

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

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BOARD EXTENDS HARNESS LICENSE THROUGH MARCH

ARCADIA, CA – The Sacramento Harness Association (SHA) received an 11-week extension of its license Wednesday in a cautious move by the California Horse Racing Board to preserve standardbred racing in the state while the Board continues to scrutinize the financial condition of the group currently operating the meet at Cal Expo.

Still not satisfied that SHA has provided sufficient evidence of its financial viability, the racing commissioners decided for now against granting SHA a full-term license to operate the current meet through its scheduled August 2 conclusion, but rather to extend the license only through March 30. The Board will reconsider this matter March 27. In the interim, SHA must provide an audited financial statement for 2007 showing a positive net worth, a \$400,000 letter of credit to cover potential liabilities, a business plan for future operations, and other documentation showing SHA is operating at a profit.

“We want to see over the next two months that you are implementing needed changes and putting a solid business plan into effect,” explained CHRB Chairman Richard B. Shapiro, who has been working with all of the principals in a concerted effort to stabilize the industry and protect the public interest. “We hope you will provide us with a financial statement and a business plan that will allow us to extend your license through August 2.”

In extending the license, the racing commissioners sent a very public message indicating their support for harness racing and encouraging harness horsemen to continue racing in California while the Board insures the industry is operating on a solid financial footing.

“I do not want to see harness racing leave California,” Commissioner Marie Moretti told SHA representatives. “A financial statement that shows you can succeed would be the greatest comfort you could provide to horsemen.”

On Monday, the board of directors at Cal Expo granted SHA a rent reduction of \$30,000 a month, or a total of \$210,000 over the remaining term of the lease. Additionally, Chairman Shapiro said he had spoken with Dr. Edward Allred, the owner/president of Los Alamitos Race Course, who has agreed to put up a \$400,000 letter of credit on behalf of SHA.

Ivan Axelrod, the U.S. Trotting Association chairman who last week was elected president of the SHA, and Dick Feinberg, the SHA general manager, described SHA's financial condition and listed some additional steps they are taking to improve the group's balance sheet.

"I am going to demand some salary reductions by all of our staff," explained Axelrod. "And we will begin discussions with Cal Expo on what should be our financial relationship going forward from August 2."

Feinberg added, "I believe we are sufficiently capitalized to conduct racing, pay our bills, and put on a good show through August 2."

SHA agreed to provide the audited financial statement by March 1 and the other documentation well before the Board's March 27 meeting at Bay Meadows.

Vice Chairman John Harris also expressed concern with the apparent non-segregation of purse monies owed horsemen, and said that needed to be addressed immediately.

Chairman Shapiro elaborated after the meeting that his primary goal is to make harness racing viable in California, and while not criticizing SHA, he felt it was immediately imperative that all options be considered, including the possible licensing of a different, better-capitalized licensee, such as the California State Fair and Exposition.

In other business, Ron Charles, president of Santa Anita Park, elaborated on the track's announcement Tuesday that a solution has been found to the draining problem with the Cushion Track surface. He said a liquid binder would be added to the synthetic surface, allowing for proper drainage and providing "a much safer racing surface." Charles said it would take "probably 10 days" to get the additives, and then another four days to mix them into the existing Cushion Track.

Chairman Shapiro said he witnessed a demonstration of water draining properly through the reformulated surface, "along with others, including some Hall of Fame trainers, and I was very pleased that everybody was so enthused."

The Board authorized Bon Smith, the CHRB assistant executive director, to serve as acting executive director while the search continues for a replacement for Ingrid Fermin, who resigned as executive director on January 7.

The Board approved for public notice revisions to proposed medication rules pertaining to penalty guidelines and classifications. The Board had approved the new rules in April, but the Office of Administrative Law disapproved those rules on review, which led to the revisions.

Darrel Haire, western business manager for the Jockeys' Guild, reported that several jockeys are using an alternative whip designed to be kinder to horses because of extra padding on the tip. The Board approved the alternative whip last summer. Haire said manufacturers still are making adjustments to the design of the whip, which has delayed full-scale production and availability.

The Board approved the license application for the Bay Meadows Racing Association to conduct a race meet in San Mateo from February 4, 2008, through May 11, 2008.

The Board authorized the Del Mar Thoroughbred Club to distribute \$181,380 in race day charity proceeds to 20 beneficiaries, and authorized the Hollywood Park Racing Association to distribute \$180,000 to 21 beneficiaries.

The Board referred to the Pari-Mutuel Operations Committee two proposals to amend the rule pertaining to the coupling of horses. One proposal is to eliminate same-owner entries if the horses have different trainers. The other proposal, offered by Vice Chairman Harris, is for a more limited uncoupling of horses involving partnerships where there is some overlap of ownership but the partnerships do not mirror each other. Vice Chairman Harris said he felt racing integrity could be preserved, and this change would have several advantages by increasing wagering opportunities and preventing unintended consequences for bettors when part of an entry is a late scratch. He noted that quarter-horse racing has not required couplings for some time without any apparent negative effect.

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