

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of: )

)

Regular Meeting )

)

CALIFORNIA EXPOSITION AND STATE FAIR GRANDSTAND

1600 EXPOSITION BOULEVARD

SACRAMENTO, CA

THURSDAY, JANUARY 19, 2023

9:30 A.M.

Reported by:

Elise Hicks

APPEARANCES

BOARD MEMBERS

Gregory Ferraro, Chairman

Oscar Gonzales, Vice Chair

Wendy Mitchell, Commissioner

Brenda Washington Davis, Commissioner

Thomas Hudnut, Commissioner

STAFF

Scott Chaney, Executive Director

Robert Brodnik, Staff Counsel

Jeff Blea, Equine Medical Director

ALSO PRESENT

Larry Swartzlander, California Authority of Racing Fairs

Jim Morgan, Humboldt County Fair

David Duggan, Golden Gate Fields

Bill Nader, Thoroughbred Owners of California

Alan Balch, California Thoroughbred Trainers

Shane Gusman, Jockeys' Guild

Rick Baedeker, Southern California Offtrack Wagering

Pete Genovese, Sammy's Original

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7. Public Comment: Communications, reports, requests 67  
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.
8. Closed Session: For the purpose of receiving 68  
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

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PAGEClosed Session:

to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to this agenda captioned "Pending Administrative Adjudications," as authorized by Government Code section 11126(e).

- C. The Board may convene a Closed Session for the purposes of considering personnel matters as authorized by Government Code section 11126(a).

## 9. Adjournment

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1  
2 P R O C E E D I N G S

3 9:35 A.M.

4 THURSDAY, JANUARY 19, 2023

5 CHAIR FERRARO: This meeting of the California  
6 Horse Racing Board will please come to order. This is the  
7 regular noticed meeting of the California Horse Racing Board  
8 on Thursday, January 19th, 2023 at the California Exposition  
9 and State Fair Grandstand in Sacramento, California.

10 Present at today's meeting are: myself, Dr.  
11 Gregory Ferraro, Chair; also Oscar Gonzales, Vice Chair;  
12 Wendy Mitchell, Commissioner; Brenda Davis, Commissioner'  
13 Thomas Hudnut, Commissioner; and Scott Chaney, Executive  
14 Director. Commissioners Dennis Alfieri and Damascus  
15 Castellanos are not able to join us today.

16 Before we go to the business of the meeting, I  
17 need to make a few comments. The Board invites public  
18 comment on the matters appearing on the meeting agenda.  
19 Procedurally, the Board will first hear from those directly  
20 involved in the agenda item. I will then invite public  
21 comment on the agenda item. The Board will not answer  
22 questions. This item is for comments only, not questions.

23 Unsolicited speakers are limited to two minutes.  
24 During all public comments, a sign will be raised after the  
25 first 90 seconds, meaning the speaker will have 30 seconds

1 remaining to conclude their remarks. At two minutes, a  
2 second sign will be raised to indicate the speaker's time is  
3 up. The Board may ask questions of individuals who speak,  
4 which may extend their two-minute time limit.

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

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

18           I will insist that all speakers stay strictly on  
19 topic for each agenda item. If a speaker strays off topic,  
20 I will ask to move to the next speaker. If the speaker  
21 repeats themselves, I will ask the speaker, if the speaker  
22 has any new comments to make. If there are none, the  
23 speaker will be asked to let others make comments to the  
24 Board.

25           If anyone has comments of a more general nature

1 that are not specific to earlier agenda items, those  
2 comments must wait until agenda item number seven, public  
3 comment. There will be a 30-minute time limit for public  
4 comment. In order to allow as many individuals to speak as  
5 possible within that half hour, I will strictly enforce the  
6 two-minute time limit for each unsolicited speaker.

7 And that concludes my opening remarks.

8 We can move on to our agenda, which the first item  
9 is approval of minutes. So I need a motion.

10 COMMISSIONER HUDNUT: Hudnut.

11 COMMISSIONER DAVIS: Davis seconds.

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

13 No. Okay.

14 You weren't here?

15 COMMISSIONER MITCHELL: I was not here, so --

16 CHAIR FERRARO: Oscar?

17 VICE CHAIR GONZALES: I'm in favor, yes. Yes, I  
18 approve the minutes. Yes.

19 COMMISSIONER MITCHELL: Full policy statements.

20 VICE CHAIR GONZALES: Yeah.

21 CHAIR FERRARO: Mr. Hudnut?

22 COMMISSIONER HUDNUT: Yes.

23 CHAIR FERRARO: Brenda?

24 COMMISSIONER DAVIS: Yes.

25 CHAIR FERRARO: And the Chairman votes yes.

1 VICE CHAIR GONZALES: Just a quick question for  
2 Scott.

3 Can we approve an item with just three members or  
4 do we need -- the minutes rather?

5 EXECUTIVE DIRECTOR CHANEY: No. The minutes need  
6 for, right.

7 VICE CHAIR GONZALES: Okay.

8 EXECUTIVE DIRECTOR CHANEY: Yeah.

9 VICE CHAIR GONZALES: Okay, so I think we've been  
10 in this situation before, so maybe we --

11 EXECUTIVE DIRECTOR CHANEY: No, but I think --

12 VICE CHAIR GONZALES: Oh, is there four? One, two

13 --

14 EXECUTIVE DIRECTOR CHANEY: Yeah.

15 VICE CHAIR GONZALES: -- oh, wait.

16 EXECUTIVE DIRECTOR CHANEY: There are four of you.

17 VICE CHAIR GONZALES: There's one, two, three --

18 COMMISSIONER DAVIS: There are four.

19 VICE CHAIR GONZALES: Got it.

20 EXECUTIVE DIRECTOR CHANEY: We're at the December  
21 meeting.

22 VICE CHAIR GONZALES: Okay. Yeah.

23 EXECUTIVE DIRECTOR CHANEY: And it was just --

24 VICE CHAIR GONZALES: No, no, I was referring to  
25 the fact that Wendy's abstaining on this particular vote.

1 EXECUTIVE DIRECTOR CHANEY: Right, but there's  
2 four left here.

3 VICE CHAIR GONZALES: Oh, got it, got it. Okay.  
4 My apologies. Where are my -- no, sorry. It's morning.  
5 It's still early for me. Sorry.

6 CHAIR FERRARO: You awake?

7 VICE CHAIR GONZALES: I'm awake. Now I am, yeah.  
8 Yeah. Thank you.

9 CHAIR FERRARO: Okay, item number two, discussion  
10 and action by the Board regarding allocation of Northern  
11 California Racing Dates for the racing year 2023.

12 Mr. Chaney, you want to start it off?

13 EXECUTIVE DIRECTOR CHANEY: Sure. As the Board  
14 might recall, you've allocated the entire race calendar for  
15 this year, 2023, save one week in August, which hasn't been  
16 allocated. The last three years, I think, you've allocated  
17 an overlap between Golden Gate Fields and Humboldt County  
18 Fair at Ferndale, and so this item is for allocation of that  
19 one racing week.

20 Both Golden Gate Fields and Ferndale asked for a  
21 little more time last month in December, so to try to  
22 negotiate some sort of solution. I know there's been at  
23 least somewhat productive negotiations, but I don't think  
24 any conclusion has been reached at this point.

25 CHAIR FERRARO: Larry? `

1 MR. SWARTZLANDER: Good morning, Chairmen and  
2 Commissioners. It's Larry Swartzlander, Executive Director  
3 of California Authority of Racing Fairs. I'm here with  
4 James Morgan, special counsel for Humboldt County Fair.

5 I just want to start off by saying that, you know,  
6 David Duggan and Golden Gate and I have worked extensively  
7 on this. We're still friends. You know, I think we have  
8 the best relationship with Golden Gate that we've had for  
9 years and that, you know, some days you have to just decide  
10 that you agree to disagree. But I just want to make a few  
11 comments and sort of sum up where we're at.

12 You know, CARF is moving forward. You know, we  
13 want to make racing better in Northern California. Our goal  
14 is to -- let's solidify the dates in the north, let's make  
15 them stable, let's have a five-year plan. And part of that  
16 is, you know, we have two tails wagging out there at  
17 Humboldt County Fair and Santa Rosa.

18 The situation this year is that at this point, we  
19 had a meeting two days ago with Santa Rosa. They have a new  
20 chief operating officer who will be replacing Becky within  
21 the next two years. It was a very positive meeting and they  
22 concluded, saying that their goal is to rejoin CAFA this  
23 year, which I'm very enthused with. Humboldt County Fair,  
24 we've had meetings with and we are totally united in our  
25 position that we will present today.

1 I want to sort of summarize what we're going to do  
2 this summer for you. We will not lower any purses. Alameda  
3 County Fair, we will institute a Pleasanton Mile Day where  
4 every race will be a mile and over, and we're working on  
5 having a \$200,000 race. We're working with the TOC that,  
6 last year, you know, we had a per-start for Fresno. This  
7 year, we're proposing a \$400 start for all horses at all  
8 fairs.

9 We'll continue with the programs that we had last  
10 year, incentives. Owners that run five or more horses will  
11 get \$2,000. Owners, trainers that have five starts will get  
12 \$1,000, and if it's ten starts, get \$2,000. Out-of-state  
13 horses will get \$300 for the first start and \$300 for the  
14 second start.

15 Also, just to refresh your memory, Calypso  
16 Challenge is still out there. We'll be scheduling a beta  
17 test here at Cal Expo in mid-June. You'll all be invited to  
18 see what it is, how it works, and we're looking for a launch  
19 of one August of this year.

20 The situation with Humboldt is obviously that --  
21 not obviously, Humboldt County Fair simply financially can't  
22 operate in the current configuration. It's imperative that  
23 they have two weeks. The second week, you know, generates  
24 an additional \$200,000 in commissions. It makes them stable  
25 and they can actually make some money on the fair.

1           You know, CARF's goal is, if we continue, if we  
2 get the second week un-overlapped, obviously we want to  
3 raise purses at Humboldt. We want to make racing better.  
4 And we all understand that Humboldt is never going to have  
5 the same level of racing of Golden Gate or Pleasanton,  
6 simply, it's a half-mile track, and as owners and trainers,  
7 a lot of people just don't want to run on a six-furlong  
8 track.

9           So the situation we've reached at this point,  
10 CARF's position was to offer -- we'll generate approximately  
11 \$200,000 more in purses if we're un-overlapped. We threw  
12 out figures in that area to Golden Gate. Golden Gate's  
13 counter is that they would prefer to have commissions.  
14 CARF's position is that if we give up commissions in what  
15 they've asked for, this simply will not work.

