSIONER DAVIS: I just want to clarify. So  
21 we're going with version one, right, or version two?

22 EXECUTIVE DIRECTOR CHANEY: I think, technically,  
23 I think you label them A and B. And I don't want to speak  
24 out of turn but I think what the chairman suggested was  
25 version B of the tracks.

1 CHAIR FERRARO: So the two meetings and the  
2 arbitrator.

3 COMMISSIONER DAVIS: Please

4 EXECUTIVE DIRECTOR CHANEY: Right. The burden of  
5 proof is the thing that -- you know, obviously the sticking  
6 point, and so that would be a rational, basically, plus fair  
7 and substantial reason, plus nondiscriminatory, plus  
8 manifestly disproportionate. That's what he's suggesting.

9 CHAIR FERRARO: Can I call a vote?

10 Commissioner Castellanos?

11 COMMISSIONER CASTELLANOS: Just for clarification.  
12 On this, from what I've seen on the documents, it's only  
13 going until the end of December, is that what I understand,  
14 of this year?

15 EXECUTIVE DIRECTOR CHANEY: Yeah. So in the Board  
16 imposing or recognizing a standard RMA, what's going to  
17 happen logistically is we hear two license applications, one  
18 for Golden Gate Fields, one for Del Mar, as items three and  
19 four. And so the Board will be imposing that version of the  
20 RMA from this agenda item into those two applications to  
21 make them complete.

22 For Golden Gate Fields, I guess, the meet is  
23 probably a month or six weeks or something for -- sorry.  
24 For Del Mar, the meet is four weeks. So it would only  
25 extend for the length of the meet. And I think Vice

1 Chairman Gonzales is correct. Of course we're going to face  
2 this problem again because every time a new race meet up  
3 comes up there has to be either a meeting of the minds or  
4 there's not. When there's not, we can go through this  
5 process again.

6 My hope is that the parties recognize, once the  
7 Board has kind of spoken collectively, that we believe this  
8 should be the RMA and they will just agree to that. They  
9 might have some disagreements around the edges. But to the  
10 extent that it needs to be changed in the future, there's no  
11 reason we can't go through this process again.

12 COMMISSIONER CASTELLANOS: Understandable.

13 And so what are we asking, Mr. Chair?

14 CHAIR FERRARO: I'm asking you to approve version  
15 B.

16 COMMISSIONER CASTELLANOS: Oh, okay. So I'm going  
17 to say, with the with the understanding of how arbitration  
18 works, how everybody has the right to frame their case and  
19 lay out the guidelines during that arbitration, I would vote  
20 yes.

21 CHAIR FERRARO: Commissioner Alfieri?

22 COMMISSIONER ALFIERI: Yes.

23 CHAIR FERRARO: Commissioner Gonzales?

24 VICE CHAIR GONZALES: Before I vote, I just want  
25 to say, to Mr. Hudnut's point, since I began this process I

1 was always wanting to be aware of making there be an element  
2 of expediency. So I think that because Staff will be  
3 involved, making sure that from the time that there is a  
4 charge that -- and the time that there's a hearing, that we  
5 do this in relatively short order. I think that that has to  
6 happen because I think you do bring up a very good point.

7 That said, and given that this is for the  
8 duration of the year and could only be revisited, we'll step  
9 in, I'm going to I'm going to join you Mr. Chairman and  
10 supporting version B. So yes.

11 CHAIR FERRARO: Commissioner Davis?

12 COMMISSIONER DAVIS: For the reasons Oscar just  
13 alluded to, I agree.

14 CHAIR FERRARO: Commissioner Hudnut?

15 COMMISSIONER HUDNUT: I appreciate Oscar's  
16 reasoning but I will oppose.

17 CHAIR FERRARO: And the Chairman votes yes. It's  
18 five to one.

19 MR. FRAVEL: Thank you.

20 MR. RUBINSTEIN: Thank you, all.

21 MR. BALCH: Thank you for the hearing and all the  
22 time you've devoted to this. We very much appreciate it.

23 VICE CHAIR GONZALES: Thank you both.

24 CHAIR FERRARO: If it was easy you guys would have  
25 done it a long time ago.

1           Okay, so we're on to item number three.

2           So Del Mar people want to come forward?

3           This is discussion and action by the Board on the  
4 Application for a License to Conduct a Horse Racing meeting  
5 of Del Mar Thoroughbred Club at Del Mar, commencing November  
6 9th, 2002 through December 6th, 2022, inclusive.

7           Gentlemen?

8           MR. RUBINSTEIN: Good morning, CHRB Commissioners  
9 and Staff. Josh Rubenstein, again, Del Mar Thoroughbred  
10 Club. We'll be pretty brief here.

11           Our fall meet is a 13-day meet from November 11th  
12 through December 4th. We believe we have significant  
13 momentum coming off our summer season, where we averaged 9.1  
14 and field size and handled a record \$18.7 million per day.

15           I will turn things over to Tom Robbins for the  
16 racing specifics of the meet.

17           MR. ROBBINS: I'll try to be brief, as well.

18           Thirteen days, November 11 through December 4.  
19 First post will always be 12:30, with the exception of one  
20 day and that is Thursday, Thanksgiving Day, when we start  
21 our program at 11 a.m.

22           Our stable area will be open on Sunday, November  
23 6th for horses to come into our barn area, with the main  
24 track open for training on Monday, November 7th.

25           Quickly and briefly on the racing side, we are

1 scheduled to run 15 stakes races in 13 days. We have added  
2 a Turf Sprint Stakes for three-year-olds and older on  
3 closing Saturday, Saturday the 2nd, the last day of the  
4 meet, December 3rd that fits within our Turf Festival that  
5 we have near the end of our meet.

6 We have to Grade 3 older stakes races that we've  
7 increased in value from \$100,000 to \$150,000, the Red Carpet  
8 and the Native Diver. Overnight purse levels will remain  
9 the same and match the levels that they were in the fall  
10 meet of 2021. Ship and Win returns again at the same level  
11 that it was in the 2021 fall meet. And our Maiden Dirt  
12 Bonus Program will be offered this fall, just as it was  
13 during our summer meet.

14 Those are really the key racing elements.

15 As Josh said, we are coming off the heels of a  
16 very successful summer meet. Our safety protocols will  
17 remain in place for this coming fall meet, just as they have  
18 for the last several fall meets.

19 And with that, happy to answer any questions.

20 CHAIR FERRARO: Any questions from the  
21 Commissioners?

22 Commissioner Hudnut?

23 COMMISSIONER HUDNUT: I move approval.

24 VICE CHAIR GONZALES: I'll second. Gonzales  
25 seconds.

1 CHAIR FERRARO: Well, we have to take public  
2 comment, so I'll hold your motion.

3 Do we have public comment on this or not? Okay.

4 There's been a motion and second to accept the  
5 meet.

6 Commissioner Castellanos?

7 COMMISSIONER CASTELLANOS: Yes.

8 CHAIR FERRARO: Alfieri?

9 COMMISSIONER ALFIERI: Yes.

10 CHAIR FERRARO: Gonzales?

11 VICE CHAIR GONZALES: Yes.

12 CHAIR FERRARO: Davis?

13 COMMISSIONER DAVIS: Yes.

14 CHAIR FERRARO: Hudnut?

15 COMMISSIONER HUDNUT: Yes.

16 CHAIR FERRARO: The Chairman votes yes. Motion  
17 carried.

18 MR. RUBINSTEIN: Thank you.

19 MR. ROBBINS: Thank you.

20 CHAIR FERRARO: Congratulations. Have a good  
21 meet.

22 MR. ROBBINS: Thank you.

23 CHAIR FERRARO: Number four, discussion and action  
24 by the Board on Application for a License to Conduct a Horse  
25 Racing Meeting of the Pacific Racing Association at Golden

1 Gate Fields, commencing October 19th, 2022 through December  
2 28th, inclusive.

3 Gentlemen?

4 MR. DUGGAN: Good morning, Commissioners. Mr.  
5 Chairman, Vice Chair and others. We're looking forward to  
6 the upcoming meet at Golden Gate Fields, which will commence  
7 tomorrow. We've got 26 race days scheduled for the meet  
8 itself with nine stakes races during that period. The  
9 highlight will be the Berkeley Handicap, which will be run  
10 in November.

11 As per the previous speaker, we will continue with  
12 our safety protocols. We're having a pretty good run during  
13 the current meet, as well. and everything is going pretty  
14 much according to plan. The turf track is in great  
15 condition and had a nice two-week break. And weather  
16 permitting, we'll hopefully use it to its absolute max for  
17 the rest of the season.

18 Thank you.

19 CHAIR FERRARO: Questions from the Commissioners?

20 I have one. It's kind of probably not that  
21 relevant but the scanning PET scan from UC Davis, it was  
22 coming to your track once or twice a week, was it not?

23 MR. DUGGAN: It was coming every month, Chairman  
24 Ferraro. And, in fact, it was there last week. And we do  
25 have a PET scan -- pardon me -- we do have a PET scan

1 meeting with all the trainers scheduled for the 27th of this  
2 month where Dr. Spria (phonetic) is going to come up and  
3 meet with all the trainers and explain the benefits of the  
4 PET scan. But it has been very well received and it's been  
5 very informative.

6 CHAIR FERRARO: It hasn't, so far, been utilized  
7 very much, though; is that correct?

8 MR. DUGGAN: Well, we've been using it quite a  
9 lot, Chairman Ferraro. We generally require a minimum of  
10 four test samples on test horses on the day. But it is  
11 gathering momentum.

12 We took it upon ourselves -- (clears throat)  
13 pardon me -- a couple of months ago to fund 12 random scans  
14 of a variety of horses from two to five years of age. And  
15 that propelled a lot of people to get involved in it again.  
16 Dr. Batten, our chief veterinarian on track, liaises  
17 closely with Doc Spria. And as soon as she has the required  
18 number of horses for the scan, they come down from Davis.

19 CHAIR FERRARO: Is price a factor on utilization  
20 at your track?

21 MR. DUGGAN: Yes, it is, it's a factor in all of  
22 these things. And, you know, we're constantly trying to  
23 evolve and figure out a way around that, but it is the real  
24 factor.

25 CHAIR FERRARO: Okay. Thanks. Thanks for that.

1 Any other questions from the Commissioners?

2 VICE CHAIR GONZALES: Mr. Chairman, not so much a  
3 question just more of a comment.

4 I just want the leadership team here to know, you  
5 know, you keep focusing in on making sure that horse riders  
6 are taken care of. It's always a good meet.

7 I've been meeting with Executive Director Cheney  
8 in response to a group of trainers pulling me aside, asking  
9 about what more can be done from the CHRB personnel. It's  
10 probably too early to apprise you of some of the  
11 conversations we're having. But I just want to let you know  
12 that we want to be firm on trainers, we want to hold them  
13 accountable, but we also want to make sure that there is an  
14 environment where people can be at their best, and that were  
15 courteous that we're customer friendly.

16 So just want you to know that there are  
17 conversations on the CHRB and as it relates to our boots on  
18 the ground. But, again, just whatever we can do to be  
19 helpful, never hesitate to reach out.

20 CHAIR FERRARO: Any other comments?

21 COMMISSIONER CASTELLANOS: Yeah, Mr. Chairman.  
22 Castellanos.

23 So just to follow up, David, from what I  
24 understand is that your labor agreements have been finalized  
25 and done?

1 MR. DUGGAN: Yes, they have.

2 COMMISSIONER CASTELLANOS: Okay. Just wanted to  
3 confirm. Thank you.

4 CHAIR FERRARO: We have a public comment.

5 Tweed, I can't read your handwriting, so forgive  
6 me, I can't remember your last name.

7 MS. CONRAD: Tweed Conrad. I've got to get my  
8 glasses on here.

9 So let's see, on September 13th, I believe anyway,  
10 I have to get that date for sure, I received a generic email  
11 from CHRB requesting that I inquire into independent  
12 agencies for more information about the missing horses that  
13 I presented to the Board last session. And the email -- so  
14 I followed up on that and I reached out to the independent  
15 agencies that were listed in that email. And, by the way,  
16 I'm an analyst and researcher in Berkeley. And I also  
17 reached out to each individual track to ask about the  
18 unaccounted for racehorses.

19 At Golden Gate Fields, there's 12, and so on and  
20 so forth. But I'm addressing Golden Gate Fields because  
21 I've had an email thread with David Duggan, who just spoke,  
22 and I told him what I was requesting. And he said, "Morning  
23 Tweed Conrad, further to your email this morning, neither us  
24 nor the CHRB are aware of such a request." So he's  
25 contacted the CHRB, or said that he did, about the request

1 that I have about missing horses, or that's what he implies  
2 anyway, I'm not sure if that was the case.

3 So I wrote him again. I said,

4 "Mr. Duggan, I'm an analyst and researcher collecting  
5 information and statistics on the California tracks for  
6 a senator and assembly person who are awaiting them."

7 On Wednesday, September 21st, I received an email  
8 from the CHRB requesting that I inquire into each of the  
9 independent agencies for more information about these  
10 statistics.

11 "Veterinary records for all horses raced on California  
12 tracks are required to be public record. However, the  
13 records for these missing horses that were raced,  
14 betted upon, and then broke down and were listed as  
15 banned off at Golden Gate Fields have still not been  
16 accounted for by yourself.

17 "Please do not withhold this information, but rather  
18 send the requested information as soon as you can.

19 Thank you, Tweed Conrad."

20 And that was on the 13th that I wrote that.

21 And this Tuesday, two days ago, on October 18th,  
22 David Duggan replied, "No." And I have a copy of that email  
23 and I'm sure he does, as well.

24 So I would like you to reconsider their  
25 application for racing. Okay. If they're not cooperating

1 with the transparent veterinary records that the CHR  
2 promises and Belinda Stronach herself has promised, they're  
3 not doing their job, and I hope that you guys can.

4 CHAIR FERRARO: Okay. Thank you.

5 MS. CONRAD: Thank you.

6 CHAIR FERRARO: Do we have a motion from the  
7 Board?

8 COMMISSIONER ALFIERI: I move. I move that we  
9 approve.

10 COMMISSIONER CASTELLANOS: Second.

11 CHAIR FERRARO: Commissioner Hudnut?

12 COMMISSIONER HUDNUT: I'd like to ask Mr. Duggan,  
13 why he has not complied?

14 CHAIR FERRARO: Complied with?

15 COMMISSIONER HUDNUT: Her request.

16 EXECUTIVE DIRECTOR CHANEY: Let me, if I may,  
17 Commissioners --

18 COMMISSIONER HUDNUT: Or give us a reason that he  
19 shouldn't.

20 EXECUTIVE DIRECTOR CHANEY: Yeah. Well, first of  
21 all, Miss Conrad's comments are riddled with untruths. The  
22 health records are not public information. They're  
23 specifically confidential. Quite literally, neither we nor  
24 Mr. Duggan could share those (indiscernible).

25 COMMISSIONER HUDNUT: Yes, we heard that in the

1 previous testimony.

2 EXECUTIVE DIRECTOR CHANEY: And then secondly,  
3 Miss Conrad, and if we haven't sent the letter already, we  
4 will be sending it this morning, represented to tracks and  
5 to see that she was doing an investigation on behalf of the  
6 California Horse Racing Board, which bears no connection  
7 with reality. So we informed the tracks that her request  
8 was not coming from the California Horse Racing Board.

9 MS. CONRAD: That's not -- I never said that I was  
10 doing an investigation on behalf of the CHRB. I said I'd  
11 like it in time for the CHRB meeting.

12 EXECUTIVE DIRECTOR CHANEY: Ma'am, I'm not going  
13 to argue with you, but you said you were directed by the  
14 California Horse Racing Board --

15 MS. CONRAD: No, I didn't.

16 EXECUTIVE DIRECTOR CHANEY: -- to do this  
17 investigation.

18 MS. CONRAD: I was asked.

19 EXECUTIVE DIRECTOR CHANEY: Thank you for your  
20 time.

21 COMMISSIONER HUDNUT: I withdraw my question.

22 MS. CONRAD: Well, if you're misrepresenting me,  
23 I'm going to respond.

24 CHAIR FERRARO: That's enough. That's enough.  
25 Your time is up.

1 MS. CONRAD: Thank you. I will let --

2 COMMISSIONER HUDNUT: I withdraw my question --

3 MS. CONRAD: -- Board Person Hudnut go on.

4 COMMISSIONER HUDNUT: -- and I will vote in favor  
5 of the motion.

6 CHAIR FERRARO: Commissioner Davis?

7 COMMISSIONER DAVIS: Yes.

8 CHAIR FERRARO: Commissioner Gonzales?

9 VICE CHAIR GONZALES: Yes.

10 CHAIR FERRARO: Commissioner Alfieri?

11 COMMISSIONER ALFIERI: Yes.

12 COMMISSIONER CASTELLANOS: Yes.

13 CHAIR FERRARO: Commissioner Castellanos?

14 COMMISSIONER CASTELLANOS: Yes.

15 CHAIR FERRARO: And the chairman votes yes.

16 Moving on to item number five, discussion and  
17 action by the Board on the Application for a License to  
18 Conduct a Horse Racing Meeting of Watch and Wager, LLC at  
19 Cal Expo commencing October 26th, 2022 through May 7th,  
20 2023, inclusive.

