

PUBLIC

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
MATTER NO.**

IN THE MATTER OF:
JOSE CORRALES, APPELLANT

CASE NO. JAMS EAD 1501001254

APPLICATION FOR STAY

Pursuant to 15 U.S.C. §3051 et seq. and 16 CFR 1.148, Appellant Jose Corrales applies for a stay of the final civil sanction imposed in JAMS Case No. 1501001254. A stay is warranted by the factors set forth in 16 CFR 1.148(d).

1. Likelihood of Appellant's success on de novo review.

Appellant has a high likelihood of success. The Arbitrator erred when he ruled Appellee had established a proper chain of custody. The Authority presented the sample shipping label with a shipping dated over one month prior to the race in question. There was substantial evidence presented that many other individuals had access to the horse and barn at all relevant times. Appellant has raised a meritorious defense that Mr. Corrales met his burden under rules 3224 and 3225.

There is evidence that the alleged prohibited substance was found in race horses that had been provided a Vitamin B Supplement such as the one used by the Appellant. See Application for review, Paragraph C.

Appellant has raised issues regarding the application of Seventh, Eighth and Fourteenth amendments to HISA, including its constitutionality, the right to a jury trial and procedural and substantive due process issues as set forth on his application for review which remain in large

part undecided by the courts. Should HISA ultimately be found unlawful, the harm to Mr. Corrales can never be undone.

2. Whether Appellant will suffer irreparable harm.

Mr. Corrales has suffered financially, professionally and emotionally already having to deal with this potentially career ending sanction. Mr. Corrales is 66 years of age. He has been involved in horse racing since he was 14 years of age. He attended Jockey School in Panama in 1974. He began his career as a jockey in 1976. He began his career as a trainer in 1991. He returned to riding between 1993 through 1999. He has exclusively trained since 1999. He has ridden and trained worldwide and throughout the United States. Mr. Corrales has 43 horses in training. He owns or has an interest in over one-half of those horses. Mr. Corrales employs his wife as stable foreman along with 12 other people that work with or for him.

Mr. Corrales has no record of being involved in matters such as the instant charge.

Mr. Corrales trains many Maryland sired and Maryland bred horses. On October 24, 2026, the Maryland Million is scheduled to take place at Laurel Park. That is a day showcasing Maryland bred and Maryland sired horses. It is the biggest day of the year for Maryland trainers, and owners. Mr. Corrales is targeting that day for himself and owners of horses for races with purses totaling over a million dollars. Missing that day will not just be disastrous for Mr. Corrales but for the owners of the horses targeting those races. Finding a trainer willing to take another trainer's horses in a short period of time will be difficult if not impossible.

Specific to the HISA, a federal district court stayed the Rules due to a threat of irreparable harm. Nat'l Horsemen's Benevolent & Protective Ass'n v. Black, No. 5:21-CV-071-H, 2023 WL 2753978, at 6 (N.D. Tex. Mar. 31, 2023). In Louisiana v. Horseracing Integrity & Safety Auth. Inc., the court enjoined the HISA Rules promulgated under the original version of HISA's enabling statute, determining that those Rules would have resulted in irreparable harm. 617 F. Supp. 3d 478, 500 (W.D. La. 2022). Both Black and Louisiana support a finding of irreparable

harm, particularly considering the continued constitutional challenge against HISA (in Black).

In short while the Appellant may have already suffered reputational harm through the publication of the decision, “a stay of the remaining sanctions may mitigate and against further irreparable harm” See In the Matter of W. Bret Calhoun, Docket 9430.

Unlike the Matter of Jonathan Wong, Docket 9426, where an application for a stay was denied, Mr. Corrales can point to a number of important races where he will be precluded from participating during the pendency of the appeal. The court in the Wong matter specifically recognized that abstention from races of a unique nature may constitute irreparable harm.

Mr. Corrales has a minimum of eight horses set to run on the October 24, 2026 Maryland Million day card in races that each carry a minimum purse of \$100,000.00. Four of those horses are owned entirely by Corrales Racing, LLC, which is owned entirely by Mr. Corrales. Of the four other horses Mr. Corrales trains, two are owned in part by Corrales Racing, LLC.

3. Degree of injury to other parties or third parties.

No purse earnings are distributed until the appeal process is concluded. See Calhoun. Additionally the horses set to run on the Maryland Million day card are not only owned by Mr. Corrales’s entity, but are in whole or in part owned by others who will be injured should a stay not be entered. It would be difficult if not impossible to find other trainers to train and enter horses in less than a seventeen day period.

There is no risk of injury to HIWU or third parties if a stay is granted. HIWU has no interest in continued enforcement of consequences that are the result of error and cannot withstand denovo review. Even if harm could result, the risk of harm is low and outweighed by Appellant's likely success on the merits and irreparable injury. See In the Matter of Derrick Parram Appellant, Dkt. No. D-9424, where the court granted the stay where the Authority did not oppose the stay.

4. Whether a stay is in the public interest.

A stay is in the public interest. "The public interest is served by ensuring that governmental bodies comply with the law ..." Am. Signature, Inc. v. United States, 598 F.3d 816,830 (Fed. Cir. 2010) (applying the injunctive relief factors in the context of an agency's application of administrative rules); see California v. Azar, 911 F.3d 558, 581 (9th Cir. 2018) (affirming injunctive relief) ("The public interest is served by compliance with [administrative rules and procedures]."). Allowing the consequences to remain in effect when they arise from the improper application of agency rules compromises the public interest.

A stay will permit a full review of the instant case prior to the enforcement of sanctions. See Calhoun. No provisional suspension of Mr. Corrales was sought by the Authority.

CONCLUSION

The harm done to Mr. Corrales, given his station in life should a stay not be imposed can not be understated. There should be no rush to judgment.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY, that on October 7, 2026, a copy of the above was emailed to the following attorney:

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