16           So we're at a stalemate and, simply, that's where  
17 we're at, Commissioners.

18           MR. MORGAN: Jim Morgan, Humboldt County Fair, I  
19 don't want to repeat anything I've said previously.

20           We request the two weeks without overlap with  
21 commissions. We'll let CARF and Golden Gate Fields work out  
22 the purse structure. All other race meets, live race meets,  
23 get that, they get the commissions and the purses. Golden  
24 Gate, we're not against Golden Gate. They do run in 11 of  
25 the 12 months of the calendar year, so one week to Golden

1 Gate doesn't mean as much as one week to Humboldt,  
2 particularly with access to the commissions.

3 I think we've been perceived as a minor league  
4 venue, and there's some truth to that, but we're also a  
5 gateway venue. Important contributors to the Thoroughbred  
6 industry, such as track announcer Frank Mirahmadi, Chris  
7 Griffin, Dave Rodman, they all took a turn, and Chris  
8 Griffin got a start, at Humboldt County.

9 We also are a gateway for owners, California  
10 owners and owners from out of state. That includes Eclipse  
11 Award-winning owner Alan Aldrich, who started at Humboldt,  
12 Eclipse Award-winning owner and breeder Steve Coburn, whose  
13 first horse was at Coburn -- was at Humboldt.

14 And more recently, the founder of Dutch Brothers  
15 got his start at Humboldt County with a horse, and he now  
16 owns a couple of shares of Flightline. He owns a band of  
17 broodmares. He bought a home in Delmar. But he got his  
18 start coming down from his prior home in Grants Pass to  
19 Humboldt County, and he's employed a trainer that started at  
20 Humboldt, is their perennial leading trainer, Quinn Howey  
21 ,is his trainer.

22 So I think we have some positives there and it's  
23 important to foster the positive in the history of Humboldt.

24 Also, I don't think it should be lost that the  
25 sport could use some favorable media attention. And I

1 provided previously the article that ran a couple years ago  
2 in the *California Thoroughbred Magazine* about Escape to  
3 Humboldt: Racing The Way It Ought To Be, where the  
4 grandstands are full, and the people are supporting and  
5 endorsing the live racing product.

6           Also, on December 30th, into homes across America,  
7 a one-hour special called *Ferndale to Flavortown* was aired  
8 on the Food Network, it's still available on YouTube, much  
9 of it is filmed in the Humboldt County Fair. And it shows  
10 the symbiotic relationship that a fair can have with its  
11 community in supporting its veterans, supporting its first  
12 responders. There were some contributions made to the Boys  
13 and Girls Club. And the people loved the live racing. And  
14 the host, Guy Fieri, talked about how meaningful it was to  
15 him and his family to be able to come back every year to  
16 support the racing at Humboldt every year, to have a  
17 memorial race named for his sister.

18           These are the kind of contributions that you're  
19 not going to get from an extra week at Golden Gate Fields.  
20 Now, we love Golden Gate Fields. They are the anchor --  
21 maybe love's a little strong -- of the Northern California  
22 Race Circuit, but the public isn't going to miss a week  
23 there. Their average attendance during the three days of  
24 overlap was about \$500 -- 500 people a day, whereas we had  
25 thousands of people every day.

1 I beseech you to let this venue survive. It is  
2 racing the way it should be. It is a historical experience  
3 of live racing that should be preserved.

4 CHAIR FERRARO: I notice in your letter of January  
5 9th that you had three vacancies on the Fair Board --

6 MR. MORGAN: Yes.

7 CHAIR FERRARO: -- and no general manager. Has  
8 that changed?

9 MR. MORGAN: The vacancies will be filled by very  
10 qualified applicants, I believe, on January 30th, when they  
11 have the next Board meeting. There's a search committee out  
12 for the next general manager.

13 Humboldt was well represented at the Western Fairs  
14 Conference in Reno this week, and they're doing some  
15 exploratory investigation as to who that next person might  
16 be.

17 CHAIR FERRARO: Okay.

18 MR. MORGAN: But I anticipate those vacancies will  
19 be filled on this Saturday. They have a sponsorship dinner,  
20 and there's over 100 people that are going to show up and  
21 talk about the issues and support the fair.

22 CHAIR FERRARO: Any questions from the Board?

23 VICE CHAIR GONZALES: Yes, thank you, Mr.  
24 Chairman.

25 Could you please address -- I know Commissioner

1 Hudnut brought up some important issues related to some of  
2 the management and some of the -- an issue that made the  
3 news as it relates to an employee that wasn't being on the  
4 up and up. I think it's a fair question. You may have  
5 responded to that, just for the public.

6 MR. MORGAN: Yeah, I responded in writing, but I'd  
7 like to elaborate a little bit.

8 This was a person that was hired by an interim  
9 manager. The person had apparently experienced being a  
10 bookkeeper and a payroll person for a large nonprofit in the  
11 Humboldt County area, so she had those recommendations. She  
12 was hired and, apparently -- and I'm not a part of the  
13 investigation, and I probably read the same article as Mr.  
14 Hudnut did -- she apparently set up a bogus payroll account,  
15 and the bogus payroll account, a paycheck to somebody that  
16 didn't exist, and she took that and she was arrested at a  
17 local casino.

18 So with that said, she was doing the same thing to  
19 the nonprofit that had referred her to us in the first  
20 place. Certainly, it goes without saying, we'll be more  
21 vigilant.

22 I think it's also important to note that those  
23 monies, those embezzled monies, as I understand it, came  
24 from a PPP account and a wage account and a general account.  
25 They did not come from the funds that were set aside to

1 incentivize horse racing and the participation of trainers  
2 and owners.

3           One thing I might add is Santa Anita and Del Mar  
4 do a great job of Ship and Win and encouraging horses to  
5 come to the state of California.

6           We do it a different way. We don't have that kind  
7 of money to throw around, but we help the out-of-state  
8 trainers get insurance, which they have to have to race, and  
9 get a license, which they have to have to race. And when  
10 those horses trickle in from primarily Oregon, but the  
11 Northwest, when they trickle in, those horses from out-of-  
12 state become California horses, nonetheless than what the  
13 ship and wind horses are. And they stay and they race at  
14 Golden Gate Fields, and they race at Fresno, and they stay  
15 in the state.

16           But the money that was embezzled, again, did not  
17 come from any racing funds that I know of. It came from a  
18 payroll account.

19           CHAIR FERRARO: How long did this go on before it  
20 was --

21           MR. MORGAN: From what I've read, it went on for a  
22 year or two.

23           CHAIR FERRARO: Mr. Hudnut?

24           COMMISSIONER HUDNUT: Yes. I want to thank the  
25 Vice Chair for bringing this issue up.

1 But I have a question for the Executive Director,  
2 and that is whether CHRB has a responsibility to assure the  
3 financial condition of the tracks we license?

4 EXECUTIVE DIRECTOR CHANEY: Yeah, good question.  
5 I think the short answer is yes, and it's part of the  
6 application process when they apply for race dates, you  
7 know, in May or June, provide financials as well.

8 COMMISSIONER HUDNUT: Well, Humboldt's position  
9 last May or June was decidedly different from what it is  
10 today. So has there been a CHRB investigation or audit of  
11 their financial condition? I mean, we would look foolish if  
12 we were to grant dates for something that couldn't pay.

13 EXECUTIVE DIRECTOR CHANEY: Correct.

14 MR. MORGAN: If I may try to correct the  
15 perception?

16 Because it was a payroll account, it was a leak  
17 over time. We're not dramatically different than we were in  
18 May and June. We do have approximately a million dollars in  
19 reserve. We are financially viable to start a fair this  
20 year. We would like to have the Commission's access to be  
21 able to sustain.

22 But it's a misconception that all of a sudden one  
23 day, \$400,000 was missing. We have corrected the problem.  
24 We will be vigilant going forward, as we were in the past  
25 before that. It is unfortunate for all concerned but we are

1 financially viable. And we would entertain any kind of  
2 questions or informal or formal audits that the CHRB would  
3 like to ask of us to assure you. And you can condition our  
4 license or our access to un-overlapping to our meeting  
5 certain objective criteria in that regard, if you wish.

6 COMMISSIONER HUDNUT: Good. Thank you. I'm  
7 certainly not in a position to dispute what you're saying,  
8 but I do think it would be prudent and part of our due  
9 diligence for the staff to investigate the full picture of  
10 the finances.

11 MR. MORGAN: That's fair enough.

12 COMMISSIONER HUDNUT: Thank you.

13 MR. MORGAN: We've been able to operate for 126  
14 years. I'm sure we'll do a 127th.

15 MR. SWARTZLANDER: And, Commissioner Hudnut, just  
16 to add that all persons are guaranteed by CARF. Humboldt  
17 has nothing to do with that.

18 CHAIR FERRARO: Okay, gentlemen, thank you.

19 I'd like to hear from Golden Gate Fields. Do we  
20 have a representative from Golden Gate, please?

21 Go ahead.

22 MR. DUGGAN: Thank you. David Duggan, General  
23 Manager and Vice President of Golden Gate Fields, and I'm  
24 alongside William Rizzuto, who's our Assistant General  
25 Manager.

1           Our position with regard to this potential  
2 scenario remains unchanged. It is our wish to race even un-  
3 overlapped with Humboldt.

4           I would concur with what Larry Swartzlander said  
5 with regard to dialogue and meetings between ourselves and  
6 CARF. They're certainly a lot warmer than they were in the  
7 past. And indeed, it's been easy enough working with Jim,  
8 representing Humboldt County Fair, however, we're unable  
9 to, and I don't see any light at the end of the tunnel with  
10 regard to us coming to a suitable arrangement.

11           I just wanted to clarify a couple of points as  
12 well. We don't race 11 months out of the year, we race 10  
13 months out of the year. And Jim alluded to the fact that  
14 these horses come from Oregon and race at Humboldt and end  
15 up at Golden Gate Fields. Unfortunately, I haven't seen any  
16 evidence of that in the last five years.

17           Golden Gate Fields is the flagship for racing in  
18 Northern California and we'd like every opportunity to  
19 continue to promote Golden Gate Fields. We've got a pretty  
20 strong relationship with FanDuel, formerly known as TVG, and  
21 we've invested heavily with them, so we are promoting the  
22 sport in Northern California in a very strong way.

23           From a racing point of view, I think we can all  
24 acknowledge that via the media and Netflix and others, they  
25 have the finest grass in Northern California and Humboldt

1 County. Unfortunately, it's not the type that horses can  
2 run on. We've got a very -- we have -- we've got a very --  
3 we've got an excellent mature turf track. Turf racing has  
4 become ever more popular in North America, let alone  
5 California, and I think it would be a shame to deprive our  
6 owners, and indeed our trainers, of the ability to run on  
7 the grass, which we had intended to do that week.

