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CHRB NEWS RELEASE

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BOARD SUPPORTS HOLLYWOOD PARK ACQUISITION

DEL MAR, CA – California racing commissioners determined Thursday that the purposes of the Horse Racing Law would be better served by allowing the owner-operator of Bay Meadows to proceed with the purchase of Hollywood Park, clearing the way for thoroughbred racing to continue uninterrupted at the Inglewood facility once the sale is complete, provided the California Horse Racing Board approves the new owners' operating license at a later date.

The commissioners also voted Thursday to allow the new owners to conduct simulcast wagering at Hollywood Park after the purchase is completed next month, again ensuring uninterrupted service to bettors in Inglewood.

Stockbridge Capital Partners, the general partner at Bay Meadows, also is the general partner in the corporation acquiring Hollywood Park. In order for one entity to hold a financial interest in two licensed racing associations and/or two racetracks, the CHRB must find that the purposes of the Horse Racing Law are better served by such dual ownership.

Before giving the go-ahead, the racing commissioners took the opportunity to ask Jack Liebau, who serves as president of both Bay Meadows and the newly created Hollywood Park Racing Association, about the new owners' financial commitment to racing at Hollywood Park, given their public statements that they only guarantee operating a race meet in Inglewood for three years, after which the property could be developed.

"What assurances do we have that you are going to be or even want to stay around?" inquired Commissioner Marie Moretti. "And what kind of encouragement can this Board give to you?"

Liebau noted that the Board is considering approval of a three-year racing calendar, rather than a single-year allocation of racing dates, as has been the custom in recent years, and if Hollywood Park were to receive "satisfactory days" in that three-year allocation, the new owners would commit to making substantial capital improvements to the facility.

"We would begin with the installation of Polytrack at an estimated cost of \$4 million or \$5 million," explained Liebau, "which would be in addition to our renovation of the turf course."

Commissioner Richard Shapiro asked about the budget for marketing, advertising and promotions, explaining, "I'm uncomfortable determining that California would be better served by this acquisition when I don't know what you are going to do to market horse racing. I want to know what you are going to do to improve things from where they were."

Liebau noted that Bay Meadows has been operating for years under a situation similar to that of Hollywood Park without any long-term guarantees that Bay Meadows will continue to operate as a racing facility, but that has not stopped the owners from investing heavily in promoting horse racing. He said the owners would provide a similar commitment to marketing for Hollywood Park.

In other business, Dr. Ron Jensen, the Board's equine medical director, reported on the Wednesday meeting of the Medication Committee, and was joined in that report by CHRB Chairman John Harris and Commissioner Shapiro, who both serve on that committee, and by Executive Director Ingrid Fermin.

Dr. Jensen said the committee approved for 45-day public notice a proposed regulation to ban long toe grabs (greater than four millimeters) on the front shoes of thoroughbreds in races, based on numerous studies, including recently concluded research by Dr. Susan Stover at the University of California, Davis, indicating that such toe grabs create a greater risk of musculoskeletal injuries. (Dr. Stover summarized that same information for the commissioners Thursday in a related update for the Equine Post-Mortem Program at Davis.)

"I believe the evidence is conclusive," said Chairman Harris, "and in any event, banning the long toe grabs could not conceivably hurt horses but only help them."

The Medication Committee also approved for public notice a proposed regulation to prohibit anyone within the CHRB jurisdiction from permitting or causing "an animal under his control or care to suffer any form of cruelty, mistreatment, neglect, or abuse..." Persons suspected of such conduct are now prosecuted under a more general rule relating to conduct detrimental to horse racing. They may also be prosecuted under criminal statutes, but a specific rule should help the CHRB more effectively deal with anyone involved in cruelty towards horses.

Dr. Jensen described the committee's continuing review of penalties and drug classifications recommended by the Racing Medication and Test Consortium (RMTC), which can be adapted to comply with California's laws and needs.

The RMTC recommended penalties include a minimum one-year suspension and \$10,000 fine for the most serious offenses involving "stimulant and depressive drugs that have the highest potential to affect performance and that have no generally accepted medical use in the racing horse." Repeat violations could lead to permanent loss of license.

Fermin provided an update on legislation (AB 52) that will give the CHRB authority to conduct testing for total carbon dioxide levels (TCO2), to fine and suspend violators, as well as redistribute purses, and take over responsibility for a successful testing program that the racetracks have been conducting for the last year in an effort to crack down on "milkshakes," or the illegal administration of excess alkalizing substances in order to enhance the performance of horses in races.

"The bill passed the Senate floor by a 32-3 vote this morning, and we hope it will be on the governor's desk by the end of next week," explained Fermin.

Chairman Harris took the opportunity to thank the racing associations and fairs that have participated in the TCO2 testing program, adding, "We hope to develop a hybrid program and still have the tracks involved."

Fermin said she would meet with racing executives to discuss continuation of their detention programs. She also said procedures are being set up to allow owners and trainers to request that a split sample be taken for TCO2 testing – at their own expense – at the same time the primary sample is collected. Laboratories in Ohio and Iowa have agreed to do the split-sample testing.

Shapiro added, “In our continuing enforcement effort, we should be looking at all medication issues in order to stop unfair practices by certain trainers.” He said he would be seeking input from trainers, veterinarians, racing executives, and others in the effort to “level the playing field.”

Harris stated that he was concerned that joint injections of corticosteroids may be overused on horses in training, particularly shortly in advance of a race, and that the Board needed to more carefully monitor this issue. Two trainers who attended the Medication Committee meeting – Jenine Sahadi and Laura de Seroux – also expressed concern about corticosteroids. They believe some trainers routinely have horses injected after they claim (purchase) a horse – without knowing whether that horse had been recently injected by its previous connections.

The Medication Committee strongly urged that a computerized data base be created to record the daily reports being submitted by racetrack practicing veterinarians, and that the reports be more closely monitored by the Board than has been the past practice. Shapiro expressed his intention to enlist industry support in the creation of such a data base to keep track of corticosteroid treatments and other critical medical information.

The Board approved three license applications: Oak Tree Racing Association at Santa Anita from September 28 through November 6, Fresno District Fair (October 5 through October 16), and Pacific Racing Association at Golden Gate Fields (October 19 through January 29).

At the suggestion of Chairman Harris, the commissioners voted 6-1 to delay by 72 hours the onset of suspensions for riding infractions, so as to allow jockeys adequate time to file an appeal and to give owners and trainers sufficient time to arrange for replacement riders.

Staff reported that Capitol Racing, the former operator of a harness meet at Cal Expo, has not redistributed to horsemen in the form of purses some \$1.5 million, as previously ordered by the Board in connection with a dispute over promotion funds. Shapiro asked the deputy attorney general to review the matter and determine the proper recourse for the Board.

A representative of the California Harness Horsemen’s Association expressed concern that since Capitol Racing has ceased operations in California, any eventual determination that money is owed them could result in horsemen “holding a fistful of tickets they can’t cash.”

Shapiro, noting the CHRB still has \$2 million in bonds and letters of credit from Capitol Racing, reassured harness horsemen: “There is ample security to pay for any shortfall.”

A representative of Scientific Games reported the return of the popular alternate selections option for scratched horses in wagers involving four or more races, such as the Pick 6. The option is now offered at Del Mar and Los Alamitos, and soon will be available at Bay Meadows and the fairs. Chairman Harris noted the CHRB has been pushing totalizator companies to bring back this option for some time and was pleased that it had finally happened, as it is an important feature for fans.