21 Gentlemen?

22 MR. CUMMINGS: (Off mic.) Good morning. Just to  
23 introduce ourselves, Ed Cummings, I'm the President of Watch  
24 and Wager -- (mic turns on) oh, that always helps --  
25 racetrack operator and licensed ADW here.

1           And we're very pleased to make our application  
2 here to race for our 11th consecutive year.

3           Over to my colleagues who run the operation.

4           MR. KENNEY: Good morning, Ben Kenney, Watch and  
5 Wager.

6           MR. SCHICK: Good morning, Chairman Ferraro,  
7 members of the Commission. Chris Schick, Watch and Wager.  
8 I'm just going to touch base on a few brief highlights of  
9 our meet.

10           Starting last year, we, as you may recall, we went  
11 to a Friday-Sunday schedule when Los Al dropped out a  
12 Friday, and we were on a Saturday-Sunday schedule. And I  
13 move over to Friday last year was very successful. It was  
14 it was good from our handle point of view. It worked out  
15 really well. All labor was really happy with it because we  
16 kept clerks, we kept supervisors going on Friday night when  
17 there wouldn't have been any action gone. And it also  
18 worked out really well for Los Al, who now race by  
19 themselves on Saturday night. So that's our current game  
20 plan, is to stay with a Friday-Sunday plan.

21           Last year, as we went back to a more traditional  
22 brick-and-mortar model, pre-pandemic model, our revenue  
23 actually increased last year, which was good. Our purse  
24 pool is in really good shape. We're for our fifth year in a  
25 row, we're raising our overnight purses seven percent to

1 start to meet. Our overnight stake races are -- have been  
2 raised across the board 25 percent, and we've added two new  
3 overnight stake races.

4 Last year was the first year of our Sire Stakes  
5 Program. That was a remake. The industry supported  
6 legislation back in 2017 to change the Sire Stakes and last  
7 year was the first full year of that happening. It went off  
8 really well. We're very excited that we have the funding in  
9 place for the next couple of years for Sire stakes. So  
10 that's been a real positive. And a sideline, a lot of  
11 people kind of took a wait-and-see attitude, but we also  
12 increased the number of sires that were nominated from 11 to  
13 23 this year.

14 So that program, based upon the one year that we  
15 ran it, a lot of people took interest in it and have  
16 nominated or sire. So that's been a been a huge, huge  
17 positive for us.

18 Over the summer, we negotiated a lease extension  
19 with our landlord here at Cal Expo, which is going to extend  
20 us out to the year 2030, which I know is a long way out.  
21 But that's going to enable Watch and Wager to make some  
22 capital improvement investments, which we've already started  
23 down that road and equipment. And we're also working  
24 closely with the CHAA on structural issues that we're trying  
25 to rectify. As you all know, we're struggling with our

1 purses. Our purses are being earned by handle when  
2 everybody else across the nation has been earned by slot  
3 machines. So it's tough, but we're trying to deal with  
4 these structural issues as best we can, so we ask for your  
5 support.

6 CHAIR FERRARO: Thank you.

7 Questions from the Commissioners?

8 EXECUTIVE DIRECTOR CHANEY: If I may, Mr.  
9 Chairman, just to note for the Board?

10 In years past, Watch and Wager has operated under  
11 like two different race meet applications, if you will, one  
12 from, basically, October to December 25th, because that's  
13 sort of the unofficial or official start of the race season,  
14 December 26th, and then a second one from December 26th  
15 through May. We've abandoned that sort of approach for the  
16 first time and just combine it to one race meeting. So the  
17 Board will be considering, you know, the full six-month  
18 meeting one time rather than this sort of awkward breaking  
19 up into two meetings.

20 MR. SCHICK: Yeah. I'd just like to comment,  
21 Executive Director Cheney, that I'd like to really thank the  
22 staff for working with us on this. And I think this is  
23 going to be way more efficient for both parties, staff and  
24 us. We've always had one meet. There was really no impetus  
25 to have two separate applications. And from comparison

1 purposes, it kind of lumps everything together and I think  
2 we're going to -- I think it's going to be a real positive.

3 CHAIR FERRARO: Do we have public comment on this?  
4 None.

5 A motion from the Board?

6 COMMISSIONER CASTELLANOS: Motion.

7 CHAIR FERRARO: Second?

8 COMMISSIONER DAVIS: Davis seconds.

9 CHAIR FERRARO: Commissioner Hudnut?

10 COMMISSIONER HUDNUT: Yes.

11 CHAIR FERRARO: Commissioner Davis?

12 COMMISSIONER DAVIS: Yes.

13 CHAIR FERRARO: Commissioner Gonzales?

14 VICE CHAIR GONZALES: Yes.

15 CHAIR FERRARO: Commissioner Alfieri?

16 COMMISSIONER ALFIERI: Yes.

17 CHAIR FERRARO: Commissioner Castellanos?

18 COMMISSIONER CASTELLANOS: Yes.

19 CHAIR FERRARO: The Chairman votes yes. The  
20 motion is approved.

21 MR. SCHICK: Thank you.

22 MR. KENNEY: Thank you.

23 CHAIR FERRARO: Thank you very much.

24 Moving on to item number six, discussion and  
25 action by the Board regarding Allocation of Northern

1 California Thoroughbred Racing Dates for racing year 2023.

2 CHAIR FERRARO: Mr. Chaney, can you enlighten us  
3 in the beginning here?

4 EXECUTIVE DIRECTOR CHANEY: Sure. Absolutely.

5 As the Board recalls, last month we considered  
6 race dates. The Board voted on Southern California race  
7 dates in its entirety, as well as Cal Expo harness race  
8 dates in Northern California. And what's left is the topic  
9 of Northern California, basically, thoroughbred race dates,  
10 Golden Gate, and the fairs.

11 And so there are sort of two issues that I think  
12 came up before the Board, and that's one involving Santa  
13 Rosa's request for a third week, as well as the sort of  
14 perennial overlap, at least in recent times, perennial  
15 overlap between Humboldt County and Golden Gate Fields.

16 CHAIR FERRARO: But the discussion began based on  
17 allocation of dates from the previous year; is that correct?

18 EXECUTIVE DIRECTOR CHANEY: That's right. The  
19 Race Dates Committee, in collaboration with myself, put  
20 together a proposed schedule. And the two items about which  
21 I just spoke would have been or could be departures from  
22 that proposed race schedule. So that was kind of the  
23 impetus for putting Northern California off for a month for  
24 the Board to consider, you know, all the facts surrounding  
25 these delicate topics.

1 CHAIR FERRARO: Alright, gentlemen. Go ahead,  
2 Larry.

3 MR. SWARTZLANDER: Good morning, Chairman and  
4 Commissioners. Ms. Bartling decided that she wanted me to  
5 go first. I offered her to go first, so I'll take the reins  
6 here.

7 First of all, I'd just like to comment on we just  
8 concluded the -- excuse me. I'm Larry Swartzlander,  
9 Executive Director, and also the Director of Racing at all  
10 racing fairs.

11 And we just concluded our meet at Fresno. It was  
12 very successful. And I'd like to thank the TOC and the CHRB  
13 for approving our 1.5 percent takeout to each thoroughbred  
14 that gets \$500 per start. Our entries were doubled this  
15 year. Our handle was up four percent. It was a very  
16 successful meet. The horse ambulance never moved.

17 On racing dates, as I said in a previous meeting,  
18 the goal of CARF and all entities is Northern California  
19 racing. We have moved forward in a position where we have  
20 now four live racing fairs. They're successful, they're  
21 doing well, but we have still three issues on the table.

22 The challenges are, number one, stabling. And I  
23 think this year when CARF did the stabling for Northern  
24 California, it proved very successful, and we are certainly  
25 available and open to continue that procedure.

1           Second was Santa Rosa. I will discuss about the  
2 third racing date.

3           And in Humboldt, Humboldt, had a very good meet  
4 again this year, but again, with one week un-overlapped,  
5 financially, they still can't make any money in commissions.  
6 It has to be a two and un-overlapped week meet. The Santa  
7 Rosa issue is on the third week. I'm not going to speak for  
8 Santa Rosa, but the fairs, carnivals and everything are in  
9 place. CARF's position is very clear that we've been  
10 successful with a three-week meet at Sacramento.

11           We are looking, and I've talked to Tom Martinez,  
12 the new interim CEO, that we're going to actively pursue  
13 looking at night racing. Night racing could be very  
14 lucrative financially because, as I pointed out, when you do  
15 night racing, you have the simulcast signal during the day,  
16 you're taking your track out. And so when you have Del Mar  
17 and Gulfstream and Saratoga running during the day, people  
18 are wagering. We run in the evening, and then we're the  
19 only product out there on the thoroughbred side. So  
20 financially, I think we could make it lucrative. And,  
21 obviously, there's always a concern of heat at the state  
22 fair.

23           So the Santa Rosa issue, again, our position is  
24 very clear with staying with three weeks. Sacramento has  
25 been a viable producer within the fair circuit, as has

1 Pleasanton, Humboldt. We need to finalize a two-week un-  
2 overlapped. With that we'll be in a position to have four  
3 firm fairs, all financially successful, and support racing  
4 in the north.

5           One criticism as I talked to the TOC members at  
6 the Fresno fair, what can you do to raise the purses at the  
7 Humboldt County Fair? Because there's a differential in a  
8 purses and what's going into the horsemen. We've already  
9 put in close to \$100,000 this year in incentives at  
10 Humboldt. We did the commissions this year at Fresno. And  
11 I talked to Gary Fenton with TOC and what we'd like to do  
12 next year is all the fairs, we could even 1.5 percent  
13 takeout and each thoroughbred would get \$500 per start at  
14 each fair. And I think this year CARF put in \$564,000 in  
15 incentives.

16           Thank you.

17           MS. BARTLING: Thank you. Good morning, Chair and  
18 Commissioners. Thank you for being here. I'm sorry, I was  
19 not here last month. I was able to actually go on a  
20 vacation that I planned in March of 2020, so everybody knows  
21 what happened then. Anyway, thank you again.

22           We wanted to discuss the benefits of running a  
23 third week in Santa Rosa. We feel very strongly that that  
24 would be a better week than a week here in Sacramento. We  
25 know the horsemen would much rather be in Santa Rosa than

1 here in Sacramento. The weather's much better. We also  
2 feel that the commissions, the purses, would be much  
3 stronger.

4 I know that Executive Director Chaney came and  
5 visited us this summer and saw how exciting and how active  
6 our grandstands were, and how much fun was had at the Santa  
7 Rosa meet. We also had visits from Allen Balch, seeing the  
8 same thing.

9 We do feel strongly that a third week with us in  
10 Santa Rosa would be a better week than in Sacramento, so  
11 happy to answer any questions about that.

12 I also want to introduce my CFO Michael Margetts,  
13 who has done quite a lot of work on this, so any questions  
14 that he -- you might have, he can answer those, hopefully.

15 CHAIR FERRARO: Do you have any comments to make?

16 No.

17 MR. MORGAN: Jim Morgan, Special Counsel, Humboldt  
18 County Fair.

19 The Humboldt County Fair Association is a  
20 nonprofit organization and they are renting their premises  
21 from the County of Humboldt. In 2021, due to the shortfall  
22 resulting from having to race with overlap, the county  
23 granted the Humboldt County Fair Association \$200,000 to  
24 keep them afloat.

25 Also, the community raised another \$80,000 in

1 incentives which they distributed to out-of-state horsemen  
2 to get their licenses in order, to get their insurance in  
3 order, to get horses into California. And those horses that  
4 came from Oregon into California, continued on and raced to  
5 Golden Gate Fields, and they also raised at Fresno. They  
6 filled out the cards and they're still here in California.

7 This is not against Golden Gate Fields. This is  
8 about Humboldt County getting a sustaining amount of  
9 revenue. Golden Gate Fields does get host status for the  
10 entire Santa Anita meet, the Triple Crown races, the  
11 Breeders' Cup, the Pacific Classic, that's new this year,  
12 when Del Mar changed his schedule. They don't need an extra  
13 week of host status in August. Humboldt County does need it  
14 in order to sustain and stay alive.

15 Live racing generates new fans and new  
16 participants in our industry. If you looked at the picture,  
17 you saw the attendance figures for the Humboldt County Fair,  
18 we were drawing 5,000 on Saturdays. That's acknowledged,  
19 admissions, but we had probably another 4,000 people that  
20 were there. We had 7,000 paid admissions.

21 On that first overlap Friday at Golden Gate  
22 Fields, there were 351 attendees, as reported by *The Daily*  
23 *Racing Form*. That's not a knock on Golden Gate Fields. We  
24 provide a unique live racing experience that is nowhere else  
25 in the state. Golden Gate Fields has a live racing

1 opportunity when they overlap, but they're mostly an online  
2 presence. And there's room for both on the landscape of  
3 California horse racing but not at the same time.

4           There are nine other -- there are nine racing  
5 venues in California. The other eight don't raise any part  
6 of their meet with another competing racetrack. So if we  
7 have a week without overlap, we can continue -- or both  
8 weeks for that overlap, we can continue our 128-year  
9 tradition. It's a financial boon to the entire state of  
10 county.

11           We can contribute to the CARF Consolidated Purse  
12 Fund. We contribute to purse money and we can raise our  
13 purses. And we can continue to attract new horses into  
14 California, like we did this year, and like we have in the  
15 past.

16           So I beseech you to allow Humboldt to have both  
17 its weeks without overlap. And I sure hope that each of you  
18 consider visiting our track in our unique, boutique, live  
19 racing experience.

20           CHAIR FERRARO: Thank you.

21           Questions or comments from the Board?

22           Mr. Hudnut?

23           COMMISSIONER HUDNUT: I have a question for the  
24 representatives from Santa Rosa.

25           If I'm correct, you, among the fair tracks, are

1 the only facility with a turf course; is that correct?

2 MS. BARTLING: That is correct.

3 COMMISSIONER HUDNUT: And so having a third week  
4 would give an opportunity for turf racing to occur because  
5 it can occur at that time?

6 MS. BARTLING: That's correct.

7 COMMISSIONER HUDNUT: Here.

8 MS. BARTLING: And turf racing would not be when  
9 Golden Gate closes, all the way up until our race meet --

10 COMMISSIONER HUDNUT: Correct.

11 MS. BARTLING: -- there's no turf racing.

12 COMMISSIONER HUDNUT: Correct. So --

13 MS. BARTLING: And I do want to just make a  
14 clarification.

15 We are asking for a week prior to the typical  
16 dates that we've had for the last few years. It would not  
17 be with a typical fair, no carnival, that kind of thing.  
18 We'd have some fair activities as far as horse shows and  
19 that kind of thing. But I do want to make it very clear  
20 that that is not any different than what we had in the past  
21 where we had an additional week that was referred to as a  
22 bonus week after our fair.

23 COMMISSIONER HUDNUT: I have a -- do you have  
24 comment on that, Larry?

25 MR. SWARTZLANDER: Yes, Commissioner. I'd just

1 like to say that, you know, this is my 24th year with CARE,  
2 and I was an integral part of putting a turf course and in  
3 Santa Rosa when they were a member. We played a very active  
4 role in we understand them. And we continue to try to get  
5 Santa Rosa back into our fold with the turf course.

6           Also, just as a note, turf racing in the north,  
7 when Del Mar opens, we lose 112 horses from Pleasanton,  
8 which are turf horses, and they go south. So when you look  
9 at -- I did a statistical study of the turf horses staying  
10 here, and 90 percent of the horses that run on the turf at  
11 Santa Rosa run on dirt or to Tapeta.

12           But I'm not saying I don't support turf. I  
13 support you're facing dramatically.

14           COMMISSIONER HUDNUT: What's the difference in the  
15 average daily handle between Santa Rosa and Cal Expo?

16           MR. SWARTZLANDER: It's about \$20,000 a day.

17           COMMISSIONER HUDNUT: In which direction?

18           MR. SWARTZLANDER: Santa Rosa.

19           MS. BARTLING: Santa Rosa.

20           COMMISSIONER HUDNUT: Okay. I have a question  
21 further from the gentleman from Humboldt.

22           The weeks that you might host, if Golden Gate does  
23 not, where would those monies go? Would they all go into  
24 your purse account or would some of them go into the fair  
25 itself?

