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AGENDA
CALIFORNIA AUTHORITY OF RACING FAIRS
BOARD OF DIRECTORS MEETING
JOHN ALKIRE, CHAIR
12:30 P.M., TUESDAY, FEBRUARY 7, 2012

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Board of Directors will commence at 12:30 p.m., Tuesday, February 7, 2012. The meeting will be held in Sacramento.

AGENDA

- I. Date, time and location of next meeting.
- II. Approval of minutes.
- III. Report, discussion and action, if any, on legislative program for 2012 and beyond.
- IV. Report, discussion and action, if any, on CHRB notice and prospective actions regarding Exchange Wagering.
- V. Financials
- VI. Executive Director's Report



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NOTICE
CALIFORNIA AUTHORITY OF RACING FAIRS
BOARD OF DIRECTORS MEETING
JOHN ALKIRE, CHAIR
12:30 P.M., TUESDAY, FEBRUARY 7, 2012
VIA TELECONFERENCE

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Board of Directors will commence at 12:30 p.m., Tuesday, February 7, 2012. The meeting will be held at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815.

CARF Board of Directors Meeting
Toll Free Dial In Number: (800) 791-2345
Participant Code: 83711 #
Via Teleconference

The Public and members of the California Authority of Racing Fairs Board of Directors may participate from the following locations:

Alameda County Fair
4501 Pleasanton Avenue
Pleasanton, CA 94566

National Orange Show
689 South E Street
San Bernardino, CA 92408

Solano County Fair
900 Fairgrounds Drive
Vallejo, CA 94589

Antelope Valley Fair
2551 West Ave. H, Suite 102
Lancaster, CA 93536

Riverside National Date Festival
46-350 Arabia Street
Indio, CA 92201

Sonoma County Fair
1350 Bennett Valley Road
Santa Rosa, CA 95404

The Big Fresno Fair
1121 S. Chance Avenue
Fresno, CA 93702

San Bernardino Co. Fair
14800 Seventh Street
Victorville, CA 92395

Southern CA Fair
18700 Lake Perris Dr.
Perris, CA 92570

California State Fair
1600 Exposition Blvd.
Sacramento, CA 95815

San Joaquin Fair
1658 S. Airport Way
Stockton, CA 95206

Stanislaus County
900 North Broadway
Turlock, CA 95380

Humboldt County Fair
1250 5th Street
Ferndale, CA 95536

Shasta District Fair
1890 Briggs Street
Anderson, CA 96007

Tulare County Fair
215 Martin Luther King
Tulare, CA 93274

Kern County Fair
1142 South P Street
Bakersfield, CA 93307

Monterey County Fair
2004 Fairground Road
Monterey, CA 93940

Ventura County Fair
10 West Harbor Blvd
Ventura, CA 93001-2706

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Tuesday, December 6, 2011

MINUTES

A teleconference meeting of the California Authority of Racing Fairs Board of Directors was held at 12:30 P.M., Tuesday, December 6, 2011. The meeting was hosted at the California Authority of Racing Fairs Board Room, 1776 Tribute Road, Sacramento, California, 95815.

CARF Board Members attending: John Alkire and Norb Bartosik. Joining by conference call: Dan Jacobs, Mike Paluszak and Kelly Violini.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Amelia White, Rick Wood, Raechelle Gibbons, Lisa Drury, Richard Lewis, Tawny Tesconi, Louie Brown, Tom Doutrich, and Tom Sawyer.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Board of Directors meeting will be scheduled for February 7, 2012 in Sacramento.

Agenda Item 2 – Approval of Minutes. Mr. Bartosik moved to approve the meeting minutes as presented. Mr. Jacobs second, unanimously approved.

Agenda Item 3 – Report, Discussion and Action, if any, on Legislative Program for 2012. Mr. Brown reported that a handout was contained in the meeting packet outlining prospective legislative efforts for the 2012 session. The CARF Live Racing Committee passed this list as a recommendation to the Board as areas of focus for 2012 legislative efforts, including: fair governance, license relief for racing fairs, Internet poker, lifting the calendar limitations for combined fair race meets and extending the CMC sunset.

Fair governance involves changing the status or oversight of District Agriculture Associations (DAAs). CARF will be involved in the effort collaboratively with the administration, Western Fairs Association and California Fair Alliance.

License fee relief for racing fairs refers to the decision made three years ago to grant license fee relief across the board for the racing industry while continuing to allocate 1% from racing fairs to F&E (roughly \$400,000 annually). The CARF Live Racing Committee and Board of Directors will need to discuss license fee relief and determine the appropriate course of action.

Discussions regarding Internet poker will continue to evolve and CARF will have a seat at the table in identifying uses and purposes for any new revenue that might be generated, such as dedicating a percentage of new money to capital improvements at racing facilities.

Several years ago, CARF, TOC and Golden Gate Fields amended the language in statute to extend the calendar period within which a combined fair meeting could be conducted to June 1 through October 30. With the current uncertainty regarding the future of Golden Gate Fields, it would be advantageous for fairs to seek increased flexibility to conduct a race meet during calendar periods outside of tradition fair dates. Ideally CARF will seek to completely eliminate calendar restrictions.

The California Marketing Committee (CMC) is scheduled to sunset in 2013. CARF may propose a spot bill for industry discussion regarding the merits of continuing the program.

During the Live Racing Committee meeting it was also discussed that the restructuring of CHRIMS might be included as part of the 2012 CARF legislative program.

Mr. Bartosik moved to approve the 2012 legislative program as presented. Mr. Jacobs seconded, unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on Northern California Racing Dates for 2012. Mr. Korby reported that Mr. Jacobs requested this item be placed on the agenda to open racing date’s discussions to a larger audience since the allocation of dates has an impact on all CARF members. Mr. Korby reported that the dates for Humboldt County Fair remain unresolved and that no action was taken in the earlier CARF Live Racing Committee meeting. Representatives from CARF, HCF, TOC and GGF will be meeting later in the week to continue working towards a resolution regarding the allocation of race dates to Ferndale.

Mr. Jacobs thanked Mr. Korby for the overview and update.

Mr. Bartosik reported that Cal Expo is actively seeking a new operator for the harness meet. If a new operator cannot be secured, the continuation of harness racing past July 2012 is uncertain.

Agenda Item 5 – Report, Discussion and Action, if any, on CDFA Fair Consortium and Restructuring Fair Governance. Mr. Korby reported that there is nothing new to report regarding this item and there have been no new developments at the consortium level. Mr. Alkire reported that WFA will be developing a sub-committee to review Fair governance. Mr. Bartosik reported that since Cal Expo does not fall under the DDA restructuring, the Fair will be running legislation to seek governance relief similar to the Del Mar “racing authority” model.

Agenda Item 6 – Report, Discussion and Action, if any, on Agency Budget for 2012. Mr. Korby introduced the 2012 agency budget that was included in the meeting packet. Budget highlights include:

- Review, elimination and reallocation of salary categories for agency personnel
- Reduction of CARF member dues by 10%
- Budget legislative advocacy to actual expense
- Reduce rent for Tribute Road offices based on new contract rate

The 2012 budget proposes tapping reserves for \$120,559 to cover the elimination of administrative fees from Projects Revenue and to reduce member dues.

- Agency reserves at end-of-year 2010 - \$709,681
- Agency reserves at end-of-year 2011 - \$973,755
- Agency reserves estimated at end of 2012 - \$853,196

Mr. Korby reported that the budget packet also contains a page that shows the revenue derived to Fairs by the programs CARF manages on behalf of its members.

Mr. Paluszak asked what staff's strategy would be if members already factored into the dues structure decided to cease their membership and not pay 2012 dues. Mr. Korby responded that any shortfall created by that scenario would be covered by agency reserves.

Mr. Alkire asked Mr. Jacobs if he had any questions or comments. Mr. Jacobs indicated that he did not.

Mr. Paluszak moved to approve the 2012 CARF agency budget as presented. Ms. Violini seconded, unanimously approved.

Agenda Item 7 – Financials. Mr. Korby reported that financials were included in the meeting packet and that Mr. Wood and Ms. Gibbons were available to answer questions. Mr. Alkire stated that staff was asked to bring a written proposal to the Board regarding the potential for a new revenue sharing program. Mr. Korby stated that he will be working with the Finance Committee to prepare that proposal.

Agenda Item 8 – Executive Director's Report. Mr. Korby reported that he was elected Co-Chair of the California Marketing Committee (CMC).

Mr. Korby reported that the Assistant Operations Manager position was eliminated from the CARF staff. Those duties will be absorbed into the responsibilities of other staff members.

Mr. Korby reported that Mr. Swartzlander will be conducting his annual tour of CARF satellite waging facilities.

CARF has received four nominations for two Board at-large positions: Norb Bartosik, Chris Borovansky, Tom Sawyer and Tawny Tesconi. The sole nomination for the southern satellite committee chair position is the incumbent Dan Jacobs. Ballots will be mailed next week.

Respectfully submitted,
Heather Haviland

CA Authority of Racing Fairs Legislative Report - Last 10 Days 1/27/2012

AB 1227 (Huber) Committees and commissions: repeal. (A-01/04/2012 [html](#) [pdf](#))

Status: 01/13/2012-Failed Deadline pursuant to Rule 61(b)(1). (Last location was B.,P. & C.P. on 1/4/2012)

Current Location: 01/13/2012-A DEAD

Digest: (1) Existing law establishes the Credit Union Advisory Committee in the Department of Financial Institutions. The duties of this committee include advising the commissioner and the Deputy Commissioner of Financial Institutions for the Division of Credit Unions on matters relating to credit unions and the credit union business.

Existing law establishes the Boating and Waterways Commission in the Department of Boating and Waterways. The duties of this committee include advising the department, recommending proposed changes to regulations, and causing studies and surveys to be made of the need for small craft harbors and connecting waterways throughout the state.

This bill would, as of January 1, 2014, abolish the Credit Union Advisory Committee and the Boating and Waterways Commission and the duties and responsibilities carried out by each.

(2) Existing law establishes the State Race Track Leasing Commission and repeals the commission on January 1, 2013.

This bill would delete the repeal date, thereby indefinitely extending the existence of the commission.

~~The California Beverage Container Recycling and Litter Reduction Act requires every beverage container sold or offered for sale in this state to have a minimum refund value. The act also makes various findings and declarations regarding beverage container recycling.~~

~~This bill would make technical, nonsubstantive changes to those findings and declarations.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes . State-mandated local program: no.

Laws: An act to repeal Article 5 (commencing with Section 14380) of Chapter 3 of Division 5 of the Financial Code, to amend Section 4351 of the Food and Agricultural Code, to amend Section 11121.1 of the Government Code, to amend Sections 62.9, 63.6, 71.4, 71.7, 72.6, 76.5, and 76.6 of, to amend the heading of Division 1 (commencing with Section 30) of, to repeal Sections 31 and 704 of, and to repeal Chapter 3 (commencing with Section 80) of Division 1 of, the Harbors and Navigation Code, relating to committees and commissions.

History:

Jan. 4 Referred to Com. on B., P. & C.P. From committee chair, with author's amendments: Amend, and re-refer to Com. on B., P. & C.P. Read second time and amended. Re-referred to Com. on B., P. & C.P.

Feb. 20 From printer. May be heard in committee March 22.

Feb. 18 Read first time. To print.

Organization

CARF

SB 1 (Kehoe) State Race Track Leasing Commission. (A-01/04/2012 [html](#) [pdf](#))

Status: 01/23/2012-In Assembly. Read first time. Held at Desk.

Current Location: 01/23/2012-A DESK

Digest: Existing law establishes the State Race Track Leasing Commission and authorizes the commission to enter into leases or other agreements for the use of the Del Mar Race Track and any other property owned or controlled by the 22nd District Agricultural Association that the commission deems necessary to provide horse racing at Del Mar Race Track. Existing law repeals the commission on January 1, 2013.

This bill would delete the repeal date, thereby indefinitely extending the existence of the commission.

~~Existing law provides that the state is divided into agricultural districts in which 50 or more persons, who are residents of a district, may form a district agricultural association for specified purposes, including holding fairs and constructing, maintaining, and operating recreational facilities. Existing law provides that District 22 is the County of San Diego.~~

~~Existing law authorizes the Director of General Services to dispose of surplus state property, subject to specified conditions, including that the net proceeds of the sale be paid into the Deficit Recovery Bond Retirement Sinking Fund Subaccount, which is a continuously appropriated fund.~~

~~This bill would create District 22a, which would consist of all of that real property and personal property that is a portion of District 22 that is commonly known as the Del Mar Race Track and Fairgrounds located in the City of Del Mar and certain other property in the City of San Diego, and would prescribe certain matters applicable to officers of the 22nd District Agricultural Association and the District 22a Agricultural Association. The bill would, among other things, authorize the Department of General Services to sell all or any portion of the real property that comprises District 22a and related personal property to the City of Del Mar and require the net sale proceeds to be deposited into the District 22a Disposition Fund, which the bill would create in the State Treasury.~~

~~This bill would require, upon sale of all property that comprises District 22a, that District 22a be abolished and that all funds in the District 22a Disposition Fund ultimately be deposited into the Deficit Recovery Bond Retirement Sinking Fund Subaccount, a continuously appropriated fund, thereby resulting in an appropriation.~~

Vote: majority. Appropriation: ~~yes~~ *no* . Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Section 4351 of the Food and Agricultural Code, relating to the State Race Track Leasing Commission.

History:

Jan. 23 Read third time. Passed. (Ayes 35. Noes 0.) Ordered to the Assembly.

Jan. 23 In Assembly. Read first time. Held at Desk.

Jan. 18 Read second time. Ordered to third reading.

Jan. 17 From committee: Do pass. (Ayes 7. Noes 0.) (January 17).

Jan. 14 Set for hearing January 17.

Jan. 12 Withdrawn from committee. Re-referred to Com. on APPR.

Jan. 10 From committee: Do pass and re-refer to Com. on RLS. with recommendation: To consent calendar. (Ayes 10. Noes 0.) (January 10). Re-referred to Com. on RLS.

Jan. 6 Set for hearing January 10.

Jan. 4 From committee with author's amendments. Read second time and amended. Re-referred to Com. on G.O.

Feb. 10 Referred to Coms. on G.O. and RLS.

Dec. 7 From printer. May be acted upon on or after January 6.

Dec. 6 Introduced. Read first time. To Com. on RLS. for assignment. To print.

Organization

CARF

Total Position Forms: 2

CA Authority of Racing Fairs 1/27/2012

[AB 562\(Hall\)](#) Horse racing: Wood Memorial. (I-02/16/2011 [html](#) [pdf](#))

Introduced: 02/16/2011

Status: 07/11/2011-Re-referred to Com. on RLS.

2YR/Dead	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

Summary: Would add the Wood Memorial to the list of races that are not included for purposes of determining compliance with that prohibition.

Organization: CARF

[AB 1227\(Huber\)](#) Committees and commissions: repeal. (A-01/04/2012 [html](#) [pdf](#))

Introduced: 02/18/2011

Status: 01/13/2012-Failed Deadline pursuant to Rule 61(b)(1). (Last location was B.,P. & C.P. on 1/4/2012)

2YR/Dead	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

Summary: Would as of January 1, 2014, abolish the Credit Union Advisory Committee and the Boating and Waterways Commission and the duties and responsibilities carried out by each. This bill contains other related provisions and other existing laws.

Organization: CARF

[AB 1421\(Committee on Governmental Organization\)](#) Harness racing organizations. (I-03/21/2011 [html](#) [pdf](#))

Introduced: 03/21/2011

Status: 09/08/2011-Ordered to inactive file at the request of Senator Calderon.

2YR/Dead	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

Summary: Would additionally require that organization to account to the California Horse Racing Board on or before August 1 of each year with respect to the distribution of funds received pursuant to those provisions during the immediately preceding fiscal year and to obtain an independent audit of those distributions. The bill would also require that a copy of the completed audit be forwarded to the board within 45 days of its receipt by the organization.

Organization: CARF

[SB 1\(Kehoe\)](#) State Race Track Leasing Commission. (A-01/04/2012 [html](#) [pdf](#))

Introduced: 12/06/2010

Status: 01/23/2012-In Assembly. Read first time. Held at Desk.

2YR/Dead	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

Summary: Would delete the repeal date, thereby indefinitely extending the existence of the commission.

Organization: CARF

[SB 40\(Correa\)](#) Internet poker. (A-07/06/2011 [html](#) [pdf](#))

Introduced: 12/06/2010

Status: 07/06/2011-From committee with author's amendments. Read second time and amended. Re-referred to Com. on G.O.

2YR/Dead	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered
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Summary: Would establish a framework to authorize intrastate Internet poker, as specified. The bill would require the commission to adopt emergency regulations, in consultation with the department, providing for the issuance of licenses to operate intrastate Internet poker Web sites and governing the intrastate play of poker games on the Internet . The bill would make it a misdemeanor for any person or entity to offer or participate in any form of illegal Internet gambling, as defined, or to knowingly process any financial transaction arising out of participation in illegal Internet gambling. The bill would authorize the seizure of any money or property used in or derived from illegal Internet gambling, as specified, and would provide for any money or property that has been seized to be forfeited to the Internet Gambling Fund, as established by this bill. By creating new crimes, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Organization: CARF

[SB 45\(Wright\)](#) Internet gambling. (I-12/08/2010 [html](#) [pdf](#))

Introduced: 12/08/2010

Status: 01/20/2011-Referred to Com. on G.O.

2YR/Dead	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered
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Summary: Would establish a framework to authorize intrastate Internet gambling, as specified. The bill would require the department to issue a request for proposals to enter into contracts with up to 3 hub operators, as defined, to provide lawful Internet gambling games to registered players in California for a period of 20 years, as specified. This bill contains other related provisions and other existing laws.

Organization: CARF

Total rows: 6

WHO IS HORSE RACING UNITED?

