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CHRB NEWS RELEASE

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**CALIFORNIA MOVES CLOSER TO OPENING UP ADW WAGERING**

ARCADIA, CA – Subject to the approval of the Thoroughbred Owners of California (TOC), Hollywood Park has worked out an agreement to open its upcoming fall meet to all of the licensed Advance Deposit Wagering (ADW) operators in the state in what is being described as a “global” experiment that could extend to other thoroughbred meets over the next nine months.

The California Horse Racing Board has been critical of contracts that give one or more ADW operators exclusive wagering rights at race meets to the exclusion of others, so the voluntarily negotiated agreement between Hollywood Park and the various ADW operators was welcome news at the monthly CHRB meeting Thursday at Arcadia City Hall.

“We may be on the precipice of truly being able to open up wagering in California,” said CHRB Chairman Richard B. Shapiro, who thanked Jack Liebau, the president of Hollywood Park, for “working 24-7 with the ADW companies to try to bring about a global solution” to exclusivity.

In a discussion of Hollywood Park’s license application for the fall meet, Liebau said that subject to TOC and CHRB approvals, the ADW agreement would extend to the Santa Anita, Bay Meadows, Golden Gate, and Hollywood Park meets into July of next year.

David Nathanson, senior vice president and general manager of TVG, said the “new model” should be viewed as “an opportunity to explore what is in fact in the best interests of horse racing. We can determine the value of non-exclusivity in terms of participation and handle.”

TOC President Drew Couto said his organization was not a party to the negotiations and has not had sufficient time to analyze the economic impact of the ADW agreement on horse owners. He said his board of directors would make a decision before the November 7 start of the Hollywood Park fall meet. “We need to make certain any financial burden does not fall primarily on horsemen,” he explained.

The Board voted to approve the Hollywood Park license application with the ADW portion conditioned on TOC approval of an ADW contract acceptable to the CHRB. If necessary, the Board could conduct a special meeting prior to November 7 to resolve any unresolved ADW issues relating to the fall meet. The fall meet will run through December 22, ending with a special weekend of racing that will include the inaugural running of the \$750,000 Cash Call Futurity.

ADW itself gained extended life when Governor Arnold Schwarzenegger signed legislation (AB 765 – Evans) last week eliminating a sunset clause and extending ADW in California indefinitely. Among other things, the new law also establishes procedures by which a majority of employees at any ADW company can choose to be represented by a bona fide labor organization.

Commissioner Jesse Choper asked the various parties with a stake in ADW to present their interpretations of the new law to the CHRB in written form prior to the November 29 meeting of the Board. This information will assist the racing commissioners as they consider the relicensing of ADW providers after December 31, 2007, and discuss with the industry the direction that ADW should take moving forward.

Churchill Downs Technology Initiatives became the fourth licensed ADW in California on Thursday when the Board approved the company's Twinspires.com to conduct account wagering in the state.

In other business, the Board began the rulemaking process to allow horses that have not raced for at least 180 days to compete in claiming races in which they cannot be claimed, provided they race at a level at least as high as their last start. Couto said the proposed rule, which was worked out by various industry groups, is meant to be an incentive for owners to give horses time off for health reasons. The process of bringing horses back to the races after extended time off can be expensive, and fresh horses returning from layoffs often are immediately claimed. Couto said the opportunity to run a horse back at the proper claiming level without fear of the horse being claimed should encourage owners to "do the right thing" and give horses needed time off.

Vice Chairman John Harris commented that while he strongly supported any incentives to encourage owners and trainers to rehabilitate horses in hopes of successfully returning them to racing, he felt this particular measure needs to be better refined in order to achieve the desired goals.

The Board approved a regulatory amendment reclassifying specified drug substances, principally anabolic steroids, as the CHRB and the entire horse-racing industry in North America move toward the elimination of such medications in racing horses.

"If everything goes as planned, the Breeders' Cup at Oak Tree next year will be anabolic steroid-free, the first time in racing," said Dr. Rick Arthur, the CHRB equine medical director.

Chairman Shapiro said he hopes to "bring this issue to a head well before that time."

Vice Chairman Harris, who also serves as chair of the Medication Committee, said horsemen need to realize and anticipate that anabolic steroids are going to be banned in racing, first in California, but probably nationally in time. Following the meeting he commented, "While I understand there are beneficial and therapeutic uses of some anabolic steroids on equines, abuses do occur, and they too often have become part of a regimen of treatment rather than a tool that can be used judiciously. All of the focus on misuse of steroids in human athletes has heightened awareness of the overall issue. It is time we found out if we can get by without them."