1 MR. MORGAN: That's a good question. Half of them  
2 go into commission, which is to sustain the fair, and half  
3 of them go to the purses, as I understand it. And without  
4 racing without overlap, we don't have any monies coming in  
5 to cover those purchases and the operational costs. So the  
6 host status allows us to do that.

7 COMMISSIONER HUDNUT: So if I understand  
8 correctly, half of the proceeds from the host week that are  
9 generated by racing go to support activities other than  
10 racing?

11 MR. MORGAN: They sustain the maintenance of the  
12 facility, the stable. Our track, it was in impeccable  
13 condition, we've had no breakdowns. And there's a lot of  
14 costs, labor, insurance, maintenance, to preserve a  
15 racetrack.

16 COMMISSIONER HUDNUT: Okay. Thank you.

17 MR. MORGAN: Um-hmm.

18 CHAIR FERRARO: Commissioner Davis?

19 COMMISSIONER DAVIS: Yes, Chair Ferraro, are we  
20 going to hear from Cal Expo on this issue?

21 CHAIR FERRARO: Well, I think we should, yes.  
22 Yeah, we will. I'll ask them to weigh in here in a minute.

23 EXECUTIVE DIRECTOR CHANEY: And, Mr. Chairman, I  
24 think I saw like representatives from the TOC, Golden Gate  
25 Fields, and even the CTT may be signing up as like public.

1 I think they're probably more stakeholders than public with  
2 respect to this.

3 CHAIR FERRARO: Okay. We'll try to get to all of  
4 them.

5 Anybody else?

6 For Humboldt, I have some questions here.

7 I have a letter from TOC and Golden Gate Fields,  
8 The Stronach Group, and they mention that the overlapped  
9 week, you had 5.2 horses per start, while the week that you  
10 were not overlapped, you only had 4.9, number one.

11 Number, two, 42 percent of the horses that started  
12 at your track are from Oregon, not California. I wonder how  
13 that benefits California racing?

14 And finally, the two weeks of Ferndale un-  
15 overlapped would cost the purse account over \$255,000 and  
16 cost Golden Gate Fields at least \$390,000 in commission.

17 UNIDENTIFIED MALE: Can I address those?

18 CHAIR FERRARO: Yes, please.

19 UNIDENTIFIED MALE: I wish I would have had the  
20 benefit of that letter in advance to do a little fact  
21 checking. But the facts I do know, that on the overlap  
22 weekend, Golden Gate ran 158 horses that had started before.  
23 Of those 158 horses, 137, 87 percent of them, had made their  
24 last start on a fair race track. And so by racing with  
25 overlap, the horses ship to Golden Gate Fields and they

1 forego Humboldt. So the overlap targets the horse  
2 population in Humboldt. There were 187 percent of the  
3 horses that had last run on a fair circuit.

4 The money that Humboldt generates from the overlap  
5 rate is probably true. It does cost Golden Gate Fields the  
6 purse money. But with that money, as a CARF member, we buoy  
7 up and pay the consolidated per is fun for CARF. And so  
8 CARF, to the extent they have overpaid on the meets at  
9 Sacramento, Pleasanton and the ones that came before us, we  
10 fill that void and we replenish that account.

11 So our ability to race without overlap helps all  
12 the racing fairs. And that money does go into the purses for  
13 us to have a competitive purse structure for not only our  
14 fair but every other fare.

15 CHAIR FERRARO: Okay, let's hear from some other  
16 people now. Sacramento fair representative, can we see what  
17 you have to say, please?

18 EXECUTIVE DIRECTOR CHANEY: Yeah, sure, you can  
19 just stand in the -- that microphone works as well.

20 MR. MARTINEZ: Good morning. Tom Martinez  
21 representing Cal Expo and, in his case, California State  
22 Fair. Thank you. Welcome. I will try to do my best to  
23 pitch in here for Rick Pickering. And any -- I've been here  
24 before in front of you.

25 I didn't anticipate having to defend the

1 California State Fair our racing meet, but I'm willing to do  
2 so if needed. And I'll try to answer some of the questions  
3 related to some of the health or safety concerns.

4 And I as I mentioned to some of you in recent  
5 days, or in the recent weeks, we are willing to look out and  
6 explore opportunities, such as night racing, as we  
7 mentioned. And for those of you who are paying attention to  
8 our third week, it is obviously our most profitable week we  
9 have. It's our largest attended week of the State Fair.  
10 And I think that has shown in our success in this past fair  
11 with our handle and whatnot.

12 Is there any specific questions you'd like me to  
13 address? I prefer not to speak to Santa Rosa's meet. I'm  
14 sure they could do that for themselves. I could speak to  
15 all the questions or concerns related to the California  
16 State Fair though.

17 CHAIR FERRARO: Do you have contracts already  
18 started that -- your fair activities during that period of  
19 time?

20 MR. MARTINEZ: Of course. Putting on the  
21 California State Fair, it takes place almost immediately  
22 after the fair ends. The fair network, our carnival, I know  
23 you guys don't necessarily like to hear about carnivals and  
24 corndogs and stuff but that's the life that we live, it  
25 actually makes up about 65 percent of our revenue for the

1 annual -- for the year, for the operations here at Cal Expo.  
2 But all of our contracts have been in place they are in  
3 place, including our carnival company, which kind of comes  
4 to us right after pleasant. So, yes, all of our contracts  
5 are in place, including our 16 bargaining -- collective  
6 bargaining units contracts.

7 CHAIR FERRARO: So what would be the effect of you  
8 losing a week of racing?

9 MR. MARTINEZ: It wouldn't be good, that's --  
10 obviously, especially our -- that's our biggest week and our  
11 biggest attended week of the State Fair. Of course, it goes  
12 without saying, it goes hand in hand. Our success for a  
13 California State Fair includes a horse racing meet here on  
14 the fairgrounds at this track.

15 CHAIR FERRARO: Yes?

16 VICE CHAIR GONZALES: Yes, Mr. Chairman, the only  
17 comment I'd like to make for Tom, and I appreciate your  
18 communication, and as Rick has moved on now to greener  
19 pastures, you know, any action that I take on Cal Expo, one  
20 way or the other, would be with the understanding that you  
21 and your team, along with CARF, are going to do your utmost  
22 to consider night racing. We talked about, you know, the  
23 changing weather pattern, particularly here in the  
24 Sacramento area.

25 I did mention now that we have Dr. Blea back

1 onboard, perhaps even him and his team weighing in about the  
2 impact of, you know, 100 degree-plus weather, you know,  
3 during day racing.

4 But I do appreciate your consideration and your  
5 comments also, Larry, about looking at what we could do to  
6 protect our horses in heat that is -- has just gotten really  
7 bad, so thanks.

8 MR. MARTINEZ: Absolutely. I mean with planning  
9 of course, and absolutely.

10 A/V REPRESENTATIVE: Microphone, please.  
11 Microphone, please.

12 CHAIR FERRARO: Can we hear from a Golden Gate  
13 representative, please? Sorry.

14 MR. FRAVEL: Thank you, Mr. Chairman. Craig  
15 Fravel for Golden Gate Fields.

16 I think the information that was in the letter  
17 that you refer to is pretty self-explanatory, and  
18 particularly the instances of the loss of revenue to Golden  
19 Gate.

20 I'm very sympathetic, in a way, to the Humboldt  
21 folks. Because when I was at Del Mar, my favorite race  
22 simulcasting was the Humboldt County Marathon and the  
23 incredibly taxing ability to keep a track of horses going  
24 around eight to ten times around the track.

25 But I do think, you know, when he says that this

1 has nothing against Golden Gate Fields, I feel compelled  
2 To -- while I'm sure it's not personal, it is felt from a  
3 financial standpoint, and also dramatically from our  
4 horsemen.

5 I point out that, as I noted in the letter, there  
6 were ten trainers from Golden Gate Fields that raced at  
7 Humboldt, which, out of perhaps 80, 90 trainers, is not an  
8 exactly large-scale showing of support for racing and  
9 Humboldt. And as we noted, there will be a significant  
10 financial impact on Golden Gate which is, you know, to be  
11 straightforward, not the most profitable racetrack, in fact,  
12 frequently operates at a loss. So to impose further loss is  
13 something that we're obviously not supportive of.

14 So I would hope that -- and I think Mr. Balch is  
15 going to get up and he has a lot better statistics and more  
16 information for you. But the fact that he and I are now on  
17 the same team on this one ought to get like a lot of  
18 attention.

19 So I appreciate your time.

20 CHAIR FERRARO: There's been a suggestion that  
21 there or something that the possibility of giving a week of  
22 racing the Humboldt, but leaving the simulcast revenue with  
23 Golden Gate, what effect would that have on your situation?

24 MR. FRAVEL: I actually, and I David and I spoke  
25 about that earlier this week, I think we would be supportive

1 of that. Obviously, you know, I believe in breaks in the  
2 racing calendar. And if there's a way to have a better  
3 racing product -- and I don't think we pointed out, though I  
4 guess we did point it out in the letter, everyone keeps  
5 expecting us to stay open for training while, you know,  
6 meets are taking place at fairs, and particularly the  
7 Humboldt Fair, so -- and that would be what is contemplated  
8 by their proposal.

9           So being compensated for the loss would certainly  
10 be something that we would, I think, welcome. And having  
11 some break in the calendar isn't -- is not a negative for  
12 us.

13           CHAIR FERRARO: Okay. Thank you.

14           Mr. Balch, your turn.

15           MR. BALCH: Alan Balch, California thoroughbred  
16 Trainers.

17           I guess Mr. Fravel didn't check with me to see if  
18 I changed my mind, but I haven't.

19           The letter you have that we signed, we've been up  
20 at this podium many times on this issue, but -- meaning the  
21 Ferndale issue. But as long as I'm here, I want to comment  
22 on the entire issue.

23           You got an extremely lengthy letter from me quite  
24 a while ago, which is in your packet, with a lot of data on  
25 the history of date allocations in Northern California, in

1 particular the foal crop, everything else. And it really  
2 didn't contain a specific recommendation, except that Santa  
3 Rosa, we believe, we the trainer's organization  
4 organization believes, should have a third week. Now where  
5 it comes from and how it's structured is something else  
6 again because you have so many competing factors to deal  
7 with.

8           Now on the specific Ferndale-Humboldt County  
9 situation, the letter, I think, speaks for itself. No, I  
10 don't have a lot more data. I have the data that you have.  
11 I think it's pretty, pretty evident that Golden Gate is  
12 significantly negatively impacted if they have to give up a  
13 week. The entire purse account, I think Mr. Fenton is going  
14 to speak if he hasn't already, the entire purse account is  
15 affected.

16           And I think it's extremely important to remember  
17 that Golden Gate Fields is the anchor and the fundamental  
18 foundation for fair racing in Northern California because  
19 Golden Gate is the track that keeps the industry going on a  
20 year-round basis. All those horses training, the trainers,  
21 the owners, everybody else, Golden Gate, with all its  
22 facilities, where it's located and everything else, is  
23 critical to the success of the rest of Northern California  
24 racing. And you know, there's always been tension in  
25 balancing the interests of Golden Gate with the fairs

1 because Golden Gate does have a lot of weeks, but it needs a  
2 lot of weeks. It's an extremely expensive place to be and  
3 it's expensive for everybody. And unfortunately these hard  
4 decisions come to you, the regulator.

5 I think the Humboldt decision, in my opinion, is a  
6 fairly clear decision. Please observe our recommendation,  
7 our joint recommendation of the owners, the trainers, and  
8 the racetrack together, which I have to admit is a fairly  
9 rare thing, that means it's important. And I hope you will  
10 also seriously consider another week for Santa Rosa because  
11 we strongly believe they deserve it.

12 Thank you.

13 VICE CHAIR GONZALES: Gonzales here.

14 Larry, could you please reply to Mr. Fravel's  
15 comment?

16 MR. SWARTZLANDER: Yeah. I'd like to reply to,  
17 you know, basically, what Alan and Craig have said, that,  
18 first of all, we all have to understand that racing in  
19 Northern California is a continuum. Like any major sports,  
20 we have our triple A and double A and single A teams. They  
21 support the Del Mars and the Santa Anitas. We need to keep  
22 the fairs in strength because we support what goes on all  
23 racing.

24 Secondly, I didn't want to get in numbers, but on  
25 the letter that they provided you that, yes, there's a

1 difference of \$250,000 in purses for that week. But we also  
2 inject \$100,000 in incentives, which has not done a Golden  
3 Gate. And I proposed to you already that next year we're  
4 looking at putting in a \$500 per start which would put  
5 another \$125,000 into Humboldt, and also could raise the  
6 purses. So you're talking a nebulous \$50,000 difference.

7           And again, as an owner myself, you're not going to  
8 come up 300 miles for a three-day week -- three-day meet.  
9 You got to have two weeks. You got to give them some  
10 incentive to come up there.

11           And true, Chairman, 42 percent come from Oregon,  
12 but they've always supported the Humboldt County Fair  
13 racing.

14           And one other thing. Becky and I did talk last  
15 week and -- well, let's call it a retreat, but we want to  
16 have a meeting of their board members, our board members,  
17 and bring in Humboldt as a mentor to try to finally satisfy  
18 this situation we have right now.

19           VICE CHAIR GONZALES: Jim, would you like to reply  
20 again, add on to Larry, and then reply to Mr. Fravel's  
21 comment? Again, what we're talking about here is if we did  
22 go to the two weeks of un-overlapped and Golden Gate were to  
23 retain the simulcast, just wanting to know your thoughts and  
24 impact on that?

25           MR. MORGAN: Thank you. Jim Morgan. I appreciate

1 the opportunity to respond.

2 I don't know what the simulcast revenue would be  
3 for Humboldt. We need the host status to sustain. We're  
4 talking one week. Golden Gate has all the rest of the of  
5 the year. We're talking one week.

6 And those horses that came from Oregon, a lot of  
7 them are still here. They ran at Fresno, they ran a Golden  
8 Gate Fields. Were bringing horses into the state and a lot  
9 of them stay here.

10 This is \$8 million worth of revenue to this to a  
11 small community. The stands are full. There's 9,000 people  
12 in the fairgrounds. They love their life of horseracing.  
13 They've supported it.

14 We're talking about one lousy week. We heard  
15 Golden Gate Fields' representative say they just had a two-  
16 week break for Fresno. They stopped for Fresno. And he  
17 said was a nice two- week break.

18 We're just ask him for week so we can sustain.  
19 The county can't keep paying us a grant every year to stay  
20 alive. And it would kill off this venue. And I don't  
21 believe, percentagewise, that one week's revenue for Golden  
22 Gate Fields makes a big difference in their livelihood or  
23 outcome but it makes a world of difference to Humboldt  
24 County Fair.

25 We should not be penalized because we're small.

1 We've done everything we can. And I just appreciate your  
2 consideration.

3 COMMISSIONER ALFIERI: Larry, do you know what the  
4 revenue is or -- you kind of shook your head.

5 MR. SWARTZLANDER: You're talking about the  
6 \$300,000 swing? When you do commissions and purses for that  
7 one week, that's what you're generating for out-of-state ADW  
8 that comes in. And for Humboldt to run without that, you  
9 know, you're tying my hands in trying to increase purses and  
10 provide the many commissions to pay their expenses.

11 CHAIR FERRARO: Do we have public comment on this?

12 COMMISSIONER DAVIS: Chair Ferraro, I just have  
13 one other question.

14 CHAIR FERRARO: Go ahead.

15 COMMISSIONER DAVIS: So Mr. Swartzlander, you  
16 represent -- you're the Racing Fairs Association; right?

17 MR. SWARTZLANDER: Yes.

18 COMMISSIONER DAVIS: So I'm a little bit confused.  
19 Isn't Cal Expo also part of the organization?

20 MR. SWARTZLANDER: Yes.

21 COMMISSIONER DAVIS: So you're taking the position  
22 that you would prefer the extra week without overlap for  
23 Ferndale but not Cal Expo?

24 MR. SWARTZLANDER: Not an additional week for  
25 Santa Rosa.

1           COMMISSIONER HUDNUT: Which is not a member of  
2 current member of CARF?

3           MR. SWARTZLANDER: Which is not a member of CARF,  
4 yes.

5           COMMISSIONER DAVIS: Okay.

6           CHAIR FERRARO: Does TOC want to weigh in here?

7           MR. FENTON: Good afternoon. Gary Fenton, TOC.

8           There are two issues here. And I won't say this  
9 very often but I'll let Mr. Fravel and Mr. Balch's comments  
10 and the letter stand as written and not add anything to it.