Horse Racing United represents all California Thoroughbred and Quarter Horse Racetracks, horse Owners, Breeders, Trainers and Jockeys:



FOR MORE INFORMATION,
PLEASE CONTACT:
JOSH RUBINSTEIN
(858) 755-1141 OR JOSH@DMTC.COM

HORSE RACING UNITED

SUPPORTING A MAJOR
CALIFORNIA AGRI-BUSINESS

HORSE RACING UNITED'S ECONOMIC IMPACT

- Horse Racing United supports a multi-billion dollar agri-business in the State of California
- \$1.44 billion direct impact on California's economy*
- \$2.46 billion total impact on California's economy*
- Generates 21,890 direct jobs and 48,369 total jobs*
- Horse Racing United members employ thousands of Union employees across California in a wide spectrum of industries including: Pari-Mutuel Employees (Local 280), SEIU (Local 1877), Teamsters (Locals 495, 665, 853 and 572), Electricians (Locals 11, 411 and 569), Operating Engineers (Locals 3 and 12), Laborers (Locals 300, 652, 89 and 304), Painters (Dist. Council 36), Plumbers (Locals 78 and 398), Carpenters (Locals 409 and 803), Food & Beverage (Locals 11 and 2850), IBEW (Local 45) and A F of M
- Horse breeding and training centers are located in twenty-eight (28) counties within California
- Twenty-two (22) California Fairs – located from Humboldt County to San Diego – have significant impact on their local economies from operating live race meetings, offering year-round simulcasting and/or providing training facilities
- In 2012, Horse Racing United member track Santa Anita will host racing's international Super Bowl – The Breeders' Cup World Championship – for the third time in five (5) years, generating an additional \$200 million of incremental economic impact to California from increased local spending, temporary jobs and tax revenues†

*Deloitte & Touche †Los Angeles County Economic Development Corporation



LOCATIONS OF:

- Racetracks, Fairs and simulcast facilities
- Thoroughbred farms and training centers

LEGISLATIVE OVERVIEW

Horse Racing United appreciates the opportunity to provide our thoughts on potential internet gaming legislation under consideration in the Senate and Assembly. We note at the outset that the California horse racing industry currently has the exclusive legal right to conduct Internet wagering within the California. These rights were granted to the industry by the Legislature in (2001) in recognition of the importance of the horse industry as an agri-business to California's economy and as a way to mitigate the competitive impact on our industry from previous expansions of gaming including the creation of the lottery and the inception of Tribal Gaming.

Legal Internet wagering on horse racing, known as advanced deposit wagering, has become a critical part of our business over the past decade. During that time, and in good faith reliance on the exclusive internet wagering rights granted from the legislature, we have restructured our industry's business model to maximize future growth in this area. As such, any new legislation that removes racing's exclusive rights within this area would be a severe encroachment on our industry and would seriously jeopardize the multi-billion dollar horse agribusiness and 50,000 jobs we bring to California.

HORSE RACING UNITED POSITION - INTERNET GAMING LEGISLATION

1. Legislation would be limited to Internet Poker only (no other forms of Internet wagering or social gaming would be authorized.)
2. Strict limit to the number (e.g. three to five total) of Internet gaming licenses granted by the state to the existing gaming interests within the State
3. Horse Racing United would receive one of a limited number of licenses on behalf of all of the "live racing" providers in the State (including racetracks, fairs, owners and breeders). Advance deposit wagering companies (ADWs) would not be entitled to their own license but could potentially serve as a provider to Horse Racing United pursuant to paragraph 4 below.
4. Horse Racing United, as a licensee, would have the opportunity to partner with a third-party to operate and/or provide financing of Horse Racing United's internet wagering site, provided that such third parties met reasonable suitability requirements.
5. Organized labor must receive fair treatment in the legislation in recognition of the potential impact of legislation authorizing an expansion of internet gaming on existing jobs within California.

Christopher Korby

From: "Marten, Mike" <MikeM@chrb.ca.gov>
To: "Christopher Korby" <korby@calfairs.net>
Sent: January 27, 2012 3:57 PM
Subject: RE: Feb. 9 Exchange Wagering Meeting

Thanks, Chris. See you there.

From: Christopher Korby [mailto:korby@calfairs.net]
Sent: Friday, January 27, 2012 12:36 PM
To: Marten, Mike
Cc: Wagner, Jacqueline
Subject: Re: Feb. 9 Exchange Wagering Meeting

Mike,

California Authority of Racing Fairs will not be making a presentation on February 9. We plan to be present and to participate in discussions regarding any implementation of exchange wagering.

There are many unknown factors associated with this form of wagering. We believe that the entire industry should be in agreement on how to proceed and that a full review and assessment of its impact on all industry participants is important before proceeding with implementation.

Thank you for the opportunity to participate.

Best regards,
--Chris

Christopher Korby
Executive Director
California Authority of Racing Fairs

----- Original Message -----

From: [Marten, Mike](#)
To: [Chris Korby](#)
Cc: [Wagner, Jacqueline](#)
Sent: January 23, 2012 2:59 PM
Subject: Feb. 9 Exchange Wagering Meeting

Chris:

The CHRB Ad Hoc Committee on Exchange Wagering invites the California Authority of Racing Fairs to be among those organizations and individuals making formal presentations at a public hearing on Thursday, February 9, 2012, in the Baldwin Terrace Room at Santa Anita Park. The meeting is tentatively scheduled to begin at 9:30 a.m. CHRB Vice Chairman David Israel (Chair) and Commissioner Richard Rosenberg are the Committee members.

Business & Professions Code section 19604.5 requires the Board to promulgate administrative rules for the regulation of exchange wagering in California. The Committee is seeking public input on these proposed rules and exchange wagering prior to the proposed rules being considered by the full Board at a public meeting on February 23, followed by a 45-day public notice period and a subsequent public hearing to be conducted by the Board. Drafts of the proposed rules will be available at the February 9 public hearing.

If you plan to make a formal presentation at the February 9 public hearing, please advise Assistant Executive Director Jackie Wagner prior to the close of business this Wednesday, January 25, either by e-mail or telephone (916-263-6041). Please copy me in that response. And be sure to let us know if you will require any special equipment for your presentation (e.g. PowerPoint projector).

With appreciation,

Mike Marten
Public Information Officer

BloodHorse.com / Horse Racing News

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Report: Betfair Customers Not Told of Theft

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By [Blood-Horse Staff](#)

Updated: **Saturday, October 1, 2011 10:50 AM**

Posted: **Friday, September 30, 2011 2:12 PM**

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Great Britain-based Betfair, the largest operator of exchange wagering in the world, admitted it did not inform its customers that details of millions of credit cards were stolen in a major cyber attack 18 months ago, the UK Press Association reported Sept. 29.

More than 3.1 million account names with encrypted security questions, 2.9 million usernames, and about 90,000 account usernames with bank account details were stolen in an attack in March 2010, UKPA reported.

Betfair, which owns the U.S.-based TVG racing network, told officials it didn't inform its registered customers of the attack because its security measures made the data unusable for fraudulent activity. The company also said it was able to recover the data intact.

A report commissioned into the theft, seen by the *Daily Telegraph*, was published Sept. 27, 2010, six days after Betfair announced its intention to sell on the London Stock Exchange.

A Betfair spokesman told the UKPA it decided not to disclose the attack because there was no impact on customers. The company did, however, report the incident the Serious Organized Crime Agency in Great Britain.

Betfair has repeatedly touted its security system and has pushed for exchange wagering in the United States.

"We have subsequently implemented all of the recommendations from the independent reports we commissioned and have done everything we can to minimize the risk of this happening again," the spokesman told the UKPA.

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Betting exchange

From Wikipedia, the free encyclopedia

A **betting exchange** is an entity which provides "trading" facilities for retail or bookmaker customers to buy and sell contracts. Contracts are structured as binary options. Some betting exchanges may also offer **CFD** products. Betting exchanges trade heavily horse racing and sports markets, but also include elections and current events markets.

Contents

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- 2 Exchanges and traditional bookmakers compared
- 3 Laying
- 4 In-play betting
- 5 Trading
- 6 Controversy
- 7 See also
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Contract for Difference, i.e., hedges or derivatives

History

Peer-to-peer betting, the precursor to a betting exchange, was first released in the UK by Flutter.com in May 2000. Soon after, UK-based Betfair launched what it originally called "open-market betting", in June 2000 - a name which was quickly changed, by the media and the associated industry, to "betting exchange". Betfair embraced an exchange model, but it took a year before Flutter adopted a similar technology. Though Flutter managed to climb to a reported 30% market share, Flutter's backers were content to broker a merger which left Betfair the dominant partner by a reported ratio of 84:16. Post merger, Flutter's customers were transferred to Betfair's system, which was later upgraded to embrace some of Flutter's functionality. Betfair has maintained from that point a dominant marketshare and controls a reported 90% of global exchange activity today.

As with other types of exchanges, betting exchanges thrive on liquidity and customers tend to focus on the exchange where they are confident their bet can be paired up with a matching counterbet. Breaking with British tradition, Betfair uses decimal odds instead of

fractional (traditional) odds because they are more popular globally.

Exchanges and traditional bookmakers compared

Most exchanges make their money by charging a commission which is calculated as a percentage of net winnings for each customer on each event, or *market*. Gamblers whose betting activities have traditionally been restricted by bookmakers (normally for winning too much money) have found these sites a boon since they are now able to place bets of a size unrestricted by the exchange - the only restriction is that one or more opposing customers need to be willing to match their bets. Moreover, the odds available on a betting exchange are usually better than those offered by bookmakers, in spite of the commission charged, because the middle man is eliminated.

In spite of these advantages, exchanges currently have some limitations. Because exchanges seek to concentrate their liquidity in as few markets (i.e. propositions) as possible they are not currently suited to unrestricted multiple parlay betting. Betfair does offer *accumulators* but these are limited in number and type: Users cannot determine the outcomes contained in accumulators themselves. Some exchanges also offer *multiples* but the exchanges act in the same manner as traditional bookmakers in doing so (i.e. they themselves and not a customer act as the layer of such bets). Exchanges also tend to restrict the odds that can be offered to between 1.01 (1 to 100) and 1000 (999 to 1).

A further advantage that traditional bookmakers retain over exchanges is that bookies are better willing and able to allow customers to bet on credit. There are two obvious reasons for this:

- Exchanges operate on much tighter margins, which lessens their ability to absorb bad debts.
- Allowing customers to bet on credit would likely compromise customer confidence in the financial integrity of an exchange, especially when one considers the effects of the ongoing credit crisis and the close association between betting exchanges and Internet betting in general.

That said, Betfair are licensed to give credit and have done in "exceptional circumstances".^[1]

Laying

Contrary to bookmaker and totalisation systems, betting exchanges offer the opportunity to lay, which is to bet that a selection will not occur. This is the position bookmakers have traditionally taken when offering a bet to somebody to back that the outcome will win.

For example, if someone thinks Team A will win a competition, he may wish to back that selection. A bookmaker offering the punter that bet would be laying that selection. The two parties will agree the backer's stake and the odds. If the team loses, the layer/bookmaker keeps the backer's stake. If the team wins, the layer will pay the backer the winnings based on the odds agreed.

As every bet transacted requires a backer and a layer, and the betting exchange is not a party to the bets transacted on it, any betting exchange requires both backers and layers. Of course, the distinction is moot: A layer is always simply backing that the event will not occur. Laying the home team is the same as backing the visiting team to win or draw. Laying one horse in a race is just the same as backing all of the other horses to win.

In-play betting

A further advantage to the exchange model is the ability to allow bets to be made *in-running* or *in-play* (i.e. to make bets while a race or match is in progress) without undue risk to the operator. This feature is generally restricted to the most popular events for which widespread, live television coverage is available.

Whereas non-in-play bets are entered into the system immediately after being placed by the customer, when betting in-play a time delay might be instituted so as to make it somewhat more difficult for unscrupulous customers to accept offers for bets that for whatever reason have suddenly become highly favorable. Markets may also be actively managed by the operator. In this case, betting will be briefly halted after each occurrence likely to cause a substantial change in the odds (for example, in association football matches goals, penalty kicks and sendings off would warrant such suspensions), so that unmatched bets can be cancelled.

In-play betting is not currently available on exchanges licensed in Australia due to local regulations.

Trading

The advent of the betting exchange has given rise to new types of gamblers - the *trader* and *arbitrageur*. Arbitrageurs (colloquially "arbers") attempt to simultaneously bet on all

possible outcomes to make a guaranteed profit. A trader operates similarly to an arbitrageur, but is willing to take on extra risk and bet on events where no immediate profit is possible. A trader hopes to make a profit by closing out the bet at a later stage at more favorable odds. Closing out a bet for profit involves collecting more money by laying than is paid out when the outcome is backed back. If the event does not occur then no money is lost, alternatively if a trader is able to lay a higher stake at shorter odds than his back stake then he can theoretically guarantee the same amount of profit regardless of the outcome. On the other hand, if the odds move against the trader he might be compelled to close out the bet for a loss. Trading can be done either before the start of an event or while the event is in progress if in-play betting is offered, although the latter situation can be much more risky.

Traders can make money by betting exclusively with betting exchanges or bookmakers, or by combining the two. The trader could lay at a low amount on a betting exchange and then back at a higher price with a bookie or another exchange. This must be done simultaneously to guarantee a profit or else the opportunity could quickly cease to exist with liquid markets quickly correcting prices and bookies trying to avoid being arbitrated.

Most exchanges post the book percentages (colloquially known as the overround or "vig") prominently for each market. These percentages are essentially the cumulative implied percentage chances of the odds on offer for each selection and for a single winner market will usually add up to more than 100% for all back selections (but only marginally over in a competitive market), and under 100% for the lay selections. This ensures that simultaneously backing or laying all selections in a market will not normally guarantee a profit. Occasionally though (especially in circumstances where odds are prone to change rapidly) exceptions will arise where offers to back or lay all selections will be made that if simultaneously and cumulatively accepted at exactly the right stakes would permit an arbitrageur to guarantee a profit. However, such phenomena tend to correct themselves very quickly and exchanges generally try to dissuade customers from attempting to take advantage of such circumstances.

Furthermore, for a trader or arbitrageur to combine different exchanges and/or bookmakers for a profit requires a substantial price differential if a profit is in fact to be made once the exchange's commission is taken into account. Even between exchanges, such large price differences are rare, brief and usually involve relatively small stakes. Fortunately for traders, almost all betting exchanges charge commission on net winnings only and charge no commission at all in the event of a net loss. This suits the trader's high turnover, low profit strategy provided he bets exclusively with a single exchange.

The profit or loss for a trader will typically be no more than 10% of the total amount of his

combined back and lay stakes, so to make meaningful amounts of money a trader needs to commit a relatively large amount of capital. The trader therefore runs the risk of having a large unwanted bet on an event if he is unable to close his position before the event starts (e.g. if there are technical problems with his Internet connection or with the exchange).

While traditional punters' opinion of traders is decidedly mixed, exchanges have generally welcomed them on account of the vast amounts of capital and liquidity they bring. Traders and arbitrageurs are often credited with "seeding" markets with more competitive prices than would be present without them. However, Betfair's imposition of a premium charge in September 2008 was seen by some as being directed at the most skilled traders, whom it is speculated trade for a loss very infrequently and thus would otherwise pay little in the way of commission. In response, rival exchanges have pledged not to introduce similar charges, perhaps in hopes of enticing traders to move their business (and capital) elsewhere.

Controversy

The fact gamblers can now lay outcomes on the exchanges has resulted in criticism from traditional bookmakers including the UK's "Big Three" - Gala Coral Group, Ladbrokes and William Hill. These firms argue that granting "anonymous" punters the ability to bet that an outcome will not happen is causing corruption in sports such as horse racing since it is much easier to ensure a horse will lose a race.

Exchanges counter that, while corruption is possible on any gambling platform, the bookies' arguments are motivated not by concern for the integrity of sport but by commercial interests. Exchanges also assert they are well aware of who their customers are and keep a complete record of all betting activity in case of enquiries. Furthermore, customers can monitor the odds on the exchanges' user-friendly platforms independently. Exchanges and the authorities can be immediately alerted should suspicious betting patterns become apparent. Some exchanges have signed agreements with governing bodies of sport including the Jockey Club, with whom they insist they will co-operate with fully if the latter suspects corruption to have taken place. Exchanges have co-operated with police investigations when asked to do so, sometimes leading to arrests.

See also

- Sports betting
- Bookmaker
- Gambling
- Parimutuel gambling

- Spread betting
- Betting exchange companies

References

1. ^ http://community.betfair.com/forum_chat/go/thread/view/94078/25908709/Betfair_Forum_QA_Session_Thursday_23rd_September,_18:00

External links

- BBC article on how betting exchanges work (<http://news.bbc.co.uk/1/hi/uk/7109494.stm>)
- An analysis of the betting exchange industry (<http://www.bettingmarket.com/refraichir010388.htm>)
- An explanation of lay betting (<http://www.sportinglybetter.com/betting-terms/lay-betting/>)

Retrieved from "http://en.wikipedia.org/w/index.php?title=Betting_exchange&oldid=469040941"

Categories: Betting exchanges | Gambling technology

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BRITISH HORSERACING REACTS TO BETFAIR'S IPO ANNOUNCEMENT

Following today's announcement from Betfair that it intends to list on the London Stock Exchange, Paul Roy, Chairman of the British Horseracing Authority, said:

"Today's announcement is no real surprise to the markets. What will be of great interest is that it comes a day after the close of a major consultation process by the Horserace Betting Levy Board, that strikes at the heart of Betfair's model, at a time when the figure of an underpayment to Racing of £30m has been stated by a leading betting industry figure, and during which the future relationship between exchange betting and Racing is under close scrutiny by the relevant authorities.

"The markets will understand that we are in the midst of a new process which will decide the basis on which all parts of the betting industry, including Betfair, will contribute to the Levy. It is clear the contribution is going to have to be on a significantly different basis to what has gone before. We are ready for serious dialogue with the betting industry, which includes exchanges, through the Levy Board. We await the betting industry's position. A failure to resolve issues by agreement will see it referred to Government and the Secretary of State for Culture, Media and Sport at the end of October.

"British Racing is the sport upon which Betfair was founded, and from which it continues to generate a substantial proportion of its business. There are many in British Racing who for a great many reasons would not have allowed exchange betting, had it been our choice as opposed to the Government's. The history of the last few years has proved those sceptics to have been right. This was compounded significantly by the failure of a system based on database rights which was intended to replace the Levy. Under that system, Betfair would have had to enter into commercial arrangements with Racing, as well as any betting operators wanting to offer bets on the sport.