8           Once again, as I say, our position remains  
9 unchanged. I don't have a great deal more to offer on this  
10 particular subject.

11           CHAIR FERRARO: If you were to lose the week, what  
12 would it cost you in dollars?

13           MR. DUGGAN: It would certainly be north of, off  
14 the top of my head, Mr. Chairman, it would certainly be  
15 north of \$250,000.

16           CHAIR FERRARO: And is most of that money for  
17 purses, or would that money be --

18           MR. DUGGAN: And commissions.

19           CHAIR FERRARO: Okay. Okay. Okay. We have more  
20 to hear from. Thank you.

21           I'd like to see if TOC and CTT would please  
22 address it, that group now?

23           MR. NADER: Thank you, Chairman. Bill Nader from  
24 the TOC.

25           On the question of what it costs, it would be, I

1 think about \$280,000 for Golden Gate, and \$280,000 for  
2 purses on that week, just to quantify that.

3 I think from the TOC's perspective, at that time  
4 in the calendar year, in looking at the viability and the  
5 continuity of racing in not only Northern California, but in  
6 California, the value of the turf course during that  
7 particular week is something that shouldn't be understated.  
8 I mean, it's very important, I think, for the viability of  
9 horses, owners, trainers, everyone involved, that turf  
10 racing maintains a high profile during the summer months in  
11 terms of viability, which I think is important in this  
12 discussion, I think it's important for the viability of  
13 Golden Gate, and also for purse structure, that we go with  
14 the overlap of the two weeks.

15 So we support the Golden Gate Fields position. We  
16 respect Ferndale as a complimentary player in the overall  
17 landscape of racing in Northern California, but in a lead  
18 role, maintaining the overlap and giving Golden Gate the  
19 opportunity to participate is something that the TOC  
20 supports.

21 I think it's important for the California horse  
22 population, for the ability to be able to run on the turf,  
23 and also for people who are supporting racing as fans, to be  
24 able to -- you know, a half-mile track is something that's  
25 interesting for a short period of time, but it's not the

1 brand that we want to present for California racing,  
2 particularly at that time of year, for California horses,  
3 for California racing fans, and for the contribution and the  
4 continuity and the viability of the sport within California.

5 So the TOC position would be to allow Golden Gate  
6 to participate during the two-week overlap.

7 CHAIR FERRARO: Thank you.

8 Any questions from the Board? Alright.

9 Alan, do you want to give us a real viewpoint,  
10 please?

11 MR. BALCH: Alan Balch, California Thoroughbred.  
12 Alan Balch, California Thoroughbred trainers.

13 We endorse what Mr. Nader just presented. More  
14 than anywhere else in the state, trainers are also owners,  
15 and we look at it as maximizing racing opportunities. Some  
16 trainers do prefer to race at Ferndale, and that's their  
17 option to do, but the vast, overwhelming majority of  
18 horsemen prefer to have Golden Gate racing those two weeks,  
19 and not just because of the turf course, but for reasons of  
20 purses, viability of Golden Gate, and so forth, so we  
21 strongly endorse the Golden Gate proposal that they race  
22 overlapped.

23 We've also noted in the media coverage, and in  
24 some of the things that have been said here today, that the  
25 financial viability of Humboldt doesn't seem to be an issue.

1 We've been under the impression that, for some reason, that  
2 this is a dire situation, that Ferndale needs these un-  
3 overlapped weeks, and that doesn't seem to be the case  
4 according to the media coverage and the financial viability  
5 of the fair.

6 So that's one more reason we believe that Golden  
7 Gate and Ferndale should race the two weeks overlapped. It  
8 gives the horsemen an opportunity to choose where.

9 Thank you.

10 CHAIR FERRARO: Questions from the Board? Yes,

11 VICE CHAIR GONZALES: Mr. Chairman.

12 Thank you for that presentation, Alan.

13 Something that Jim mentioned in terms of some of  
14 the horsemen that have come out of that part of Northern  
15 California, and I think you probably more than anybody here,  
16 you have a pretty good institutional memory, to your  
17 recollection, Alan, has the TOC or the CTBA in recent memory  
18 ever done a workshop up there in that part of the state that  
19 you know of, kind of a horse ownership 101 of here's how you  
20 become a breeder that you remember?

21 MR. BALCH: Not at Ferndale, not that I know of,  
22 but that doesn't mean that it hasn't happened or that it  
23 could happen. I think we need to do outreach wherever we're  
24 racing.

25 VICE CHAIR GONZALES: Okay, I'll come back to that

1 idea.

2 I just wanted you to make sure because I do know,  
3 I mean, you just said something, Jim, that I had never  
4 thought of, and it is about the type of reach that we should  
5 be thinking about when it comes to bringing in -- really,  
6 what we need are new owners. I mean, I think the  
7 reoccurring theme is what is this Board -- I don't know if  
8 it's quite our job to address field size, but I do know that  
9 that is a very complicated approach to addressing field size  
10 issues.

11 But I think if there is part of the state where we  
12 have not done outreach, where we have not engaged people  
13 that have the means, I think we ought to take a look at  
14 that. There would be no better time to do it, in my  
15 opinion, than during the two weeks that we have up there.

16 But we can come back to that as we discuss what to  
17 do here, Mr. Chairman.

18 But thank you for that, Alan.

19 CHAIR FERRARO: We haven't done, Alan, we haven't  
20 done much outreach anywhere, have we? I mean, it's not just  
21 Ferndale.

22 MR. BALCH: Well, I think we do need to do  
23 outreach everywhere, as I think I said. I think the TOC,  
24 and Bill can speak to this, they've done a lot of outreach  
25 in Southern California. At Del Mar and Santa Anita, they

1 have a number of programs where they try to engage owners  
2 and ask owners to bring prospective new owners with them,  
3 everything from confirmation to whatever it might be, the  
4 racing experience, and that would be for Mr. Nader to  
5 comment on, but you can never do too much, that's for sure.

6 Thank you.

7 MR. NADER: Actually, we do. There was a pause in  
8 the outreach during the period of COVID. But we do quite a  
9 bit at, as Alan said, not only at Santa Anita and Del Mar,  
10 but we have one coming up in June at Golden Gate. We do it  
11 at Golden Gate and we've put Stephanie Hronis as the  
12 Chairman of our Ownership Committee. So we've really dialed  
13 that up in the last several months and are making a much  
14 bigger effort, so I think you'll see a notable difference  
15 now.

16 Now as far as doing it at any of the fairs, that's  
17 something I think we'd have to explore further. I don't  
18 think that is currently in consideration but it's something  
19 that we could at least talk about and have some dialogue and  
20 see if that would work. I think, to Mr. Gonzales's point,  
21 there would be a unique set of people there that it might  
22 make sense to do so.

23 But there are a number of things that we're doing  
24 now to really work on developing new owners and, also,  
25 maintaining or retaining current owners, so just to give the

1 Commission some comfort on that. It's important with the  
2 TOC and something that we're taking as a priority.

3 VICE CHAIR GONZALES: Yeah, I do have a  
4 question -- thank you, Bill, for coming back -- and it has  
5 to do something with what Mr. Duggan just said. For those  
6 that didn't catch that, kind of inside humor, it's a  
7 different kind of grass, meaning there is a thriving economy  
8 going on in Northern California that has become legitimized,  
9 let's just say, in the last five years or so. Not saying at  
10 Silicon Valley level, but there are definitely people up  
11 there that have been integrated into the normal California  
12 economy.

13 And from what I'm hearing is \$250,000 is what the  
14 delta is. I understand CAREF, and I'm glad that we're not in  
15 the business of saying, you know, pay Peter to pay Paul or  
16 however that goes. But I think that there is a number that  
17 you had put up, right, Larry, to try to cut into that  
18 \$250,000.

19 And then, Bill, I'm going to come back to you for  
20 a moment here, so please hang in there with me.

21 So, Larry, what is the amount that you're willing  
22 to come forward to help with that \$250,000 pinch that Golden  
23 Gate might experience?

24 MR. SWARTZLANDER: Well, just to go there,  
25 Commissioner, is that the difference is that Golden Gate

1 wants commissions and we're offering purses, so it's like  
2 totally different. The number means nothing. You know,  
3 we've talked \$100,000 in purses to give them, and we've  
4 thrown out -- haven't thrown it to David, but, you know, we  
5 make \$200,000 additionally. If you went the \$150,000, you  
6 know, we're still -- CARF is not losing anything in  
7 commission -- or excuse me, in purses. We're getting  
8 another \$50,000 purses for our fund. That's a positive for  
9 racing. And the commissions all remain with Humboldt, who  
10 needs the funds, obviously, to operate their fair and be  
11 successful.

12 But the big disclaimer is that it's purses on  
13 CARF's side and commissions on Golden Gate side.

14 VICE CHAIR GONZALES: So if you're doing apples  
15 and apples, you're willing to do, I'm hearing, \$100,000, so  
16 really we're about \$150,000 apart is what it sounds like to  
17 me, if you were to do an apples and apples.

18 MR. SWARTZLANDER: If you did apples and apples,  
19 yes.

20 VICE CHAIR GONZALES: So let's just say -- so I'm  
21 going to go back to Bill here for a minute.

22 What if we were to ask Ferndale, and not just  
23 Ferndale, but last time we were here, there were  
24 supervisors, there was local people, to really work toward  
25 doing a one-of-a-kind ownership grading workshop, where we

1 would take a look at that time, maybe some of the folks can  
2 come down to the workshop you're talking about to see the  
3 one at Golden Gate, whenever you said, I forget when you  
4 said that was, and that way they then can say, hey, this is  
5 something that they can replicate up in Northern California?

6           Because I just think if -- I think that suddenly  
7 Ferndale becomes a little bit more important than just the  
8 two, the two weeks of racing. What I'm trying to do is to  
9 be as innovative as we can here and to really kind of think  
10 about parts of the state that we have not really taken horse  
11 racing, and then really taken the case and the virtues of  
12 investing, breeding, and owning is all I'm saying here.

13           And so, you know, Bill, I really appreciate under  
14 your leadership that you are taking more of these ownership  
15 101 workshops more seriously. And I know of CTBA, they had  
16 a representative here last week, they would probably agree  
17 that. And again, I'm just speaking from an agricultural  
18 standpoint, not my current job.

19           When I was the USDA Farm Service Agency Executive  
20 Director, you have literally hundreds and hundreds and  
21 hundreds of 3- to 10-acre properties up there, and people  
22 are always looking for off-farm income. And to have, you  
23 know, a couple stalls with a broodmare or two is really not  
24 asking a lot. The weather is a lot better. It's a  
25 different conversation we're having in Fresno. We're going

1 to get up to 120 degrees. You have big, big farms. So it's  
2 probably a more compelling case to make up there in terms of  
3 new owners.