11           As for the week with Santa Rosa and Sacramento,  
12 the good folks, I just want on the record, the good folks at  
13 Santa Rosa have not sought our opinion running a third week.  
14 And at this point, our Board has not fully dissected the  
15 issue because there are a lot of moving parts, namely what  
16 happens at Ferndale and Humboldt. If they run two weeks un-  
17 overlapped, we may be inclined to support a third week at  
18 Santa Rosa, due to having a turf course, as Commissioner  
19 Hudnut alluded to.

20           CHAIR FERRARO: Questions?

21           COMMISSIONER HUDNUT: It's interesting, with  
22 respect to Humboldt, the nub of the issue is whether we put  
23 our citizenship ahead of our Commissionership. Because if  
24 Humboldt is requesting is to do something for the good of  
25 Ferndale and the county and be good citizens, which is not

1 necessarily in the best interest of California horse racing,  
2 it's just maybe in the best interest of Humboldt County, but  
3 we're in the curious position of having to try to decide  
4 what's best for the racing in the state.

5 I would favor a third week for Santa Rosa, along  
6 with the TOC, the TTC, and the racetrack operators, just for  
7 whatever that's worth.

8 COMMISSIONER ALFIERI: Mr. Chairman.

9 CHAIR FERRARO: Go ahead.

10 COMMISSIONER ALFIERI: I have a question.

11 I mean, Mr. Fravel, is there another way to,  
12 putting it bluntly, skin the cat? Is there a way to --  
13 you're hearing loud and clear, you know, the concern -- I  
14 mean the support we'd like to give them, Humboldt. Is there  
15 another way to make it -- and you don't -- I don't think you  
16 need -- you know, The Stronach Group doesn't have to be --  
17 need to be -- Golden Gate does not need to be penalized,  
18 because you are the big revenue generator.

19 But on the other hand, on the good -- for the good  
20 of the community and others, is there another way to make it  
21 financially -- is there any way to like split the --

22 MR. FRAVEL: Well, obviously, you know, again,  
23 Golden Gate is a very challenging economic model. And so  
24 the prospect of training and losing a significant chunk of  
25 revenue turns what's almost a breakeven operation into

1 almost a sure losing operation.

2           And I don't -- I'm not crying in my beer or  
3 anything but I think, you know, the Commissioner Hudnut is  
4 entirely correct, you know, the question is, you know,  
5 what's good for Humboldt is not necessarily good for the  
6 overall business. So if there's a financial arrangement  
7 that makes sense that, you know, their public interest in  
8 racing, you know, we're happy to consider that.

9           But I just -- and let me just tell you, I've been,  
10 part and parcel of arguments over Ferndale for almost the  
11 entire 32 years of my racing career, these exact same  
12 arguments took place 29 years ago and when I was at Del Mar,  
13 so this is nothing new. If I had the answer to the problem,  
14 I would have come up with or suggested it long ago.

15           But I'm afraid, you know, there's only so many  
16 horses to go around. You know, there was a time when you  
17 know, there were enough horses that Humboldt and Golden Gate  
18 could overlap without, you know, hurting each other from an  
19 equine standpoint. But let's all be -- whatever your  
20 decision is, I think you need to be eyes wide open.

21           This all turns on that simulcast revenue, the  
22 source market fees from imports in the northern zone and who  
23 gets it. So if there's a way to make it up financially and  
24 divvy that up appropriately, we'd be happy to have that  
25 conversation with Humboldt. But sometimes our ability to

1 see eye-to-eye on those things has been difficult.

2 CHAIR FERRARO: Thank you, Craig.

3 MR. HOBAN: Good morning. Jerome Hoban, Alameda  
4 County Fair. But today I want to speak briefly on behalf of  
5 CARF, California of Authority of Facing Fairs. I'm the  
6 Chair. I just want to draw a quick analogy to stay at a  
7 very high level.

8 In the MLB, if anybody is a baseball fan, and we  
9 started talking about Single A, Triple A, Double A, so  
10 forth, the analogy would be that there's a lot of small  
11 market teams. And all of the MLB understands, you've got  
12 have Milwaukee and the Cardinals. Now the Dodgers and the  
13 Yankees are going, oh, this is rough, but we have to have it  
14 for the good of the entire baseball industry.

15 This is exactly the same for horse racing. You  
16 have to have the small-market teams. We've already gotten  
17 rid of Vallejo and Stockton, and before my time, Orange  
18 County Fair, all these other race meets that went away that  
19 were small market, in lieu of the large-market team. It  
20 will not work. It will be the demise of horse racing in  
21 California if we continue this process. Pleasanton, Santa  
22 Rosa would wind up being small-market teams.

23 And so I just beg that we understand the entire  
24 industry as a whole. We just had some comments that it was  
25 nice to get horses out of Oregon. Well, that just made them

1 into California horses, at least for a week. That is better  
2 than no Oregon horses coming into California at all.

3 And I think Larry makes the perfect point, that  
4 three days to get horses from the Bay Area to Humboldt for  
5 three days is just not worth anybody's time. But if they  
6 had two weeks of racing up there, trainers would move  
7 forward, and with the incentives.

8 The last thing I wanted to mention was we have  
9 experimented with having a fair without a serious  
10 fair/carnival with racing. And this Board, in the past, has  
11 always indicated, yeah, that's probably not the best model  
12 for the racing industry.

13 So the only beg that we use our analogy of the  
14 MLB, a far-far larger sport than the game we play. But  
15 please consider that analogy as the health of an entire  
16 industry needs small-market teams to keep playing.

17 So thank you.

18 CHAIR FERRARO: Thank you.

19 VICE CHAIR GONZALES: Gonzales here.

20 Jerome, the point is well taken.

21 This is a question for Scott, and maybe the  
22 counsel here. If we were to decide on giving Humboldt two  
23 weeks of un-overlapped, let's say we were to vote on that,  
24 so that would essentially fulfill our obligation for the  
25 race meet calendar, however, we take a look at that ADW or

1 satellite wagering, get -- look at the numbers, and then we  
2 then, as a Board, can vote on that later, or if there's some  
3 kind of negotiation? So it would either be Golden Gate  
4 retains that, Humboldt retains that, or some kind of a  
5 hybrid.

6           And I just want to say to Mr. Fravel, I really  
7 appreciate your open mindedness, sir, I really do. I think  
8 that where we are here, and especially what I think did not  
9 get mentioned, was the number of local officials that came  
10 from up north.

11           MR. FRAVEL: Yes.

12           VICE CHAIR GONZALES: so really appreciate that.

13           But I just want to let the Board know, after --  
14 you know, and my position as the Race Date Committee Chair,  
15 that I believe Humboldt has made a compelling case. I had  
16 not thought about, perhaps, that extreme move that would  
17 impact Golden Gate and I don't want that to happen.

18           So, again, the question to Scott is: Could we  
19 allocate the two weeks to Humboldt, and then act on as a  
20 Board, where that pot of money goes via ADW?

21           EXECUTIVE DIRECTOR CHANEY: Oh, yeah. So I'm not  
22 sure that we can control like how the money works, like sort  
23 of independently. I think the way to accomplish that,  
24 though, is probably leave the allocation as it is with that  
25 overlapped week. And then with the understanding that, when

1 Golden Gate's application comes up for that particular meet,  
2 A, they agree, you know, they agree to apply not to run,  
3 right, that that first week, which would be the second week  
4 of Humboldt County Fair and leave that like money piece for  
5 the two parties to decide like what the number is. And then  
6 the Board would be in the position of deciding whether, you  
7 know, they want it to go down that path or not.

8 I think my fear is that if the two weeks were  
9 allocated to Humboldt entirely, and the week was taken away  
10 from Golden Gate Fields, there's no way then to get the  
11 money to -- the money flow wouldn't work properly is --  
12 because we need the money flow from the simulcasting at  
13 Golden Gate Fields in order to make that work. Does that  
14 make sense? I don't feel like I'm explaining that very  
15 well. But I think leaving the allocation makes sense. And  
16 then we have more wiggle room to kind of figure out that  
17 relationship for the overlapped week.

18 CHAIR FERRARO: So you're saying to leave the date  
19 with Golden Gate, tell Humboldt, go ahead and race, and then  
20 when you get to that date somebody decides on a simulcast?  
21 I'm not sure.

22 EXECUTIVE DIRECTOR CHANEY: Right. What we're  
23 doing today is just allocating race dates. At some point  
24 next year, Golden Gate Fields will have to apply for a  
25 license for that particular meet; right?

1 CHAIR FERRARO: Right.

2 EXECUTIVE DIRECTOR CHANEY: And in that license  
3 application it will say, we're not going to run the first  
4 week, we're not going to actually race horses. They'll  
5 still be the hub and the simulcast and gain the benefit that  
6 you were worried about redistributing. But then they have  
7 about the next six months to make Humboldt happy enough so  
8 that their purses are large enough that they can, you know,  
9 sustain those two weeks.

10 I don't know if there's a deal to be made but I  
11 think that's the way in which you leave the parties in order  
12 to try to make the deal. Because the truth is Humboldt will  
13 just not generate as much like simulcast mining, and so on  
14 and so forth, as Golden Gate Fields is. I mean, that's the  
15 reality.

16 MR. FRAVEL: Can I speak briefly on just that  
17 issue?

18 There's an AB 763, which says when Humboldt and  
19 Golden Gate Fields race with overlap, Golden Gate Fields has  
20 the host status. And that's probably the main incentive for  
21 them to race an overlap with us.

22 We need the sustaining revenue and access to it.  
23 And if it means we have to do -- engage in discussions  
24 later, fine, but we're asking you to give us the two weeks  
25 without overlap.

1           And just went one final comment. This is the  
2 California Horse Racing Board. It's not about citizenship  
3 so much, it's about bringing this sport, which is supported  
4 by live attendance, to the northern quadrant of this state.  
5 And if they don't have sustaining revenue, it goes away.  
6 And so it ceases to become the Northern California Horse  
7 Racing Board because that quadrant would have been  
8 eliminated if we have to go away.

9           So please consider that as well.

10          MS. BARTLING: I'd like to make --

11          CHAIR FERRARO: I think Mr. Hudnut's comments are  
12 pertinent, though, here. We're trying to decide what's best  
13 for California racing, horse racing. And at the same time,  
14 we're looking at Humboldt and what's best for the  
15 citizenship and County of Ferndale. So, I mean, it does  
16 play. It's playing in there, whether you like it or not.

17          MR. FRAVEL: No. And live racing fans and field  
18 stands, that promotes the sport, and it brings in -- I mean,  
19 look at Frank Miramonte, Chris Griffin, they all started at  
20 Humboldt. And we've got Steve Coburn, Alan Aldridge,  
21 Eclipse Award-winning owners, they started in Humboldt. And  
22 in the minor league analogy, it works. And you cut off a  
23 big floodgate of horses from the north that stay in race  
24 here. And you also cut off the excitement of live racing.  
25 There's a difference between live racing and online racing.

1 And, and I would just hate to see it go.

2 MS. BARTLING: Thank you. Thank you. Chair. I  
3 just wanted to correct a statement that Mr. Hoban made.

4 We did run without a fair. And the purse  
5 structure, the purses generated, and the commission we're  
6 definitely higher than what happened in Cal Expo. So we can  
7 run race meet without a fair and be very successful.

8 MR. SWARTZLANDER: Can I make just one last  
9 comment?

10 This has been brought up before about some  
11 distribution to -- you know, Golden Gate has made the point  
12 of staying open two weeks for stabling for us. I'm not  
13 going to argue whether that's good or bad. But, you know, I  
14 thought we'd put on the table that we could certainly be  
15 open, if this is going to be a yes or no situation, that you  
16 could approve the two weeks un-overlapped and Golden Gate  
17 and CARF could negotiate some type of financial settlement.

18 COMMISSIONER ALFIERI: I think that's what the  
19 Chairman said.

20 VICE CHAIR GONZALES: Yeah.

21 COMMISSIONER DAVIS: Yeah.

22 VICE CHAIR GONZALES: That's really what I was  
23 trying to get at. And that's where I asked, you asked it a  
24 lot better than I did here, Larry, so that's what I was  
25 asking, if what Larry just mentioned is what we could do?

1 EXECUTIVE DIRECTOR CHANEY: Yeah, it certainly is.  
2 I just think it's smarter from an allocation standpoint to  
3 leave the un-overlap. If golden gates not going to run,  
4 they're not going to be competing for horses, which takes  
5 care of one of Humboldt's arguments.

6 But if you just give them to un-overlapped weeks  
7 and they get the benefit of the simulcast money, then the  
8 financial arrangements is going to be how much are you going  
9 to pay Golden Gate Fields; right?

10 CHAIR FERRARO: That's right.

11 VICE CHAIR GONZALES: Well, I know where I stand.  
12 I want to provide the two weeks of un-overlapped to  
13 Humboldt. If there's somebody that wants to come in with a  
14 motion to create a compromise so that we hold the parties, I  
15 would be open to that kind of a motion.

16 CHAIR FERRARO: Well, isn't what he's saying is in  
17 order to do that, you have to not award the overlap. You  
18 have to wait until Golden Gate applies for their license and  
19 then negotiate between not running and where the simulcast  
20 money goes. If your word the two weeks automatically un=  
21 overlapped to Humboldt, you can't negotiate the simulcast  
22 fees; is that correct?

23 EXECUTIVE DIRECTOR CHANEY: I mean, it is correct,  
24 I guess, to the -- yes.

25 VICE CHAIR GONZALES: I mean, part of what I don't

1 want to do is to relinquish the authority that we have. I  
2 think if we put our marker down, then I think it then, you  
3 know, forces the parties to find, you know, to find that  
4 middle ground. If we leave it up to Golden Gate, if Golden  
5 Gate is not satisfactory they could say, no, we want to run  
6 that that date. That's what I'm concerned about.

7 EXECUTIVE DIRECTOR CHANEY: Yeah. I think the  
8 stick that we have with that approach is that you have  
9 complete control over Golden Gate's license. So when they  
10 come to apply, they have to say, we're going to run these  
11 days, and by the way, we've made a deal with Ferndale where  
12 we'll supplement their purses with X from the simulcast  
13 money that we're gaining from that week, we're not running  
14 but we're getting the host fees, whereas I don't think the  
15 opposite is true; right?

16 I mean, if I were -- if Humboldt County had two  
17 un-overlapped weeks, and also the simulcasting revenue,  
18 Golden Gate Fields says, we're not going to stay open, we're  
19 not interested in being auxiliary housing. Why would we  
20 help out horsemen in this -- in that way? And of course,  
21 you know, CTT, TOC would all be apoplectic and, probably,  
22 rightfully so because they're going to either have to ship  
23 to Ferndale, or one of the other CARF tracks, in order to  
24 have some place to live.

25 VICE CHAIR GONZALES: And just remind me the

1 timing of the Golden Gate Fields application? When would  
2 that come up for that?

3 EXECUTIVE DIRECTOR CHANEY: Oh, typically for that  
4 meet it's, you know, late August, so probably June-ish, or  
5 May.

6 VICE CHAIR GONZALES: That's cutting it really  
7 close to -- that would hurt their planning. I think it  
8 would hurt. If we waited until then, Scott, I just think it  
9 would really hurt any kind of planning, prep, recruiting of  
10 horses, et cetera.

11 MR. SWARTZLANDER: Yeah, planning is number one.  
12 And, secondly, that whoever you award the dates to, they're  
13 going to be in the driver's seat. You know, Craig has  
14 already said that he'd be willing to some type of financial  
15 agreement. I've said we'd be willing to come to that. If  
16 you awarded dates to Humboldt, we'll sit down and we'll  
17 reach an agreement.

18 EXECUTIVE DIRECTOR CHANEY: And you could reach  
19 agreement by -- I mean, the Board can say, figure it out in  
20 the next two months or something, so from a planning  
21 standpoint --

22 VICE CHAIR GONZALES: That's right. Great.

23 MR. HOBAN: I think, in part, we're engaged in a  
24 major evaluation of game theory here in terms of who has the  
25 best negotiating position. Let us be straightforward,

1 that's really what we're talking about.

2           So, I mean, I guess what I might suggest, since  
3 this is an element of negotiation, perhaps it's best to keep  
4 both sides somewhat uncertain and leave these particular  
5 weeks out of the allocation, and deal with the rest of the  
6 calendar. And we'll come back in two months time and see if  
7 Larry and I can (indiscernible), or maybe I'll make sick Mr.  
8 Duggan on him, more importantly, and the two of them can  
9 kiss and make up figured out.

10           MR. SWARTZLANDER: I think that's a great idea.

11           CHAIR FERRARO: Well, we could then --

12           VICE CHAIR GONZALES: We're trying to get --

13           COMMISSIONER CASTELLANOS: Kiss and make up?

14           CHAIR FERRARO: -- we could then just approve the  
15 dates and leave that week off the calendar until we decide  
16 what to do with it.