"There remain a number of fundamental questions around the business of exchange betting. We are confident that these will be resolved as part of the wider issue of the relationship between racing and betting. The new Government has signalled its policy commitment to ensuring a value transfer from betting to Racing as it sets policy to catch up with changes in technology and the way people bet.

"We would entirely agree that Betfair has been "disruptive" and "fundamentally changed the sports betting market." Whether intended or not, it has certainly disrupted British Racing's finances, and has created severe consequences. It has indeed, for its customers, "eliminated the need for a traditional bookmaker", and markets itself as "cutting out the middle man". At the same time Betfair has argued it should be treated as a traditional bookmaker for the purposes of its contribution to our sport. Betfair cannot have it both ways.

“Our response to the Levy Board consultation states that it seems certain that some customers of Betfair and other exchanges that carry on the business of receiving or negotiating bets, and that should therefore be paying Levy. This is entirely consistent with Betfair processing more transactions per day last year than all European stock exchanges combined, with some of their clients making many thousands of transactions and data requests on a daily basis.

“Any international racing jurisdiction considering permitting Betfair to operate in their territory has to give very careful consideration to the impact on their sport, and learn from the British experience. In fact, we understand that they are offering far better terms to other Racing authorities, and we call on Betfair to now engage with us constructively and end the uncertainty.”

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Press Release issued 21 September 2010

**California Authority of Racing Fairs
Agency Income Statement
September 30, 2011**

	2009	2010	2011	2011	2011	2011	2011	-10% 2012
	Year End	Year End	YTD	Estimated	Annual	Budget	% Budget	Proposed
	Actual	Actual	Actual	YearEnd	Budget	Variance		Budget
Revenue:								
Other Revenue	148	(2,326)	0	0	500	(500)	0%	0
Interest Income	30,515	18,003	13,567	15,000	30,000	(16,433)	45%	15,000
Member Dues	282,532	290,107	217,066	288,330	292,913	(75,847)	74%	260,593
CARF South Programs Admin Fee	25,351	21,256	14,236	18,000	18,806	(4,570)	76%	21,038
CARF Projects Admin Fee	66,063	141,872	410,503	410,503	195,000	215,503	211%	0
CARF Live Racing Admin Fee	112,869	108,854	148,815	159,000	182,611	(33,796)	81%	138,201
CARF @ Leased Facility Rev	(311,170)	0	0	0	0	0	0%	0
Total Revenue	206,308	577,767	804,188	890,833	719,830	84,357	112%	434,832
Expenses:								
Salaries	226,671	241,506	212,934	269,934	305,173	92,239	70%	222,959
Employee Benefits	23,714	18,890	30,674	33,000	30,000	(674)	102%	34,900
Post Retirement Benefits	666,317	33,688	26,118	35,000	35,000	8,882	75%	35,000
Payroll Taxes	12,487	12,529	11,827	15,000	15,000	3,173	79%	11,500
Accounting Costs	17,209	17,272	17,697	23,400	18,750	1,053	94%	16,250
Audit Services	7,125	6,375	8,925	8,925	6,375	(2,550)	140%	6,375
Automobile Expense	435	10,650	3,015	4,000	4,000	985	75%	4,000
Contracted Services	543	10,435	1,621	5,000	5,000	3,379	32%	3,000
Depreciation	13,881	11,985	8,906	10,000	10,000	1,094	89%	11,000
Dues & Subscriptions	36,048	11,952	1,819	2,000	1,000	(819)	182%	2,000
Insurance Expense	37,784	37,127	28,035	41,000	41,000	12,965	68%	41,000
Legal Expenses	11,413	21,720	8,009	12,500	12,500	4,491	64%	12,500
Legislative Expenses	53,508	53,796	42,160	54,000	63,000	20,840	67%	55,000
Meetings Expense	5,398	6,852	3,214	5,000	5,000	1,786	64%	5,000
Misc. (Ag Day Sponsor)	2,482	2,010	(885)	0	2,500	3,385	-35%	0
Office Supplies	23,754	27,882	23,605	25,000	25,000	1,395	94%	22,500
Postage & Shipping	5,987	3,117	2,745	4,000	4,000	1,255	69%	3,600
Rent (Tribute Road)	38,916	38,265	26,827	45,000	45,000	18,173	60%	35,770
Repairs & Maintenance	0	674	328	1,000	1,000	672	33%	1,000
Telephone Expense	7,390	9,492	8,200	10,000	10,000	1,800	82%	10,000
Training	0	0	1,139	2,500	2,500	1,361	46%	2,500
Travel Expense	25,280	27,226	15,116	22,500	27,500	12,384	55%	22,500
Total Expenses	1,216,340	603,445	482,030	628,759	669,298	187,268	72%	558,354
Agency Income (Loss)	(1,010,031)	(25,678)	322,158	262,074	50,532	271,625		(123,522)
South Prog Income (Loss)	7,142	8,153	7,389	2,000	2,444	(4,195)		2,963
Total Bal Sheet Net Income (Loss)	(1,002,890)	(17,525)	329,547	264,074	52,976	267,430		(120,559)

CARF Unrestricted Reserves Year End Audited Balance 2010

709,681

CARF Reserves after 2011 Year End with Estimates

\$973,755

Use of CARF Unrestricted Reserves for 2012

\$120,559

Balance of CARF Reserves after 2012 Budget

\$853,196

**California Authority of Racing Fairs
Southern Region Income Statement
September 30, 2011**

	2009	2010	2011	2011	2011	2011	2011	2012
	Year End	Year End	YTD	Estimated	Annual	Budget	% Budget	Proposed
	Actual	Actual	Actual	YearEnd	Budget	Variance		Budget
Program Revenue:								
Program Sales	343,634	285,716	199,839	250,000	250,750	(50,911)	80%	280,500
Other Revenue	0	0	0		0	0	0%	0
Royalties/Fees Due Host	(311,141)	(256,307)	(178,214)	(230,000)	(229,500)	51,286	78%	(256,500)
Total Revenue	32,493	29,409	21,625	20,000	21,250	375	102%	24,000
Expenses:								
Legal Expenses	0	0	0		0	0	0%	0
Meetings Expense	0	0	0		0	0	0%	0
Misc Exp.(Storage)	0	0	0		0	0	0%	0
Office Supplies	0	0	0		0	0	0%	0
Paper Expense	0	0	0		0	0	0%	0
Postage & Shipping	0	0	0		0	0	0%	0
Printing Supplies	0	0	0		0	0	0%	0
Rent & Utility Expenses	0	0	0		0	0	0%	0
Repairs & Maintenance	0	0	0		0	0	0%	0
Telephone Expense	0	0	0		0	0	0%	0
Travel Expense	0	0	0		0	0	0%	0
Total Expenses	0	0	0		0	0	0%	0
Operating Income (Loss)	32,493	29,409	21,625	20,000	21,250	375	102%	24,000
CARF Admin Fee	25,351	21,256	14,236	18,000	18,806	4,570	76%	21,038
Rebate								
Income (Loss)	7,142	8,153	7,389	2,000	2,444	(4,195)	302%	2,963

**California Authority of Racing Fairs
Project Management Income Statement
September 30, 2011**

	2009 Year End Actual	2010 Year End Actual	2011 YTD Actual	2011 Estimated YearEnd	2011 Annual Budget	2011 Budget Variance	2011 % Budget	2012 Proposed Budget
Revenue:								
CARF Admin Fee	66,063	141,872	410,503	410,503	195,000	215,503	211%	0
Project Management	79,199	85,559	0	0	81,935	(81,935)	0%	0
Total Revenue	145,262	227,432	410,503	410,503	276,935	133,568	148%	0
Expenses:								
Salaries Expense	58,723	63,396	0		58,035	58,035	0%	0
Employee Benefits	7,287	8,538	0		9,000	9,000	0%	0
Payroll Taxes	2,832	3,076	0		3,000	3,000	0%	0
Accounting Costs	6,500	6,620	0		7,500	7,500	0%	0
Audit Services	2,550	2,550	0		2,550	2,550	0%	0
Automobile Expense	0	0	0		0	0	0%	0
Contracted Services	0	0	0		0	0	0%	0
Telephone Expense	708	754	0		1,000	1,000	0%	0
Travel Expense	42	68	0		250	250	0%	0
Misc. Storage	558	558	0		600	600	0%	0
Total Expenses	79,199	85,559	0	0	81,935	81,935	0%	0
CARF Admin Fee	66,063	141,872	410,503	410,503	195,000	(215,503)	211%	0

California Authority of Racing Fairs

Live Racing Income Statement

September 30, 2011

2009 = 79dys 2010 = 64 days 2011=58days

2012= days

	2009	2010	2011	2011	2011	2011	2011	2012
	Year End	Year End	YTD	Estimated	Annual	Budget	% Budget	2012
	Actual	Actual	Actual	YearEnd	Budget	Variance		Proposed
								Budget
Revenues:								
Change Fund Admin Fee	17,065	14,074	2,941	5,000	15,000	(12,059)	20%	15,000
Racing Fairs Admin Fee	74,561	69,032	56,003	71,500	85,111	(29,108)	66%	78,201
Supplemental Purses Admin Fee	22,000	22,000	82,500	82,500	82,500	0	100%	45,000
NCOTWINC Reimbursement	29,000	29,000	0	0	29,000	(29,000)	0%	29,000
Racing Fairs Reimbursement	1,059,854	1,003,686	746,712	946,100	1,082,942	(336,230)	69%	1,042,681
Advertising Revenue	4,100	4,550	4,500	4,500	4,000	500	113%	4,000
Total	1,206,580	1,142,343	892,657	1,109,600	1,298,553	(405,896)	69%	1,213,882
Expenses:								
Salaries	230,562	255,146	181,188	250,000	251,517	70,329	72%	295,750
Employee Benefits	44,792	46,948	35,470	47,000	47,000	11,531	75%	44,278
Payroll Taxes	11,877	13,103	9,143	13,500	13,500	4,357	68%	10,928
Accounting Costs	52,250	43,035	31,692	48,750	48,750	17,058	65%	48,750
Audit Services	16,575	25,323	16,575	16,575	16,575	0	100%	19,125
Automobile Expense	1,182	64	0	1,000	5,100	5,100	0%	2,000
Depreciation	0	0	0	0	0	0	0%	0
Dues & Subscriptions, NTRA	12,286	10,109	0	0	1,000	1,000	0%	1,000
Insurance Expense	0	0	0	0	0	0	0%	0
Legal Expenses	0	8,734	0	2,000	10,000	10,000	0%	5,000
Meetings Expense	1,111	3,440	335	1,000	5,000	4,665	7%	2,000
Misc. Exp (Harness,Storage,Bank f	58	0	0	0	0	0	0%	0
Telephone Expense	3,363	3,924	2,239	3,000	3,000	761	75%	3,500
Travel Expense	45,184	29,898	26,583	32,000	35,000	8,417	76%	35,000
Sub-Totals	419,240	439,725	303,225	414,825	436,442	133,217	69%	467,331
Racing Support Services:								
Announcer	26,596	23,904	13,350	18,075	26,000	12,650	51%	23,850
Condition Bk/Program Cover	22,491	15,245	15,235	20,000	20,000	4,765	76%	20,000
Racing Operations Support	79,601	78,325	53,339	60,000	90,000	36,661	59%	90,000
TC02 Testing	54,880	7,425	5,415	6,500	15,000	9,585	36%	10,000
Marketing	1,783	3,901	130	2,000	5,000	4,870	3%	3,000
Network Management	3,321	1,548	1,558	2,200	3,000	1,442	52%	500
Paymaster	20,298	8,106	3,867	5,000	11,500	7,633	34%	7,500
Program Production	178,814	179,004	136,109	180,000	205,000	68,891	66%	205,000
Racing Office System	53,156	43,739	19,528	35,000	55,000	35,472	36%	40,000
Recruitment	22,721	31,108	9,860	10,000	10,000	140	99%	15,000
Jumbo Screen	125,000	126,250	104,550	105,000	160,000	55,450	65%	110,000
Supplies	19,158	15,964	3,758	10,000	20,000	16,242	19%	15,000
Tattooing	20,469	17,200	14,759	19,000	19,000	4,241	78%	20,000
Timing/Clocker	22,430	22,805	0	0	0	0	0%	0
Transportation	3,465	2,150	1,708	3,000	5,000	3,292	34%	3,500
TV Production/Simulcast	20,288	17,088	57,451	60,000	35,000	(22,451)	164%	45,000
Sub-Totals	674,471	593,763	440,616	535,775	679,500	238,884	65%	608,350
Total Expenses	1,093,711	1,033,488	743,842	950,600	1,115,942	372,100	67%	1,075,681
CARF Admin Fee	112,869	108,854	148,815	159,000	182,611	33,796	81%	138,201

PROPOSED 2012 MEMBER DUES BASED ON 2011 HANDLE

Oct 17, 2010 to October 16, 2011

2011 CARF MEMBER FAIRS TOTAL HANDLE

Location	run takeout summary report for each host					2011 handle	Actual	Actual	Actual	Draft	Reduced	
	Off-Track S/W Handle	On-Track Handle	Out-of-State Handle	Off Track Handle	ADW Handle	Total Handle	% of Total	2009 Dues	2010 Dues	2011 Dues	2012 Dues	10% Dues
Anderson	1,441,509					1,441,509	0.352%	3,367	3,367	3,367	3,367	3,030
Tulare	2,813,451					2,813,451	0.687%	3,367	3,367	3,367	3,367	3,030
Shalimar (Indio)	4,615,728					4,615,728	1.126%	7,856	7,856	7,856	7,856	7,070
Monterey	7,318,699					7,318,699	1.786%	7,856	7,856	7,856	7,856	7,070
Turlock	6,635,310					6,635,310	1.619%	7,856	7,856	7,856	7,856	7,070
Bakersfield	6,283,116					6,283,116	1.533%	7,856	7,856	7,856	7,856	7,070
Victorville	5,931,312					5,931,312	1.447%	7,856	7,856	7,856	7,856	7,070
Ferndale	140,934	686,729	1,422,220	1,801,376	1,602,502	5,653,761	1.380%	3,367	3,367	3,367	7,856	7,070
Lake Perris	12,783,584					12,783,584	3.119%	16,834	16,834	16,834	16,834	15,151
Lancaster	14,130,784					14,130,784	3.448%	7,856	16,834	16,834	16,834	15,151
Vallejo	15,485,307					15,485,307	3.779%	21,042	21,042	21,042	16,834	15,151
Ventura	23,506,420					23,506,420	5.736%	21,042	21,042	21,042	21,042	18,938
San Bernardino	24,252,935					24,252,935	5.918%	21,042	21,042	21,042	21,042	18,938
Fresno	8,630,574	3,456,008	7,326,733	9,569,964	4,422,197	33,405,476	8.151%	16,834	21,042	21,042	21,042	18,938
Stockton	15,881,343	857,545	1,945,850	3,953,320	1,928,582	24,566,640	5.995%	21,042	21,042	21,042	21,042	18,938
Santa Rosa	9,870,494	4,020,279	9,643,909	14,643,352	6,431,046	44,609,080	10.885%	21,042	21,042	21,042	25,252	22,727
Sacramento	22,276,124	1,887,107	4,608,088	8,692,670	4,014,655	41,478,644	10.121%	25,252	25,252	25,252	25,252	22,727
Pleasanton	33,248,610	5,121,553	8,407,404	12,927,246	6,483,264	66,188,078	16.151%	25,252	25,252	25,252	25,252	22,727
San Mateo	68,716,595	0	0	0	0	68,716,595	16.768%	16,834	25,252	25,252	25,252	22,727
Eureka								2,625	0			
Santa Maria								7,856	7,856	3273		
Santa Barbara								5,892	0	0		
Totals	283,962,827	16,029,220	33,354,204	51,587,930	24,882,247	409,816,427	100%	279,826	292,913	288,330	289,548	260,593

CALIFORNIA AUTHORITY OF RACING FAIRS
BALANCE SHEET
September 30, 2011

ASSETS

	CURRENT YTD	PRIOR YTD
	9/30/11	9/30/10
Current Assets		
CASH - LAIF & INVESTMENTS	256,608	2,629,994
CASH - OPERATING/MM	2,580,175	995,650
CHECKING - TOC PURSE	142,296	225,052
CHECKING - RACING TRUST	870,302	955,967
MARKETABLE SECURITIES	2,419,230	4,389,318
A/R - DUES	85,223	77,999
A/R - PROGRAMS	33,770	89,785
A/R - RACING FAIRS	313,236	468,251
A/R - ERF/OTHER A/R	905,294	1,924,393
PREPAIDS/DEPOSITS	79,109	74,020
OPEB ASSETS	92,725	91,955
Total Current Assets	7,777,968	11,922,382
Fixed Assets		
AUTOMOBILE	36,139	574
FURNITURE & EQUIPMENT	866	1,879
COMPUTER HARDWARE/SOFTWARE	6,947	7,086
TRACK EQUIPMENT	259,712	59,400
Total Fixed Assets (Net of Depr.)	303,664	68,939
TOTAL ASSETS	8,081,632	11,991,321

LIABILITIES & NET ASSETS

Current Liabilities		
A/P & WITHHOLDINGS	519,151	238,085
A/P - PROGRAM ROYALTIES TO HOST	46,117	76,737
RACING DISTRIBUTIONS	1,340,862	1,630,457
PURSES	723,080	854,350
TRACK SAFETY/MAINT.	547,068	474,054
INFOTEXT UPGRADE	0	160,738
MISC PROJECT FUNDS	0	0
LOU-1 - TIMING/TRACK SURFACE/AREA ENHANC	0	0
LOU-2 - SPECIAL EVENT CENTERS	0	0
LOU-3 - SATELLITE SURVEY/TURF STUDY	0	0
EQUIPMENT REPLACEMENT FUND	0	1,154,672
LOU-5 - SYMPOSIUM	3,805	3,805
MINI SATELLITE FUNDS	169,800	520,222
CAPITAL IMPROVEMENT FUND	0	2,999,497
Total Current Liabilities	3,349,883	8,112,618
Non-Current Liabilities		
CHRIMS FUNDS	91,461	90,625
CHANGE FUND	1,014,000	1,014,000
FAIRS - EQUIP REPLACEMENT FUNDS	2,552,267	2,016,741
Total Non-Current Liabilities	3,657,728	3,121,365
TOTAL LIABILITIES	7,007,611	11,233,983
Net Assets		
FUND EQUITY	709,681	728,101
F&E Net Assets	34,794	22,275
CARF@GG	0	0
RETIREMENT CONTINGENCY	0	0
NET INCOME/LOSS	329,547	6,962
Total Net Assets	1,074,021	757,338
TOTAL LIABILITIES & NET ASSETS	8,081,632	11,991,321

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[Berkeley Lab Selects Richmond Field Station as Preferred Site](#)

January 23, 2012

Jon Weiner [415.486.4014](tel:4154864014) jrweiner@lbl.gov

-- 2 Like 39

Feature

The University of California announced today that it has identified the Richmond Field Station as its preferred site for the proposed consolidation of the biosciences programs of the Lawrence Berkeley National Laboratory (Berkeley Lab). The University of California-owned site presents the best opportunity to solve the Lab's pressing space problems while allowing for long term growth and maintaining the 80 year tradition of close cooperation with the UC Berkeley Campus.



