

1010 Hurley Way, Suite 300  
Sacramento, CA 95825  
(916) 263-6000  
Fax (916) 263-6042

**CALIFORNIA HORSE RACING BOARD**

12235 Beach Blvd., Suite 7  
Stanton, CA 90680  
(714) 890-7001  
Fax (714) 890-7006  
Contact:  
Mike Marten  
(714) 890-7004  
Cell: (714) 240-1870

CHRB NEWS RELEASE

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Shapiro & Moretti new chairman and vice chairman**BOARD RESOLVES TO HELP IMPROVE TRACK SAFETY**

INGLEWOOD, CA – California racing commissioners indicated Thursday their intention to work with the industry to make racing surfaces safer for horses and other racing participants – a process that could ultimately lead to the installation of Polytrack at the major racetracks in the state.

A new CHRB committee will be working with horsemen, racing associations, consultants, and racing surface experts to develop immediate interim solutions to address concerns voiced by trainers about racing surfaces. Racing commissioners will facilitate the sharing of information, participate in meetings, monitor progress, and provide a report to the full Board in February.

CHRB Commissioner Richard Shapiro and Executive Director Ingrid Fermin previously had met with about 20 trainers to discuss track safety conditions and other issues raised by the horsemen, but on Thursday a like number of trainers showed up at the monthly CHRB meeting to air their concerns publicly.

One of the trainers, Howard Zucker, who chairs the track safety committee of the California Thoroughbred Trainers (CTT), reported that injuries to horses are seriously depleting the racing population in California, which is reflected in increasingly smaller fields.

One by one, trainers and their supporters addressed the Board on this matter, and the recurring theme was that California has become a less desirable place to race because the racing surfaces contribute to the injury of horses, and that the synthetic surface Polytrack appears to be the long-term solution to the problem, based on its successful introduction at tracks in England and Kentucky. Polytrack recently was installed at Turfway Park in Kentucky for a reported \$6 million.

“We came to the California Horse Racing Board today to ask you to help resolve this issue,” said Zucker. “We want you to ask the racetracks what they propose to do in the short term to help improve their existing organic tracks, and we urge you to also help them decide what they need to do in the long term.”

Shapiro said, “The rate of injuries to our horses is alarming. We can’t allow the fields and the betting product to further diminish.”

Craig Fravel, vice president of the Del Mar Thoroughbred Club, said he is personally convinced that Polytrack is the answer, but the final decision rests with the 22<sup>nd</sup> Agricultural District, which oversees the state-owned Del Mar racetrack property. And he said the project would require the approval of the California Coastal Commission as well.

Ron Charles, the Magna Entertainment Corp. executive who oversees Santa Anita Park and Golden Gate Fields, said two racing surface experts who work for MEC have been spending a great deal of time in California addressing the problem and will continue working to get conditions as safe as possible for the upcoming winter meet in Arcadia. Charles also said that he will be meeting with MEC Chairman Frank Stronach in January to discuss these matters, and Polytrack will be included in that discussion.

Jack Liebau, representing Hollywood Park, said the current owners committed to spending as much as \$5 million to install Polytrack in Inglewood, but the cost of installation keeps rising. He encouraged the racing commissioners and others to “participate in the process.”

CHRB Chairman John Harris said that if the racetracks do not move forward and install Polytrack or greatly improve the existing surfaces in some other way, the Board always has a “nuclear weapon” of sorts – the authority to make this a condition of their license. Harris appointed Commissioners Jerry Moss and Shapiro to a special committee to help address this issue and report back to the full Board in two months, and indicated that he and Commissioner William Bianco will assist in that effort.

“Polytrack may well be the long-term solution for many of our track surface issues,” said Harris. “I think we need to see some innovative approaches to get it funded for installation at all of our major tracks. We need both a carrot and stick approach. We need to consider tapping into industry funds that we have for other things in order to help fund this important benefit to the total racing business. All parties can benefit, so I hope they all will aggressively work together to make it a reality.”