17           MR. HOBAN: Or just say it's a non-decision at  
18 that point on that three-week period and we'll come back

19           COMMISSIONER DAVIS: My --

20           COMMISSIONER HUDNUT: Go ahead, Brenda.

21           COMMISSIONER DAVIS: My question is: How does that  
22 work for Cal Expo when they have to -- their planning  
23 horizon is a lot longer?

24           MR. HOBAN: Right. If I'm correct, there's no  
25 connection between the two decisions. So you can decide the

1 Cal Expo/Santa Rosa issue. And that's not a negotiation.

2 That's an either/ or as I'm hearing it.

3 COMMISSIONER DAVIS: Okay.

4 MR. HOBAN: And I'm not trying to do anyone's job  
5 for them but, you know, what, what you're asking us to do is  
6 go negotiate, so make sure we both have an incentive to do  
7 that without one having the upper hand on the other.

8 That's, I guess, my point of view.

9 Mr. Castellanos does a lot more negotiation very  
10 effectively than I do, so I think he could weigh in on which  
11 is the best approach.

12 COMMISSIONER ALFIERI: I personally like that  
13 because it's what I was getting to earlier, is there another  
14 way to make it work, you know? And so do we have to -- we  
15 don't have to make that decision today.

16 COMMISSIONER HUDNUT: I can't believe that two  
17 months' time would be detrimental to Humboldt planning for  
18 next summer.

19 MR. HOBAN: I'm not suggesting they would be.  
20 It's a budgeting issue and whether we have an amount of  
21 money necessary to keep the doors open.

22 COMMISSIONER HUDNUT: Okay.

23 But you're right, two months won't make that big a  
24 difference.

25 VICE CHAIR GONZALES: (Off mic.) That would be

1 the December meeting agenda. And, Jim, I think you're  
2 trying to get (indiscernible). You have a level of  
3 understanding (indiscernible).

4 A/V REPRESENTATIVE: You're mic is not on.

5 VICE CHAIR GONZALES: (Off mic.) And the one  
6 thing, I will say, Larry -- (mic is turned on) my apologies  
7 -- Larry, on numerous occasions, has managed to work out,  
8 particularly through COVID when there was quite a bit of  
9 maneuvering. So if we could, so it would, in a sense,  
10 be -- what would be the right thing here, Scott? Would it  
11 just be tabling those weeks until the December meeting?

12 EXECUTIVE DIRECTOR CHANEY: Yeah. I mean, quite  
13 simply, it would just be not allocating the, what is it,  
14 August 23rd through the 29th.

15 VICE CHAIR GONZALES: Okay. I'll put that in the  
16 form of a motion. And then -- oh.

17 MR. FENTON: Hi. Gary Fenton from TOC.

18 We would respectfully request that the third week  
19 at Santa Rosa also be lumped into this because they are  
20 related, as it pertains to whether a turf course will be  
21 available or not available, and we think it would be right  
22 to just put that week, as well, into this negotiation.

23 COMMISSIONER HUDNUT: That would be another motion  
24 that I intended to make. Thank you.

25 CHAIR FERRARO: Okay. Shall we make two separate

1 motions, one dealing with the race meet at Humboldt, and the  
2 other one dealing with Santa Rosa? Can I get a motion?

3 EXECUTIVE DIRECTOR CHANEY: Well, no, I think you  
4 can actually do it in one, if that was your plan.

5 Commissioner Hudnut di not allocate. Really what you're  
6 talking about is the 26th of July to the 1st of August.

7 COMMISSIONER HUDNUT: Correct. It's Commissioner  
8 Gonzales's motion. So if he's agreeable to making that part  
9 of the motion, I would favor that, but I want to get that  
10 third week for Santa Rosa on the calendar.

11 EXECUTIVE DIRECTOR CHANEY: Oh, I'm sorry, maybe I  
12 misunderstood you then. You were -- so you advocate  
13 switching the week in Cal expo or not allocating it for the  
14 time being and tell the parties to sort it out?

15 COMMISSIONER HUDNUT: No. I want a heads-up vote  
16 on whether Santa Rosa gets a third week.

17 CHAIR FERRARO: So in the Humboldt case, we table  
18 the decision until later, and this is part of your motion.

19 VICE CHAIR GONZALES: Yes.

20 CHAIR FERRARO: And, at the same time, in the same  
21 motion, we favor adding Santa Rosa, giving Santa Rosa week,  
22 which means we're taking it away from Cal Expo; is that  
23 correct?

24 COMMISSIONER HUDNUT: That's only if Commissioner  
25 Gonzales were willing to do that.

1 VICE CHAIR GONZALES: Well, if we could -- I would  
2  
3 prefer to split those up.

4 COMMISSIONER HUDNUT: That's fine with me.

5 VICE CHAIR GONZALES: I think handling the  
6 Humboldt issue separately, unless there's somebody who could  
7 Say, I mean --

8 COMMISSIONER HUDNUT: I like the Humboldt  
9 resolution.

10 VICE CHAIR GONZALES: And we're going to come  
11 December. It will be on the December agenda. The parties  
12 are going to work out revenue part.

13 COMMISSIONER HUDNUT: Yeah.

14 VICE CHAIR GONZALES: I'm confident that they'll  
15 get to a good place. And (indiscernible) what we're trying  
16 to do here, so just some more patience.

17 So that is the motion just to table those  
18 particular dates until the December meeting.

19 COMMISSIONER HUDNUT: Mr. Hudnut?

20 COMMISSIONER HUDNUT: I second that.

21 CHAIR FERRARO: Okay. Commissioner Castellanos?

22 COMMISSIONER CASTELLANOS: Yes.

23 CHAIR FERRARO: Commissioner Alfieri?

24 COMMISSIONER ALFIERI: Yes.

25 CHAIR FERRARO: Commissioner Gonzales?

1 VICE CHAIR GONZALES: Yes.

2 CHAIR FERRARO: Commissioner Davis?

3 COMMISSIONER DAVIS: Yes.

4 CHAIR FERRARO: Commissioner Hudnut?

5 COMMISSIONER HUDNUT: Yes.

6 CHAIR FERRARO: Okay. That's the best deal you're  
7 going to get.

8 VICE CHAIR GONZALES: For now.

9 CHAIR FERRARO: Alright, now we have to take up  
10 the issue of Santa Rosa.

11 And, Mr. Hudnut, do you want to state your  
12 preferences again?

13 COMMISSIONER HUDNUT: Yes.

14 VICE CHAIR GONZALES: Your Honor, actually, Larry,  
15 you don't -- okay, you're representing Cal Expo.

16 I think you're good to go, Jim, and that we could  
17 bring up -- I think we'd bring up Mr. Martinez.

18 MR. SWARTZLANDER: Tom Martinez, yeah.

19 VICE CHAIR GONZALES: Yeah. You know, I've got  
20 these questions.

21 COMMISSIONER CASTELLANOS: Next time we'll get you  
22 guys a smaller table.

23 CHAIR FERRARO: Hang on. We're going to take a  
24 quick break here.

25 (Off the record at 11:33 a.m.)

1 (On the record at 11:46 a.m.)

2 CHAIR FERRARO: Okay, where were we?

3 (Off mic colloquy)

4 CHAIR FERRARO: So we've basically resolved the  
5 Humboldt matter for now. So do we're going to discuss what  
6 to do regarding Sonoma and the Cal Expo.

7 So do we have comments from anybody?

8 VICE CHAIR GONZALES: You know, Mr. Chairman, I  
9 just -- you know, when we conducted our Race Dates Committee  
10 meeting prior to the last meeting, there was just a lot of  
11 very important input that was given. I really appreciate  
12 the stakeholders, the CTT, the TOC and others really  
13 speaking to the value and benefits of Santa Rosa.

14 You know, I believe that given, again, we're just  
15 talking, still trying to get ourselves organized after  
16 COVID, really understanding the vital role that the  
17 fairground plays here, we do know that there's lots of  
18 support for both parties.

19 What I would be willing to put on the table here  
20 for consideration, Board, would be that we allow Cal Expo,  
21 especially since they're going to do their absolute best, if  
22 not outright commitment to conduct night racing, is to keep  
23 the three weeks in 2023. However, looking at 2024, I know  
24 it's tough, you remind us, Scott, that it's tough to make a  
25 commitment or promise, but that we then look at giving Santa

1 Rosa that third week and 2024. I don't want to go as far as  
2 saying that's a compromise. I just think that we still are  
3 trying to strike that balance as best as we can.

4           So, you know, I'm willing to put that -- if you  
5 think there's any discussion that needs or put that in the  
6 form of a motion, I willing to do that. But, you know,  
7 just, Scott, any thoughts as it relates to you?

8           EXECUTIVE DIRECTOR CHANEY: Just, too, and  
9 hopefully it's helpful, and I don't want to speak for Santa  
10 Rosa, but I've heard they've -- because I think there's a  
11 deal to be made. I think there's some willingness to rejoin  
12 CARF, and with the protections and the strength that comes  
13 with that.

14           I think Santa Rosa has also asked for two  
15 different things. To be completely fair, they've often  
16 wanted to move there two weeks early, a week earlier, right,  
17 because of the school situation. And we actually witnessed  
18 that firsthand with a livestock when I was visiting. I  
19 appreciate that. A second thing is having a third week. So  
20 you could, in some ways, you could grant a third week and  
21 put it at the end, which is a possibility.

22           So I think like kind of -- I think either moving  
23 it up a week or adding a third week, but maybe not adding a  
24 third week at the beginning, like I think all of those are  
25 moving parts that might be variables in some kind of deal

1 that could be made in the future.

2 CHAIR FERRARO: I think that would speak to your  
3 idea of waiting until 2024 to make the final decision  
4 because they need to join CARF and we need to look at  
5 putting the week in the beginning or at the end and what the  
6 ramifications are. And we owe it to Cal Expo to give them  
7 time to make adjustments to this because they've had this  
8 meet going for a long time and there's a lot of commitments.  
9 And I think we owe it to them to give them time to negotiate  
10 within this context, as well, so I would second your motion

11 VICE CHAIR GONZALES: Just feedback.

12 MS. BARTLING: Yeah. I just want to get  
13 clarification of exactly what we're talking about.

14 Are you saying that in 2024, we would have three  
15 weeks, it would either be on the front end or the back end,  
16 and that you would consider moving us back into July?

17 CHAIR FERRARO: We're not committing.

18 VICE CHAIR GONZALES: No.

19 CHAIR FERRARO: We're not committing to that.

20 VICE CHAIR GONZALES: The three weeks, I think  
21 what I could -- we could say with confidence, Becky, is the  
22 three weeks is what I think the Board could -- and, you  
23 know, providing I'm still on the Race Dates Committee,  
24 that's what we would get toward. It would just then be, how  
25 do we figure that out?

1           But what we're trying to do it just to really  
2 recognize -- I mean, look, you know, it's been a very  
3 difficult last couple of years for all parties involved.  
4 And I just believe, again, it's very clear, stakeholders  
5 love Santa Rosa, and us included. And we're just going to  
6 have to try to strike this balance. I know we did something  
7 that didn't make us popular as it relates to, you know, Del  
8 Mar and Los Alamitos as it relates to that extra week. But  
9 we have to start to really think about striking a balance  
10 here.

11           and so, yes, so it would be the three. It would  
12 be, you know, in a way that Scott and the legal team feels,  
13 you know, a motion that can kind of hold us to the  
14 commitment but without making, you know, an outright  
15 promise, I guess.

16           MS. BARTLING: Isn't a commitment a promise or a  
17 promise a commitment?

18           VICE CHAIR GONZALES: Well, it would be. I mean,  
19 I know how I would do it because that's how I operate,  
20 Becky. But I was told that --

21           CHAIR FERRARO: He can do whatever he wants, but  
22 the rest of us may not go along with it.

23           VICE CHAIR GONZALES: Well, so we have a motion.  
24           Scott, I just want to -- oh, just any thoughts,  
25 Scott? Okay. You're good? Alright.

1 EXECUTIVE DIRECTOR CHANEY: Yeah, I think just  
2 expressing the Board's opinion, sort of like you did last  
3 year -- or last month with sort of the Del Mar/Los Alamitos  
4 situation, I think the parties know where you stand. They  
5 want to see Santa Rosa either moved up a week or given a  
6 third week. And there is some -- it seems like there's a  
7 deal to be made, so you're saying go figure it out so we  
8 don't have to decide because you might not like the  
9 decision.

10 VICE CHAIR GONZALES: Correct. That's right.

11 COMMISSIONER CASTELLANOS: So, Mr. Vice Chair, is  
12 there -- just for clarification, what Scott said, is that  
13 and/or, so in other words, the third week and moving it up  
14 as they requested, or are we just looking at a third week?  
15 I mean, I'm all for commitment. I just need to know what  
16 I'm committing to.

17 VICE CHAIR GONZALES: Oh, it would be, I believe,  
18 the commitment that we could and should make, would be the  
19 third week and 2024 for Santa Rosa.

20 COMMISSIONER CASTELLANOS: Okay, and not and --

21 VICE CHAIR GONZALES: It if --

22 COMMISSIONER CASTELLANOS: -- not and moving it  
23 up --

24 VICE CHAIR GONZALES: Right.

25 COMMISSIONER CASTELLANOS: -- to get out of that

1 when we're --

2 VICE CHAIR GONZALES: I would leave that  
3 separate --

4 COMMISSIONER CASTELLANOS: Okay.

5 VICE CHAIR GONZALES: -- because I just don't --

6 COMMISSIONER CASTELLANOS: Got it.

7 VICE CHAIR GONZALES: -- because I didn't think --

8 COMMISSIONER CASTELLANOS: That's what I  
9 understood.

10 VICE CHAIR GONZALES: Because then we'd have to  
11 bring in the Pleasanton guys in here, and then we got to  
12 bring in some other pieces, so I think -- but I think the  
13 third week is really what is on the table right now, is does  
14 Cal Expo give up -- because you currently have that three  
15 weeks. So we're just saying status quo for 2023, but in  
16 2024, that assurance that Santa Rosa gets that.

17 Now I like what you said, Dr. Ferraro, about what  
18 would get us even closer would be that Santa Rosa -- because  
19 we do believe in a collective voice here, is that you do  
20 everything you can to rejoin CARF. We can't force you to do  
21 that but that would be something that I think would go along  
22 with.

23 MS. BARTLING: Well, that also takes CARF being a  
24 little more flexible in their dates.

25 VICE CHAIR GONZALES: Duly noted. Duly noted. So

1 we have something to work toward here, so --

2 CHAIR FERRARO: Okay.

3 VICE CHAIR GONZALES: There's a motion and a  
4 second.

5 CHAIR FERRARO: -- so we have a motion and a  
6 second, so can we vote?

7 Mr. Hudnut?

8 COMMISSIONER HUDNUT: Yes.

9 CHAIR FERRARO: Ms. Davis?

10 COMMISSIONER DAVIS: Yes.

11 CHAIR FERRARO: Mr. Castellanos?

12 COMMISSIONER CASTELLANOS: Yes.

13 CHAIR FERRARO: Mr. Alfieri?

14 COMMISSIONER ALFIERI: Yes.

15 CHAIR FERRARO: Commissioner votes yes.

16 Did I ask you?

17 VICE CHAIR GONZALES: I, also, yes. Yes. Thank  
18 you.

19 CHAIR FERRARO: Okay.

20 MS. BARTLING: Thank you.

21 CHAIR FERRARO: Moving on to number seven.

22 We did the best we could do for you.

23 Number seven, discussion and action regarding  
24 requesting an exemption from the Horse Racing Integrity and  
25 Safety authority regarding the use of furosemide for

1 thoroughbreds other than two-year-olds and those competing  
2 and stake races.

3 Amanda, you want to explain this to us?

4 MS. BROWN: Good afternoon, Commissioner. Amanda  
5 Brown, Staff Counsel.

6 It's on.

7 So as of January 1st, 2023, HISA will prohibit the  
8 administration of Lasix unless state racing commissions  
9 request an exemption for horses other than two-year-olds and  
10 those other than state races. So if California would like  
11 to continue to operate under its, currently, six rules, it's  
12 going to need to request that exemption from HISA by  
13 November 17th, so that's why this is on the agenda for you  
14 today.

15 CHAIR FERRARO: So, basically, we're voting to  
16 apply for a -- to HISA for an exemption so we can maintain  
17 the rule we currently have; is that correct?