Richmond Field Station architectural rendering

(Click [here](#) to watch a video of the site selection announcement.)

With this identification of a preferred site, the University will now move ahead with developing environmental impact studies and with the process of seeking final approval from the US Department of Energy for the project.

“Each city, community, and their developer partners presented extremely thoughtful and well-formulated proposals for us to consider, for which we are deeply grateful,” says Berkeley Lab Director Paul Alivisatos. “The communities of Albany, Alameda, Berkeley, Emeryville, Oakland and Richmond have been true partners in this process. While we can only pick one site, we hope that the new relationships we’ve made will continue to help us foster excitement in science. The enthusiasm is wonderful affirmation of the desire of the entire East Bay to be part of developing scientific solutions to some of the greatest challenges facing our society.”

The University of California received more than 20 responses when a Request for Qualifications (RFQ) was released

earlier this year. The number of sites under review was narrowed in May to:

- **Alameda Point**, in the city of Alameda;
- **Berkeley Aquatic Park West**, located in West Berkeley;
- **Brooklyn Basin**, located in Oakland;
- **Emeryville/Berkeley**, (includes properties currently occupied by the Lab in Emeryville and West Berkeley);
- **Golden Gate Fields**, spanning the cities of Berkeley and Albany;
- **Richmond Field Station**, a site currently owned by the University of California.

###

Lawrence Berkeley National Laboratory addresses the world's most urgent scientific challenges by advancing sustainable energy, protecting human health, creating new materials, and revealing the origin and fate of the universe. Founded in 1931, Berkeley Lab's scientific expertise has been recognized with 13 Nobel prizes. The University of California manages Berkeley Lab for the U.S. Department of Energy's Office of Science. For more, visit www.lbl.gov.

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Tweets

- RT [@energy](#): This is your Universe: Now in HD. A trillion pixels make up the largest map of the cosmos to-date: <http://t.co/wy6J1hqV> >> 2 hours ago
- MT [@mark_yudof](#): A shaky view from groundbreaking yesterday. Congrats to [@BerkeleyLab](#) on this tremendous opportunity! <http://t.co/tO2kjHaE> >> 5 hours ago
- A big day for us! Groundbreaking for Computational Research & Theory Facility <http://t.co/re5QLIRT> More info <http://t.co/Bv94aTZ0> >> 22 hours ago

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41st Annual Report of the California Horse Racing Board

A Summary of
Fiscal Year 2010–11 Revenue and
Calendar Year 2011 racing in California

California Horse Racing Board

Keith Brackpool, Chairman
David Israel, Vice Chairman
Jesse H. Choper, Member
Bo Derek, Member
Jerry Moss, Member
Richard Rosenberg, Member
Kirk E. Breed, Executive Director
Jacqueline Wagner, Asst. Exec. Director

This report covers the fiscal year (July 1, 2010, through June 30, 2011) for revenue purposes, including pari-mutuel handle, fines, taxes, license fees, and the distribution of funds, as well as the Postmortem Program report. The report covers the 2011 calendar year for reports on race meets and CHRB meetings.

The CHRB general office is located at 1010 Hurley Way, Suite 300, Sacramento, CA 95825. Field offices are located at all operating racetracks.

Annual reports can be viewed on the Internet by visiting our Website at www.chrb.ca.gov and clicking on "Publications."

REPORT OF THE CHAIRMAN



In my Chairman's letter of this time last year, I wrote that, while times continued to be challenging, there were developments that gave cause for optimism. Both forecasts turned out to be true, and it would be appropriate to face the coming year with a similar view.

Handle continued to suffer as the economy continued to struggle. This is a national phenomenon and one that won't change substantially for the better without a real bounce in the economy. However, tough times call for innovative thinking and marketing, and we certainly have begun to see positive results from the related new initiatives. While it's true that a large majority of handle is now generated off track, primarily through Advance Deposit Wagering, we must continue to strive for real improvement with the experience a fan gets when attending the track. Several of the racetracks in California, especially the racing fairs, have made extraordinary efforts over the last couple of years in this regard, and their success is to be applauded. We must never forget, it is the live experience that turns a casual spectator into a lifelong fan.

As I wrote last year, the California Legislature approved SB 1072 in September of 2011 and the bill was signed by then Governor Schwarzenegger the same month. This new law includes provisions for higher purses for horse owners and also earmarks marketing funds to attract the Breeders' Cup back to California. Higher purse money is a necessity in this State, as we are one of the few major racing jurisdictions that cannot and does not rely on subsidies from some other form of gambling, such as slot machines, etc. Without competitive purses, our field sizes would dwindle and then handle would follow, resulting in a self-perpetuating downward cycle. I am pleased to report that with purse money up an average of 25 percent from the previous year, we enjoyed not only increased field size but by the end of 2011 we had a considerable increase in the number of horses in training. Most tracks ended their meets with underpayments in purses, thereby giving us some optimism that the increases in both purses and field size can be maintained.

Of course, one of the highlights of the year was winning the Breeders' Cup World Championships back to Southern California for 2012. The event will be held this November at the magnificent facility of Santa Anita. The bid process was highly competitive, and therefore our selection reflects well on all involved in racing here.

In closing, therefore, I remain cautiously optimistic about our prospects for continued improvement in 2012. I would be remiss if I didn't use this opportunity to again sincerely thank each and everyone involved in horse racing for their seemingly endless and tireless efforts in helping to keep our great sport on the right course. On behalf of all my fellow commissioners, we tip our collective hat to you.

A handwritten signature in blue ink, appearing to read 'Keith Brackpool'.

Keith Brackpool
Chairman

HIGHLIGHT

Fairs Strategically Reduced Racing to Enhance Product

THE CALIFORNIA FAIRS

Despite a staggering economy and a nationwide downward trend in the racing industry, business was strong on the Northern California fair circuit. Several facilities experienced record or near-record attendance along with significant increases in various handle categories. Fairs leveraged ties in their local communities by offering families an exciting entertainment alternative at a value. As a natural extension of the fair experience, several locations offered entertainment between horse races to keep fans captivated. These efforts were rewarded with full grandstands and packed aprons.

To ensure that fairs offered the best quality product possible, Stockton, Pleasanton, Sacramento, and Fresno reduced racing to four-day weeks. In 2010, fairs began a long-term restructuring and consolidation process with goals to optimize the horse population through the reduction of race dates, offer more turf racing, and generate better racing opportunities for all classifications of thoroughbreds. The decision to run four-day weeks was a byproduct of that process in order to create the strongest racing cards possible.

The California Authority of Racing Fairs (CARF) worked closely with the Thoroughbred Owners of California (TOC) to create a consolidated purse program, which provided the flexibility to write condition books to ensure that one fair did not build up at the expense of another. Working as a single unit, fairs were able to better manage purses, closely track the levels of purses paid in relation to purses generated, and perhaps most importantly, provide consistency for horsemen throughout the circuit.

As part of that effort to provide consistency, the horse population was carefully managed under a single racing secretary. Also, six new stakes were added to the program, including a pair of \$75,000 routes for 2 year olds at Fresno for which eligibility preference was given to runners who competed on the fair circuit. In an effort to create fuller fields, bottom-level purses were increased, including a new series for \$5,000 to \$10,000 claimers.

In recognition of the Northern California horse shortage, fairs increased their recruiting efforts in Washington and focused on transitioning horsemen affected by the cancellation of the Yavapai Downs meeting in Arizona. The out-of-state recruitment program, managed by CARE, produced 175 horses that made 328 starts on the fair circuit. The number of recruited horses was up 15 percent from 2010, and those horses represented 11 percent of fair starters.

The summer season on the fair circuit provided Northern California horsemen with their only chance to run on true dirt surfaces. In order to maximize that experience, management of the Fair Track Safety and Maintenance Program sought to continually improve the natural racing surfaces. In order to provide safety and consistency to the circuit, all surfaces were overseen by the same track superintendent and equipped with state-of-the-art equipment, including uniform all-tread tractors, a state-of-art Kimsey horse ambulance, and custom water trucks.

HIGHLIGHT

San Joaquin County Fair Offer of Free Attendance Engaged the Community

STOCKTON

In a time when every penny counts, the San Joaquin County Fair took a new approach to community involvement by offering free daily admission. The result was a packed grandstand and increases in both handle and fair concessions, giving management a reason to believe that the additional exposure will buoy the fair's future move into a September slot.

In addition to free admission, patrons enjoyed a newly renovated winner's circle, which transformed the former 12' x 20' grass enclosure into a 120' x 50' walking ring/winner's circle with wrought iron railing and heavily landscaped interior.

On-track attendance increased 49 percent and on-track handle increased 16 percent when compared to 2010. The number of thoroughbred starters per race increased from 6.73 in 2010 to 7.12 in 2011.

The leading trainer for the meet was Steve Sherman, while Russell Baze and Abel Cedillo tied for leading jockey honors with five wins each.

HIGHLIGHT

Alameda County Fair Set All-Time Attendance Record

PLEASANTON

The Alameda County Fair, home of America's oldest one-mile racetrack, concluded its 13-day race meet by setting a new attendance record of 452,746 fairgoers. Racing fans wagered a total of \$32.9 million on the Pleasanton product, with on-track wagers up 2 percent compared to 2010.

Even though the fair reduced racing by 13 percent (13 race days in 2011 compared to 15 race days in 2010), the overall amount wagered was only down 5.5 percent and the daily average handle was up 10 percent (from \$2.3 million in 2010 to \$2.53 million in 2011). According to CEO Rick Pickering, "By not racing Wednesdays, the fair was able to provide larger fields of horses on Thursdays through Sundays, bucking the national trend of double-digit decreases in handle."

Jerry Hollendorfer was the leading trainer with nine wins and Russell Baze was the leading jockey with 16 wins.

HIGHLIGHT

Sonoma County Fair Celebrated 75th Anniversary

SANTA ROSA

The Sonoma County Fair marked its 75th anniversary in 2011. As part of the Diamond Jubilee celebration, the fair extended the entertainment, carnival, and vendors to 17 days, which meant that Wine County Racing was held concurrent with fair activities for the entire run. This new schedule in 2011 resulted in a 7 percent attendance increase compared to 2010.

To provide continuity with Del Mar, Santa Rosa was the only Northern California meet racing five-day weeks. During the 15-day meet, seven stakes were offered, and with the only turf course on the fair circuit, Santa Rosa provided turf specialists with opportunities to compete after a six-week break.

The highlight of the race meet was the unveiling of a newly constructed paddock. The design provides a clear view and easy access to the racetrack for fair patrons. The new paddock is 2½ times larger than the previous enclosure and has drawn rave reviews from horsemen and fans alike.

HIGHLIGHT

Declines for Humboldt County Fair as Racing Calendar Changed

FERNDALE

The 115th Humboldt County Fair featured eight days of racing. In 2010 the California Horse Racing Board granted approval for five days of non-overlapped racing during the meet's closing week, a first for Ferndale. The move back to concurrent weekend racing contributed to a 14-percent decrease in on-track handle, a 68-percent decrease in the Northern California satellite network handle, and a 27-percent decrease in out-of-state handle.

The Humboldt County Fair, famous for an atmosphere reminiscent of the early days of racing, celebrated the 58th running of the C. J. Hindley Humboldt County Marathon. The 1 5/8-mile race, run over Ferndale's half-mile track, gave fans the opportunity to see the runners cross the finish line four times before the completion of the race. The 2011 renewal was won by Steel Blue, trained by Phil Oviedo, owned by Allen Aldrich, and piloted by Barrington Harvey.

Due to offering purses at parity with other Northern California venues, along with aggressive recruiting in Idaho and Oregon, thoroughbred runners made 250 starts in 39 races. Of those starts, 105 were made by horses from Washington, Oregon, and Idaho.

HIGHLIGHT

Big Fresno Fair Closed Out Northern Fair Circuit with Large Gains

FRESNO

The Big Fresno Fair, which has renovated its track, paddock, and barn area in recent years, continued to improve its racing product with a new infield carnival area for children and entertainment between races. The fair, known for its large and enthusiastic crowds, enjoyed unseasonably cool weather the first week of the meet and drew an audience of 549,155.

The nine-day meet concluded with Northern California handle up 4 percent, out-of-state handle up 25 percent, and all-source live handle up 10 percent from 2010. Fresno also benefitted from out-of-state recruitment efforts; field size increased from 7.49 in 2010 to 7.9 in 2011.

California champion and Grade II winner Bold Chieftain made his second-to-last start a winning one when he captured the \$50,000 Bull Dog Stakes on closing day.

It was the 15th stakes victory for the 8-year-old, who retired with earnings of \$1.7 million.

Two additional \$75,000 routes for 2 year olds improved the fair's stakes program and proved to be stepping stones for stakes-caliber horses. Longview Drive, who won the Charlie Palmer Stakes, went on to run third in the Delta Downs Jackpot, and Killer Graces, who ran second in the Soviet Problem Stakes, went on to win the Grade I Hollywood Starlet Stakes.

There was a three-way tie in the trainer's standings, with Steve Sherman, Andy Mathis, and John Martin each saddling six winners. Mathis officially won the title, based on the point system. Leading jockey was Russell Baze with 19 wins.



Large crowds continued to show up for Fresno racing.

Application is hereby made to the California Horse Racing Board (CHRB) for a license to conduct a horse racing meeting of a California fair as authorized by Article 6.5 of the California Business and Professions Code, Chapter 4, Division 8, Horse Racing Law, and in accordance with applicable provisions and the California Code of Regulations, Title 4, Division 4, CHRB Rules and Regulations.

1. APPLICANT FAIR ASSOCIATION

A. Name, mailing address, telephone, and fax numbers of fair:

B. Fair association is a: District Fair County Fair Citrus Fruit Fair
 California Exposition and State Fair Other qualified fair

C. Provide the name, telephone, and email address for the fair contact person:

NOTICE TO APPLICANT: Application must be filed not later than 90 days before the scheduled start date for the proposed meeting pursuant to CHRB Rule 1433.

2. DATES OF RACE MEETING

A. Inclusive dates allocated for race meeting:

B. Actual dates racing will be held:

C. Dates racing will NOT be held:

D. Total number of racing days:

E. Days of the week races will be held:
 Wed - Sun Tues - Sat Other (specify)

3. RACING PROGRAM

A. Total number of races:

B. Number of races by breed:

Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules

CHRB CERTIFICATION

Application received:
Reviewed:

Hearing date:
Approved date:
License number:

C. Number of races daily:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Thoroughbred							
Other Breeds							
Total							

D. Total number of stakes races by breed:

Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules

E. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each.

F. Will provisions be made for owners and trainers to use their own registered colors?

Yes No If no, what racing colors are to be used:

G. List all post times for the daily racing program:

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813.

4. FAIR ASSOCIATION

- A. Names of the fair directors:
- B. Names of the directors serving on the Racing Committee or otherwise responsible for the conduct of the racing program:
- C. Name and title of the fair manager or executive officer and the names and titles of all department managers and fair staff, other than those listed in 12B, who will be listed in the official program:
- D. Name and title of the person(s) authorized to receive notices on behalf of the fair association and the mailing and email address of such person(s).

5. TAKE OUT PERCENTAGE

1. Will the percentage deducted for any type of wager be adjusted pursuant to Business and Professions Code section 19601.01? If no, proceed to subsection 6. If Yes, identify the wager and the proposed takeout percentage.

Yes No

Wager(s) to be adjusted: _____ Proposed percentage: _____%

- A. Attach copy of written notice requesting the proposed takeout adjustment, the proposed percentage and the wager(s) affected. The notice must include the written agreement of the fair association and the horsemen’s organization for the meeting of the fair association accepting the wager.

NOTICE TO APPLICANT: Pursuant to Business and Professions Code section 19601.01 notwithstanding any other provision of law, a thoroughbred association or fair, upon the filing of a written notice with, and approval by, the board specifying the percentage to be deducted, may deduct from the total amount handled in the pari-mutuel pool for any type of wager an amount of not less than 10 percent nor more than 25 percent. The written notice shall include the written agreement of the thoroughbred association or fair and the horsemen's organization for the meeting of the thoroughbred association or fair accepting the wager. The established percentage to be deducted shall remain in effect until the filing of a subsequent notice with, and approval by, the board, unless otherwise specified in the notice.

6. HANDLE HISTORY

- 1. Complete the table below providing the last five years of handle and attendance for the fair association. If your association has been operating for fewer than five years, provide information for the period of time it has been in operation.