4 I'm just trying to think out the box here a little  
5 bit. But, you know, Bill, I mean, as you hear the  
6 difference in \$150,000, and if you think that, hey, maybe if  
7 they were to do something, maybe there's value that, again,  
8 this wouldn't be us doing outreach, this would be putting  
9 Ferndale and the county on the hook to do the kind of  
10 outreach to give you an audience so you can then say, hey,  
11 this is how you become an owner and a breeder.

12 So, Bill, I just wanted your thought. Again, this  
13 is something different.

14 MR. NADER: Yeah, I think on ownership outreach,  
15 it's important that, you know, we, meaning actual owners and  
16 people within the TOC, need to be in front of the people to  
17 be able to answer the questions and actually make the  
18 presentation because it is such a unique sport, and the  
19 entry point can be a bit complex. So it has to be a very  
20 carefully constructed presentation, given that it's going to  
21 be a very limited amount of time to be able to do it  
22 correctly. So that's something I think we would have to  
23 take the lead on to orchestrate that.

24 On the economics, Golden Gate will be -- is going  
25 to be overpaid in purses, there's no doubt about it. It's

1 only January but we can see already that there will be an  
2 overpayment. So every dollar really does count in terms of  
3 viability to make sure that we don't have to institute purse  
4 cuts later in the year. Now, it's early. It's month one.  
5 But the forecast would be that there is -- we are looking at  
6 an overpayment.

7           So it's a very delicate equation. And it's  
8 actually \$280,000 to purses, and I believe it's \$280,000,  
9 just to be completely factual about what we're looking at.  
10 So it's, you know, when you add up purses and commissions,  
11 it's \$560,000. It's a considerable amount of money.

12           So in terms of viability and the delicate nature  
13 of Golden Gate's purse structure, that's where the TOC  
14 weighs in and throws its support to the two-week overlap and  
15 allowing Golden Gate to be a player.

16           But in terms of the other part of, you know,  
17 ownership outreach, we're definitely open to anything that  
18 would potentially expand the audience and the participation  
19 going forward. But we would have to work very closely with  
20 Ferndale and actually take a leadership role to do it  
21 correctly, in my opinion.

22           VICE CHAIR GONZALES: Thank you, Bill.

23           Jim, you and your community up there would be more  
24 than willing to pull out all stops to make any kind of  
25 engagement with the new generation of owners and breeders;

1 right? My sense is that you guys would.

2 MR. MORGAN: We always have, we always will. I  
3 mean, look at the Dutch Brothers' guy. He got into horse  
4 racing at Humboldt County with cheap horses. He ran up at  
5 Grants Pass. He now has shares the Flightline. He has a  
6 nice broodmare band. Alan Aldrich, Steve Coburn all started  
7 with small horses in Humboldt.

8 VICE CHAIR GONZALES: Well, those are the kind of  
9 guys that we would want at the workshop to talk to their  
10 neighbors up there about getting involved in this business.

11 MR. MORGAN: They'd be happy to.

12 VICE CHAIR GONZALES: Okay. So, Mr. Chairman, I  
13 know we're going a lot longer than we wanted to on this, but  
14 anyway, I'm just trying to just try to just create some  
15 partnerships here, just have people think out the box. If  
16 \$150,000 is what's separating, I think we've got to figure  
17 this out and we've got to be creative, because that's not a  
18 big delta. In horse racing, we deal in, you know, big  
19 dollars. But to have two weeks up there on overlap and to  
20 make Golden Gate whole, which I think we have to, we've got  
21 to figure this out.

22 But anyway, just my thoughts.

23 CHAIR FERRARO: By the way, Oscar, the other type  
24 of grass they're talking about in Humboldt County isn't a  
25 lot more lucrative than the horses.

1           VICE CHAIR GONZALES:  You're probably right.  
2  Well, we need to get them involved in the business, and what  
3  better place than to do that than to have them show up at  
4  Ferndale?  Because it sounds like there's already people  
5  that have made their way, so you're right, sir.  You're  
6  right.

7           MR. MORGAN:  If I could make a couple more  
8  comments, I'll try to be brief here.

9           CHAIR FERRARO:  Make them brief.

10          MR. MORGAN:  Thank you.

11                 We have a plant up there, and we have thousands of  
12  them, and they're worth about \$30,000 each.  And the state  
13  of California stepped in and said, no, we're going to make  
14  this a redwood preserve, because the state of California  
15  knows the value of a unique experience.  And that was done  
16  about the same time that the Humboldt County Fair started in  
17  1895.  And I hope the California Horse Racing Board  
18  understands the value of the unique live racing experience,  
19  where we get 5,000 people a day and Golden Gates gets 500.

20                 I agree with Mr. Duggan, they have racing dates in  
21  June and August, they don't have July.

22                 I want to address, real quick, the turf racing  
23  business.  There's a five-week gap between Golden Gate and  
24  Santa Rosa at the beginning of the fair.  Santa Rosa ends  
25  two weeks before Humboldt -- or excuse me, two weeks before

1 Golden Gate Field. Humboldt is in the middle. So it's not  
2 that long a period to deprive the horsemen of Northern  
3 California from grass racing because they've got two to  
4 three weekends at Santa Rosa, and then they go to Golden  
5 Gate Fields.

6           This is a tough position to be in. On the one  
7 hand, we have to prove we're viable, and then when we prove  
8 we're viable, hey, you don't need it. I mean, all we want  
9 is what every other racetrack gets, commissions, and they  
10 could work out the purses, but we need that. The  
11 commissions for that week, if Golden Gate doesn't run, they  
12 don't have the operation expenses, they don't have the  
13 employees, they don't have all the people that are needed  
14 for a live race. We do. That's why I believe we're  
15 deserving of the commissions, should you give us that  
16 privilege.

17           CHAIR FERRARO: Okay, Jim. Thank you.

18           Thank you all, gentlemen.

19           Can we have some discussion from the Board now as  
20 to what we're going to do?

21           Mr. Hudnut?

22           COMMISSIONER HUDNUT: There's been no mention of  
23 advanced deposit wagering in all of this. And I wonder what  
24 the impact is, because I suspect that for horse players,  
25 Golden Gate is a more attractive bet than Humboldt.

1 MR. DUGGAN: Thank you, Mr. Hudnut. Yes, that is  
2 very true. Our organization, First Racing, The Stronach  
3 Group, have a very strong connection with FanDuel. And I  
4 would say that there's a very high probability that FanDuel  
5 would cover all of our races.

6 And respectfully, Jim, I think they'd probably go  
7 to a Geico commercial than show a race from Humboldt County  
8 Fair.

9 MR. SWARTZLANDER: Commissioner, in ADW, though,  
10 all these numbers that we're throwing out, they include ADW.  
11 And this year, our handle probably included 60 percent ADW  
12 and 40 percent from the brick and mortar sites.

13 COMMISSIONER MITCHELL: I would just like to say  
14 thank you all for your presentations and time. I understand  
15 the concerns about the ADW, but I don't think that that's  
16 our primary objective. Ferndale is a remote northern  
17 California location that there's a community surrounding it.  
18 This is a fair, this is, you know, that we need to be  
19 supporting because, otherwise, we're leaving part of our  
20 population out in the wilderness.

21 I understand, you know, and I think Commissioner  
22 Gonzales had some really good ideas about how to increase,  
23 besides the grass growing in Ferndale, but how to help the  
24 overall industry by expanding in Ferndale. And I think -- I  
25 think we need to give them the dates in order for them to

1 both be able to race, be viable, and have that sense of  
2 community in FanDuel.

3           You know, I also understand, you know, that there  
4 was some embezzlement and that's horrible. But at the same  
5 time, I don't think that your race date should be impacted  
6 by one bad apple that's part of your organization. We've  
7 all been parts of organizations that have bad apples, so I'm  
8 not going to hold that against you.

9           So thank you.

10           CHAIR FERRARO: The only thing, Wendy, is that,  
11 you know, our constituency is really the horsemen of  
12 California, and we're talking about taking hundreds of  
13 thousands of dollars out of their purse money to benefit a  
14 local fair. I mean, that balance has got to be there. You  
15 know, our primary responsibility is to ensure the health and  
16 viability of racing in California, so that would concern me.

17           COMMISSIONER MITCHELL: Well, I appreciate that,  
18 but I don't know that our constituency is only the horsemen.  
19 Our constituency is the people of the state of California,  
20 of which Ferndale is a, you know, often neglected  
21 population.

22           I appreciate what you're saying, Chairman Ferraro,  
23 and I understand. I just, you know, I think looking at it  
24 from a global perspective, that we need to look at what  
25 Ferndale is and who it is to the state of California. So I

1 don't think that it's just the horsemen that are our  
2 constituents. I think we have multiple stakeholders and  
3 constituencies here. I'm just looking at it from the --

4 CHAIR FERRARO: Commissioner Davis?

5 COMMISSIONER DAVIS: My whole thing is the way  
6 Oscar has narrowed down the issues, I wonder if we should  
7 give them some more time to try to work this out?

8 CHAIR FERRARO: Yeah. My feeling is if you're  
9 going to do what Oscar's talking about, you're talking about  
10 2024 rather than 2023, just to get it organized. And they  
11 don't have a general manager, and they don't have -- they've  
12 got three vacancies on their Board, so all that coordination  
13 takes time, even at the best.

14 Mr. Hudnut?

15 COMMISSIONER HUDNUT: If I'm not mistaken, hasn't  
16 Ferndale overlapped in the past?

17 MR. MORGAN: You're asking me?

18 COMMISSIONER HUDNUT: Yeah.

19 MR. MORGAN: Yes, they've --

20 COMMISSIONER HUDNUT: I mean, for years you  
21 overlapped with Bay Meadows, as I recall.

22 MR. MORGAN: Bay Meadows overlapped a portion of  
23 us.

24 I think what hasn't been mentioned in this  
25 conversation is AB 763, which is why we're targeted for

1 overlap, and no other fair is. It's an assembly bill that  
2 says when Humboldt races and overlap with Golden Gate  
3 fields, we get a minuscule portion of the commissions and  
4 purses, comparatively. And no other fair is burdened with  
5 that, so if they wanted to overlap with Santa Rosa or our  
6 Fresno, they would have to negotiate a fair split.

7           We don't have that luxury. And we feel, it feels  
8 that we have been manipulated to be in an overlap position  
9 because it's very lucrative for The Stronach Group to do  
10 that because of that assembly bill.

11           But you're right, there has been overlaps in the  
12 past, but in the past there's a different structure now  
13 where the commissions and the purses are generated, and  
14 every other racetrack races its entire meet without overlap  
15 and with commissions.

