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CHRB NEWS RELEASE

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EXPERIMENT OPENS UP ADW WAGERING IN CALIFORNIA

SACRAMENTO, CA – CHRB Chairman Richard B. Shapiro announced an eight-month experiment beginning Wednesday that opens up thoroughbred racing to all Advance Deposit Wagering providers in California.

“I am pleased that the stakeholders within the California racing industry have reached an accord that will permit non-exclusive ADW wagering,” Chairman Shapiro said Monday. “During this eight-month experiment, fans wagering on California racing will be able to use the licensed platform of their choosing. Television will continue to be exclusively provided by either TVG or HRTV, depending on agreements with tracks and horsemen.

“I want to personally thank each of the parties for allowing this ADW experiment to become a reality. I know it was not easy. I appreciate that each and every party gave up something to make this happen. I am pleased that our all-to-often bifurcated industry came together to try something new, which may prove of benefit to all parties and most importantly to our fans.”

Chairman Shapiro, joined by other racing commissioners, had been urging the industry stakeholders to “grow our business and use every possible vehicle and means to do that,” including the end of ADW exclusivity.

Following intense negotiations in recent weeks involving the Thoroughbred Owners of California (TOC), Hollywood Park, Bay Meadows, Golden Gate Fields, Santa Anita Park, TVG, XpressBet, TwinSpires, and YouBet, the parties reached an agreement that begins Wednesday with the opening of the Hollywood Park and Golden Gate fall meets and runs through July 13, 2008, closing day of the Hollywood Park spring-summer meet.

TOC President Drew Couto described the experiment as “the next step in the evolution of California ADW. We’ve been asking for non-exclusivity for years. We believe this arrangement will benefit the entire industry. It makes slight adjustments to the hub fees and provides for payment of broadcast fees to the television broadcast partners. We believe this is going to be a great starting place for needed change.”

Jack Liebau, president of Hollywood Park and Bay Meadows, said everyone recognized the inconvenience to the wagering public of having separate accounts for wagering on all California tracks.

“Wednesday will be a new dawn for ADW wagering in California,” said Liebau. “Wagering will be made available to all ADW operators in California. For example, when we open Hollywood Park, customers will be able to wager on our races through XpressBet accounts, and when Golden Gate opens, customers will be able to bet on those races with TVG accounts.

“The new model provides for a larger revenue stream to tracks and horsemen. It also allows for a track to continue having an exclusive television provider. Hollywood Park will continue its exclusive television arrangement with TVG, and Bay Meadows will become an exclusive TVG track as far as television broadcasting is concerned.”

Santa Anita and Golden Gate will continue their exclusive television arrangements with HRTV.

CHRB Vice Chairman John Harris said, “I feel ADW is the great hope of horse racing, and some of the things we’ve accomplished in this go-round should enhance it. We have barely scratched the surface of our customer base. Horse racing is the only legal sports wager in most states. Wagering on the Internet on a regular basis by sports lovers all over the world can dramatically improve the economics of horse racing. I like this avenue for revenue growth much better than slots.”

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