18 MS. BROWN: Correct.

19 CHAIR FERRARO: Any questions or comments about  
20 that?

21 COMMISSIONER HUDNUT: So moved.

22 CHAIR FERRARO: Second?

23 COMMISSIONER DAVIS: Davis seconds.

24 CHAIR FERRARO: Alright, we have a motion and a  
25 second, but we do have public comment.

1 Mr. Fravel?

2 MR. FRAVEL: Oh, I'm good.

3 CHAIR FERRARO: You're good?

4 Tweed Conrad?

5 EXECUTIVE DIRECTOR CHANEY: She's good.

6 CHAIR FERRARO: No? She's good too? Alright.

7 We have a motion a second.

8 Mr. Castellanos?

9 COMMISSIONER CASTELLANOS: Yes.

10 CHAIR FERRARO: Mr. Alfieri?

11 COMMISSIONER ALFIERI: Yes.

12 CHAIR FERRARO: Mr. Gonzales?

13 VICE CHAIR GONZALES: Yes.

14 CHAIR FERRARO: Ms. Davis?

15 COMMISSIONER DAVIS: Yes.

16 CHAIR FERRARO: Mr. Hudnut?

17 COMMISSIONER HUDNUT: Yes.

18 CHAIR FERRARO: And the Chairman votes yes.

19 Moving on to item number eight, discussion and

20 action regarding authorizing Staff to pursue a 2023

21 legislative proposal to amend health and welfare funding

22 mechanisms for jockeys and backstretch workers to provide

23 financial stability to those programs that are partially

24 dependent on brick and mortar distributions.

25 Amanda again.

1 MS. BROWN: Yeah, so this is the time of year when  
2 the state departments are asked to submit their legislative  
3 proposals for the next legislative session. And these  
4 proposals are actually due tomorrow, Friday, for further  
5 vetting and approval.

6 So one proposal Staff would like to ask the  
7 Board's approval on is pursuing legislation that would  
8 stabilize and increase funding for health and welfare  
9 programs and pension programs for California jockeys and  
10 backstretch workers.

11 I will defer to Scott on what that proposal might  
12 look like.

13 CHAIR FERRARO: Mr. Chaney?

14 EXECUTIVE DIRECTOR CHANEY: Yeah. I mean, as you  
15 can see in the staff analysis, we have a few distributions.  
16 They're actually based on uncashed tickets and brick-and-  
17 mortar -- occurrences of brick-and-mortar, if you will. The  
18 two of which that have, really, that have suffered over the  
19 last -- since the advent of ADW wagering are backstretch  
20 health and welfare administered by CTHF, and then jockey  
21 health and welfare. And those migrations were -- or those  
22 decreases were rapidly exacerbated under COVID. You can see  
23 by the graphs in the in the digital packet.

24 The Jockeys' Guild came to us about a month --  
25 Vice Chairman and ,I about six weeks ago, probably, and

1 expressing this concern, which has been going on for quite  
2 some time. And it's even worse because, as everyone knows,  
3 healthcare costs increase over time. And so I'm looking for  
4 some solutions.

5           So the one I proposed, and I sent out to a fair  
6 amount of stakeholders, it will also be incorporated in a  
7 digital packet later today, I sent it to the Board last  
8 night, is a legislative proposal that would support not --  
9 the brick-and-mortar distributions would remain. My belief,  
10 in talking with people way smarter than myself with respect  
11 to these things, those look like they'll stabilize around  
12 \$600,000. The extra \$400,000 for each group would come from  
13 a separate distribution that's tied to ADW wagering and not  
14 brick-and-mortar. And so we have some legislative proposal  
15 in order to address both of these situations.

16           Again, Amanda's correct, it's been improved in  
17 concept by agency. But the timeline is pretty fast for  
18 executive branch-sponsored legislation. So we're seeking  
19 the Board's approval to pursue this.

20           To be fair, the Jockeys' Guild is very much in  
21 support of this approach. I think it's also fair to say  
22 CTHF and maybe, to a certain extent, CTT, although I don't  
23 want to speak for Alan, have some reservations that we're  
24 moving a little bit too fast and it could have unintended  
25 consequences and really counsel like slowing it down a

1 little bit.

2 One of the -- in order to propose legislation, an  
3 agency has to meet one of the four criteria. This meets the  
4 fourth one, which is program interruptions and/or solvency.  
5 These two funds are heading for trouble if they're not there  
6 already. And this is a way that's the best way, Staff  
7 believes, including myself, to address these problems.

8 CHAIR FERRARO: Are there any questions for Mr.  
9 Chaney?

10 COMMISSIONER CASTELLANOS: A question.

11 Has this has been discussed with the CTHF and both  
12 the Jockeys' Guild?

13 EXECUTIVE DIRECTOR CHANEY: Extensively with the  
14 Jockeys' Guild, who is very for it. They actually were the  
15 ones who proposed this particular new distribution. I  
16 talked to Cliff Goodrich about three or four weeks ago when  
17 we started kind of trying to develop a plan. He counseled  
18 me on certain ways to go about it. Since then, I included a  
19 letter from him that I distributed to the Board last night.  
20 I don't want to speak for him but the letter, you know,  
21 says, you know, we are in trouble but I don't want to -- he  
22 believes that it should be more of a industry kind of wide  
23 approach and get approval from all of the organizations.

24 I sort of counter that. I mean, I hate to, you  
25 know, force money on a guy that doesn't want it. But it's

1 my belief that they actually want it and need it, just can't  
2 say it out loud, so I will. There may be other approaches.  
3 And I'm not going to -- I don't want to mislead the Board,  
4 this is all come together fairly quickly, I believe it to be  
5 the best solution. And I think it would do quite well in  
6 the legislature. And I think it would gain Governor's  
7 Office approval in order to sponsor it.

8           And so the Board's action today would just be  
9 authorizing the staff to pursue it. I think at some point,  
10 if stakeholders and the industry finds a better solution to  
11 these problems, we can always withdraw the legislation. But  
12 for me, without this sort of impetus, or without this  
13 approach and without like the feet being held to the fire, I  
14 don't think this will ever get done.

15           COMMISSIONER CASTELLANOS: Is this, Scott, is this  
16 added to how they currently get their funds? I'm talking  
17 about CTHF. Is this added to that or does that change how  
18 they currently get it?

19           EXECUTIVE DIRECTOR CHANEY: Yeah, it's actually  
20 added to, so we would leave the brick-and-mortar alone.  
21 They actually already get a percentage of this distribution,  
22 the CTHF. We would actually increase both the cap from \$2  
23 million to \$2.8 million. So this fund has been capped for a  
24 number of years at \$2 million. It's never gone over that  
25 until the last two years because ADW wagering is going

1 really well and that's -- it's been 3.4 over the last two  
2 years.

3           So what we're asking is increasing the cap to \$2.8  
4 million, also increasing the CTH percentage, and then adding  
5 a second distribution for the jockey health and welfare.  
6 All of the other distributions that don't have the same  
7 brick and mortar problem will remain the same.

8           CHAIR FERRARO: Mr. Hudnut?

9           COMMISSIONER HUDNUT: And my question is a  
10 procedural one. We have a Committee structure on the Board.  
11 We have a Jockey Welfare Committee. You've been dealing  
12 with this for several weeks, by your own admission. Why  
13 hasn't it come to the Jockey Welfare Committee for  
14 discussion?

15           EXECUTIVE DIRECTOR CHANEY: Oh, good question.  
16 The jockeys approached --

17           COMMISSIONER HUDNUT: Well, gee.

18           EXECUTIVE DIRECTOR CHANEY: -- the jockeys  
19 approached Vice Chairman and I, and we started working on  
20 the problem. Having a handle on it and kind of a solution  
21 really came together in the last two weeks. And, frankly,  
22 our timeline for executive-sponsored legislation is very  
23 tight. So, really, we didn't have the time.

24           We did relay the three legislative proposals to  
25 the Legislative Committee via email. And, in particular,

1 this one to the Chairman of the Legislative Committee, which  
2 is Commissioner Mitchell.

3 VICE CHAIR GONZALES: Yeah. And I can attest to  
4 the Jockeys' Guild coming forward and them understanding  
5 that the situation is dire. And I think if we would have  
6 pulled it another Committee together, in fact, I would love  
7 to pull it together because there's a couple ideas that I  
8 still would like to see, you know, include the right level  
9 of consideration, but I just think of the interest of  
10 Time.

11 And this is simply just providing a  
12 recommendation; right, Scott? This suggest allowing for us,  
13 as a body, to so affirm that this is a good direction?

14 EXECUTIVE DIRECTOR CHANEY: Well, it would move  
15 it along in a government process; right? So agency would  
16 approve the concept or not prove it, forward to the  
17 Governor's Office who approves it or not approves it, and  
18 then they look for a sponsor. And, obviously, you know, it  
19 would go through the normal legislative process. It has to  
20 be a legislative change, not a regulatory one.

21 COMMISSIONER HUDNUT: So what the rest of us are  
22 left with is an ingroup of Mr. Chaney, Mr. Gonzales and Ms.  
23 Mitchell, who have been involved in this, and the rest of us  
24 are ignorant of it, and it's sprung on us yesterday. And  
25 we're under the gun of having to submit something to the

1 legislative analyst by tomorrow. I just don't think that's  
2 very good way to be running things.

3 VICE CHAIR GONZALES: Well, again, I understand  
4 what you're saying, Mr. Hudnut, and it will get better, to  
5 be honest, you're right. Sometimes there are things that  
6 come up. This is an industry that's very fluid. We'll get  
7 better, you're right, but for now --

8 COMMISSIONER HUDNUT: Well --

9 VICE CHAIR GONZALES: -- I mean, you have every  
10 opportunity to vote no and that's in your power. But we, to  
11 your point, we will definitely make sure. Because, you  
12 know, in any other way, we'll just got a conference call  
13 where we all come on. And I think if we start adding even  
14 more members to that and get serial meetings, and you get  
15 guys like Rob and stuff that start to tap us on our  
16 shoulders and say what we're doing here just not allowable.

17 So you're right, either there could have been a  
18 Jockey Welfare Committee meeting, or the manner in which was  
19 held, or the third option would not have been desirable,  
20 which was to be violation of meetings that just can't happen  
21 with more than just a few of us, but, yeah.

22 COMMISSIONER HUDNUT: But there's no impediment to  
23 calling a Committee meeting at any time.

24 VICE CHAIR GONZALES: Okay. We will do that in  
25 future. I like that, bring structure to this. I appreciate

1 it, Commissioner.

2 COMMISSIONER ALFIERI: I'm okay with moving the  
3 ball. I like moving the ball down the field. And this will  
4 force everyone, a meeting of the minds, to try and work  
5 something out.

6 What is the schedule of the legislative? Did you  
7 say that already? Did I miss that?

8 EXECUTIVE DIRECTOR CHANEY: Amanda, would you be  
9 able to --

10 MS. BROWN: Yes. So I think November 7th is the  
11 date by which the Governor's Office will approve or deny  
12 this proposal it should we submit it. And then, you know,  
13 it'll be introduced, hopefully, sometime in the new year.

14 COMMISSIONER ALFIERI: In the new year?

15 MS. BROWN: Yes. Yeah.

16 COMMISSIONER ALFIERI: Okay. Got it.

17 CHAIR FERRARO: Okay, we have some public  
18 comments.

19 Mr. Fenton? Gary Fenton?

20 MR. FENTON: Hi. Gary Fenton, TOC.

21 Hearing the direction of the Board, I'm going to  
22 withdraw the public comment, other than say that we're here,  
23 ready to help in any way you need.

24 CHAIR FERRARO: Alan?

25 MR. BALCH: Alan Balch, California Thorough

1 Trainers.

2           As Executive Director Chaney knows, I've been in  
3 email touch with him fairly constantly over the last few  
4 days, even with the other matters going on, and with Cliff  
5 Goodrich, who I know is very disappointed not to be able to  
6 be here in person because he's in Europe on long-scheduled  
7 trip that had been, you know, way, way planned, so I can't  
8 speak for him. I know he wants this addressed. I think  
9 that's fair to say. And he understands the process.

10           But I think, really -- well, and let me state for  
11 the record that I had our staff, a CPA on our staff,  
12 involved in in the Backstretch Pension Program, which the  
13 CTT administers, analyze the impact on our program, which  
14 was not a good look. Now Mr. Chaney has advised us that our  
15 figures are wrong.

16           And all I can say is I hope he's right because we  
17 don't want to see our Backstretch Pension, that's the  
18 Backstretch Retirement Savings Plan, which is a statutory  
19 plan and which is mainly for the backstretch workers, not  
20 the trainers -- the trainers can be in it, but most of the  
21 people in it are the backstretch workers. And this is one  
22 of the few plans that benefits the backstretch workers, and  
23 it comes directly out of this extremely complicated formula.

24           Scott, I'm looking at you again. The whole ADW  
25 limits and everything else that are in the law are very

1 difficult to understand. So I'm not standing here to claim  
2 that our figures are right but they do give us great pause b  
3 because we rely on Mr. Chaney to tell us that, hey, your  
4 figures are wrong. I don't think you've ever said this  
5 won't impact us negatively, but you don't think it's going  
6 to impact us as negatively as we think; is that a fair  
7 statement?

8 EXECUTIVE DIRECTOR CHANEY: I don't believe it  
9 will impact you at all, right.

10 MR. BALCH: Oh.

11 EXECUTIVE DIRECTOR CHANEY: I mean, you're maxed  
12 out at \$700,000, which you've gotten over the last two  
13 years. Because of the \$2 million cap, you get 70 percent of  
14 50 percent, if you will. And so, I mean, you could be  
15 negatively impacted today if -- you'll go below the \$700,000  
16 if that weight, that distribution, ever falls below the \$2  
17 million. I mean, obviously, it's ADW wagering, which has  
18 exploded over the last three years. That's unanticipated.  
19 It's been 3.4 the last two.

20 So under the new plan, you would -- your  
21 percentage would change but the cap would be higher. So  
22 \$2.8 million, you would get 25 percent of that, which is  
23 \$700,000.

24 MR. BALCH: Okay.

25 EXECUTIVE DIRECTOR CHANEY: So, yeah, there's no

1 potential of getting more than \$700,000, but you don't have  
2 that now. So I feel like I have a pretty good handle on it.  
3 I don't want to, you know, guarantee anything, but --

4 MR. BALCH: I will state without fear of  
5 contradiction that you have a way better handle on it than I  
6 do. And I think Mr. Goodrich is in somewhat the same  
7 position.

8 The points that I want to call to the Board's  
9 attention are that the CTHF, Commissioner Castellanos is on  
10 the CTHF Board, so he's intimately familiar with their  
11 finances, my understanding is a CTHF has reserves of over \$4  
12 million. The difference is -- and Mr. Goodrich has been  
13 quite active in discussions with the trainers organization  
14 and individual trainers in how CTHF can do more. And I know  
15 that he wants this issue addressed legislatively, which is  
16 very important.

17 On the other hand, the trainers -- or it's not the  
18 trainers, it's the Backstretch Pension Plan, administered by  
19 the trainers organization by statute, what we do is the  
20 statutory funds that come to that program are directly  
21 deposited in what amounts to a backstretch 401(k) for all  
22 the employees. So it's the employees' own money when it's  
23 generated by the wagering. We just don't know what the  
24 impact is.

25 We proposed to Mr. Chaney by email a day or two

1 ago, given our confusion, that we thought the Board might  
2 consider what's called a study bill to actually get all the  
3 stakeholders impacted involved in this and understand really  
4 what's going on, and maybe there is a better solution. Mr.  
5 Chaney responded that while that's well and good -- you can  
6 correct me if I'm wrong -- but that's all well and good but,  
7 you know, we have this deadline we have to meet. And if we  
8 don't meet this deadline, then the train leaves the station  
9 and, you know, nothing might be accomplished. So we have to  
10 get this in the legislative hopper for something to happen,  
11 because it is a matter of urgency. So we understand that  
12 too.

13 I just -- I guess I'm standing up here just to  
14 inform the Board of our concerns. We never want to be in  
15 the position as a statutory body ourselves to be in  
16 disagreement with our regulatory agency in front of the  
17 legislature. We want to be on the same page with the  
18 regulatory agency on everything. And we're not up to speed  
19 on this.

20 I guess that's the bottom message from me. But we  
21 do agree that it needs to be addressed. And if taking this  
22 action you have proposed today is the best way to do that,  
23 then so be it. But you understand that we will -- we might  
24 have to express our points of view or positions on this to  
25 directly to the Governor or the agency or whoever.

1           So thank you for listening.

2           CHAIR FERRARO: Understood, Alan. It's  
3 understood. Thank you.

4           MR. BALCH: Thank you.

5           EXECUTIVE DIRECTOR CHANEY: And maybe there's some  
6 compromise here, to take Commissioner Hudnut's concern,  
7 valid concerns, seriously, as well as Mr. Balch's and Vice  
8 Chairman Gonzales. Perhaps it would be like a compromise  
9 position to authorize the Board to pursue this particular  
10 legislation but, at the same time, schedule, you know,  
11 Jockey Welfare Committee or Leg Committee meeting so -- next  
12 month or in December so that, you know, stakeholders get a  
13 chance to fully digest it. And if it ends up being the  
14 recommendation by the Board, that that's not something they  
15 want to follow, then we withdraw the leg.