16           COMMISSIONER HUDNUT: When did AB 763 become  
17 operative?

18           MR. MORGAN: The year before Humboldt reached out  
19 to me to help them, and I believe that was about 12 or 13  
20 years ago.

21           CHAIR FERRARO: Commissioner Davis, do you have  
22 any further comment?

23           COMMISSIONER DAVIS: I still think that we should  
24 give them another month to work it out because I sense that  
25 there is a mutual respect. And I think it's very important

1 not to abandon that area of racing over something that's  
2 only a \$150,000 difference. It seems like some creative  
3 minds could put together some kind of pros and cons and  
4 really figure this thing out.

5 CHAIR FERRARO: I would feel more comfortable with  
6 a complete set of Commissioners here, too.

7 COMMISSIONER HUDNUT: Well, there is no one month,  
8 it's two months.

9 CHAIR FERRARO: Two months, yeah, it's March.

10 COMMISSIONER DAVIS: Oh, okay.

11 VICE CHAIR GONZALES: A quick question to that. I  
12 don't know why we'd want more Commissioners because they  
13 would be probably not so supportive of the fair.

14 So I'm a pretty good poker player, Mr. Chairman,  
15 but, you know, let me just ask the groups here.

16 If we were to decide in March, and we're talking  
17 about the racing that would be, you know, during the summer,  
18 does that give the sides enough time? Because I know where  
19 I'm leaning, and it is the two weeks of un-overlapped, but I  
20 want to make sure Golden Gate is made whole in some way.  
21 And it sounds like it is \$150,000.

22 Describe to me what a March decision would do to  
23 make some things happen, I mean, both the racing end, but  
24 the kind of outreach that I'm talking about, et cetera?

25 MR. MORGAN: I think there's a lot of good ideas

1 here. From our perspective, going to March and then trying  
2 to do a fair in August is cutting it real close. Also,  
3 we're recruiting a general manager. What are we going to  
4 say? Are we going to have commissions? Are we not going to  
5 have any commissions? We have overlap?

6 But I think you're on to something. This agenda  
7 item is for dates allocation. And I believe this committee  
8 [sic], hopefully, can allocate those dates to Humboldt with  
9 the proviso that we sit down and try to work out a thing  
10 with the purses and the commissions. But in terms of just  
11 the dates, you can allocate them to Humboldt.

12 Now, the problem I've had, and it may be my  
13 personality, but since August I've been prodding folks to  
14 try to sit down and talk, and maybe they don't want to talk  
15 because they're not going to agree with me and I'm going to  
16 want Humboldt to continue. If we do that, I would suggest  
17 that one or more Board members mediate that discussion so  
18 that it doesn't just drift off because it's been months and  
19 months and months, and now we're talking about kicking it  
20 off two more months.

21 I believe the day for date allocation should be  
22 today. We are happy to participate with CARF and Golden  
23 Gate Fields on a mediated deal, but unless there's some  
24 structure to it, it just seems to just drift off without a  
25 whole lot of response until the day of the meeting.

1 MR. DUGGAN: Might I just comment on that?

2 We have engaged as much as we possibly can with  
3 Humboldt and with Larry. And in many cases I get told by  
4 Larry that Jim's views don't represent CARF, and Jim writes  
5 to us and says, you know, this is where we're at, but these  
6 are not necessarily the sentiments of CARF as well. So it's  
7 a pretty confusing platform.

8 You know, we're in the middle of a very important  
9 live race meet at the moment that's going to continue into  
10 June. So I mean, any insinuation that, you know, it's been  
11 difficult to deal with us is quite, in some ways, wide of  
12 the mark.

13 CHAIR FERRARO: Do we have any public comments on  
14 this?

15 Does somebody want to make a motion --

16 VICE CHAIR GONZALES: Sure.

17 CHAIR FERRARO: -- see where it goes?

18 VICE CHAIR GONZALES: What I would propose in the  
19 form of a motion is to allow for the two weeks of un-  
20 overlapped to Ferndale -- and I was already thinking about  
21 this, so I'm not taking your idea, Jim, but this is what I  
22 was already teeing up -- but with the understanding that,  
23 come March, we figure out a way to bridge that \$150,000 gap.

24 And I just think that that would have to then be -  
25 - and that's why I put out, what are some of the added value

1 that we can bring and who has it? You just mentioned, for  
2 example, a half a dozen or so people who are involved in  
3 horse racing. Would they be willing to come to the table in  
4 some way? But we'll have to explore all of that.

5 But I would also be willing, since we don't have a  
6 meeting in February, I'd be willing to travel up there, Mr.  
7 Chairman, you know, as the Chair of the Race Dates  
8 Committee, just to get a sense of really the community, are  
9 they really committed to this? Because this is a sacrifice  
10 we're making at the expense of, you know, an important  
11 stakeholder in the form of Golden Gate.

12 So my motion, just to repeat, would be to provide  
13 two weeks of un-overlapped. We come back in March to figure  
14 out how we can make sure that we address that \$150,000 delta  
15 that appears to exist.

16 CHAIR FERRARO: And what happens if we can't  
17 address it?

18 VICE CHAIR GONZALES: And if we can't address it,  
19 then I believe I will have to revisit my motion. I think  
20 even CARF may even be among the first to say that, that if  
21 they can't get that, you know, I guess the commission's  
22 involved in that, they may even themselves acknowledge that  
23 they can't do the second. But I think we're going to have  
24 some willing partners.

25 But I think what we have to do is as a Board, and

1 I think we are almost there, you included, Mr. Chairman, I  
2 know I can't speak for Chairman Castellanos, but it was --  
3 it seemed like the last time we addressed this back in, I  
4 want to say October maybe, or November, we were almost  
5 there, you know.

6 So, anyway, that's my motion is --

7 CHAIR FERRARO: Let's be clear, though. We're  
8 actually talking about \$250,000; right? Because \$100,000  
9 has been offered.

10 VICE CHAIR GONZALES: \$250,000. He said \$250,000.  
11 They said they were willing to do \$100,000.

12 MR. DUGGAN: Just for clarity, pardon me, Vice  
13 Chair, it's \$250,000 in commissions. That's the number.

14 VICE CHAIR GONZALES: And then, so to that end,  
15 you were willing to come up if CARF was willing to come  
16 up -- again, I'm trying to do an apples and apples here --  
17 \$100,000 towards that \$250,000; is that correct?

18 MR. SWARTZLANDER: No. Ours is \$100,000 in  
19 purses.

20 VICE CHAIR GONZALES: Okay.

21 COMMISSIONER HUDNUT: And the figure that Mr.  
22 Nader cited was \$580,000 for the overall impact on Golden  
23 Gate.

24 MR. SWARTZLANDER: I would dispute that number.

25 MR. DUGGAN: No, that number is -- it's certainly

1 north of \$400,000. I don't have that exact number today,  
2 but it would have, were that to happen, it would have a  
3 negative effect across the bus.

4 VICE CHAIR GONZALES: A question for Scott here.

5 We don't have a meeting. If we were to do a  
6 remote Race Dates Committee meeting, just to talk about this  
7 issue in February, I know there's travel, but that's why I  
8 want to be sensitive, could we do a remote kind of a -- then  
9 we don't have to do an in-person Race Dates Committee  
10 meeting in February?

11 CHAIR FERRARO: The problem is you can't make a  
12 decision at the Committee level. It has come to the Board.

13 VICE CHAIR GONZALES: But it sounds like there's  
14 disparities or concerns about the numbers that we're  
15 talking. So that's what we would do is ask --

16 EXECUTIVE DIRECTOR CHANEY: Bagley-Keene would --  
17 I mean, if four Commissioners were meeting, it would have to  
18 be a formal Board meeting. Three, since it's the whole  
19 committee, we generally make those formal. If there are  
20 only two members of the Committee, then like an informal  
21 meeting would be okay too.

22 VICE CHAIR GONZALES: Via remote.

23 EXECUTIVE DIRECTOR CHANEY: Yeah. I mean, Bagley-  
24 Keene currently, I think expires it -- we were just talking  
25 about this in July, but it does allow for like a hybrid type

1 meeting --

2 VICE CHAIR GONZALES: Okay.

3 EXECUTIVE DIRECTOR CHANEY: -- or even a remote  
4 one.

5 VICE CHAIR GONZALES: And the purpose would be so  
6 staff can dig into the numbers. Because we're now getting  
7 some disagreements here, Mr. Chairman, about numbers, so  
8 staff would then look at the books and really what are we  
9 talking about here?

10 MR. SWARTZLANDER: Well, I think what has to be  
11 done here too is that, you know, the TOC and CTT have to be  
12 more involved with us right now. And, you know, you've  
13 raised some, you know, very positive things about, you know,  
14 outreach in the north, and then Bill has commented on that.  
15 If we can dovetail, all sit down together and like, it has  
16 to be addressed.

17 You know, right now, I don't want to come to the  
18 conclusion that we pay them \$150,000 this year, then we're  
19 back at it next year, you know, fighting tooth and nail.  
20 The stakeholders all have to sit down. That includes TOC  
21 and CTT with The Stronach Group, Golden Gate, and CARF and  
22 come up with whatever financial arrangement settles this  
23 thing completely.

24 VICE CHAIR GONZALES: Understood.

25 CHAIR FERRARO: So we have a motion on the floor.

1 Do we have a second?

2 COMMISSIONER DAVIS: Davis, second.

3 CHAIR FERRARO: Commissioner Hudnut?

4 COMMISSIONER HUDNUT: No.

5 CHAIR FERRARO: Commissioner Davis?

6 COMMISSIONER DAVIS: Yes.

7 CHAIR FERRARO: Commissioner Gonzales?

8 VICE CHAIR GONZALES: Yes.

9 CHAIR FERRARO: Commissioner Mitchell?

10 COMMISSIONER MITCHELL: Yes.

11 CHAIR FERRARO: And the Chairman votes no. Okay.

12 VICE CHAIR GONZALES: So as it stands, there's no  
13 racing happening because we have not allocated those dates.  
14 So right now, as it stands, Golden Gate's not getting those  
15 dates and CARV's not getting those dates, so it looks like  
16 the horsemen are probably going to be getting an overdue  
17 vacation if we can't fix this.

18 Am I correct in saying this, Scott? We have not  
19 allocated those dates.

20 EXECUTIVE DIRECTOR CHANEY: Yeah. I mean, the  
21 fact that four don't agree, they're just -- those dates  
22 haven't been allocated.

23 VICE CHAIR GONZALES: Oh, there we have it then.  
24 Okay. Well, Northern California horsemen, for those who  
25 advocate for them, understand that there could very well be

1 probably two weeks of no racing in Northern California,  
2 those dates because we have not come to, I guess, an  
3 agreement here.

