

**CALIFORNIA AUTHORITY OF RACING FAIRS**  
**Board of Directors**  
**Tuesday, April 1, 2014**

**MINUTES**

A meeting of the California Authority of Racing Fairs (CARF) Board of Directors was held at 12:30 P.M., Tuesday, April 1, 2014. The meeting hosted at the CARF offices, 1776 Tribute Road, Sacramento, California.

CARF Board Directors attending: John Alkire, Chris Carpenter, Mike Paluszak and Rick Pickering. Joining by teleconference: Chris Borovansky and Kelly Violini.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Amelia White, Raechelle Gibbons, Ann Grottveit, Richard Conway, Brian May, John Quiroz and Caroline Titus. Joining by teleconference: Louie Brown.

**Agenda Item 1 – Date, Time and Location of Next Meeting: May 6, 2014.** The next CARF Board of Directors meeting will be held Tuesday, May 6, 2014 in Sacramento. Mr. Korby reported that the start time for the May CARF Board of Directors meeting will be moved to 1:00 p.m. to accommodate the recent longer length of the Live Racing Committee meetings.

**Agenda Item 2 – Public Comment.** None.

**Agenda Item 3 – Approval of Minutes.** Mr. Pickering moved to approve the meeting minutes as presented. Mr. Paluszak seconded, unanimously approved.

**Agenda Item 4 – Report, Discussion and Action, if any, on CARF 2014 Legislative Program.** Mr. Brown reported that AB 1301 (Hall), a bill that will allow a non-profit association to run at a Fair in the Northern zone thereby allowing the Oak Tree at Pleasanton meet, and SB 777 (Hernandez), a bill to extend and/or reinstate the additional takeout provided for worker’s compensation, were both signed into law by the governor.

Mr. Brown stated that staff is working with the author of CARF-sponsored SB 1003 (Evans) to amend the focus of that bill from a substantive spot bill increasing the imported race cap to a sunset extension for the California Marketing Committee (CMC).

Mr. Brown stated that the topic of Internet poker is once again generating focus and picking up speed. Two bills pertaining to Internet poker have been introduced this legislative session, AB

2291 (Jones-Sawyer) and SB 1366 (Correa). Senator Lou Correa is the new Chairman of the Senate Governmental Organization (G.O.) Committee. Neither bill currently includes horse racing, but legislative staff has met with Senator Correa's staff and Assembly Member Jones-Sawyer and believes both authors are in agreement about amending language to include the horse racing industry.

Mr. Brown reported that legislative staff and California Fair Alliance successfully co-authored a letter with Assembly Member Susan Eggman and Senator Anthony Cannella that was signed by 32 members of the legislature and sent to the chairs of the Joint Legislative Budget Committee. The letter asked for general fund dollars to be appropriated to the California Fair network this budget year. Mr. Brown feels this was a great first step in helping Fairs find relief.

Mr. Brown reported that SCR 95 (Steinberg), a measure that would designate the California State Fair race track the Kirk Breed Memorial Race Track, passed unanimously out of the Senate G.O. Committee.

**Agenda Item 5 – Report, Discussion and Action, if any, on Memorandum of Understanding Regarding Reimbursement of Racing Expenses Paid by CARF on Behalf of Member Fairs.** Mr. Korby reported that the CARF Live Racing Committee unanimously adopted a motion to require all live racing Fairs to sign a MOU which will be based on the draft agreement signed by the San Joaquin County Fair in 2013 at the March 4, 2014 meeting.

Mr. Korby stated that only one Fair signed and returned the MOU in March. The Live Racing Committee once again unanimously adopted a motion to require all live racing fairs to sign a memorandum of understanding (MOU) pledging payment of monies owed CARF for advancing funds to pay costs associated with running a race meet by the May CARF Live Racing Committee meeting (30 days). Mr. Korby asked that the CARF Board of Directors ratify the Live Racing Committee action.

Mr. Korby stated that Fairs were notified, with the agreement of Ms. Grottveit, that language in item number two of the MOU could be modified to change the sixth word from "shall" to "may."

Mr. Borovansky moved to ratify the Live Racing Committee motion to require all live racing fairs to sign a memorandum of understanding (MOU) pledging payment of monies owed CARF for advancing funds to pay costs associated with running a race meet by the May CARF Live Racing Committee meeting (30 days). Mr. Paluszak seconded, unanimously approved.

**Agenda Item 6 – Report, Discussion and Action, if any, on CHRB Deliberations Regarding Racing Dates for 2014, 2015 and Beyond.** Mr. Korby reported that the California Horse Racing Board (CHRB) granted three weeks of racing to California State Fair in 2015. A press release detailing the racing dates allocation is included in the meeting packets.

**Agenda Item 7 – Report, Discussion and Action, if any, on Re-Structuring of SCOTW, Inc. Due to Closure of Hollywood Park.** Mr. Korby reported that by virtue of Oak Tree Racing Association joining into partnership with Alameda County Fair and the closure of Hollywood Park, SCOTW, Inc. has undergone a restructuring process and George Haines has been named General Manager of the organization. A document titled “*Executive Summary of New Governing Document for the SCOTW INC Entities*” is included in the meeting packet and has been reviewed in detail by CARF staff and Ms. Grottveit.

Mr. Korby reported that at the most recent SCTOW, Inc. meeting, after the withdrawal of an unacceptable condition and based on review by CARF legal counsel, he voted in support of the proposed SCOTWIN, Inc. restructuring contingent on ratification by the CARF Board of Directors.

Mr. Pickering moved to ratify the SCOTW, Inc. restructuring agreement as presented based on staff and legal counsel’s recommendation. Mr. Paluszak seconded, unanimously approved.

**Agenda Item 8 – Financials.** Mr. Alkire stated that financials are included in the meeting packets and Ms. Gibbons is available to answer questions.

**Agenda Item 9 – Executive Director’s Report.** Mr. Korby reported that trainer Steve Asmussen was the target of a four-month probe by a female investigator working undercover for the People for the Ethical Treatment of Animals (PETA). The woman, hired as a hot walker in Asmussen’s barns, secretly videotaped more than seven hours at Asmussen’s barns at Churchill Downs and at Saratoga Race Course. Mr. Korby stated the importance of communicating to the public the amount of care that horses receive on the backside and that people who violate the rules will not be tolerated.

Mr. Pickering reported that the Executive Director of the California Horse Racing Board, Rick Baedecker, has been very supportive of Fair racing in his new capacity.

Mr. Pickering reported that an unusual incident involving a harness horse recently transpired at Cal Expo and the CHRB is investigating the incident.

Respectfully submitted,  
Heather Haviland