In other business, the commissioners elected Shapiro their new chairman and elected Commissioner Marie Moretti vice chairman for 2006. Their one-year terms begin January 1.

Shapiro was appointed to the CHRB last October by Governor Arnold Schwarzenegger for a term that expires July 26, 2008. Since his appointment, Shapiro has been extremely active as a racing commissioner, serving on some of the Board’s most influential committees and spending a great deal of his personal time on some of the serious issues facing racing today.

Shapiro, who in 1996 founded Winco Asset Management, a Calabasas-based real estate development and asset management company, has a long association with California horse racing. His grandfather, L.K. Shapiro, formed Western Harness Racing. His father, Marvin J. Shapiro, was responsible for legislation that legalized night horse racing in California. And Shapiro himself served as president of Western Harness in the early 1980s.

Moretti was appointed to the Board in 1999 by Governor Gray Davis, then reappointed in 2002. She chairs the CHRB Legislative Committee and Benevolent Program Committee.

Moretti is executive director of the California Service Corps. She previously served as Business Liaison for Governor Davis and, previously, executive vice president with the public relations firm of Goddard Claussen Porter Novelli in Sacramento with responsibilities for a variety of legislative issues.

Outgoing Chairman Harris thanked his fellow Board members as well as Ingrid Fermin and the capable staff of the CHRB for all of their support during his tenure, which ends at that end of 2005.

The Board approved a revised agreement between the Thoroughbred Owners of California and Hollywood Park to restructure the division of revenue for track commissions and purses in order to divert up to \$166,000 to supplement purses for turf races at Golden Gate Fields, and thus reduce Hollywood Park's purses by the same amount. The vote was 5-2, with Chairman Harris and Commissioner John Andreini voting no.

The action was a result of the cancellation of turf racing for the current fall meet at Hollywood Park, announced in early November, because the newly installed turf course was considered unsafe for racing. A majority of the commissioners agreed with the TOC that the unprecedented action of diverting funds from one racetrack to another was necessary in order to provide racing opportunities for horses that might have competed in turf races at Hollywood Park.

Chairman Harris commented afterwards, "While I am as distressed as anyone by the loss of turf racing at Hollywood Park for their winter meeting, I feel it is simply wrong to take purse monies generated by horses and horsemen running at that meeting to divert to a completely different race meeting, in this case Golden Gate Fields. The law clearly states that purse monies are to remain where they are generated and I am greatly disappointed with today's vote. It creates a terrible precedent."

Commissioner Shapiro, who recently testified at congressional hearings in Washington concerning California's health and welfare program for jockeys and the Board's efforts to audit the Jockeys' Guild to verify that public funds are being properly managed for the benefit of California jockeys, reported that California is considered the "model state" when it comes to this and other programs.

Shapiro reported the CHRB recently disbursed to the new management of the Guild some \$300,000 of the \$1 million that is earmarked for the health and welfare program for California riders, but the Guild remains short on funds and is in need of assistance. Shapiro is working with Guild representatives to address the problem.

Responding to a complaint from trainer Barry Abrams about the consistency of disqualifications in general, and specifically a disqualification in a stakes race at Hollywood Park last Saturday, Executive Director Ingrid Fermin indicated the issues involved would be reviewed during a meeting of the Stewards Committee in January, then a full report will be provided to the Board.

Commissioner Moss, reporting on the meeting of the Pari-Mutuel Operations Committee on Wednesday, said the committee is considering a proposal to scratch an entry for wagering purposes only if either half of the entry is scratched after the wagering pools have opened, while allowing the remaining part of the entry to race for purse purposes only. The committee is also considering an alternate proposal to eliminate the coupling of horses altogether. Both of these proposals would be widely discussed and studied before any official rule change would ever take place, with ample input from all parties.

The Board approved licenses for race meets by the Sacramento Harness Association at Cal Expo (January 5 through July 29) and the Pacific Racing Association at Golden Gate Fields (February 8 through May 7).

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