4           So if somebody else comes up with a different  
5 proposal, until then, but again, I'm willing to convene a  
6 meeting in February done remotely or hybrid to try to figure  
7 this out. That's what -- the offer stands. I'm also  
8 willing to go up and meet with the same people who are here  
9 and go up to Humboldt and kind of figure out if this is a  
10 true community, long-term understanding what they can do to  
11 help out racing. So I'm willing to do those two things.  
12 Again, this is just me, do a February meeting, and then me  
13 travel up there to try to figure out what we could do to  
14 get -- to make our investment in Ferndale really make sense  
15 for the entire industry, so --

16           MR. MORGAN: I thought it was two weeks overlapped  
17 in Humboldt.

18           CHAIR FERRARO: Yeah, but you have to have four  
19 Commissioners to make it --

20           MR. MORGAN: Thank you for that clarification.

21           EXECUTIVE DIRECTOR CHANEY: Mr. Vice Chairman, can  
22 I just push for, like advocate for staff a little bit?  
23 We're taking February off to give them a break from this  
24 five- to six-week cycle that they're always on for a Board  
25 meeting.

1 CHAIR FERRARO: Okay.

2 EXECUTIVE DIRECTOR CHANEY: So can I push for like  
3 an informal rather than like a formal committee meeting?  
4 Just my two cents.

5 VICE CHAIR GONZALES: Yeah, informal, got it.  
6 Yes. Yes.

7 CHAIR FERRARO: Okay, let's move on. Thank you  
8 all.

9 VICE CHAIR GONZALES: Thank you.

10 CHAIR FERRARO: Item number three, discussion and  
11 action by the Board approving a Plan Amendment to the  
12 California Horse Racing Board Defined Contribution  
13 Retirement Plan for California Licensed Jockeys.

14 Scott, do you want to comment?

15 EXECUTIVE DIRECTOR CHANEY: Yeah, I can kind of  
16 tee this one up, but I think Shane Gusman is here  
17 representing the jockeys.

18 So this is with respect to the Jockeys' Retirement  
19 Plan as a specific wagering distribution tied to ADW. And  
20 retirement plans, as the Board may or may not know, are  
21 governed by federal law and state law as well. But there's  
22 been some changes to federal law that have to be included in  
23 the bylaws over the organization. And so any changes to  
24 those need to be approved by the Board.

25 So this is, it's fairly straightforward. It just

1 has to reflect the changes in federal law.

2 MR. GUSMAN: Yes, that's correct. Shane Gusman on  
3 behalf of the Jockeys' Guild, but also here as a trustee of  
4 the pension plan. These are just sort of pro forma changes  
5 in the plan to make it conform with federal law.

6 As you recall, during the pandemic, Congress  
7 stepped in for a lot of pension plans and allowed folks to  
8 take out money in an emergency and allowed for the plans not  
9 to be -- have to wait to be amended for the protection of  
10 those plan participants. So it's kind of a retroactive  
11 amendment adopting both those provisions. And also there  
12 was some changes in another act on minimum retirement age to  
13 take out to take maximum retirement age to take out a  
14 distribution.

15 And so that's all the plan amendment does.

16 COMMISSIONER MITCHELL: Mr. Chairman, move the  
17 changes.

18 CHAIR FERRARO: Pardon me?

19 COMMISSIONER MITCHELL: I'm making a motion for  
20 the --

21 CHAIR FERRARO: Oh, okay.

22 COMMISSIONER MITCHELL: -- (indiscernible).

23 CHAIR FERRARO: I think we need to have -- no  
24 public discussion?

25 COMMISSIONER HUDNUT: I second.

1 CHAIR FERRARO: We have a motion. Do we have a  
2 second --

3 COMMISSIONER HUDNUT: Yes.

4 CHAIR FERRARO: -- to adopt? Okay.

5 Commissioner Hudnut?

6 COMMISSIONER HUDNUT: Yes.

7 CHAIR FERRARO: Commissioner Davis?

8 COMMISSIONER DAVIS: Yes.

9 CHAIR FERRARO: Commissioner Gonzales?

10 VICE CHAIR GONZALES: Yes.

11 CHAIR FERRARO: Commissioner Mitchell?

12 COMMISSIONER MITCHELL: Yes.

13 CHAIR FERRARO: The Chairman votes yes.

14 Item number four --

15 MR. GUSMAN: Thank you.

16 CHAIR FERRARO: -- discussion and action by the  
17 Board on the Renewal Application for License to Operate a  
18 Minisatellite Wagering Facility at Sammy's Original in Lake  
19 Forest, California.

20 Just to check with staff before you start, the  
21 packet is complete; is that correct?

22 EXECUTIVE DIRECTOR CHANEY: It is.

23 CHAIR FERRARO: Okay. Go ahead, please.

24 Hi, Rick.

25 MR. BAEDEKER: Yes, good morning, Mr. Chairman and

1 Commissioners. I'm Rick Baedeker representing Southern  
2 California Off-Track Wager.

3 MR. GENOVESE: And I'm Pete Genevieve, partner and  
4 general manager.

5 MR. BAEDEKER: I might just throw out a couple of  
6 notes about Sammy's. We have eight mini-satellites in  
7 Southern California, two of which are at card rooms. Of  
8 those that are at restaurants proper, Sammy's is the  
9 flagship. You may recall it opened in 2014. And our late  
10 friend Brad McKenzie was right in the middle of putting the  
11 ownership group together. And the numbers there have been  
12 terrific.

13 And I just quickly will let you know that over  
14 that period of time, Sammy's has returned to the industry  
15 \$20 million. The stakeholders obviously include purses and  
16 commissions, that's about \$12 million. But there's another  
17 \$8 million that has come back to CHRB support, stabling and  
18 vanning, Workers' Compensation support, and equine research  
19 and so forth, so it's a great spot.

20 If you haven't been there, I hope you do stop by.  
21 It's just south of the El Toro Y. It's a Black Angus  
22 building that's been -- was empty and these guys went in and  
23 spent a lot of money.

24 Pete?

25 MR. GENOVESE: We spent a lot of money.

1 CHAIR FERRARO: Okay, are there any questions from  
2 the Board?

3 No public comment?

4 Do I have a motion?

5 VICE CHAIR GONZALES: Just one question.

6 CHAIR FERRARO: Go ahead.

7 VICE CHAIR GONZALES: Just one question, because I  
8 know it does come up, plenty of security there, I'm sure  
9 during -- at that facility? Just because I just know SCIU  
10 Local 280, they bring up, you know, some of these satellites  
11 having -- some have good security, some don't. I just want  
12 to make sure it's a secure facility.

13 MR. GENOVESE: Yes, it is, yes.

14 VICE CHAIR GONZALES: Can you describe it? Is it  
15 like a part-time? Is it like --

16 MR. GENOVESE: Well, actually, all of our  
17 employees are trained, and they actually keep an eye on the  
18 back room. But if you haven't been to Sammy's, it's a  
19 little bit partitioned where most of the bedding is in a  
20 room like this.

21 VICE CHAIR GONZALES: Right.

22 MR. GENOVESE: And then the, you know, the  
23 restaurant bar is kind of on a lower floor to the front. So  
24 certainly the tellers keep their eye on that particular  
25 room.

1 VICE CHAIR GONZALES: Okay.

2 MR. GENOVESE: And then all of our employees have  
3 pager buttons that go on alarm right to the fire department.

4 VICE CHAIR GONZALES: Great.

5 MR. GENOVESE: We have three.

6 And on top of that, actually, our tellers are in  
7 plexiglass, totally enclosed, which nobody else has. They  
8 also have panic buttons. Our bartenders have panic buttons.  
9 And we have 16 cameras that are live that are going right  
10 now, so pretty secure for a mini.

11 VICE CHAIR GONZALES: Okay. Thank you, sir,  
12 appreciate it.

13 VICE CHAIR GONZALES: Okay. Do we have a motion?

14 VICE CHAIR GONZALES: I'll move. Gonzales moves.

15 CHAIR FERRARO: Second?

16 COMMISSIONER HUDNUT: Second. Hudnut.

17 CHAIR FERRARO: Commissioner Mitchell?

18 COMMISSIONER MITCHELL: Yes.

19 CHAIR FERRARO: Gonzales?

20 VICE CHAIR GONZALES: Yes.

21 CHAIR FERRARO: Davis?

22 COMMISSIONER DAVIS: Yes.

23 CHAIR FERRARO: Hudnut?

24 COMMISSIONER HUDNUT: Yes.

25 CHAIR FERRARO: The Chairman votes yes.

1 Thank you.

2 MR. GENOVESE: Thank you.

3 VICE CHAIR GONZALES: Thank you.

4 CHAIR FERRARO: Have a good year.

5 Item number five is discussion and action by the  
6 Board regarding the delegation of authority to the executive  
7 director pursuant to California Business and Professions  
8 Code section 19428 for one year.

9 Mr. Brodnik?

10 MR. BRODNIK: Good morning, Commissioners. Robert  
11 Brodnik.

12 Item five pertains to the delegation of authority  
13 to the Executive Director for common administrative matters  
14 that require timely attention. This item comes up annually  
15 and staff is bringing it to your attention today for formal  
16 approval for increased transparency.

17 The only addition this year is the provision to  
18 permit an additional racing day or days to be run on non-  
19 racing days within the license period.

20 COMMISSIONER MITCHELL: I move.

21 VICE CHAIR GONZALES: I'll second.

22 CHAIR FERRARO: Commissioner Hudnut?

23 COMMISSIONER HUDNUT: Yes.

24 CHAIR FERRARO: Commissioner Davis?

25 COMMISSIONER DAVIS: Yes.

1 CHAIR FERRARO: Commissioner Mitchell?

2 COMMISSIONER MITCHELL: Yes. Commissioner  
3 Gonzales?

4 VICE CHAIR GONZALES: Yes.

5 CHAIR FERRARO: And the Chairman votes yes.

6 And we move on to item number six, which is our  
7 Executive Director's Report.

8 EXECUTIVE DIRECTOR CHANEY: Thank you, Mr.  
9 Chairman, and good morning, Commissioners.

10 I will begin with the handle report for the month  
11 of December. Night racing was down 1 percent, day racing  
12 was up 21 percent, and total handle was up 18 percent  
13 compared to the same month last year. Just a note, Delmar  
14 ran a weekend in December, which kind of explains the  
15 numbers.

16 For calendar year 2022, night racing handle was  
17 down eight percent, day racing was down six percent, and  
18 total handle was down six percent.