Year	Handle	Attendance

7. PURSE PROGRAM (Excluding supplements, nominations, sponsorships, and starter fees):

A. Purse distribution:

- 1. All races other than stakes:
 Current meet estimate:
 Prior meet actual:

 Average Daily Purse (7A1 ÷ number of days):
 Current meet estimate:
 Prior meet actual:
- 2. Overnight stakes:
 Current meet estimate:
 Prior meet actual:

 Average Daily Purse (7A2 ÷ number of days):
 Current meet estimate:
 Prior meet actual:
- 3. Non-overnight stakes:
 Current meet estimate:

Prior meet actual:

4. Total Purses: (7A1+-7A2+ 7A3)

Current meet estimate:

Prior meet actual

Average Daily Purse (7A3 ÷ number of days):

Current meet estimate:

Prior meet actual:

B. Funds to be generated for all California-bred incentive awards (including breeder awards and owners premiums):

Current meet estimate:

Prior meet actual:

C. Payment to each recognized horsemen's organization contracting with the fair:

Current meet estimate:

Prior meet actual:

- CTT
- TOC
- NTRA
- PCQHRA
- CWAR
- ARAC
- AMRA
- CHBPAPEN
- CTHF
- Total

Total

D. Amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen (7A+7B+7C):

Current meet estimate:

Prior meet actual:

Average Daily Purse (7D ÷ number of days):

Current meet estimate:

Prior meet actual:

E. Purse funds to be generated from on-track handle and intrastate off-track handle (excluding carry-overs from prior race meet(s):

Current meet estimate:

Prior meet actual:

Average Daily Purse (7E ÷ number of days):

Current meet estimate:

Prior meet actual:

F. Purse funds to be generated from interstate handle:

Current meet estimate:

Prior meet actual:

Average Daily Purse ($7F \div$ number of days):

Current meet estimate:

Prior meet actual:

G. Bank and account number for the Paymaster of Purses' purse account:

H. Name, address, email and telephone number of the pari-mutuel audit firm engaged for the meeting:

NOTICE TO APPLICANT: All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, **shall not** be deemed as income to the fair and **shall**, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from off-track simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards, shall also be deposited within 3 calendar days following receipt into such liability account. In the event the fair is obligated to the payment of purses prior to those obligated amounts being retained from pari-mutuel wagering for such purpose, or as a result of overpayment of earned purses at the conclusion of the meeting, the fair shall transfer from its own funds such amounts as are necessary for the Paymaster of Purses to distribute to the horse owners statutorily or contractually entitled thereto. The fair is entitled thereafter to recover such transferred funds from the Paymaster of Purses' account; and if insufficient funds remain in the account at the conclusion of the meeting, the fair is entitled to carry forward the deficit to its next succeeding meeting as provided by Business and Professions Code section 19615(c) or (d). In the event of **underpayment** of purses which results in a balance remaining in the Paymaster of Purses' account at the conclusion of the meeting after distribution of amounts due to horsemen and breeders and horsemen's organizations, the fair may carry forward the surplus amount to its next succeeding meeting; provided, however, that the amount so retained does not exceed an amount equivalent to the average daily distribution of purses and breeders' awards during the meeting. All amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

8. STABLE ACCOMMODATIONS

A. Number of usable stalls available for racehorses at the track where the meeting is held:

B. Minimum number of stalls believed necessary for the meeting:

C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers:

D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:

E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site.

Complete subsections F through H if the fair will request reimbursement for off-site stabling as provided by Business and Professions Code sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, proceed to section 9.

F. Total number of usable stalls made available on-site for the **1986** meeting, pursuant to Business and Professions Code section 19535(c).

G. Estimated cost to provide off-site stalls for this meeting. Show cost per-day per stall:

H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for

vanning per-horse:

9. PARI-MUTUEL WAGERING PROGRAM

A. Is the fair applicant a member of the California Authority of Racing Fairs (CARF)? If yes, attach a copy of the CARF recommended wagering format. Yes No

B. Pursuant to Business and Professions Code section 19599, and with the approval of the CHRB, fairs may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each. If applicant is a member of CARF, also indicate if wager is a part of the CARF recommended wagering format:

Use DD for daily double, E for exacta (special quinella), PK3 for pick three, PK4 for select four, PNP for pick (n) pool, PPN for place pick (n), Q for quinella, SF for superfecta, TRI for trifecta, and US for unlimited sweepstakes (pick 9).

	TYPE OF WAGERS	APPLICABLE RULES	CARF WAGERING FORMAT
Example Race	\$1 E; \$1 Double	CHRB #1959; RCI #VE	Yes No

- Race #1
- Race #2
- Race #3
- Race #4
- Race #5
- Race #6
- Race #7
- Race #8
- Race #9
- Race #10
- Race #11
- Race #12
- Race #13

C. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool:

D. List any options requested with regard to exotic wagering:

E. Will "advance" or "early bird" wagering be offered? Yes No

If yes, when will such wagering begin. Specify days and time for "early bird" wagering:

F. Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract:

10. ADVANCE DEPOIST WAGERING (ADW)

- A. Identify the ADW provider(s) to be used by the fair for this race meeting:
- B. Attach a copy of the agreement/contracts with each ADW provider to be used for this race meeting.
- C. Have the contract/agreements been approved by the respective horsemen’s groups?
 Yes No
 If yes, attach a copy of the approval.
 If no, explain the status of the approval.

NOTICE TO APPLICANT: Pursuant to Business and Professions Code section 19604, ADW providers may accept wagers on races conducted in California from a resident of California if : 1) the ADW provider is licensed by the Board; 2) a written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made;3) the agreement shall have been approved in writing by the horsemen’s organization responsible for negotiating purse agreements for the breed on which the wager are made. ADW provides may accept wagers on races conducted outside of California from a resident of California if: 1) the ADW provider is licensed by the Board; 2) there is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wagers are placed and (ii) the horsemen’s organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

11. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the fair to conduct simulcast wagering:
- B. Attach the agreement between the fair and simulcast organization permitting the organization to use the fair's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.
- C. California simulcast facilities the fair proposes to offer its live audiovisual signal:
- D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal:
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair:
- F. California mini-simulcast facilities the fair proposes to offer its live audiovisual signal:
- G. List the host tracks from which the fair proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held and whether or not a full card will be accepted. If the full card will not be imported, state “selected feature and/or stakes races”:

NOTICE TO APPLICANT: Business and Professions Code section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being conducted in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or fair is conducting its racing meeting cannot exceed a combined daily total of 50 imported thoroughbred races statewide. The limitation of 50 imported thoroughbred races per day statewide does not apply to those races specified in Business and Professions Code section 19596.2(a)(1), (2), (3) and (4).

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
--------------------	------------	---

- H. List imported simulcast races the fair plans to receive during the racing meeting which use breeds

other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
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- I. If any out-of-state or out-of-country races will commence outside of the time constraints set forth in Business and Professions Code sections 19596.2 and 19596.3, attach a copy showing agreement by the appropriate racing association(s).

NOTICE TO APPLICANT: All interstate wagering to be conducted by a fair is subject to the provisions of Title 15, United States Codes, which require specific **written** approval of the CHRB and of the racing commission having jurisdiction in the out-of-state venue. All international wagering to be conducted by a fair is subject to the provisions of Business and Professions Code sections 19596, 19596.1, 19596.2, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

Every fair shall pay to the simulcast organization within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and vanning deductions. Every fair shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 7.)

12. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:
- Association Veterinarian(s)
 - Clerk of Scales
 - Clerk of the Course
 - Film Specialist
 - Horse Identifier
 - Horseshoe Inspector
 - Paddock Judge
 - Patrol Judges
 - Placing Judges
 - Starter
 - Timer
- B. Management officials in the racing department:
- Director of Racing
 - Racing Secretary
 - Assistant Racing Secretary
 - Paymaster of Purses
 - Others (identify by name and title)
- C. Name, address, email and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:

- E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:

13. SECURITY CONTROLS

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers.
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
 - 1. Attach a written plan for enhanced security for graded stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention stalls.
 - 2. Detention Stalls:
 - A. Attach a plan for use of graded stakes or overnight races.
 - B. Number of security guards in the detention stall area during a 24-hour period.
 - C. Describe number and location of surveillance cameras in detention stall area.
 - 3. TCO2 Testing:
 - A. Number of races to be tested, and number of horses entered in each race to be tested.
 - B. Plan for enhanced surveillance for trainers with high-test results.
 - C. Plan for detention stalls for repeat offenders.
 - D. Number of security personnel assigned to the TCO2 program.
- C. Describe the electronic security system.
 - 1. Location and number of video surveillance cameras for the detention stall and stable gate.

14. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:
 - 1. Attach a certification from the Ambulance Company(s) listed in 14A, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.

- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
1. Attach a certification from the Ambulance Company(s) listed in 14B, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
- C. Describe the on-track first aid facility, including equipment and medical staffing:
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
- E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:
- F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey:
- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to Business and Professions Code section 19481.3(d):
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
- I. Name of the workers' compensation insurance carrier for the fair and the number of the insurance policy (if self-insured, provide details):
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the fair for payment of workers' compensation.

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall pursuant to Business and Professions Code section 19481.3 maintain, staff, and supply an on-track first aid facility, that may be either permanent or mobile, and which shall be staffed and equipped as directed by the board. A qualified and licensed physician shall be on duty at all times during live racing, except that this provision shall not apply to any quarter horse racing at the racetrack if there is a hospital situated no more than 1.5 miles from the racetrack and the racetrack has an agreement with the hospital to provide emergency medical services to jockeys and riders. An ambulance licensed to operate on public highways provided by the track shall be available at all times during live racing and shall be staffed by two emergency medical technicians licensed in accordance with Division 2.5 (commencing with Section 1797) of the Health and Safety Code, one of whom may be an Emergency Medical Technician Paramedic, as defined in Section 1797.84 of the Health and Safety Code. (b) Each racing association and racing fair shall adopt and maintain an emergency medical plan detailing the procedures that shall be used in the event of an on-track injury. The plan shall be posted in each jockey room in English and Spanish. (c) Prior to every race meeting, the racing association or racing fair shall contact area hospitals to coordinate procedures for the rapid admittance and treatment of emergency injuries. (d) Each racing association or racing fair shall designate a health and safety manager and assistant manager, who shall be responsible for compliance with the provisions of this section and one of whom shall be on duty at all times when live racing is conducted. The health and safety manager may, at the discretion of the racing association, be the person designated to perform risk management duties on behalf of the association.

15. CONCESSIONAIRES AND SERVICE CONTRACTORS

- A. Names and addresses of all persons to whom a concession or service contract has been given, **other than those already identified**, and the goods and/or services to be provided by each:
- B. Does the fair plan to provide its own concessions? Yes No

16. ON- TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Attach a copy of the promotional and marketing plans for the race meeting:
- B. Promotional/ Marketing budget for this race meeting:
 Promotional/Marketing budget for prior race meeting:
- C. Number of hosts and hostesses employed for meeting:
- D. Describe facilities set aside for new fans:
- E. Describe any improvements to the physical facility in advance of the meeting that directly benefits:
 - 1. Horsemen
 - 2. Fans
 - 3. Facilities in the restricted areas

17. SCHEDULE OF CHARGES

- A. Proposed charges, note any changes from previous year:
 Admission (general)
 Admission (clubhouse)
 Reserved seating (general)
 Reserved seating (clubhouse)
 Parking (general)
 Parking (preferred)
 Parking (valet)
 Programs (on-track)
 (off-track)
- B. Describe any "Season Boxes" or other special accommodation fees:
- C. Describe any "package" plans such as combined parking, admission and program:

18. JOCKEYS' QUARTERS

- A. Check the applicable amenities available in the jockeys' quarters:

<input type="checkbox"/> Corners (lockers and cubicles)	How many	<input type="checkbox"/>
<input type="checkbox"/> Showers	<input type="checkbox"/> Steam room, sauna or steam cabinets	<input type="checkbox"/> Lounge area
<input type="checkbox"/> Masseur	<input type="checkbox"/> Food/beverage service	<input type="checkbox"/> Certified platform scale
- B. Describe the quarters to be used for female jockeys:

19. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by (name) _____ on (date)_____ .
- B. Number of rooms used for housing on the backstretch of the racetrack:
- C. Number of restrooms available on the backstretch of the racetrack:
- D. Estimated ratio of restrooms to the number of backstretch personnel:

20. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: feet.
- B. Describe the type of track surface at the facility, including the specific track surface composition:
- C. The percent of cross slope in the straight-aways is:
The percent of cross slope in the center of the turns is:
- D. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
- E. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:
- F. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.
- G. If the fair is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing.

21. DECLARATIONS

- A. All labor agreements, concession and service contracts, and other agreements necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state):
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
- C. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):

- D. Absent natural disasters or causes beyond the control of the fair, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the fair except as follows (if no exceptions, so state):

NOTICE TO APPLICANT: Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

22. CERTIFICATION BY APPLICANT

I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the fair to attest to this application on its behalf.

Print Name

Signature

Print Title

Date

CALIFORNIA AUTHORITY OF RACING FAIRS
Management Services and Contract Administration
for
Live Horse Racing Operations

Racing Operations

- CARF works with Racing Fairs on preparation, submission and presentation of CHRB License Applications
- Provides Racing Office computer system (all computer hardware/peripherals) and application software (Equibase) and manages service, technical support and transportation
- Provides and manages Paymaster services, including Paymaster (CARF employee) bank accounts, audits, payment of all purse moneys to owners and all other distributions of payment to various recipients
- Telecommunications: provision of voice, fax and data lines necessary to support racing, totalisator and simulcast operations
- Provides accounting, reconciliation and distribution of all parimutuel commissions, purse, license fees and other distributions
- Coordinates development and management of purse schedule through Fair Circuit in cooperation with Fair Racing Secretaries and Thoroughbred Owners of California
- Provides Supplemental Purse Fund management and accounting
- Provides marketing coordination through circuit
- Manages contracts for daily racing program production, printing and distribution
- Manages Condition Book production and distribution
- Manages contracts and logistics for provision of Jumbo Video Screen

CALIFORNIA AUTHORITY OF RACING FAIRS
Management Services and Contract Administration
for
Live Horse Racing Operations

Racing Operations (cont'd)

- Manages contract for Starting Gate
- Manages contract for Photo Finish
- Total Carbon Dioxide (TCO₂) testing
- Furnishes electronic timing system with operator
- Oversees TV Replay System for Officials
- Manages provision of Temporary stalls
- Coordinates provision of Mobile offices for racing operations
- Daily, on-site management and oversight of all operations above, along with management, coordination and disposition of other matters that may arise from time to time in the course of conducting racing at Fairs
- Active liaison, representation and advocacy with on-track Stewards and with senior CHRB officials
- Manages consolidated purses' program.

Contracts with Horsemen's Associations

- Negotiate contracts with horsemen's associations, as required by statute.
- Thoroughbred Owners of California
- Cal Western Appaloosa
- Pacific Coast Quarter Horse Association
- Arabian Racing Association of California
- Racing Mule Association
- California Thoroughbred Trainers

CALIFORNIA AUTHORITY OF RACING FAIRS
Management Services and Contract Administration
for
Live Horse Racing Operations

Labor Agreements

- Maintains membership in Federation of California Racing Associations to provide representation in racing industry employer group for labor union negotiations.
- Local 280 Pari-Mutuel Employees Guild
- Local 1877 (formerly Local 399) AFL-CIO Service Employees International Union Valets and rec. barn personnel
- Local 495 International Brotherhood of Teamsters, Chauffeurs, Warehousemen and helpers of America
- Note: Assist Starters now with Teamsters Local 495 but under separate agreement

Racetrack Safety and Maintenance Program

- CARF developed this program and provides management oversight throughout Fair circuit.
- Works with Division of Fairs and Expositions to maintain funding support
- Contracts with Steve Wood, Trackmaster, Inc., to provide expert consultation and oversight of Fair track maintenance
- Carries lease agreements for specialized tractors used for maintaining track surfaces
- Owns and provides custom-built water truck (2001 Sterling).
- Owns and provides rock-picker (added 2003).
-

CALIFORNIA AUTHORITY OF RACING FAIRS
Management Services and Contract Administration
for
Live Horse Racing Operations

Racetrack Safety and Maintenance Program (cont'd)

- Owns or provides harrows, floats, and other miscellaneous equipment required for track maintenance.
- Manages all planning, heavy equipment transportation and logistics
- Provides daily, on-site management, key personnel and oversight
- No direct cost to Racing Fairs.
- Administers Jockey Club Equine Industry Database for CARF member Fairs

Recruitment Program for Out-of-State Horses

- Organizes and conducts out-of-state recruitment of horses to run at Northern California Fairs
- Manage payment of incentives
- Track and report on results of Recruitment Program

Parimutuel Wagering Operations

- Maintains totalisator contract
- Parimutuel labor contract
- NOTWInc agreement for Northern California simulcast network
- You Bet.com Advanced Deposit Wagering
- TVG Advanced Deposit Wagering
- Xpress Bet Advanced Deposit Wagering
- TwinSpires Advanced Deposit Wagering
- Provides all accounting, reconciliation, banking for ADW wagering operations

CALIFORNIA AUTHORITY OF RACING FAIRS
Management Services and Contract Administration
for
Live Horse Racing Operations

Personnel

- Racing Secretary
- Track Safety and Maintenance Manager
- Morning Fitness Vet
- Veterinarian
- TCO2 Technician
- Track Maintenance Crew Chief
- Horse Ambulance Driver
- Clocker and Timer
- Paymaster
- Program Manager
- Track Announcer
- Stewards' Aide
- Jocks' Room

Web Site Operation

- Manages racing Website www.calfairs.net on behalf of Fairs which conduct live racing
- Contracts with information service providers
- Daily management and administration of racing information provided to racing fans on Website

CALIFORNIA AUTHORITY OF RACING FAIRS
Management Services and Contract Administration
for
Live Horse Racing Operations

Simulcast Operations

- Manages Satellite Transmission and Encryption Services
- Manages TV Production for simulcast coverage
- Manages telecommunications support: provision of voice, fax and data lines necessary to support simulcast operations
- Furnishes back up electrical generators
- Provides accounting, reconciliation, banking for simulcast operations
- NOTWInc contract for Northern California simulcast network
- Manages contracts for out-of-state simulcast sites and distribution of daily racing programs and other simulcast information
- Payment of commissions, purses, license fees and all other distributions from simulcast operations

