

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

OCTOBER 1, 2007

BOARD RESOLVES TO OPEN UP ADW WAGERING

ARCADIA, CA – The California Horse Racing Board began the process Thursday of opening up all ADW wagering in the state, so that bettors will be permitted to wager on all races no matter which account wagering service they use.

“I believe it is time for this Board to step up and do something for our fans and do something for our industry,” said CHRB Chairman Richard B. Shapiro during the Board’s regular monthly meeting at Arcadia City Hall. “We need to decide how we can get to the point where everybody can make wagers on any race no matter which platform they use.”

Currently some ADW providers have exclusive contracts for the wagering and broadcasting content at some racetracks, which prevents other ADW services from accepting wagers on races at those exclusive racetracks and from showing those races to their customers. The CHRB is focusing only on the practice of exclusivity for wagering purposes. There is no plan to alter any arrangements involving the broadcasting of races.

The licenses will expire at the end of this year for all three ADW providers currently operating in California – TVG, XpressBet, and YouBet.com – and the Board soon will be considering new license applications effective January 1, 2008. A fourth account wagering service, TwinSpire.com, also will be submitting an application to operate in California.

The existing law authorizing ADW in California contains a sunset provision that would bring a halt to account wagering in California at the end of this year. Without legislative action for its extension, ADW would not be authorized to continue. The California Legislature has passed such a bill, AB 765 (Evans), and the bill is pending action from Governor Arnold Schwarzenegger. The Board authorized Chairman Shapiro to write to the governor in support of the bill and voicing support for his signature.

Concerning the Board’s authority to apply conditions to ADW licenses, Chairman Shapiro cited numerous sections of the Business and Professions Code giving the CHRB responsibility for “providing for maximum expansion of horse racing opportunities in the public interest” and granting the CHRB “all powers necessary and proper to enable it to carry out fully and effectually the purposes” of the Horse Racing Law.

“It is time to grow our business and use every possible vehicle and means to do that,” said the chairman as he outlined plans for ADW. “Let’s get everybody in the room to figure out how we can achieve our goals, to determine what the conditions of licensure should be, so that we can advise the ADW companies what they need to submit in their applications by telling them what conditions we are looking for.”

He said he would be creating a subcommittee to meet with the stakeholders to determine what is the best and fair way to effectuate new conditions of licensure in this state. “This is the time to do this,” he added. “It is time to take care of our fans, horsemen, and tracks.”

Several other commissioners voiced their support for the chairman’s plan. Commissioner John Amerman said, “There is a lot of confusion in the betting public over not being able to make particular wagers. It would be nice to get it to where all wagering companies offer the wagers, and let the marketplace dictate how the results come out.”

“I agree,” said Commissioner Jerry Moss. “It’s crazy to hurt our business by having these exclusives. Let’s make it easier to enjoy the product we’re putting out there.”

Vice Chairman Harris said he supported the concept, while indicating the need to determine “how much latitude we have.”

Scott Daruty, chief executive officer of TrackNet Media Group (XpressBet), and Chuck Champion, CEO and chairman of YouBet, also expressed support for opening up the wagering opportunities, as did Drew Couto, president of the Thoroughbred Owners of California.

In other business, the Board approved the racing calendar for 2008 and will continue considering the calendars for 2009 and 2010 in a continuing effort to put a three-year calendar into place. The Strategic Planning Committee will schedule a meeting within a month to continue work on the 2009 and 2010 calendars.

The Southern California thoroughbred and fair circuit will begin December 26, 2007, at Santa Anita Park through April 20, 2008, and then continue at Hollywood Park (April 23 through July 13) followed by meets at Del Mar (July 16 through September 3), Fairplex Park (September 5-22), Oak Tree at Santa Anita (September 24 through October 26), and finally Hollywood Park (October 29 through December 21).

The Northern California circuit will begin December 26 and run through February 3 at Golden Gate Fields, followed by meets at Bay Meadows (February 6 through May 11), back to Golden Gate (May 14 through June 22), Pleasanton (June 25 through July 6), Vallejo (July 9-20), Santa Rosa (July 23 through August 4), Bay Meadows, the San Mateo County Fair (August 6-18), Ferndale (August 7-17), Sacramento, the State Fair (August 20 through September 1), Stockton (September 3-14), Fresno (October 1-13), and finally back to Golden Gate (September 17 through

December 21).

Quarter Horse racing will be conducted at Los Alamitos from December 27, 2007, through December 21, 2008, while harness racing will be run at Cal Expo from December 27, 2007, through July 31, 2008, and then from September 10 through December 20.

The Board approved the calendar for Northern California after receiving assurances that Terry Fancher, head of the Bay Meadows Land Company, had expressed his intention to keep the San Mateo racetrack open for stabling and training after the end of the San Mateo County Fair meet on August 18 through the end of the year, subject only to safety considerations should demolition of the grandstand begin as part of the company's plan to develop the property and create an unsafe condition.

Ed Halpern, executive director of the California Thoroughbred Trainers, said the CTT was satisfied that the language in the agreement for continued training at Bay Meadows "protects us to the extent that we can be protected."

Chairman Shapiro noted that the Fresno meet will not be overlapped with the Golden Gate fall meet on four days and that revenue from host fees will be shared by the two tracks on the remaining overlap dates. He also stated it was the Board's intention to eliminate the overlap in 2009 and 2010.

The Board adopted regulatory amendments making relatively minor technical changes to amendments previously approved in April establishing strict penalty guidelines for medication violations and related drug classifications that apply to all licensees, including trainers, horse owners, and veterinarians. The newly amended regulations, which still must be reviewed by other state authorities, are expected to go into effect within 90 days.

The Board approved a Conflict of Interest and Ethics Code that largely reflects policies that have been in effect since 1981, formally establishing standards applicable to all gubernatorial appointees, including CHRB members. The racing commissioners attended a training session in June that included sections on conflict of interest and ethics.

The Board approved the license for Pacific Racing Association to conduct a thoroughbred race meet at Golden Gate Fields from November 7 through December 22.

#