19 As the calendar year just ended, I think it is  
20 important to acknowledge where we are with respect to  
21 catastrophic injuries. In 2021, there were 71 catastrophic  
22 injuries at California-regulated facilities. In 2022, that  
23 number was 64, for a decrease of ten percent. Since  
24 calendar year 2019, total catastrophic injuries have  
25 decreased 50 percent. To put 2022 in context, of the 64, 30

1 are less than half for musculoskeletal injuries, the rest  
2 being sickness, accidents, and sudden deaths.

3 For further context, there were approximately  
4 30,000 runners, there are approximately 30,000 runners each  
5 year in California, and 70,000 workouts. On any given day,  
6 there are approximately 4,000 horses at CHRB-regulated  
7 facilities, and around 8,000 to 10,000 unique horses at our  
8 facilities in any given year.

9 I believe California to have the best safety  
10 record in the country. Of course, there is still work to be  
11 done and several more regulations that the Board has passed  
12 will go into effect this year.

13 With respect to HISA, as the Board knows, the FTC  
14 delayed approval of the ADMC, the Anti-Doping and Medication  
15 Control Regulations after the Fifth Circuit Court decision  
16 calling into question the constitutionality of the structure  
17 of the authority vis-a-vis the Federal Trade Commission.  
18 Before the district court could act, Congress amended the  
19 underlying law to ostensibly correct the possible  
20 constitutional infirmity.

21 For the time being, the outcomes of the legal  
22 challenges are difficult to predict. The Authority has now  
23 projected a start date for Anti-Doping and Medication  
24 Control Rules sometime in mid to late March. California has  
25 been issued a new assessment and we are in the process of

1 negotiating new credits based on that assessment.

2 I'd like to inform the Board about a process  
3 that's been taking place over the last few months regarding  
4 drug testing and split samples. As the Board knows, when  
5 urine, blood, hair, or other biological samples are taken,  
6 the main sample is sent to Davis and the split sample,  
7 historically, has been sent to headquarters where it's  
8 stored.

9 Our storage freezer at headquarters is inadequate  
10 and dated, so we have now started the process of leaving  
11 split samples with CHRB investigators at the individual  
12 tracks from which they are taken. This will not only create  
13 a stronger chain of custody for the CHRB and the licensee  
14 but will also greatly reduce shipping costs.

15 I'd like to thank Deputy Executive Director  
16 Cynthia Alameda, who has been spearheading this project.

17 Next, I'd like to update the Board on stakeholder  
18 progress with respect to finding a better alternative to  
19 CHRB legislation -- the CHRB legislation proposal to address  
20 jockey and backstretch health care distributions.  
21 Stakeholders have had several meetings, some of which I have  
22 attended, and they are making real progress on a broad-based  
23 industry approach, an alternative to the ledge approach.  
24 Currently, I believe that their plan will be to bifurcate  
25 the two distributions, first address the jockey's

1 healthcare, as that distribution is more pressing, and then  
2 address the backstretch distribution in the next two years  
3 as CTHF feels that they will be in good shape for that time  
4 period.

5 I believe that the stakeholders will present a  
6 plan to secure health care for the jockeys at the March  
7 Board meeting, and then at the same time ask the Board to  
8 withdraw its legislative proposal.

9 Lastly, I want to alert the public and  
10 stakeholders about the CHRB meeting schedule for next  
11 year -- for this year, if you will. It is posted on the  
12 CHRB website. For the immediate future, there will be no  
13 February Board meeting, as we discussed earlier, and the  
14 next meeting will be the third Thursday in March in Arcadia,  
15 California.

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

17 CHAIR FERRARO: Thank you.

18 Dr. Blea?

19 EQUINE MEDICAL DIRECTOR BLEA: Good morning, Mr.  
20 Chairman, Vice Chairman, Commissioners.

21 Ms. Mitchell, it's nice to meet you in person.

22 My report is going to be fairly short. Mr.  
23 Chaney's stolen most of my thunder, and on the basis of our  
24 rain total, I'll keep it short and brief.

25 So HISA, as Mr. Chaney alluded to, in HISA,

1 everything is still on hold regarding the Anti-Doping  
2 Medication Committee Program. As you know, I'm on that  
3 Committee. We are being told mid to late March, provided  
4 that those recommendations get put out for a 60-day comment  
5 period by the FTC. There's no new news on that from my  
6 Committee, so what you're reading in the press is what's  
7 actually happening.

8 I'd like to bring up the inclement weather policy.  
9 This policy is on the CHRB website and it's used when nature  
10 changes its course. As you all are completely and  
11 intimately aware, we've had an incredible amount of rain and  
12 other issues that come with that sort of rain in California.

13 With that inclement weather policy as a guide,  
14 which was created by the CHRB, there have been race day  
15 cancellations at Santa Anita, Golden Gate Fields, Los  
16 Alamitos, and Cal Expo that have all occurred this month,  
17 and most of it is due, well, most of it's due because of the  
18 heavy rain, but it's always -- it has continuously been  
19 based on the health and safety of rider and horse.

20 I think there's an incredible amount of credit  
21 that needs to be shared amongst track management, racetrack  
22 superintendents and their crews. I watch these guys early  
23 in the morning, late at night, in the mud, the rain, get  
24 those tracks sealed and safe and open for horsemen.

25 And I think the horsemen ought to be applauded for

1 their patience and their consistent commitment to safety for  
2 not only the riders, but for their horses as well. You  
3 know, when horses come on the track after walking for a few  
4 days, it's a little bit like a carnival ride. And when I  
5 watched them from my office at Santa Anita the other day, we  
6 had joggers only, all the same direction. You watch them on  
7 the track. It was very well managed by riders and horsemen,  
8 so I think the horsemen deserve a lot of credit in addition  
9 to all those that worked hard, including this group for  
10 implementing the inclement weather policy.

11           On February 1st, California will go to what we  
12 call an Equitap system. It's the Jockey Club's electronic  
13 reporting system. As you know, all practicing veterinarians  
14 must report all treatments, medications, prescriptions to  
15 any horses within 24 hours. We've been using the electronic  
16 treatment reporting system, or the ETRS. This new system is  
17 basically a 2.0 system. We've organized it with them, we  
18 have a contract with them, and we have set up a Zoom meeting  
19 for the CHRB team, including official veterinarians, office  
20 secretaries, and the investigators to go over the new system  
21 next week.

22           Moving on to the Maddy Lab, we're currently in  
23 discussions, CHRB is, with HIWU, or the Horseracing  
24 Integrity Welfare Unit, regarding their expectations from  
25 the Lab and how the Lab is going to be able to accomplish

1 what's required based on a workflow and budgeting  
2 standpoint. So that continues on a daily basis.

3           Regarding testing, CHRB out-of-competition testing  
4 in the month of December, 863 samples were tested in blood,  
5 hair, and urine. We test for EPO, anabolic steroids,  
6 evidence submission, and IGF-1. There were no violations  
7 found out of competition samples.

8           In CHRB routine testing, which includes post-race  
9 and work bloods, in December, 1,237 samples were tested,  
10 both blood and urine, and that included 50 official work  
11 blood samples. Of those 1,237 samples, there were three  
12 class IV therapeutic medication violations, two for  
13 phenylbutazone and one for methocarbamol.

14           Moving on to fatalities, in December, there were a  
15 total of five fatalities on CHRB facilities, one  
16 musculoskeletal and four other fatalities classified as  
17 other. The other included one sudden death, one accident in  
18 a post-parade, one colic that was sent to a referral  
19 hospital and was euthanized due to a poor prognosis, and one  
20 horse that was also sent to the UC Davis School of  
21 Veterinary Medicine Hospital that was euthanized with a  
22 diagnosis of aortic valvular endocarditis with sepsis.

23           As Mr. Chaney alluded to, in 2021, there were 71  
24 fatalities for the calendar year in California. In 2022,  
25 there were 64 with a 9.8 or roughly a 10 percent reduction

1 in fatalities calendar year 21 to calendar year 22.

2 That concludes my report. If you have any  
3 questions, I'm more than happy to address them.

4 Thank you.

5 CHAIR FERRARO: Questions from the Board?

6 COMMISSIONER HUDNUT: Yes.

7 With respect to recent research and the progress  
8 on equine fatalities, Doctor, what -- refresh our memory,  
9 please, on the research projects that CHRB is cooperating  
10 with. I think there's one at the University of Kentucky.  
11 There may be another. Can you bring us up to date on those?

12 EQUINE MEDICAL DIRECTOR BLEA: There are several.  
13 There's one at the University of Kentucky that we're  
14 cooperating with, looking at messenger RNA as a risk factor  
15 for injury and catastrophic failure. Alan Page is directing  
16 that from the UK Gluck Center. I speak to him every couple  
17 weeks. We're collecting samples still in a Tesla tube.  
18 Those get sent to him. When he has 15,000 samples, they  
19 will be looking at the data.

20 In combination with that, the Southern California  
21 Equine Foundation has jumped on and is partnering with UK to  
22 look at those samples from a non-catastrophic injury basis.  
23 So that study, which CHRB got involved with, has segued into  
24 more in-depth studies, I would say.

25 There is a study --

1           COMMISSIONER HUDNUT: Excuse me, non-catastrophic  
2 meaning prophylactic?

3           EQUINE MEDICAL DIRECTOR BLEA: No, non-  
4 catastrophic meaning, perhaps, career-ending but not life  
5 threatening.

6           COMMISSIONER HUDNUT: I see. Thank you.

7           EQUINE MEDICAL DIRECTOR BLEA: That's one of the  
8 studies.

9           We're currently looking at sensors right now.  
10 I've spoken to the people that have a sensor program that  
11 measures gait that was done in New York. Delmar and I spoke  
12 about that, so we're going to see where that goes. It's  
13 called StrideMASTER.

14           And then I just recently started looking at some  
15 sensors. At the July Welfare and Safety Summit, there was a  
16 presentation done. Joe Appelbaum was the emcee of that  
17 presentation. And it's all about sensor technology. And I  
18 think that's the direction that we're going to as an  
19 industry from an injury prevention. It's very new. It  
20 needs to be validated. But there are some sensors that look  
21 at heart rate while the horse is exercising and working.  
22 And you can pull out data to determine risk factors to have  
23 those horses better investigated.

24           The problem with it, it's very in depth. There's  
25 a whole industry. If you're 18 to 24, I suggest you go into

1 data analysis and computer technology because you'll have a  
2 future. So I'm looking at that. There's one that's not  
3 quite validated, in my opinion, out of France. I've spoken  
4 to the president of SCEF about looking at that on our  
5 racetracks.

6 So we're looking at some of those things, which I  
7 think will come back to CHRB to say this is what we'd like  
8 to do to prevent, one, identify problems, but more  
9 importantly to prevent sudden deaths in the future.