CK - January 2011

Highlights 2010



Total Conventional & ADW Handle

\$131 million

Revenue Distributed by CARF

\$26.6 million

Total Commissions Paid to Fairs

\$6.3 million

Total Purses Paid to Horsemen

\$7.1 million



	Total	STK	PLN	SAC	SR	FER	FNO
Revenue							
Takeout & Other Revenue	26,648,201	1,624,911	7,169,081	3,744,028	7,744,874	2,065,581	4,299,726
Commissions							
Total Commissions	6,305,269	417,674	1,643,151	941,514	1,739,034	544,072	1,019,823
Purses							
Total Purses	7,110,991	342,652	2,050,906	887,503	2,195,755	508,184	1,125,992
Distributions							
F&E Fund 19614d/License Fees	237,966	13,649	64,265	28,561	66,749	17,559	47,183
F&E Recapture	29,680	1,803	7,725	4,593	7,921	2,593	5,044
CHRB Support	390,316	23,274	101,238	60,589	104,475	34,209	66,532
Commingle Guest O/S	5,717,452	316,345	1,519,216	727,763	1,870,029	308,986	975,113
Interstate Host	824,033	62,424	216,691	127,610	204,807	80,293	132,209
Location Fee	1,552,634	116,230	387,737	253,877	417,613	150,536	226,641
Promotion	248,775	17,069	62,759	40,276	68,504	23,220	36,946
City/County	242,244	15,980	62,517	36,555	66,361	21,408	39,421
Stabling/Vanning	746,325	51,209	188,278	120,829	205,511	69,661	110,837
Equine Lab	73,409	4,843	18,945	11,078	20,110	6,488	11,946
Owners	54,285	3,619	13,878	8,258	14,573	4,812	9,145
Breeders	511,746	36,219	133,155	79,177	138,745	43,765	80,685
Exchange Wagering Breeders	4,563	339	1,331	496	1,043	205	1,149
Other ADW Distributions	205,549	12,858	45,935	27,607	53,179	27,604	38,366

2012

January

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			

March

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

April

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

October

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

CALIFORNIA AUTHORITY OF RACING FAIRS

CARF RECRUITMENT PROGRAM 2011

RACING FAIR PROGRAM TO RECRUIT OUT-OF-STATE HORSE OWNERS
AND TRAINERS TO COMPETE IN CALIFORNIA



CHRISTOPHER KORBY, EXECUTIVE DIRECTOR
DECEMBER 2011

2011 OUT-OF-STATE RECRUITMENT PROGRAM

SUMMARY

GOALS AND OBJECTIVES

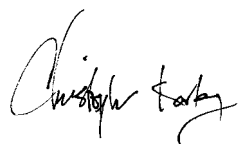
Since 2001, the California Authority of Racing Fairs (CARF) has conducted a program to actively recruit out-of-state owners, trainers and horses to compete on the Northern California Summer Racing Circuit. The goal of the program is simple: increase the field size for summer racing in Northern California. In order to accomplish this goal, CARF has set three objectives for the program: 1) inform and educate horsemen in other jurisdictions to the benefits of racing in California; 2) retain horsemen who have elected to compete in Northern California in previous years; and 3) offer financial incentives to assist horsemen with the cost of shipping horses to Northern California.

RECRUITMENT VISITS OUT-OF-STATE

Each spring CARF schedules a series of out-of-state recruitment visits in order to 1) personally meet one-on-one with horsemen in other jurisdictions; 2) explain the benefits of our program; and 3) invite them to compete in Northern California for the summer. In 2011, these visits included two trips to Arizona, a total of four days, with a reception at Turf Paradise and a three-day stay at Portland Meadows and Grant's Pass in Oregon, where we also sponsored a reception. Emerald Downs in Washington has also recently been targeted for recruitment. These visits allow CARF management to respond personally and directly to questions or concerns about such matters as workmen's compensation, backstretch labor inspections and purse structures. In addition to the receptions and the personal visits with horsemen, CARF distributes an extensive packet of information to educate and inform horsemen about current issues of interest in California. By word of mouth, information about the program has also reached horsemen in Iowa, Idaho, West Virginia, New Mexico, Utah and Washington.

RELOCATION FEES

In order to financially assist horsemen who choose to ship horses to our circuit, in 2011 CARF paid a \$300 Relocation Fee to the owner of any horse shipping into Northern California from over 600 miles for the horse's first start and \$150 for the horse's second start. A runner making its first start at Ferndale received \$150 for the first start and \$150 for the second start, as well as an additional \$150 for starting again Fresno. The Relocation Fee gives some extra meaning to our invitation to come to California. In some cases, the incentive may create the tipping point as an owner or trainer decides about shipping to our circuit. The Relocation Fee also creates a Paymaster record that allows us to accurately track the results of our program from year to year.



Christopher Korby
Executive Director



2011 THOROUGHBRED RECRUITMENT

Results of CARF Program to Increase Field Size

The Fair Out-of-State Recruitment Program, administered by the California Authority of Racing Fairs, pays \$300 to every horse that travels 600 or more miles to start on the Northern California Fair Circuit for its first start and an additional \$150 for its second start (\$450 total). A runner making its first start at Ferndale receives \$150 for each of two starts, with another \$150 available if the horse starts again at Fresno.

- **2011 Total Recruitment Costs - \$83,110.47**
 2011 Recruitment at Tracks - \$17,410.47
 2011 TB Relocation Fees Paid - \$56,700.00
 2011 Trainer Incentives - \$9,000.00
 Number of Horses Paid - 175
 Number of TB Starts - 328 (15% increase from 2010)
 Percentage of Total Horse Population - 11%

- **Number of Starts by Recruited TB Horses, by Fair:**

Stockton - 14
 Pleasanton - 28
 Sacramento - 36
 Santa Rosa - 66
 Ferndale - 105 (15% increase from 2010)
 Fresno - 79 (44% increase from 2010)

- **Number of TB Starts by State Recruited From:**

Oregon - 95
 Washington - 83 (315% increase from 2010)
 Arizona - 75
 Idaho - 47
 Canada - 9
 Minnesota - 7
 Nebraska - 7
 Utah - 4
 Florida - 1

- **Leading Trainers of Recruited Horses (by starts):**

Tim McCanna
 Nick Lowe
 Bob Beckner
 Miguel Silva
 Charles Essex
 Michael Talbot
 Gary Morris
 Paul Treasure

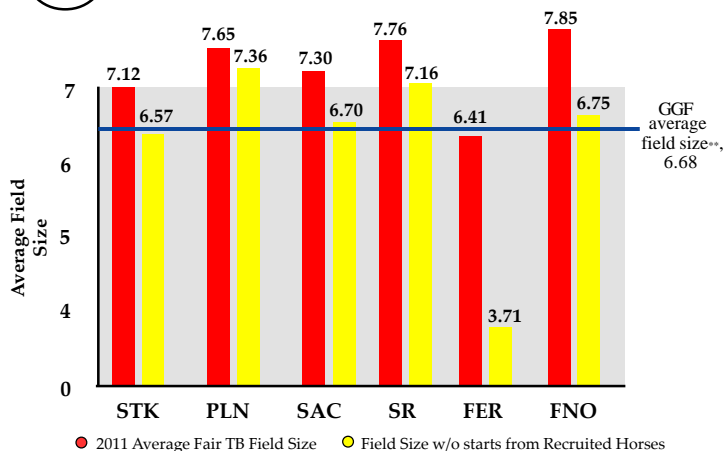
2011 Emerging Breed Relocation Fees - \$750

** During Period 12/26/2010-6/12/2011

*** Cost of Recruitment at Tracks and TB Relocation Fees divided by number of Thoroughbred Starts.

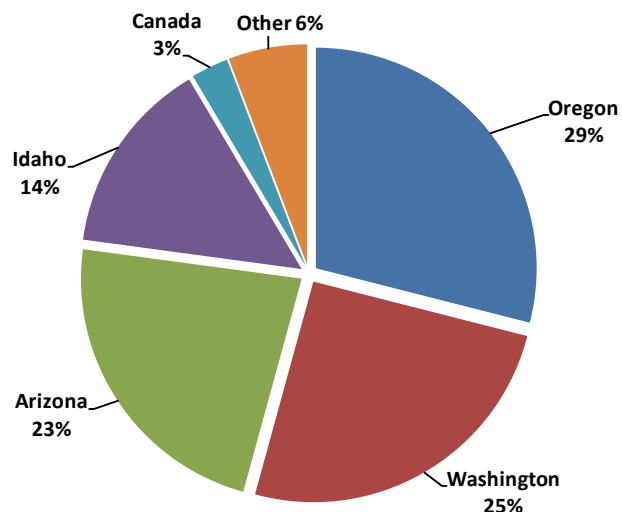
1

Impact of Recruited Horses on 2011 Average Field Size (TB)



2

Where did out-of-state horses come from?



3

What does the Fair Circuit pay on average for each start by an out-of-state horse?

\$253 per starter***

Increased field size is the single largest contributor to increasing ontrack and simulcast handle.

1. Statistics from CHRIMS Runners Report & CARF Out-of-State Starts.
 2. Statistics from CARF Paymaster Reports & CFSA Relocation Costs.

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Relocation Costs							
CRF	6/17/2011	30636	Relocation Costs	36832	Charles E Hiatt	300.00	C.C.'s Deelite
CRF	6/17/2011	30636	Relocation Costs	36832	Charles E Hiatt	300.00	Shy Serena
CRF	6/18/2011	30636	Relocation Costs	36832	Charles E Hiatt	300.00	Oh Me Oh My
CRF	6/19/2011	30636	Relocation Costs	36832	Charles E Hiatt	300.00	Chili Surprise
CRF	6/19/2011	30636	Relocation Costs	36832	Charles E Hiatt	300.00	Snow Glo
CRF	6/24/2011	30636	Relocation Costs	37549	Patrick Gleason	300.00	Fighting City Hall
CRF	6/24/2011	30636	Relocation Costs	37206	W. R. Whitehouse	300.00	Gummy Runner
CRF	6/24/2011	30636	Relocation Costs	37206	W. R. Whitehouse	300.00	Stormin Ahead
CRF	6/24/2011	30636	Relocation Costs	37206	W. R. Whitehouse	300.00	Warren's Allstar
CRF	6/24/2011	30636	Relocation Costs	38681	Michael Talbot	300.00	Yodeler Bert
CRF	6/24/2011	30636	Relocation Costs	38681	Michael Talbot	300.00	Brooklyn's Bay
CRF	6/24/2011	30636	Relocation Costs	38681	Michael Talbot	300.00	Littlemissgogo
CRF	6/29/2011	30636	Relocation Costs	37206	W. R. Whitehouse	300.00	Gonging Wild
CRF	6/29/2011	30636	Relocation Costs	38681	Michael Talbot	300.00	Hanna's Heaven
CRF	6/29/2011	30636	Relocation Costs	38681	Michael Talbot	300.00	Misskyleeann
CRF	6/30/2011	30636	Relocation Costs	38681	Michael Talbot	150.00	Littlemissgogo
CRF	6/30/2011	30636	Relocation Costs	37206	W. R. Whitehouse	150.00	Warren's Allstar
CRF	7/1/2011	30636	Relocation Costs	38763	Victor Bahna Jr	300.00	Rooster City
CRF	7/1/2011	30636	Relocation Costs	38435	Ray McCanna	300.00	Best Verse
CRF	7/1/2011	30636	Relocation Costs	38435	Ray McCanna	300.00	More Wine Mon
CRF	7/1/2011	30636	Relocation Costs	38646	Charles E. Fipke	300.00	Munning's Sister
CRF	7/2/2011	30636	Relocation Costs	38842	Lester Ellenz	300.00	Carr Creek
CRF	7/2/2011	30636	Relocation Costs	38681	Michael Talbot	300.00	Anakin
CRF	7/2/2011	30636	Relocation Costs	37206	W. R. Whitehouse	300.00	Watch Me Baby
CRF	7/2/2011	30636	Relocation Costs	36832	Charles E Hiatt	150.00	Snow Glo
CRF	7/2/2011	30636	Relocation Costs	38857	Bennie Webb	300.00	Tillman's Image
CRF	7/6/2011	30636	Relocation Costs	36832	Charles E Hiatt	150.00	Shy Serena
CRF	7/6/2011	30636	Relocation Costs	36832	Charles E Hiatt	150.00	Oh Me Oh My
CRF	7/6/2011	30636	Relocation Costs	37549	Patrick Gleason	150.00	Fighting City Hall
CRF	7/7/2011	30636	Relocation Costs	33305	Vann Belvoir	300.00	Mack's Gold Bullet
CRF	7/7/2011	30636	Relocation Costs	33305	Vann Belvoir	300.00	Carina Run
CRF	7/8/2011	30636	Relocation Costs	38681	Michael Talbot	150.00	Brooklyn's Bay
CRF	7/8/2011	30636	Relocation Costs	37176	Bret H. Layne	300.00	Tiz Again Roused
CRF	7/13/2011	30636	Relocation Costs	38763	Victor Bahna Jr	150.00	Rooster City
CRF	7/15/2011	30636	Relocation Costs	38681	Michael Talbot	150.00	Misskyleeann
CRF	7/15/2011	30636	Relocation Costs	38681	Michael Talbot	150.00	Hanna's Heaven
CRF	7/15/2011	30636	Relocation Costs	38960	Gary Morris	500.00	Out-Of-State Bonus
CRF	7/16/2011	30636	Relocation Costs	37148	Clarence G. Courtright	300.00	Youonlyliveonce
CRF	7/16/2011	30636	Relocation Costs	38857	Bennie Webb	300.00	You Want Me To Win
CRF	7/16/2011	30636	Relocation Costs	37206	W. R. Whitehouse	300.00	Rulloke
CRF	7/16/2011	30636	Relocation Costs	37206	W. R. Whitehouse	150.00	Stormin Ahead
CRF	7/16/2011	30636	Relocation Costs	33173	Seawind Stables LLC	300.00	I Told You Twice
CRF	7/17/2011	30636	Relocation Costs	38954	Quadrun Farms LLC	300.00	Way Too Much
CRF	7/17/2011	30636	Relocation Costs	38857	Bennie Webb	150.00	Tillman's Image
CRF	7/18/2011	30636	Relocation Costs	37206	W. R. Whitehouse	150.00	Gonging Wild
CRF	7/18/2011	30636	Relocation Costs	37148	Clarence G. Courtright	300.00	Corrie Song
CRF	7/18/2011	30636	Relocation Costs	12460	Jackie Payton	300.00	Apresentfromyoly
CRF	7/21/2011	30636	Relocation Costs	38960	Gary Morris	300.00	Fair Technology
CRF	7/21/2011	30636	Relocation Costs	38960	Gary Morris	300.00	Wild Fame
CRF	7/21/2011	30636	Relocation Costs	37206	W. R. Whitehouse	300.00	War Duty
CRF	7/22/2011	30636	Relocation Costs	38815	Robert or Vivian Berrett	300.00	Highdrum
CRF	7/22/2011	30636	Relocation Costs	38960	Gary Morris	300.00	Dodger
CRF	7/23/2011	30636	Relocation Costs	37176	Bret H. Layne	300.00	Gorgeous Goomah
CRF	7/23/2011	30636	Relocation Costs	37176	Bret H. Layne	150.00	Tiz Again Roused
CRF	7/23/2011	30636	Relocation Costs	38960	Gary Morris	300.00	Oeste Dos
CRF	7/23/2011	30636	Relocation Costs	38991	Miguel A. Silva	2,000.00	Relocation Bonus
CRF	7/23/2011	30636	Relocation Costs	38646	Charles E. Fipke	300.00	Craziest Soul
CRF	7/24/2011	30636	Relocation Costs	37436	Phil Oviedo	300.00	Goodydaytogoflyin
CRF	7/24/2011	30636	Relocation Costs	37436	Phil Oviedo	300.00	Heisman U
CRF	7/24/2011	30636	Relocation Costs	37436	Phil Oviedo	150.00	Heisman U