16           COMMISSIONER HUDNUT: I would favor that Mr.  
17 Chaney. And I would request that, if we do have a Jockey  
18 Welfare Committee meeting, that the stakeholders from CTT  
19 and TOC be invited to attend that Committee.

20  
21           CHAIR FERRARO: We have one more comment.

22           Matt Brott (phonetic)?

23           MR. BROTT: Mr. Chair and Members, Matt Brott here  
24 on behalf of the Jockeys' Guild, in strong support of the  
25 proposal.

1 I think Mr. Chaney, you know, summed up our  
2 position pretty clearly, that the changes in the industry  
3 have been exacerbated by the pandemic, all the while  
4 healthcare costs are rising. And, obviously, we want to do  
5 right by jockeys across the state.

6 In terms of the issue with timing, you know, it  
7 sounds like this is just to submit a proposal. My  
8 experience working around the legislature is that, you know,  
9 where we start from where we finish is often, you know, a  
10 different thing. And we have a lot of time to kind of work  
11 through the details and make sure everybody gets an amicable  
12 place. So I would urge your support of this proposal.

13 Thank you.

14 CHAIR FERRARO: Thank you.

15 Thomas, do you want to put your comments in the  
16 form of a motion based on Mr. Chaney's suggestion?

17 COMMISSIONER HUDNUT: Well, I have a further  
18 question requiring clarification.

19 The monies that will be allocated to -- under this  
20 proposal will imply, to me, that they're not going somewhere  
21 else. These are not new found monies, are they?

22 EXECUTIVE DIRECTOR CHANEY: No, not at all. I  
23 mean, it comes from an existing distribution, but it's  
24 \$800,000. So that comes from the --

25 COMMISSIONER HUDNUT: Which --

1 EXECUTIVE DIRECTOR CHANEY: -- the who fund the  
2 existing distribution. So that's -- and the percentage has  
3 changed from year to year.

4 COMMISSIONER HUDNUT: Yeah.

5 EXECUTIVE DIRECTOR CHANEY: But in the past year,  
6 it was ADW providers, 30 percent, tracks and commissions  
7 about 55 percent, satellites 10 percent, and breeders/other  
8 funds, 6 percent.

9 COMMISSIONER HUDNUT: Right. So essentially, what  
10 we're approving is robbing Peter to pay Paul. And we're  
11 suggesting that Paul. in this instance. is more important  
12 than Peter, which may be the case if we want to do right by  
13 the by the jockeys. But I want everyone to be clear headed  
14 that this implies that money is not going to one place. it  
15 is going to another. It's a zero-sum game. Okay.

16 VICE CHAIR GONZALES: I'm willing to make the  
17 motion, Mr. Chairman. I move that we approve the language  
18 with the condition that, in December, we have a Jockey  
19 Welfare Committee meeting to allow stakeholder input with  
20 special invitations from the groups that Mr. Hudnut  
21 identified. And I think by then, we'll probably have, you  
22 know, more data, but we definitely meet the deadline  
23 that's --

24 COMMISSIONER HUDNUT: Yeah.

25 VICE CHAIR GONZALES: -- that's in front of us

1 here.

2 COMMISSIONER HUDNUT: I will second that motion.

3 CHAIR FERRARO: Mr. Castellanos?

4 COMMISSIONER CASTELLANOS: Mr. Chairman, due to  
5 the fact that Mr. Balch did point out, I do sit on the CTHF  
6 Board, and this is possible benefit to them, so I would have  
7 to recuse myself.

8 CHAIR FERRARO: Thank you for that.

9 Mr. Alfieri?

10 COMMISSIONER ALFIERI: Yes.

11 CHAIR FERRARO: Mr. Gonzales?

12 VICE CHAIR GONZALES: Yes.

13 CHAIR FERRARO: Ms. Davis?

14 COMMISSIONER DAVIS: Yes.

15 CHAIR FERRARO: Mr. Hudnut?

16 COMMISSIONER HUDNUT: Yes.

17 CHAIR FERRARO: The Chairman votes yes. Thank  
18 you.

19 We move on to item number nine, discussion and  
20 action by the Board regarding the proposed addition CHRB  
21 Rule 1867.2, Administration of Multiple Intra-Articular  
22 Injections, to establish a rule for horses receiving  
23 multiple intra-articular injections.

24 Amanda?

25 MS. BROWN: Commissioners, this rule was

1 originally brought before the Medication, Safety, and  
2 Welfare Committee in July, and was drafted in collaboration  
3 with regulatory veterinarians and industry partners to  
4 address horses that receive multiple intra-articular  
5 injections.

6 CHAIR FERRARO: Thank you. This is something I  
7 push for. We were concerned with realizing that there are  
8 cases where horses get a series of multiple injections  
9 within the same joint in a short period of time. We've had  
10 horses that have had as many as 10 or 12 injections in the  
11 same joint. I don't feel that's medically sustainable or  
12 pertains to the welfare of the horse.

13 So we propose this regulation which says that  
14 horses treated with a third inter-articular injection with  
15 any agent on the same joint within a 60-day period shall be  
16 placed on the veterinarians list for a 30-day period.

17 And, basically, what we're saying is what we feel  
18 is going to happen is that if you put two injections in a  
19 joint on a horse and you're thinking about doing a third,  
20 you're not going to do it under this legislation because you  
21 know you're going to be on the vets list for 30 days. So  
22 we're hoping that this will eliminate this factor of  
23 multiple injections. It's fair and it's in the best  
24 interest of the horse.

25 I would ask Dr. Blea for his comments on it.

1 DR. BLEA: Jeff Blea, Equine Medical Director.

2 So the basis of this rule, as I understand it, is  
3 horses receiving multiple injections into the same joint  
4 month after month after month after month. I don't think  
5 that's very good practice. It's more of a routine rather  
6 than what needs to be done or should be done.

7 This rule kind of, basically, encourages horsemen  
8 and veterinarians to do diagnostics and continue doing  
9 diagnostics. They are expensive, I understand that. But  
10 it's similar if you go to a doctor and he writes your  
11 prescription for physical therapy, he says, in two weeks,  
12 you're going to get to this point. Great. Well, at two  
13 weeks you reach that point, you don't go to the next level  
14 until you're evaluated to see if you're ready to go to the  
15 next level. So you don't want to be injecting that third  
16 time until you evaluate whether that horse actually needs  
17 that injection.

18 A couple of points to make very clear. It's any  
19 medication, whether it's corticosteroids, biologicals, IRAP,  
20 adequan (phonetic), PRP, any injectable medication into the  
21 same joint space within 60 days.

22 And one thing I'll encourage everybody to do,  
23 especially Staff is, if this rule gets adopted and so forth,  
24 that this becomes a focus of communication. Because I could  
25 see a lot of people coming from out of state, especially in

1 our big stake races, who will have violated this rule  
2 unknowingly, and then there'll be an eligible to race.

3 So one other thing I will add to, I think, the  
4 benefit of this rule is the optic that multiple joint  
5 injections in the same joint month after month after month  
6 create. It's a bad optic and it needs to be addressed.

7 And, you know, further, when you start seeing  
8 these horses injected multiple times, that's a red flag for  
9 the people on the panel looking at these horses. And that's  
10 not fair to the horseman or the horse. But I think  
11 protecting the horse, this rule will do just that.

12 CHAIR FERRARO: Thank you.

13 COMMISSIONER ALFIERI: Mr. Chairman.

14 CHAIR FERRARO: Yeah?

15 COMMISSIONER ALFIERI: This is a very good  
16 proposal. And thank you for creating it.

17 CHAIR FERRARO: Well, once in a while you get  
18 lucky, you know?

19 COMMISSIONER ALFIERI: Yeah. Well, I'd make the  
20 motion to approve it.

21 CHAIR FERRARO: Do we have a second?

22 COMMISSIONER DAVIS: Davis seconds.

23 CHAIR FERRARO: Okay. I just have a couple more  
24 comments, so everybody understands.

25 If you're injecting a joint with an agent, each

1 time you inject with that agent the amount of success or the  
2 amount of response you get is less, it goes down, it doesn't  
3 go up, number one.

4           Number two, is that it makes you stop and  
5 evaluate, as Jeff said, and evaluate what you're doing and  
6 try to get some diagnostics and understand what's going on  
7 in the joint. Why isn't this working? So I think not only  
8 does it protect the horse, but it converts the sort of  
9 thought process to one of diagnostics and understanding  
10 what's going on, rather than treatment. So I think it's  
11 very horse protected.

12           I know Mr. Balch has a comment.

13           MR. BALCH: Alan Balch, California Thoroughbred  
14 Trainers again.

15           We, also, are very appreciative of this. As you  
16 may recall in your distant memory, the CTT headed up a  
17 taskforce. And this was one of the things that not just Dr.  
18 Ferraro, but others, brought to our attention. And we  
19 endorsed it and put it in writing, also, to the racing  
20 Board, so we have no reservations about it. It's not just  
21 optics, as Jeff made clear, it's also just fundamental.

22           Now this would -- if this -- if the Board adopts  
23 it, it goes out for a 45-day notice? Okay. That was our --  
24 we had a Board discussion of this the other day of the CTT.  
25 That was -- I just wanted to confirm that's what happens.

1           The only issues that I see, Dr. Blea mentioned  
2 one, out-of-state horses, there also have been some issues  
3 raised about disclosure of how many injections that  
4 individual horses had, because they would have to be in the  
5 confidential is; correct, Jeff? But that's just in the  
6 confidential.

7           So in the claiming ranks, people are not knowing  
8 how many injections they had prior to the claim; is that  
9 true? They wouldn't necessarily know. But would it be  
10 disclosed?

11           DR. BLEA: (Off mic.) They go on the vet's list,  
12 so if they are, that information (indiscernible).

13           MR. BALCH: Well, after the -- oh, for each  
14 injection? Each injection. Okay. Well, that's the type of  
15 thing that will work out.

16           We're endorsing it 100 percent. In the 45-day  
17 period, if there are any of those administerial things, we  
18 can bring it up then.

19           Thank you.

20           CHAIR FERRARO: Thank you, Alan.

21           Okay, we have a motion and a second. Can we vote?

22           Mr. Hudnut?

23           COMMISSIONER HUDNUT: Yes.

24           CHAIR FERRARO: Mrs. Davis?

25           CHAIR FERRARO: Yes.

1 CHAIR FERRARO: Mr. Gonzales?

2 VICE CHAIR GONZALES: Yes.

3 CHAIR FERRARO: Mr. Alfieri?

4 COMMISSIONER ALFIERI: Yes.

5 CHAIR FERRARO: Mr. Castellanos?

6 COMMISSIONER CASTELLANOS: Yes.

7 And, by the way, welcome back, Dr. Blea.

8 COMMISSIONER DAVIS: Yes.

9 CHAIR FERRARO: Yeah. Here-here.

10 (Applause)

11 CHAIR FERRARO: The Chairman votes yes.

12 And, Alan, I will give you credit, you gave me the  
13 idea to get this legislation going, so --

14 COMMISSIONER CASTELLANOS: It's all your fault.

15 CHAIR FERRARO: So you brought it up and we're  
16 trying to solve it. Okay.

17 We have a couple of reports here coming up. The  
18 Executive Director's Report, please.

19 EXECUTIVE DIRECTOR CHANEY: Thank you, Mr.  
20 Chairman, and good afternoon, Commissioners.

21 I will begin with the handle Report for the month  
22 of September night racing was down 6 percent, day racing was  
23 up 19 percent, and total handle was up 17 percent compared  
24 to the same month last year. That was due to the strength  
25 of Del Mar's September handle. Year to date, night racing

1 is down nine percent, day racing is even, and total handle  
2 is down one percent compared to the first nine months of  
3 2021.

4           Next, a few weeks ago, Deputy Executive Director  
5 Cynthia Alameda attended the inaugural Women in Racing  
6 Conference at Santa Anita. And I'd like to ask her to  
7 update the Board on her attendance at that event.

8           MS. ALAMEDA: Hello, Commissioners. Deputy  
9 Executive Director Cynthia Alameda.

10           Santa Anita hosted a three-day inaugural Horse  
11 Racing Women's Summit on September 28th through the 30th.  
12 It was attended by a group of approximately 200 individuals,  
13 a little more than half from California and the remaining  
14 from across the United States and Canada. Attendees  
15 included owners, racetrack executives, attorneys, breeders,  
16 accountants, jockeys, veterinarians, and consultants.

17           In addition to a welcome reception and a  
18 handicapping seminar put on prior to attending Friday's  
19 races, the Summit included two keynote speakers and three  
20 different panels with industry leaders.

21           The first panel was Thriving Through Challenges,  
22 which included industry executives sharing insights on  
23 leading as women and contributing as both individuals and  
24 members of a team in both their organizations and then the  
25 industry itself.

1           The second panel was Looking Ahead: Opportunities  
2 for the Industry. This focused on successful and innovative  
3 media and marketing contributions and strategies.

4           The third panel was Industry Integrity: A Brighter  
5 Future. This panel included two priors each CHRB  
6 Commissioners, Bo Derek and Marie Moretti, and a video  
7 presentation from HISA's CEO Lisa Lazarus, and focused on  
8 the significance of accountability and uniformity in the  
9 industry, and that equine and jockey welfare and advocating  
10 for the needs of the backstretch will forever be linked to  
11 the success of the industry.

12           I thought the incredible culture shift of racing  
13 was demonstrated time and again by the panelists. One  
14 comment that reflected that equine welfare is becoming the  
15 lens the industry views itself through was that the  
16 suggestion that aftercare for racehorses be considered as  
17 part of a sustainable business model for everyone in the  
18 industry.

19           I personally enjoyed the keynote address provided  
20 by Amy Howe, the CEO of FanDuel Group. She shared the  
21 success she has experienced and witnessed by those who  
22 mastered the skill to thrive in ambiguity, embracing those  
23 situations that can be understood in more than one way and  
24 how to move forward in that space, essentially to get  
25 comfortable with being uncomfortable.

1           The Summit also honored Jane Goldstein, the first  
2 woman in the country to head a track publicity department,  
3 done so at Santa Anita. She was recognized for her role as  
4 a groundbreaking leader and inspirational example to women  
5 during a time when their contributions, as well as their  
6 access, were denied in certain areas of the track.

7           She spoke of the significant role that men allies  
8 played, who not only accepted and appreciate her  
9 contributions, but broke down those physical barriers,  
10 something as simple as creating women restroom facilities  
11 and previously restricted areas that contributed  
12 significantly to her ability to pave the way for both her  
13 generation and future generations of women. It was  
14 inspiring to be reminded that something as simple as  
15 providing access to a simple need can be a worthy  
16 contribution to fostering inclusivity and equality with an  
17 overwhelming and compounding benefit to the industry.

18           As a continuation of the Summit, there's a meet up  
19 at the Breeders' Cup on November 1st. It's going to have  
20 additional keynote speakers and a panel featuring women.  
21 It's an extension of the inaugural Summit.

22           I just wanted to take this opportunity to commend  
23 Jordan Egan (phonetic). I know she's not in the audience  
24 today, and I think Mr. Fenton has stepped out, the Executive  
25 Director of TOC who was a member of the Planning Committee,

1 they executed the event beautifully. They did a really  
2 great job. It was a pleasure to attend, in addition to just  
3 being a great experience.

4 CHAIR FERRARO: Okay. Thank you.

5 EXECUTIVE DIRECTOR CHANEY: Thanks, Cynthia.

6 VICE CHAIR GONZALES: Cynthia, and if I could just  
7 add, one, thank you for representing the CHRB. And if there  
8 were any ideas that came out of that Summit that this Board  
9 can act on, whether it's including, you know, rulemaking in  
10 an application, anything that you could pick up on, we would  
11 very much appreciate that.

12 And I just also want to just go on record as  
13 thanking The Stronach Group for hosting this. I think it  
14 speaks to kind of all -- where we're all at. Reform is  
15 about diverse opinions and perspectives. And we believe  
16 that women leadership are just as important, if not more  
17 important, so thank you again.