10 I'm also working with UC Davis to look at anion  
11 gaps that occur in athletes relative to exercise if that may  
12 be a contributor to some of these sudden deaths. So there's  
13 quite a bit of research going on. It keeps me busy.

14 COMMISSIONER HUDNUT: Thank you.

15 EQUINE MEDICAL DIRECTOR BLEA: You bet.

16 COMMISSIONER HUDNUT: Thank you.

17 VICE CHAIR GONZALES: I have a question, Mr.  
18 Chairman.

19 Good report, Dr. Blea.

20 Regarding Los Alamitos, I think there may have  
21 been three or four fatalities, kind of a combination of  
22 sudden death and other. One of them came during a weekend  
23 when Santa Anita pulled down its card but Los Al ran its  
24 card. And I know this last time, and I just checked with  
25 Scott Chaney on this, is that when Santa Anita pulled down

1 his card because of the weather, I think Los Alamitos did  
2 the same.

3           So is there anything you want to share with this  
4 Board as it relates to Los Alamitos? I know a lot of time  
5 and energy was invested in them over the last couple years,  
6 but just related to the last three or four that came on our  
7 radar.

8           EQUINE MEDICAL DIRECTOR BLEA: Absolutely, Mr.  
9 Vice Chairman. So they had a fatality on New Year's Eve,  
10 and they had a fatality on New Year's Day or New Year's  
11 night when the weather was bad. I went back and looked at  
12 both of those fatalities. I spoke to the safety steward  
13 down there. I also spoke to Dino Perez from Los Alamitos  
14 following that weekend of racing. It was deemed that the  
15 track was safe. The riders felt comfortable riding on that  
16 track.

17           There was quite a bit of communication going on  
18 between management and the stewards, as I'm told, as to  
19 whether to cancel or not to cancel. I was told emphatically  
20 that management stated that if anyone feels the need or any  
21 unsafe conditions, just cancel the races, period. From what  
22 I'm told, there were no concerns about the track surface not  
23 being safe.

24           Move forward to the next weekend with the weather  
25 continuing, and Dennis Moore, the track super at Los Al, as

1 well, they got together, management, Dennis Moore, and  
2 decided to err on the side of caution and cancel those  
3 races.

4 But to your question, looking back, everyone was  
5 talking: How do we prevent it moving forward? And I think  
6 that stimulated the following weekend to be canceled just  
7 out of precaution more than anything.

8 VICE CHAIR GONZALES: Thanks, Doc. And you know,  
9 we do know, you know, margins are thin for riders and  
10 trainers and even in the frontside management. So when it's  
11 a judgment call, they're going to err on the side of racing.  
12 And so I know we have professionals like you and others on  
13 the ground that can come in and make sure because -- much in  
14 the way that Santa Anita did, they canceled their card and  
15 they do a makeup day.

16 But anyway, I appreciate you being vigilant on  
17 that.

18 EQUINE MEDICAL DIRECTOR BLEA: Yes.

19 VICE CHAIR GONZALES: But I just want to make sure  
20 that, you know, those who we regulate know that we're paying  
21 very, very close attention.

22 EQUINE MEDICAL DIRECTOR BLEA: I appreciate your  
23 comments because they're very germane to this discussion.  
24 And I can tell you, Los Al, I reached out to them and they  
25 were extremely cooperative based on the individuals I talked

1 to. They reached back out to me. We discussed it. And to  
2 their credit, they lost that following next weekend. And  
3 that wasn't the issue. The issue was safety of horses and  
4 riders. And that was their biggest concern to give that up.

5           Golden Gate, I can tell you, David Duggan, I think  
6 I'm at Golden Gate most days at 5:00 a.m. because he's  
7 calling me with a weather report and telling me what he and  
8 his track men are finding on that track, "We're going to  
9 lose training today, but we're going to see about racing.  
10 I'll keep you informed. And David, if there's any  
11 concern -- Dr. Blea, if there's any concern this track's not  
12 100 percent safe, we will not run," and they've canceled  
13 races.

14           Same thing at Santa Anita. Nate Newby will call  
15 me, "Dr. Blea, we've discussed it with Dennis and we don't  
16 feel comfortable. We're thinking about not running this  
17 past Monday, Martin Luther King Day."

18           Nate, that's why you have extra days according to  
19 CHRB, and I think that's a wise choice.

20           So it's refreshing to go back, you know, if you  
21 look back 10 years ago or 20 years ago, you ran in anything,  
22 you ran in mud, you ran in slop. And you look back to now  
23 and when you see those weather forecasts, the first thing on  
24 management minds, track supers' minds, stewards' minds is it  
25 safe? And from my experience with this atmospheric river,

1 they call it, it's pretty evident to me that everyone is  
2 respecting the CHRB's position that safety of horse and  
3 rider comes first, so I've been very impressed.

4 VICE CHAIR GONZALES: Thank you, Dr. Blea.

5 Mr. Chairman, just three quick points. I promise  
6 I'll be fast.

7 One, I want to thank Dr. Blea and Scott and you,  
8 Mr. Chairman, for convening the group of Golden Gate  
9 personnel, our personnel, to figure out what we could be  
10 doing more to make sure that trainers and management  
11 understand where our priorities are at. I think having an  
12 every-other-month call is critical, the same approach that  
13 we took to San Luis Rey where we saw some quick  
14 improvements, so again, great job there, staff.

15 Second point is congratulations to all in the  
16 industry for a very successful Santa Anita opening day. Had  
17 the opportunity to be out there. It's something I had not  
18 seen in years. And I just think that the management, in  
19 particular, at Santa Anita needs to be given the proper  
20 credit. You know, they had, you know, full crowd, full  
21 fields. It was a safe day of racing.

22 But with that goes the work that this Board is  
23 doing, including the staff and including your team, Dr.  
24 Blea, to make sure that fans feel good once again to have  
25 their families out there on a beautiful day of racing.

1           So the third point, on opening day, there was a  
2 Grade I race. I want to extend my congratulations to the  
3 Taba, to those connections. And we, now that we have the  
4 breeding right, we're putting that on hold, but we are  
5 making a voluntary program. I did mention I'm working with  
6 Mr. Chaney on doing just simply an encouragement email to  
7 the owner of Taba that they consider giving a breeding  
8 right.

9           Again, I know we're not going to, you know, we're  
10 not going to compel this, but since this is a voluntary  
11 program, so we're working on the language. And then by the  
12 time we come back in March, the derby prep races will be in  
13 full swing. So hopefully we can continue reminding owners  
14 out there about how to make sure that riders and their teams  
15 are taken care of.

16           So, Mr. Chairman, that's all I have.

17           COMMISSIONER MITCHELL: Thank you for your report,  
18 Dr. Blea, and it is nice to meet you in person.

19           I just want to say that's wonderful to hear about  
20 riders and track and safety being the number one concern.  
21 Certainly, when I was appointed to this Board with  
22 Commissioner Gonzales in 2019, the attitude was slightly  
23 different. And even into 2020, when we had, you know,  
24 emergency hearings based on the legislation, you know,  
25 tracks came to us with lawyers instead of, you know, what

1 can we do to solve this problem?

2           So I'm heartened to hear that everyone is kind of  
3 going in the right direction. I think this, you know,  
4 Commission has done a tremendous job in reform and bringing  
5 this to be a, you know, priority in the forefront of  
6 everyone's mind because we've taken the tough actions and  
7 had the tough votes, so I'm glad to hear it. I think it  
8 means, you know, job well done from a Board that was, you  
9 know, not as reform minded as this one, that we have really  
10 turned a corner and done a lot of great work.

11           So I appreciate hearing that. It's actually  
12 trickled down finally. Thank you.

13           CHAIR FERRARO: Thomas, do you have anything?

14           COMMISSIONER DAVIS: I just had one quick question  
15 for Dr. Blea.

16           You were talking about risk factors. And on the  
17 fatality side, is age factored in?

18           EQUINE MEDICAL DIRECTOR BLEA: Age is somewhat  
19 factored in. There was just recently a published study, a  
20 population study looking at different risk factors, length  
21 of race, Cal Bred race, purse, season, age, things like  
22 that. I don't recall off the top of my head how high of a  
23 risk factor age was, but I think the older they got, if I  
24 recall correctly, there was an increased risk of sudden  
25 death, but it had to do with how many starts prior. In that

1 study, there's a lot of variables that are confounding. And  
2 when you get into it, I think there's things you could pull  
3 out of that, you could tease out of that that's really  
4 helpful, but there's other things that are confounding. You  
5 know, they looked at 15 different variables and it's a  
6 start, but I don't think it's the end all to tell us what  
7 those risk factors are.

8 We're noticing in these sudden deaths where we see  
9 a decrease in performance in perhaps a work or two prior to  
10 the event occurring, so we're kind of looking at that,  
11 similar as we do to high speed furlongs. And we're kind of  
12 addressing that from different angles as well.

13 CHAIR FERRARO: Thank you.

14 Do we have any public comments? We moved item  
15 number seven, public comment period. Do you have anything?  
16 No? Well, how about that?

17 The Board will now go into executive session. At  
18 its conclusion, we will reconvene the public meeting for the  
19 sole procedural purpose of adjourning the public meeting  
20 without further comment. Anyone wishing to hear that  
21 meeting adjournment can use the link to the audio webcast on  
22 CHRB website or remain in the meeting room until the Board  
23 returns from the cold session for adjournment.

24 I would ask everyone to vacate the room. We're  
25 going to have a closed session.

1 Thank you very much, everyone, for attending  
2 today.

3 (The Board convened into closed session at 11:03 a.m.  
4 until 11P:16 a.m.)

5 CHAIR FERRARO: Motion to adjourn?

6 COMMISSIONER MITCHELL: So moved.

7 COMMISSIONER HUDNUT: Second.

8 CHAIR FERRARO: Commissioner Mitchell?

9 COMMISSIONER MITCHELL: Yes.

10 CHAIR FERRARO: Commissioner Gonzales?

11 VICE CHAIR GONZALES: Yes.

12 CHAIR FERRARO: Commissioner Davis?

13 COMMISSIONER DAVIS: Yes.

14 CHAIR FERRARO: Commissioner Hudnut?

15 COMMISSIONER HUDNUT: Yes.

16 CHAIR FERRARO: Commissioner Ferraro votes yes.

17 Thank you all.

18 (The regular meeting of the California Horse Racing Board  
19 adjourned at 11:16 a.m.)  
20  
21  
22  
23  
24  
25

## CERTIFICATE OF REPORTER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of January, 2023.



ELISE HICKS, IAPRT CERT\*\*2176

## 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

January 26, 2023