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CRF	7/24/2011	30636	Relocation Costs	37436	Phil Oviedo	300.00	Bubb Bye
CRF	7/25/2011	30636	Relocation Costs	37206	W. R. Whitehouse	300.00	Pisa Playboy
CRF	7/25/2011	30636	Relocation Costs	37206	W. R. Whitehouse	300.00	Whata Dream
CRF	7/25/2011	30636	Relocation Costs	33173	Seawind Stables LLC	150.00	I Told You Twice
CRF	7/25/2011	30636	Relocation Costs	37148	Clarence G. Courtright	150.00	Youonlyliveonce
CRF	7/25/2011	30636	Relocation Costs	37436	Phil Oviedo	150.00	Gooddaytogoflyin
CRF	7/28/2011	30636	Relocation Costs	38991	Miguel A. Silva	300.00	Mad About Fuzz
CRF	7/28/2011	30636	Relocation Costs	39012	Paul A. Treasure	500.00	Per Tom Doutrich
CRF	7/29/2011	30636	Relocation Costs	38842	Lester Ellenz	150.00	Carr Creek
CRF	7/29/2011	30636	Relocation Costs	37835	Suzanne Stader	300.00	Good Thoughts
CRF	7/29/2011	30636	Relocation Costs	38991	Miguel A. Silva	300.00	Summer Nights
CRF	7/29/2011	30636	Relocation Costs	38991	Miguel A. Silva	300.00	It's Partytime
CRF	7/29/2011	30636	Relocation Costs	38991	Miguel A. Silva	300.00	Jo's Finale
CRF	7/31/2011	30636	Relocation Costs	33173	Seawind Stables LLC	300.00	Karen's Road Star
CRF	7/31/2011	30636	Relocation Costs	39012	Paul A. Treasure	300.00	Paris In April
CRF	7/31/2011	30636	Relocation Costs	39012	Paul A. Treasure	300.00	Nowuchimnowudon't
CRF	8/1/2011	30636	Relocation Costs	38681	Michael Talbot	300.00	Ballet
CRF	8/1/2011	30636	Relocation Costs	39029	Jay H. Taylor	300.00	Guzzlingin
CRF	8/1/2011	30636	Relocation Costs	38815	Robert or Vivian Berrett	150.00	Highdrum
CRF	8/4/2011	30636	Relocation Costs	39035	Dionisio Cruz Reyes	300.00	Linovision
CRF	8/4/2011	30636	Relocation Costs	39012	Paul A. Treasure	300.00	Stand At Attention
CRF	8/4/2011	30636	Relocation Costs	39012	Paul A. Treasure	300.00	Key Attraction
CRF	8/4/2011	30636	Relocation Costs	39012	Paul A. Treasure	300.00	One Clever Chick
CRF	8/4/2011	30636	Relocation Costs	12460	Jackie Payton	300.00	Bail Out Mom
CRF	8/4/2011	30636	Relocation Costs	38681	Michael Talbot	300.00	Ilikewhoilike
CRF	8/4/2011	30636	Relocation Costs	38991	Miguel A. Silva	300.00	Rogue River
CRF	8/4/2011	30636	Relocation Costs	33173	Seawind Stables LLC	300.00	Dream Moment
CRF	8/4/2011	30636	Relocation Costs	12460	Jackie Payton	300.00	Journeyman
CRF	8/5/2011	30636	Relocation Costs	38991	Miguel A. Silva	300.00	Miss Baby Benton
CRF	8/5/2011	30636	Relocation Costs	37176	Bret H. Layne	300.00	Get Your Shinebox
CRF	8/6/2011	30636	Relocation Costs	29270	Rhonda B. Davis	300.00	Dennika
CRF	8/6/2011	30636	Relocation Costs	38991	Miguel A. Silva	300.00	Brother Jim
CRF	8/7/2011	30636	Relocation Costs	33305	Vann Belvoir	150.00	Carina Run
CRF	8/7/2011	30636	Relocation Costs	37206	W. R. Whitehouse	150.00	Pisa Playboy
CRF	8/7/2011	30636	Relocation Costs	39012	Paul A. Treasure	300.00	Rata Tat Kat
CRF	8/7/2011	30636	Relocation Costs	12460	Jackie Payton	150.00	Apresenfromyoly
CRF	8/10/2011	30636	Relocation Costs	38991	Miguel A. Silva	300.00	Moon Moment
CRF	8/10/2011	30636	Relocation Costs	38991	Miguel A. Silva	150.00	Mad About Fuzz
CRF	8/10/2011	30636	Relocation Costs	39012	Paul A. Treasure	300.00	Red Limo
CRF	8/11/2011	30636	Relocation Costs	37176	Bret H. Layne	150.00	Gorgeous Goomah
CRF	8/11/2011	30636	Relocation Costs	29270	Rhonda B. Davis	150.00	Dennika
CRF	8/12/2011	30636	Relocation Costs	30215	Kenneth E. McReynolds	150.00	Irish Era
CRF	8/12/2011	30636	Relocation Costs	37161	Jimmie E. Hill	150.00	Bold Reward
CRF	8/12/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Thai Cheau
CRF	8/12/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Angel Unaware
CRF	8/12/2011	30636	Relocation Costs	39029	Jay H. Taylor	150.00	Guzzlingin
CRF	8/12/2011	30636	Relocation Costs	38991	Miguel A. Silva	150.00	Summer Nights
CRF	8/12/2011	30636	Relocation Costs	38960	Gary Morris	150.00	Fair Technology
CRF	8/13/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Lightnin Lass
CRF	8/13/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Low Expectations
CRF	8/14/2011	30636	Relocation Costs	29270	Rhonda B. Davis	300.00	Mickey Mac
CRF	8/14/2011	30636	Relocation Costs	39012	Paul A. Treasure	150.00	Paris in April
CRF	8/14/2011	30636	Relocation Costs	39012	Paul A. Treasure	300.00	Mountain Yodler
CRF	8/14/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Sicy
CRF	8/14/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Beacon Rock
CRF	8/14/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Castle Pines
CRF	8/14/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Tijuana Tuesday
CRF	8/14/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	General Joe
CRF	8/14/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Raise Again
CRF	8/14/2011	30636	Relocation Costs	37161	Jimmie E. Hill	150.00	Feugo
CRF	8/14/2011	30636	Relocation Costs	37161	Jimmie E. Hill	150.00	Whiskeyandrye
CRF	8/14/2011	30636	Relocation Costs	37161	Jimmie E. Hill	150.00	Harbor Flight

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CRF	8/14/2011	30636	Relocation Costs	30215	Kenneth E. McReynolds	150.00	Chele
CRF	8/14/2011	30636	Relocation Costs	30215	Kenneth E. McReynolds	150.00	Oregon Dynasty
CRF	8/14/2011	30636	Relocation Costs	38532	Margie Cantrell	150.00	Clydeja
CRF	8/14/2011	30636	Relocation Costs	38532	Margie Cantrell	150.00	Miss Laurel Lu
CRF	8/14/2011	30636	Relocation Costs	38532	Margie Cantrell	150.00	Sherveil
CRF	8/14/2011	30636	Relocation Costs	37206	W. R. Whitehouse	150.00	Watch Me Baby
CRF	8/14/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Helalue
CRF	8/14/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Lee's Top Ferrier
CRF	8/14/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Exklemation EL
CRF	8/14/2011	30636	Relocation Costs	37148	Clarence G. Courtright	150.00	Corrie Song
CRF	8/14/2011	30636	Relocation Costs	31305	Nancy Klapatch (lessee)	300.00	Old Standard
CRF	8/14/2011	30636	Relocation Costs	37154	Ramon Pulido	150.00	High Silence
CRF	8/14/2011	30636	Relocation Costs	39092	Darlene Arma	150.00	Neri
CRF	8/15/2011	30636	Relocation Costs	38991	Miguel A. Silva	150.00	Brother Jim
CRF	8/15/2011	30636	Relocation Costs	38991	Miguel A. Silva	300.00	Steamy Story
CRF	8/15/2011	30636	Relocation Costs	38991	Miguel A. Silva	150.00	Jo's Finale
CRF	8/15/2011	30636	Relocation Costs	38991	Miguel A. Silva	150.00	Rogue River
CRF	8/15/2011	30636	Relocation Costs	39012	Paul A. Treasure	300.00	Grand Araza
CRF	8/15/2011	30636	Relocation Costs	30215	Kenneth E. McReynolds	150.00	Milans Sun
CRF	8/15/2011	30636	Relocation Costs	38532	Margie Cantrell	150.00	Run Rhodo Run
CRF	8/15/2011	30636	Relocation Costs	38532	Margie Cantrell	150.00	Akickatthekat
CRF	8/15/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Disturbingthepeace
CRF	8/15/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Charlesisnoprince
CRF	8/15/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Tychonic Choice
CRF	8/15/2011	30636	Relocation Costs	33173	Seawind Stables LLC	150.00	Tough Road
CRF	8/15/2011	30636	Relocation Costs	37161	Jimmie E. Hill	150.00	Mary's Major Angel
CRF	8/15/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Twisted Winsocks
CRF	8/15/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Danzgal
CRF	8/18/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Sandi's Speed Trap
CRF	8/18/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Mr. Benson
CRF	8/18/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	El Molo
CRF	8/18/2011	30636	Relocation Costs	38681	Michael Talbot	150.00	Ilikewholike
CRF	8/18/2011	30636	Relocation Costs	37835	Suzanne Stader	150.00	Good Thoughts
CRF	8/18/2011	30636	Relocation Costs	30406	Sondra Gabriel	150.00	Soft Defense
CRF	8/18/2011	30636	Relocation Costs	30215	Kenneth E. McReynolds	150.00	Deo Juvante
CRF	8/19/2011	30636	Relocation Costs	33683	Elisabeth Borg	150.00	RCF KANDAHAR
CRF	8/19/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Do No Evil
CRF	8/19/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Sicy
CRF	8/19/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Grant Marty Adream
CRF	8/19/2011	30636	Relocation Costs	30215	Kenneth E. McReynolds	150.00	Hanger Thirtyeight
CRF	8/19/2011	30636	Relocation Costs	38513	Nick Lowe	1,500.00	Per L. Swartzlander
CRF	8/19/2011	30636	Relocation Costs	38512	Bob Beckner	1,000.00	Per L. Swartzlander
CRF	8/19/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Lee's Top Ferrier
CRF	8/19/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Castle Pine
CRF	8/19/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Mamoonya
CRF	8/19/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Delaware Doe
CRF	8/19/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Change Your Mask
CRF	8/19/2011	30636	Relocation Costs	37154	Ramon Pulido	150.00	High Silence
CRF	8/19/2011	30636	Relocation Costs	37161	Jimmie E. Hill	150.00	Bold Reward
CRF	8/19/2011	30636	Relocation Costs	30215	Kenneth E. McReynolds	150.00	Oregon Dynasty
CRF	8/19/2011	30636	Relocation Costs	38532	Margie Cantrell	150.00	Clydeja
CRF	8/20/2011	30636	Relocation Costs	31729	Elisabeth Borg (lessee)	150.00	Farazdan
CRF	8/20/2011	30636	Relocation Costs	38532	Margie Cantrell	150.00	Chocolate Starr
CRF	8/20/2011	30636	Relocation Costs	37161	Jimmie E. Hill	150.00	Fuego
CRF	8/20/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Helalue
CRF	8/20/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Lightnin Lass
CRF	8/20/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Low Expectations
CRF	8/20/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Twisted Winsocks
CRF	8/20/2011	30636	Relocation Costs	38532	Margie Cantrell	150.00	Run Rhodo Run
CRF	8/20/2011	30636	Relocation Costs	38532	Margie Cantrell	150.00	Miss Laurel Lu
CRF	8/20/2011	30636	Relocation Costs	37161	Jimmie E. Hill	150.00	Harbor Flight
CRF	8/20/2011	30636	Relocation Costs	37176	Bret H. Layne	150.00	Get Your Shinebox

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CRF	8/20/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Angel Unaware
CRF	8/20/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Anni's Jackpot
CRF	8/20/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Thai Cheau
CRF	8/20/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	General Joe
CRF	8/20/2011	30636	Relocation Costs	39092	Darlene Arma	150.00	Neri
CRF	8/20/2011	30636	Relocation Costs	38960	Gary Morris	150.00	My Buddy Holly
CRF	8/20/2011	30636	Relocation Costs	38960	Gary Morris	150.00	Wild Fame
CRF	8/20/2011	30636	Relocation Costs	37196	Helen Shelley	150.00	Madraar Miss
CRF	8/21/2011	30636	Relocation Costs	37206	W. R. Whitehouse	150.00	Warduty
CRF	8/21/2011	30636	Relocation Costs	37196	Helen Shelley	150.00	Huva
CRF	8/21/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Atta Lora
CRF	8/21/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Disturbingthepeace
CRF	8/21/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Swiss Exploit
CRF	8/21/2011	30636	Relocation Costs	38513	Nick Lowe	150.00	Overtime Victory
CRF	8/21/2011	30636	Relocation Costs	38532	Margie Cantrell	150.00	Early Habit
CRF	8/21/2011	30636	Relocation Costs	38532	Margie Cantrell	150.00	Sher Veil
CRF	8/21/2011	30636	Relocation Costs	38532	Margie Cantrell	150.00	Akickatthecat
CRF	8/21/2011	30636	Relocation Costs	37161	Jimmie E. Hill	150.00	Whiskeyandrye
CRF	8/21/2011	30636	Relocation Costs	38960	Gary Morris	150.00	Dodger
CRF	8/21/2011	30636	Relocation Costs	38960	Gary Morris	150.00	Prancin' N Dancin'
CRF	8/21/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Oh Wilson
CRF	8/21/2011	30636	Relocation Costs	31305	Nancy Klapatch (lessee)	150.00	Old Standard
CRF	9/20/2011	30636	Relocation Costs	37860	David E. Thomas	300.00	Tiznearlymyreality
CRF	9/20/2011	30636	Relocation Costs	37860	David E. Thomas	150.00	Tiznearlymyreality
CRF	9/20/2011	30636	Relocation Costs	37860	David E. Thomas	300.00	Deputy J Dub
CRF	9/30/2011	30636	Relocation Costs	38992	Ryan Kenney	1,500.00	Relocation Bonus
CRF	10/6/2011	30636	Relocation Costs	38512	Bob Beckner	1,500.00	Relocation Bonus
CRF	10/7/2011	30636	Relocation Costs	37176	Bret H. Layne	300.00	Chele
CRF	10/7/2011	30636	Relocation Costs	38512	Bob Beckner	300.00	Dawn's Wild One
CRF	10/7/2011	30636	Relocation Costs	38512	Bob Beckner	300.00	Ashley's Fire
CRF	10/7/2011	30636	Relocation Costs	31655	Tim McCanna	500.00	Relocation Bonus
CRF	10/7/2011	30636	Relocation Costs	33173	Seawind Stables LLC	300.00	Red Hot Jimmie
CRF	10/7/2011	30636	Relocation Costs	38512	Bob Beckner	300.00	Exklemation EL
CRF	10/7/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Twisted Windssocks
CRF	10/7/2011	30636	Relocation Costs	38512	Bob Beckner	300.00	Baby Face Cop
CRF	10/7/2011	30636	Relocation Costs	38992	Ryan Kenney	300.00	Greta Mae's Boy
CRF	10/7/2011	30636	Relocation Costs	38512	Bob Beckner	300.00	A.J.'s Lil Amigo
CRF	10/8/2011	30636	Relocation Costs	29878	Paul Schiewe	300.00	Major Madagan
CRF	10/8/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Lightnin Lass
CRF	10/8/2011	30636	Relocation Costs	38512	Bob Beckner	300.00	Sandi's Speed Trap
CRF	10/8/2011	30636	Relocation Costs	38512	Bob Beckner	300.00	Postess
CRF	10/8/2011	30636	Relocation Costs	29270	Rhonda B. Davis	300.00	Smokin Dixi
CRF	10/8/2011	30636	Relocation Costs	38646	Charles E. Fipke	300.00	Perfect Gleam
CRF	10/8/2011	30636	Relocation Costs	39137	Roy Lumm	300.00	Valanjou
CRF	10/8/2011	30636	Relocation Costs	37326	Denise Gero	300.00	Littleman John
CRF	10/9/2011	30636	Relocation Costs	29878	Paul Schiewe	150.00	Major Madagan
CRF	10/9/2011	30636	Relocation Costs	39137	Roy Lumm	300.00	Nina Win
CRF	10/9/2011	30636	Relocation Costs	39152	Tim McCanna or Kevin & Joann Sather	300.00	Siberian Cocktail
CRF	10/10/2011	30636	Relocation Costs	32287	Robert W. Tobler	300.00	Our Classic Trip
CRF	10/10/2011	30636	Relocation Costs	32287	Robert W. Tobler	300.00	Thundering Suances
CRF	10/10/2011	30636	Relocation Costs	32287	Robert W. Tobler	300.00	Own It
CRF	10/12/2011	30636	Relocation Costs	37196	Helen Shelley	300.00	Chandika
CRF	10/12/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Helalue
CRF	10/12/2011	30636	Relocation Costs	38512	Bob Beckner	300.00	Danzgal
CRF	10/12/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Low Expectations
CRF	10/12/2011	30636	Relocation Costs	39137	Roy Lumm	300.00	Touch of Elegance
CRF	10/12/2011	30636	Relocation Costs	38992	Ryan Kenney	300.00	Sassy Britches
CRF	10/12/2011	30636	Relocation Costs	38992	Ryan Kenney	300.00	Sky Tribute
CRF	10/12/2011	30636	Relocation Costs	39145	Charles Essex	300.00	Akina
CRF	10/12/2011	30636	Relocation Costs	39145	Charles Essex	300.00	Boundtogetbusy
CRF	10/12/2011	30636	Relocation Costs	39180	Al Hodge (lessee)	300.00	Soul Digger

Transaction Type Report
For Types: RE
From 01/01/2011 To 12/31/2011

Nov 28, 2011 04:44 PM

CARF Emerging Breeds

Facilities: CARF_EB

Page 5 of 5

Fac.	Date	From	Account Name	To	Account Name	Amount	Memo
CRF	10/12/2011	30636	Relocation Costs	32287	Robert W. Tobler	300.00	High Class Cat
CRF	10/14/2011	30636	Relocation Costs	38763	Victor Bahna Jr	300.00	Murray the Cop
CRF	10/14/2011	30636	Relocation Costs	39189	Jethorse LLC	300.00	Princess Annabella
CRF	10/14/2011	30636	Relocation Costs	39190	Warlock Stable	300.00	Wild Chica
CRF	10/14/2011	30636	Relocation Costs	39145	Charles Essex	300.00	Foolish Tom Cat
CRF	10/14/2011	30636	Relocation Costs	38512	Bob Beckner	300.00	Twobit'n Billie
CRF	10/14/2011	30636	Relocation Costs	37178	Mike Lenzini	300.00	Just For Jami
CRF	10/14/2011	30636	Relocation Costs	37178	Mike Lenzini	150.00	Just For Jami
CRF	10/15/2011	30636	Relocation Costs	37760	Luigi Di Pietro	300.00	Hayjax
CRF	10/15/2011	30636	Relocation Costs	39145	Charles Essex	300.00	I'm a Dream Maker
CRF	10/15/2011	30636	Relocation Costs	38646	Charles E. Fipke	150.00	Perfect Gleam
CRF	10/15/2011	30636	Relocation Costs	39145	Charles Essex	300.00	Snowbound Marquita
CRF	10/15/2011	30636	Relocation Costs	39145	Charles Essex	300.00	Land Rocket
CRF	10/15/2011	30636	Relocation Costs	39145	Charles Essex	300.00	Alli's Golden Girl
CRF	10/15/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Dawn's Wild One
CRF	10/15/2011	30636	Relocation Costs	33173	Seawind Stables LLC	300.00	You Know We Know
CRF	10/15/2011	30636	Relocation Costs	33173	Seawind Stables LLC	150.00	Red Hot Jimmie
CRF	10/15/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Ashley's Fire
CRF	10/16/2011	30636	Relocation Costs	39132	Horseplayers Racing Club & Scott McKenzie	300.00	Holy Mama
CRF	10/18/2011	30636	Relocation Costs	37196	Helen Shelley	150.00	Chandika
CRF	10/18/2011	30636	Relocation Costs	38512	Bob Beckner	150.00	Postess
CRF	10/18/2011	30636	Relocation Costs	39145	Charles Essex	300.00	Edaciously
CRF	10/18/2011	30636	Relocation Costs	38992	Ryan Kenney	300.00	Lady Roulette
						66,450.00	
Grand Total						66,450.00	

2010 THOROUGHBRED RECRUITMENT

Results of CARF Program to Increase Field Size

The Fair Out-of-State Recruitment Program, administered by the California Authority of Racing Fairs, pays \$300 to every horse that travels 600 or more miles to start on the Northern California Fair Circuit for its first start and an additional \$150 for its second start (\$450 total). A runner making its first start at Ferndale receives \$150 for each of two starts, with another \$150 available if the horse starts again at Fresno.

