

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

CALIFORNIA HORSE RACING BOARD

Los Alamitos Race Course
4961 E. Katella Avenue
Los Alamitos, CA 90720

Contact: Mike Marten
(714) 820-2748
Cell: (714) 240-1870
Fax (714) 821-6232

CHRB NEWS RELEASE

AUGUST 22, 2007

BOARD ACTS TO PROTECT AND SERVE

BONSALL, CA – In discussing a variety of issues mostly relating to the integrity as well as the transparency of racing, California racing commissioners on Tuesday consistently took proactive positions designed to protect bettors and the public interest and to improve the state’s racing industry

“Let’s put out the welcome mat in California,” said Richard B. Shapiro, chairman of the California Horse Board, during the monthly meeting at San Luis Rey Downs Training Center.

He was referring to simplifying the licensing process, so that individuals licensed in other jurisdictions could race in California, at least in the short term, without having to obtain a separate California license. The CHRB staff will be reviewing possible ways to achieve this goal.

The “welcome mat” idea could just as easily have applied to many of the other matters under discussion as Chairman Shapiro, joined by Vice Chairman John Harris and Commissioners John Andreini and John Amerman, consistently agreed on the following:

- Finding the continuing problem of late odds changes unacceptable, as they undermine public confidence in the integrity of the wagering pools, the commissioners directed staff to review the matter and deal with the issues at meetings of the CHRB Pari-Mutuel Operations Committee (PMOC). As a first step, staff will advise those racing jurisdictions that are particularly slow in forwarding their wagers to California that they will need to speed up their process or risk being shut out from California wagering pools. While late odds changes never have been shown to reflect irregularities, they are a constant concern and need to be addressed via better technology at several levels.
- On at least 44 occasions during the last year, trainers neglected to announce at time of entry that the horse had been gelded since its last start – a violation of CHRB Rule 1865. The typical penalty has been a \$300 fine. The PMOC has recommended increasing the average fine to \$1,000, but the commissioners on Tuesday questioned whether a larger fine would adequately address the problem. They will discuss other options at the September 27 monthly meeting in October, including the possibility of scratching horses when the sex change is discovered and announced to the public after the onset of wagering.

- Occasionally horses return from layoffs with blinkers added or removed, and the equipment change is not noted at time of entry. Sometimes the change is not noticed and announced to the public until the horse is being saddled. Currently the stewards have the option of allowing the equipment change. The commissioners agreed that the best way to protect bettors would be to require the horse to race with the same equipment as in the last start unless the horse was entered with a notation that the equipment had been changed.
- When two horses finish in a dead heat for first, the money gets divided equally among all winning tickets in the Pick Four, Pick Six, and Pick Nine without regards to the odds of the two horses. But in the Pick Three when horses finish in a tie for first, the payouts reflect the proportionate amount of money wagered on each winning combination. The commissioners agreed to notice to the public proposed rule changes that would make all payouts proportionate when there are dead heats in multiple-race wagers.
- The commissioners are taking steps to adopt a code of ethical standards. In June they attended a half-day learning session that included sections on conflict of interest and ethics, at which time they acknowledged their understanding of the subject contents. Furthermore, conflict of interest policies have long been a part of CHRB operations. On Tuesday, they instructed staff to complete a final draft of CHRB Ethics and Conflict of Interest Policy for ratification at the September meeting.
- Provisions of the law that created Advance Deposit Wagering (ADW) are scheduled to sunset at the end of this year. The commissioners urged the industry to work together in support of legislation (AB 813, Portantino) to extend and improve ADW. They also urged support for SB 873 (Florez), which would earmark \$60 million in funds generated from new tribal-state gaming compacts for fairs and horse racing to be redirected to purses and incentive awards. They also noted the importance of AB 1616 (Garrick), which would improve and revamp the administrative hearing process in cases involving major medication violations

In other business, the Board discussed the future of the San Luis Rey Downs (SLRD) Training Center, which is owned by a subsidiary of Magna Entertainment Corp (MEC) and leased back to the SLRD operators. The property is up for sale. Local elected officials and community representatives indicated their preference for SLRD to remain a training facility, a position echoed by the racing commissioners. An MEC representative said SLRD has a three-year lease, which is renewable annually, and that in any event, it could take five years or even longer for a buyer to obtain entitlements to develop the northern San Diego County property.

The Board approved license applications for the Oak Tree meet at Santa Anita (September 26 through November 4) and the Big Fresno Fair (October 3 through October 14).

In order to give the CHRB a more expedient process in the development of settlements for major medication violations, the Board granted the chairman and executive director authority to execute and approve settlements for Class II and III cases. The full Board will participate in the review of settlements for Class I cases. The stewards still must approve all such settlements, and all settlements will be shared with the public and the Board.

The Board approved five nominations to the board of the California Thoroughbred Horsemen's Foundation to two-year terms. The five directors are Noble Threewitt, Ken Smole, Cliff Goodrich, George Nicholaw, and Lynda Ross.

The Board approved a regulatory amendment establishing a one-year term for the Backstretch Event Personnel license classification.

One of the key items the CHRB is facing this year is strategic planning of future racing dates. This matter was addressed by a CHRB committee on August 10 and again Wednesday, and the dialogue will continue at future meetings.

Transcripts of CHRB monthly meetings as well as agendas, Board packets, and other useful information can be obtained on the CHRB website (<http://www.chrb.ca.gov>).

#