18 EXECUTIVE DIRECTOR CHANEY: Again, thank you, and  
19 thanks for your work with the CHRB, Cynthia.

20 Next, I'd like to introduce and welcome Chief of  
21 Enforcement, Marc Shaw, who's in the audience. Marc began  
22 work about three weeks ago and he'll be succeeding Shawn  
23 Loehr, who will be retiring actually tomorrow. Marc had a  
24 long career If and moved up in the ranks at California  
25 Highway Patrol, and more recently work for California

1 Department of Food and Ag. His law enforcement and State  
2 experience make him an excellent person for this job.

3 I'd like to thank Shawn for his service to the  
4 CHRB and his graciousness in staying on so that his  
5 successor could benefit from his knowledge and experience.

6 I'd also like to personally thank Shawn for his  
7 work, dedication, and counsel during my time here at the  
8 CHRB. Shawn's intended retirement, however, will be short  
9 lived, as he will immediately begin work for HIWU, Horse  
10 Racing Integrity and Welfare Unit at Drug Free Sport  
11 International, guiding their investigations arm. Having  
12 more people now from California well positioned in the  
13 Authority and HIWU, I think this is an excellent development  
14 for California racing.

15 Speaking of HISA, as the Board knows, we received  
16 our assessment for Calendar Year 2021. The assessment  
17 includes the antidoping and medication control part that  
18 will begin January 1st. It is quite a large number as it  
19 represents the amount it would cost the Authority should  
20 California opt out, requiring the Authority to implement the  
21 entire program.

22 However, the CHRB, UC Davis, and California  
23 stakeholders are proud of the work we have done in racing  
24 safety and testing. And we'd like to continue and to do as  
25 much of the work as possible in collaboration with HISA.

1           We will now begin negotiations to do as many  
2 tasks -- to do such tasks as sample collection, testing, and  
3 investigations, and will receive credits toward that  
4 assessment for performing those functions for HISA.

5           To that end, HIWU and DFSI leadership will be  
6 present at Santa Anita tomorrow to observe the test sample  
7 collection, out-of-competition -- postrace test sample  
8 collection, out-of-competition testing, and a post-work drug  
9 sample collection, among other activities. I'd like to  
10 thank Deputy Assistant -- Deputy Executive Director Cynthia  
11 Alameda and EMD Jeff Blea for planning the itinerary and  
12 hosting the folks from HIWU.

13           Additionally I'd like to extend appreciation in  
14 advance to Santa Anita, the regulatory vets, receiving, and  
15 test barn personnel ,stewards and investigators, including  
16 our new chief, who will be all on hand in helping out in the  
17 visit tomorrow. This will be the first step in negotiating  
18 credits toward that assessment.

19           And that, Mr. Chairman, is my report.

20           CHAIR FERRARO: Thank you.

21           Dr. Blea, we'll hear yours, and then we'll have  
22 public comment on both of them at the same time.

23           DR. BLEA: I'll sit close to you because it's been  
24 a few months.

25           EXECUTIVE DIRECTOR CHANEY: A few months.

1 COMMISSIONER DAVIS: Welcome back.

2 DR. BLEA: Thank you, Commissioner Davis.

3 Mr. Chairman, Mr. Vice Chairman, Commissioners,  
4 it's certainly a nice opportunity to be here today and  
5 present this report to you. It will be fairly short.

6 Mr. Hudnut, this is the first time I've met. It's  
7 a pleasure to meet you.

8 Following up on what Mr. Chaney said regarding  
9 HISA --

10 A/V REPRESENTATIVE: Please speak into the  
11 microphone.

12 DR. BLEA: I've rejoined the HISA Antidoping  
13 Medication Committee. We had a meeting three or four  
14 weeks -- about three weeks ago. I met with some of the Drug  
15 Free Sports people the other day. The Antidoping Medication  
16 Committee has finalized the recommendations on medications,  
17 withdrawals, banned substances, and those have been sent to  
18 the FTC for review.

19 As it stands now, the program will go into effect  
20 on January 1, 2023. We're going to have to wait to see what  
21 is finalized and what becomes finalized because most of it's  
22 based on the law which looks at international withdrawal  
23 times. Withdrawal times are not going to be a commonplace  
24 when the new medication rule comes out, rather detection  
25 times are going to be what's recommended. It's going to be

1 a bit confusing for horsemen because it's a much easier way  
2 to tell them that these are your numbers, two-day  
3 withdrawal, three-day withdrawal, five-day withdrawal. That  
4 won't be the case when HISA takes over in January. It will  
5 be detection times.

6 I've spoken to Dr. Mary Scolari (phonetic). They  
7 are planning a pretty aggressive educational program for  
8 both veterinarians and trainers well in advance of the new  
9 rules to encourage compliance with the new rules. So that's  
10 a good thing and I've offered to help them with that.

11 Going back to last year, you all approved a  
12 study -- or participation in a study from the University of  
13 Kentucky, Dr. Allen Page, on messenger RNA. I spoke to him  
14 a couple days ago, actually. The study measuring messenger  
15 RNA marker response to exercise an injury in blood began in  
16 February of this year, there was a delay in getting it  
17 started ,and is currently ongoing. Currently they have  
18 close to 6,500 samples. They're going to sample throughout  
19 this year and up to a one-year period. And once all the  
20 samples are obtained -- those samples, if you recall, are  
21 obtained when the TCO2 samples are obtained -- they will  
22 then analyze those samples.

23 And, again, this is a reminder that work is aimed  
24 at providing a screening tool to prevent musculoskeletal  
25 injury in response to exercise. So it'll be interesting to

1 see, in the next year or so, what becomes of that  
2 information.

3           Along with screening tools, we met yesterday  
4 actually, with the StrideSAFE people. And I don't know if  
5 you're familiar with it, but Dr. Scott Palmer gave a  
6 presentation at this year's Jockey Club Welfare to Safety  
7 Summit on the StrideSAFE technology that uses a sensor,  
8 which is smaller than your cell phone, goes into the saddle  
9 tail (phonetic) of a horse. They can measure stride  
10 characteristics up and down, left to right, and forward to  
11 back. It gets sent to a guy over in Sweden, I believe. He  
12 analyzes the data. You get all this information. It looks  
13 like a Big Bang Theory experiment.

14           But at the end of it, you can streamline it to  
15 where it basically determines a red, yellow or green  
16 outcome. And you can follow the horses stride, I think it's  
17 ten strides out of the gate to the finish, and you can track  
18 a horse race after race after race.

19           The interesting thing is, talking to Dr. Palmer  
20 quite a bit about it, and then talking today about it  
21 yesterday, and we had a Zoom meeting with Josh Rubenstein  
22 and Tom Robbins at Del Mar and he gave a really good  
23 presentation, but they're working on some of the -- or the  
24 computer aspects of it to reduce the false positives. A  
25 false positive meaning, well, we -- this record indicates

1 the horse is going to be a problem. And they've figured out  
2 ways to reduce false positive to, I want to say, about seven  
3 percent, which is pretty good, so it's developing  
4 technology. Other people are also looking at this from an  
5 AI standpoint.

6 But the point of it is, it may be a very useful  
7 screening tool in the future. And I have some ideas about  
8 the applications, not only for racing but in training, as  
9 well, so it's an interesting concept. And I think we're on  
10 the verge of maybe exploring a little bit deeper.

11 As Mr. Chaney said, Drug Free Sport International  
12 and Horse Racing Integrity -- excuse me, Drug Free Sports  
13 International and the Horse Racing Integrity and Welfare  
14 Unit will be a Santa Anita tomorrow. Thank God for  
15 doctor -- or excuse me, Ms. Cynthia Alameda for coordinating  
16 this because it's quite a chore. But we're going to show  
17 them everything we do in California, from an official work  
18 exam to come off the vets list, and out-of-competition work  
19 exam. We're testing, out-of-competition hair testing, in  
20 addition to stewards meetings and watching the prerace  
21 inspections from the official vets, as well as all test barn  
22 procedures and processes through the end of the day.

23 Moving on to medication, in September, there were  
24 1,404 positive test samples in blood and urine. This  
25 included 53 blood samples that were obtained from official

1 veterinary works. Of those samples, they were four  
2 positives. All four positives were Class 4 therapeutic  
3 medications, one bute -- excuse me two butes, one Robaxin,  
4 and one Depo-Provera. Additionally, in the month of  
5 September, 1,051 out-of-competitions were also tested.

6           Since I was gone a while, I looked back at the  
7 numbers to see and make sure, you know where we were at the  
8 Maddy Lab. And, retrospectively, just to provide you a  
9 little bit of an update, from January through August of this  
10 year, 11,691 postrace blood and urine samples were tested by  
11 the Maddy Lab. They were busy while I was gone. This  
12 included 583 blood samples from official works.

13           Additionally, the Maddy Lab tested 8,901 out-of-  
14 competition samples during this period. There were 49 Class  
15 4 findings, 20 Class 3, and Class 2. Now depending on the  
16 matrix and indications for testing, not all those were  
17 considered violations during that period.

18           During the month of September, there were three  
19 fatalities, one in racing, one in training, and one colic.

20           That pretty much concludes my report.

21           I said I wasn't going to do this, but I'm going to  
22 do it, so -- but I'd like to acknowledge some people. And  
23 there are too many people to acknowledge, I will tell you,  
24 but first and foremost, I'd like to acknowledge the  
25 California Horse Racing Board, Chairman Ferraro, Vice

1 Chairman Gonzales, and Executive Director Scott Cheney. Mr.  
2 Chaney did yeoman's work throughout this entire process.

3 I'd also like to express my gratitude to  
4 Commissioner Castellanos, Alfieri, Mitchell, Davis, and  
5 Hudnut for your support during this period, because it's  
6 nice to be back with you, focusing on horse welfare and  
7 safety.

8 The UC Davis people, especially John Pasco and  
9 Dean Mark Stetter, worked closely with the CHRB. Numerous  
10 veterinary organizations including the AAEP, California  
11 Veterinary Medical Association, and the AVMA, as well as  
12 numerous colleagues in the veterinary community whose  
13 unwavering support was continuous and remarkable.

14 And lastly, I can't name everybody, but the  
15 horsemen, the trainers, the owners, the stakeholders, track  
16 management, and the racing community of which there are too  
17 many dimension individually, but their support was  
18 incredible. And it truly exemplified that this industry,  
19 horse racing, which is focused on the horse now, especially  
20 in California, is truly a community of folks.

21 So thank you to everybody.

22 And that concludes my report.

23 CHAIR FERRARO: Thank you, Dr. Blea.

24 I have one question, though. I've been following  
25 that StrideSAFE stuff a little bit. How far away do you

1 think they are? Two questions. How far do you think they  
2 are away from it becoming really useful to us, practical to  
3 use? And do you have any idea what the cost of its use is?

4 DR. BLEA: I think they're there. They're at the  
5 door, we just have to open it up. Scott Palmer and Dave  
6 Lambert, Dave Lambert's a veterinarian who developed it, and  
7 they've honed it down to where the metrics of it and what  
8 those sensors can tell you is remarkable.

9 It's difficult to use in training because the  
10 horse goes through so many different stride alterations in  
11 training, different -- you don't have the consistent weight,  
12 you don't have the consistent gallop. But in racing,  
13 they're there.

14 And cost-wise, it's a bit of how fancy do you want  
15 to get? Do you want to get a sheet every day that says red,  
16 yellow, green, or do you want to get all the, you know, the  
17 Big Bang Theory printout that's built for engineers?

18 But basically, to put it -- to answer your  
19 question, it's probably \$35.00 a horse.

20 CHAIR FERRARO: Per race?

21 DR. BLEA: Per race.

22 CHAIR FERRARO: Okay. That's good.

23 DR. BLEA: And there are some options, I think,  
24 you know, we should -- that can be talked about? Should we  
25 try it in a few races? Should we try it? You know, there's

1 some different options that I think that are sort of  
2 applications that should -- can be discussed.

3 CHAIR FERRARO: Keep us informed of it, will you?

4 DR. BLEA: Will do.

5 CHAIR FERRARO: Thank you.

6 Anybody else have questions for Dr. Blea?

7 Do we have public comments? None.

8 Thank you very much.

9 DR. BLEA: Thank you all.

10 CHAIR FERRARO: Our next item on the agenda is  
11 number 11, which is Public Comment period.

12 So I'm sure Miss Conrad has something to say.

13 MS. CONRAD: Hi. Yeah. There we go.

14 I would like to apologize for speaking out of turn  
15 earlier. There was, apparently, a miscommunication that  
16 happened. The email that I received from the Board is on  
17 September 13th, in response to my request for information  
18 regarding the 65 California racehorses that are unaccounted  
19 for, referred me to directly gather this information from  
20 the Thoroughbred Owners of California, the Pacific Coast  
21 Quarter Horse Racing Association, and JP Harness Racing at  
22 AOL. I hope I spelled those right.

23 When I received no reply from these agencies about  
24 the fate of the 65 horses, I then emailed each individual  
25 track about their particular numbers of the missing horses.

1 I'm not affiliated with CHRB in any way, as you all  
2 know. I would much rather these statistics have been  
3 reported directly to the CHRB and then would be readily  
4 available to the California Public. If these resources have  
5 been euthanized or sent to slaughter after having been  
6 raised and betted upon From California tracks under the  
7 protection of the CHRB, I'm unclear why they're not being  
8 included in the death statistics. And maybe it's a  
9 technicality that I'm not understanding either, but I'm  
10 confused. There's confusion about that with myself and the  
11 people that I'm collecting the data for, so I'd be happy for  
12 an explanation.

13 I'm hoping that at least one of you will follow up  
14 on the fate of these horses. I'll reissue those, the list  
15 that I have. Again, I separated them out per track. And,  
16 again, if I'm misunderstanding these, or if there's  
17 particular way I can find out myself directly, which I  
18 wasn't able to do, I'm happy to receive that information.

19 Basically, these meetings can be heartbreaking for  
20 me. I'd like to hear more about the racehorses and their  
21 aftercare. And this issue that I'm bringing up I feel,  
22 about the unaccounted for racehorses, I feel it highlights  
23 how we can make improvements in this area. And it's good to  
24 hear that more care about the racehorses and aftercare was  
25 addressed at the Santa Anita conference that Belinda

1 Stronach organized. And, yeah, I'd like to see it go more  
2 in that direction.

3 CHAIR FERRARO: Thank you.

4 MS. CONRAD: Does anybody have anything they want  
5 to say to me or --

6 VICE CHAIR GONZALES: I do, if I could. You  
7 know --

8 MS. CONRAD: Yeah, please.

9 VICE CHAIR GONZALES: -- I try to, you know, not  
10 reply. But, one, appreciate, you know, you correcting the  
11 approach earlier and clearing up any miscommunication.  
12 That's super important.

13 But we will -- and I'll work with Scott and others  
14 on this issue. You know, I think it's of concern to all of  
15 us, the horses that aren't accounted for, you know? But  
16 you you're approaching us in a professional manner. You're  
17 patient. So whatever we can do in this regard, we will.  
18 But we do count on our staff, just so you know,  
19 tremendously. And kind of working within the margins of how  
20 they communicate and how they go about things is equally --  
21 is super important, as I'm sure you recognize. So, again,  
22 thank you.

23 MS. CONRAD: Thank you very much. And I do  
24 appreciate that you guys have spent your lives -- many of  
25 you have devoted your lives and talents to this industry. I

1 think we all care about horses. And different levels and  
2 different areas of this industry seem to be specialties for  
3 different people, so I don't want to disrespect that at all.  
4 I highly respect all the education and work that you guys  
5 have done.

6 CHAIR FERRARO: Great. Thank you.

7 MS. CONRAD: Thank you.

8 CHAIR FERRARO: The Board will now go into  
9 Executive Session. At its conclusion, we will reconvene the  
10 public meeting for the sole purpose of adjourning the public  
11 meeting without further comment. Anyone wishing to hear  
12 that meeting adjournment can use the link to the audio  
13 webcast on the CHRB website or remain in the meeting room  
14 until the Board returns and Closed Session for adjournment.

15 Thank you all. Could we ask you all to vacate the  
16 room, please?

17 (The Board recessed into Closed Session at 12:53 p.m.)

18 (The Board reconvened at 1:06 p.m.)

19 CHAIR FERRARO: I'd like to have a motion to  
20 adjourn the meeting, please.

21 COMMISSIONER CASTELLANOS: Motion.

22 COMMISSIONER ALFIERI: Second.

23 CHAIR FERRARO: I'll let you vote first.

24 COMMISSIONER DAVIS: Yes.

25 VICE CHAIR GONZALES: Gonzales. Yes.

1 CHAIR FERRARO: Alfieri?

2 COMMISSIONER ALFIERI: Yes.

3 CHAIR FERRARO: Damascus?

4 COMMISSIONER CASTELLANOS: Yes.

5 CHAIR FERRARO: And the Chairman votes yes.

6 The meeting is adjourned.

7 (The regular meeting of the California Horse Racing Board  
8 adjourned at 1:07 p.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 31st day of October, 2022.



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

October 31, 2022