- **2010 Total Recruitment Costs - \$86,808.40***
 2010 Recruitment at Tracks - \$31,108.40
 2010 TB Relocation Fees Paid - \$45,150.00
 2010 Trainer Incentives - \$5,300.00
 Number of Horses Paid - 143
 Number of Starts - 331
 Number of TB Starts - 286
 Percentage of Total Horse Population - 9%

- **Number of Starts by Recruited TB Horses, by Fair:**
 Stockton - 19
 Pleasanton - 35
 Sacramento - 34
 Santa Rosa - 52
 Ferndale - 91
 Fresno - 55

- **Number of TB Starts by State Recruited From:**
 Arizona - 115
 Oregon - 73
 Idaho - 38
 Washington - 20
 Utah - 15
 New Mexico - 11
 Nevada - 4
 Delaware - 4
 Other - 5

- **Leading Trainers of Recruited Horses (by starts):**
 Tim McCanna
 Bob Beckner
 W.R. Whitehouse
 Brenda Estes
 Nick Lowe
 Phil Oviedo

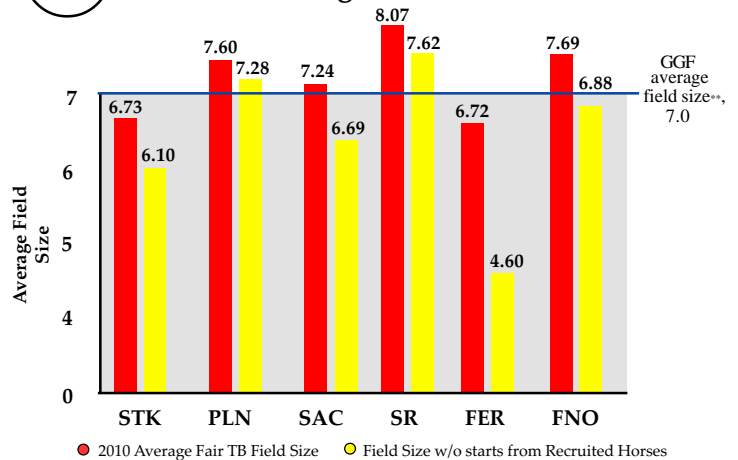
* Emerging Breed Relocation Fees - \$5,250, Does not Include CMC Reimbursement - \$20,000

** During Period 1/1/10-6/20/10

*** Cost of Recruitment at Tracks and TB Relocation Fees divided by number of Thoroughbred Starts.

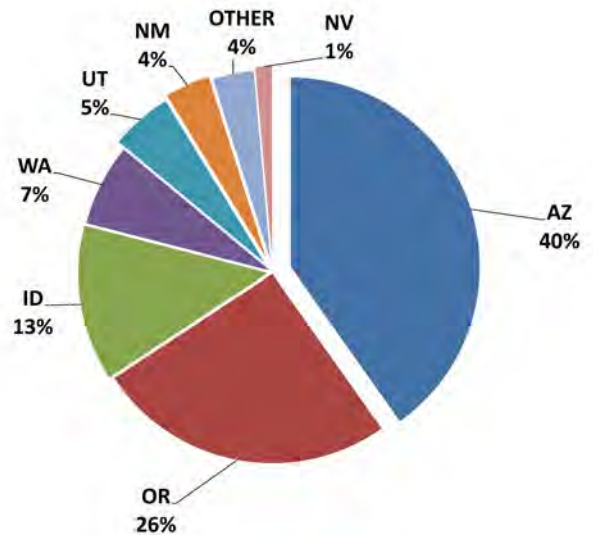
1

Impact of Recruited Horses on 2010 Average Field Size (TB)



2

Where did out-of-state horses come from?



3

What does the Fair Circuit pay on average for each start by an out-of-state horse?

\$266 per starter***

Increased field size is the single largest contributor to increasing ontrack and simulcast handle.

1. Statistics from CHRIMS Runners Report & CARF Out-of-State Starts.
2. Statistics from CARF Paymaster Reports & CFSA Relocation Costs.

2009 THOROUGHBRED RECRUITMENT

Results of CARF Program to Increase Field Size

The Fair Out-of-State Recruitment Program, administered by the California Authority of Racing Fairs, pays \$300 to every horse that travels 600 or more miles to start on the Northern California Fair Circuit for its first start and an additional \$150 for its second start (\$450 total). A runner making its first start at Ferndale receives \$150, with another \$300 available if the horse starts again at another Fair facility.

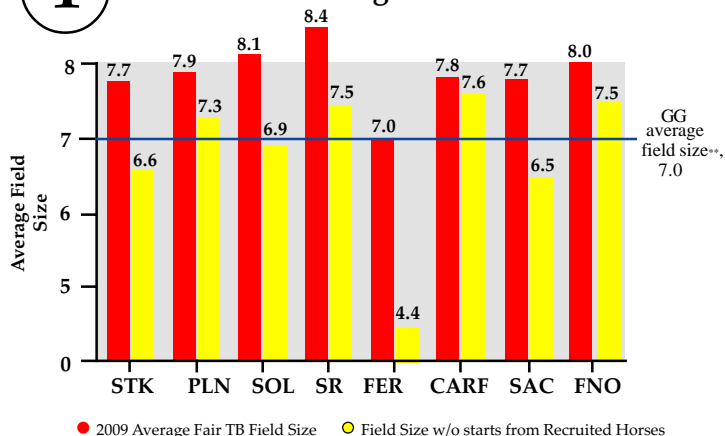
- **2009 Total Recruitment Costs - \$104,776.04***
 2009 Recruitment at Tracks - \$22,176.04
 2009 TB Relocation Fees Paid - \$73,600.00
 2009 Trainer Incentives - \$4,500
 Number of Horses Paid - 217
 Number of Starts - 588
 Percentage of Total Horse Population - 13%
- **Number of Starts by Recruited Horses, by Fair:**
 Stockton - 81
 Pleasanton - 82
 Vallejo - 51
 Santa Rosa - 74
 Ferndale - 111
 CARF at GGF - 43
 Sacramento - 104
 Fresno - 42
- **Number of Starts by State Recruited From:**
 Arizona - 243
 Idaho - 94
 Oregon - 89
 West Virginia - 42
 Washington - 27
 California (Fairplex) - 23
 New Mexico - 21
 Nevada - 12
 Other - 60
- **Leading Trainers of Recruited Horses (by starts):**
 Don Roberson
 Keith Bennett
 Justin Treasure
 Kelly Bainum
 Jason Homer
 W.R. Whitehouse
 Charles Hiatt

* Emerging Breed Relocation Fees - \$4,500, Does not Include CMC Reimbursement - \$25,000

** During Period 1/1/09-6/18/09

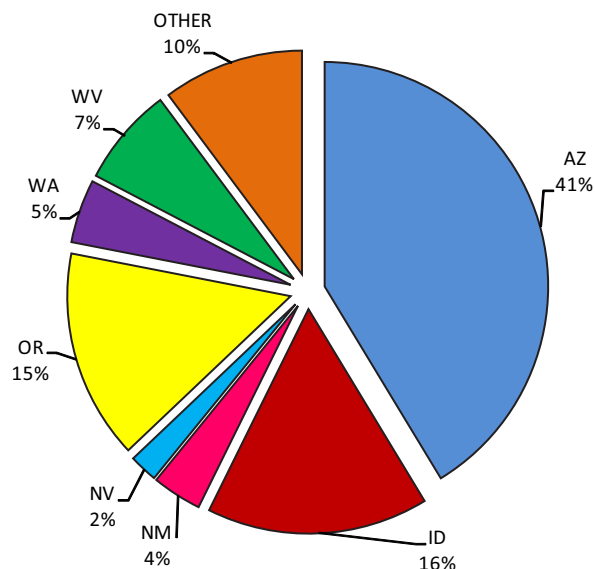
1

Impact of Recruited Horses on 2009 Average Field Size



2

Where did out-of-state horses come from?



3

What does the Fair Circuit pay on average for each start by an out-of-state horse?

\$178 per starter

Increased field size is the single largest contributor to increasing ontrack and simulcast handle.

1. Statistics from CHRIMS Runners Report & CARF Out-of-State Starts.
2. Statistics from CARF Paymaster Reports & CFSA Relocation Costs.

2007 THOROUGHBRED RECRUITMENT

Results of CARF Program to Increase Field Size

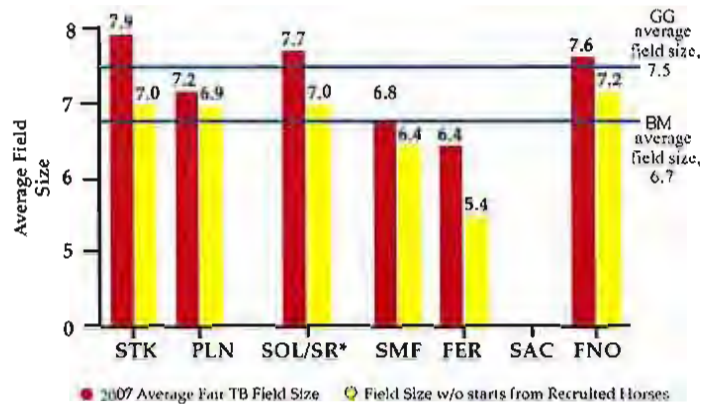
The Fair Out-of-State Recruitment Program, administered by the California Authority of Racing Fairs, pays \$300 to every horse that travels 600 or more miles to start on the Northern California Fair Circuit. A runner making its first start at Ferndale receives \$150, with another \$150 available if the horse starts again at Fresno.

- **2007 Total Recruitment Costs - \$59,585**
2007 TB Relocation Fees Paid - \$43,200
Number of Horses Paid - 154 (-15%)
Number of Starts - 409 (-9%)
- **Number of Starts by Recruited Horses, by Fair:**
Stockton - 62
Pleasanton - 28
Vallejo - 33*
Santa Rosa - 118*
San Mateo - 24
Ferndale - 97
Sacramento - Harness Meet Conducted (2005-2007)
Fresno - 47
- **Number of Starts by State Recruited From:**
Arizona - 195 (+43%)
Oregon - 130 (-12%)
Idaho - 48 (-8%)
Utah - 16 (-75%)
Washington - 9 (+50%)
New Mexico - 7 (-77%)
Other - 4
- **Leading Trainers of Recruited Horses (by starts):**
Haverty, K. - 46
Espinoza, L. - 34
Brinkerhoff, D. - 30
Bennett, K. - 31
Bainum, T. - 27
Whitehouse, W.R. - 25
Delima, C. - 23
Costa, F. - 19
Treasure, J. - 19
Morgan, D. - 16

* In 2007, the Solano County Fair and the Sonoma County Fair ran a combined Solano Sonoma Wine Country Race Meet with 18 days run at Santa Rosa and 5 days run at Vallejo.

1

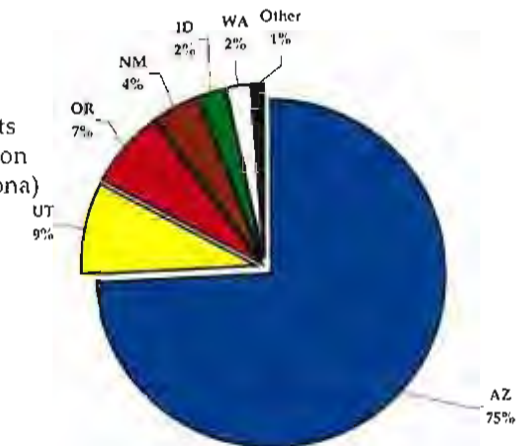
2007 Average Fair Field Size w/o Recruited Horses



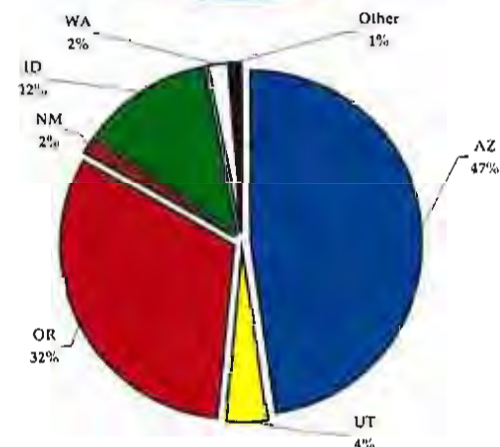
2

Where did out-of-state horses come from in 2007? How has the program expanded since 2004?

In 2004, CARF recruitment efforts were 75% reliant on one region (Arizona) for its horse supply.



In 2007, the number of starts by out-of-state horses has diversified significantly due to expanded recruitment efforts.



1. Statistics from CHRIMS Runners Report & CARF Out-of-State Starts.
2. Statistics from CARF Paymaster Reports & CFSA Relocation Costs.

2005 THOROUGHBRED RECRUITMENT

Results of CARF Program to Increase Field Size

The Fair Out-of-State Recruitment Program, administered by the California Authority of Racing Fairs, pays \$200 to every horse that travels 600 or more miles to start on the Northern California Fair Circuit. The popularity continues to grow with participation increasing every year since its inception.

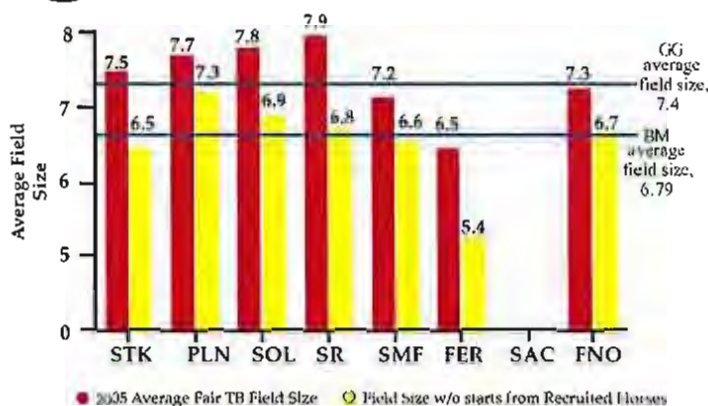
- **2005 Total Recruitment Costs - \$43,048.59**
2005 Relocation Fees Paid - \$31,400
Number of Horses Paid - 157 (+17%)
Number of Starts - 445 (-1%)*12 Lower Race Days
- **Number of Starts by Recruited Horses, by Fair:**
Stockton - 79 (-10%)
Pleasanton - 36 (+64%)
Vallejo - 86 (-7%)
Santa Rosa - 106 (+46%)
San Mateo - 53 (+74%)
Ferndale - 48 (+71%)
Sacramento - Harness Meet Conducted in 2005
Fresno - 37 (+6%)
- **Number of Starts by State Recruited From:**
Arizona - 241 (-28%)
Oregon - 81 (+145%)
Utah - 39 (+13%)
Idaho - 36 (+227%)
Iowa - 22 (+210%)
Washington - 12 (+20%)
Other - 13 (NM, CAN, WY, KY, TX)
- **Leading Trainers of Recruited Horses (by starts):**
Lenzini, M. (AZ) - 113 (+8%)
Bainum, T. (AZ) - 49 (+100%)
DeLima, C. (IA) - 28 (+100%)
James, G. (UT) - 26 (+18%)
Truitt, P. (OR) - 23 (+130%)
Hanford, P. (AZ) - 19 (+25%)
Courtright, C. (OR) - 19 (+100%)
White, R. (OR) - 17 (-32%)

Trainers that participated in the program in 2004, but did not start a significant amount of out-of-state horses in 2005 include:

Dennis Hopkins (54 from AZ in 2004), Van Belvoir (22 from AZ in 2004), Lanny Sharp (16 from NM in 2004), Stan Wasson (33 from AZ in 2004) and Jim Weaver (13 from AZ).

1

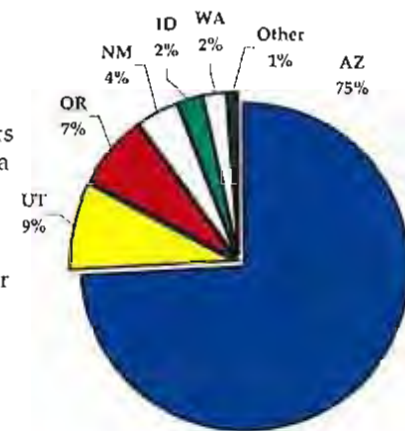
2005 Average Fair Field Size w/o Recruited Horses



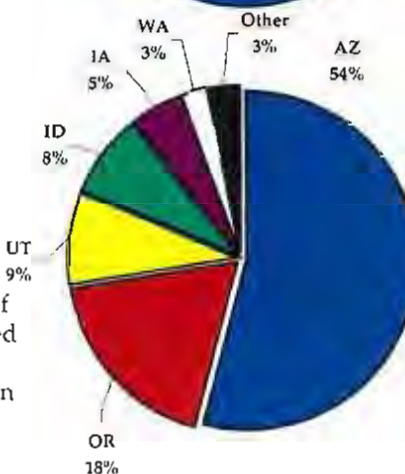
2

Where did out-of-state horses come from in 2004? Did the trend continue in 2005?

In 2004, recruiting efforts were focused on Arizona horsemen. As a result, horses from Arizona made up 75% of all out-of-state starts on the Fair Circuit.



In 2005, CARF recruitment efforts expanded to Oregon. The resulting increase of Oregon horsemen helped the Fairs become less dependent on one region for its horse supply. (Arizona).



1. Statistics from CHRIMS Runners Report & CARF Out-of-State Starts.
2. Statistics from CARF Paymaster Reports & CFSA Relocation Costs.