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CHRB NEWS RELEASE

NOVEMBER 5, 2004

**SHAPIRO A STRONG NEW VOICE ON RACING COMMISSION**

CALABASAS, CA – When Richard Shapiro was 10 years old, he went to the racetrack with his grandparents and watched their homebred Native Diver win three consecutive Hollywood Gold Cups on his way to becoming one of the most popular horses ever to race in California.

“Every time Native Diver ran, there were 60,000 people in the stands,” Shapiro recalled. “He was one of the stars who made horse racing exciting. It was fun to go to the racetrack – great for us, a treat for fans and their families, enjoyable for everyone.”

Shapiro, now 51 years old and renewing his focus on California horse racing, wonders where have all the people gone? Where are the Native Divers of today? And how can he help restore racing to its former prominence, so that others can experience the magical moments that he once enjoyed?

Fortunately, he is in a position to help bring about change following his appointment by Governor Arnold Schwarzenegger last month to the California Horse Racing Board. Subject to Senate confirmation, Shapiro’s term runs through July 26, 2008.

Shapiro wasted no time making his presence felt. Attending his first CHRB meeting October 14, just one day after his appointment, he demonstrated extensive knowledge of the horse-racing industry as he actively participated in the discussion of important issues. He placed demands on racing executives and the CHRB staff by asking pointed questions and not accepting incomplete answers. And when it came time to vote, he did not shy away from taking tough stands.

It was an auspicious beginning for a newly appointed racing commissioner, a clear indication that he intends to be a strong regulator who places the public interest first, and in his mind that means improving the health of the industry, generating more revenue for the state and participants, and taking meaningful steps to improve security and restore the confidence of bettors in the integrity of the sport.

Since that first Board meeting, Shapiro has been engaged in a comprehensive fact-finding mission to quickly bring himself up to speed on critical issues ranging from stable area security to drug testing to off-shore wagering laws – meeting with CHRB staff members, holding one-on-one telephone conversations with other commissioners, and exchanging e-mails with industry representatives.

Seated in his office at Winco Asset Management, a Calabasas-based real estate development and asset management company that he formed in 1996, Shapiro shared some of his thoughts and memories about horse racing.

He began with a description of how his grandfather, L.K. Shapiro, formed Western Harness Racing. He explained that his father, Marvin J. Shapiro, was responsible for legislation that legalized night horse racing in California. To avoid any conflicts of interest at the Western Harness meet, his grandfather sold his interests in standardbreds and began breeding and racing thoroughbreds, which resulted in Native Diver.

While a student at the University of Southern California, Shapiro became a harness driver and lived and raced in Sacramento in the summers. He learned what living and working on the backstretch of a racetrack involved. Following his graduation from USC in 1974 with a degree in political science, he began working at Western Harness. He started at the bottom as an office assistant, and then in 1981 became president of the company until it was sold to Hollywood Park.

“I’m proud of the things we did at Western Harness Racing,” said Shapiro, whose father instilled in him a work ethic that to succeed you need to work harder than the next guy. “We were innovative – very much so for our time. We offered headline concerts as part of our racing programs. We introduced the exacta form of wagering. We had “fan” giveaways to attract more fans, introduced cinema-style seating, filled the stands with television monitors, and offered many other promotions to increase attendance and make racing more entertaining for our patrons. The show was the most important element as it brought people to the track. Gambling was just part of the show.

“One of our directors was on the Rose Parade Committee, and every year he would bring the new queen and her court to our racetrack. I would take them on a tour of the facility, show them the stable area, answer their questions, teach them to read the past performances, and explain how things worked. I even took them to the money room and let each of them hold \$1 million in cash. I know we can’t do that for all of our fans in horse racing today, but it’s the type of innovative thinking we should be striving for.

“For example, has anyone seriously considered not charging admission to the racetrack? What other enterprise charges people to lose their money? By the time they pay for parking, pay for admission, buy a program, and get something to eat, it’s a wonder they even have any money left for betting! If I were king of racing and could call the shots, I wouldn’t charge people to come to the racetrack. Then you could reassign those admission clerks to be hosts and hostesses, who could accompany new fans to reserved seats, set up a new fan section with hosts, explain the nuances of racing, and make the experience much less intimidating for novices.

“My top agenda items are to get people to the racetrack and to improve the integrity of the game,” continued Shapiro. “I would establish detention barns – yesterday! There is a very negative perception of racing among fans. In my view, if our integrity is ever jeopardized, then we have nothing, so we should do everything possible to protect our integrity. Why not have detention barns pre-race? It would send the clear message to fans that we are protecting their interests. Once there is a perception, true or not, you need to treat it as if it were true to eliminate any question of doubt.

“Along the same lines, I am in favor of extremely vigorous drug testing. When a trainer consistently outperforms everyone else over a long duration of time, or is able to consistently claim horses and move them up various levels, it calls into question how one or a few can be so much better. If they are simply better trainers, then great. But we need to make certain that everyone is playing by the same rules. We need to extinguish any hint of impropriety. We must be in a position to assure fans that our drug testing is comprehensive and our security program is strong.”

Shapiro turned his attention to a matter that he obviously had given a lot of thought: racing dates and the never-ending schedule of race meets throughout California. He recalled that back in the 1980s when Western Harness was operating, there were more gaps between race meets, so individual meets were more distinctive and more attractive to fans. But now the racing calendar fills the entire year in both Northern and Southern California, both day and night, and he worries that “too much of a good thing” is not in the overall best interests of the sport.

“The two most successful race meets in the country are Del Mar and Saratoga,” said Shapiro. “There are probably many reasons for their success, but I have no doubt that one of those reasons is their short, distinct season. Every sport except for horse racing has its own season – baseball, football, even women’s basketball...but in horse racing we simply move the show to another tent. So, what encourages people to go to the races? Obviously very little, judging from recent attendance figures. One way to rekindle interest would be to shorten the season by putting back gaps between meets, then opening and closing days would truly mean something.

“The racetracks might object to cutting dates. Some are more concerned with their own short-term interests than the long-term interest of the sport. As a horse owner, it is to my own short-term detriment to cut dates because that means there will be fewer opportunities to win purses. But in the long term, I will come out ahead.

“I think it is the Racing Board’s job to act independently and force horsemen and the racetracks to help themselves. The Board needs to use some tough love. We are appointed on behalf of the state – not the racing associations, not as a horse owner, but for the people. We are the guardians of the best interests of the state.

“When I was a young boy, I entered the sport in the best of times in the best of circumstances. My goal is to help restore racing to those times. I might not be popular when I say some of these things, and I might meet resistance, but hopefully I can work with the other commissioners and together we can accomplish a great deal.”

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