

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 SEEKS CONTINUATION OF ‘OPEN’ ADW**

PLEASANTON, CA – With a very popular and successful account wagering experiment scheduled to end July 13, the California Horse Racing Board has authorized Chairman Richard B. Shapiro and Vice Chairman John Harris to meet with the racetracks, horsemen, and the four licensed Advance Deposit Wagering companies in an effort to have the experiment continue for the balance of this year’s racing calendar.

Testimony at the monthly CHRB meeting Friday was unanimously in support of continuing to allow all ADW accountholders to wager on all California races regardless of whether they use XpressBet, TVG, YouBet, or TwinSpire. Many speakers cited strong sentiment from fans for continuing to offer open wagering.

Furthermore, the wagering data since the experiment began November 7 shows increases in all ADW categories. Average daily ADW wagering within California was up 8 percent for all venues over the last seven months, and average out-of-state ADW wagering on California races increased 10 percent. Average daily ADW handle jumped 48 percent during the Santa Anita meet.

TVG has exclusive agreements for the upcoming meets at Del Mar, Fairplex, and Oak Tree that would need to be waived in order for other ADW companies to accept wagers on those races, so TVG’s support for a continuation of the experiment beyond the close of the Hollywood Park meet is essential. John Hindman, general counsel for TVG, said his company is willing to continue the experiment under certain conditions.

“TVG supports continuation of the experiment based on a fair exchange of ADW rights,” Hindman read from a PowerPoint presentation. He said TVG would continue exchanging wagering content “at fair prices.”

Chairman Shapiro and Vice Chairman Harris will arrange a meeting with the stakeholders during the week of July 7 to try to facilitate an agreement. “Everyone wants open wagering to continue. The key will be trying to find the combination that will enable that to happen,” the chairman explained afterwards. “We owe it to our fans to make this happen. They should come first. And given the success of open wagering so far, I can’t see any reason why it shouldn’t continue.”

Ron Charles, president of Santa Anita, said it’s a “no-brainer” to continue the experiment. “The fans are behind it 100 percent.”

The Thoroughbred Owners of California adamantly supports continuing the experiment, as they foresee increases in purses and track commissions from open wagering. “We believe the continuation of the experiment would serve the interests of everyone, including ADW providers,” said TOC President Drew Couto.

Couto advised that if the ADW experiment does not continue past July 13, the TOC will require each ADW company to negotiate terms of an individual agreement with the TOC, through the Thoroughbred Horsemen’s Group (THG), in return for the required horsemen’s consent for out-of-state ADW wagering on California races. Couto also clarified the TOC’s relationship with THG, an organization that has been negotiating with racetracks and simulcast marketing companies on behalf of horsemen in other states. “THG is our broker agent,” explained Couto. “Authority over California account wagering rights will continue to reside with California owners through the TOC.”

In other business, Hollywood Park President Jack Liebau said the Inglewood facility would continue operating at least through the 2009 spring-summer meet, provided the CHRB allocates those historic dates to Hollywood Park. The commitment was outlined in a progress report from the industry to the Board indicating the status of planning and negotiations for training and racing over the next two years. Hollywood Park also has agreed to give at least six-months notice, should they decide to cease operations following that spring-summer meet. The owner of Hollywood Park is in the process of acquiring entitlements for the development of the Inglewood property into residential and/or commercial uses.

As envisioned by the industry, Fairplex Park will be expanded into a major year-round training facility, provided that adequate financing and business arrangements can be put into place. The Board was assured that the industry’s full plan for training and racing in Southern California will be completed before the Board considers the 2009 racing calendar in September or October.

Liebau, who is also the president of Bay Meadows, said racing would end at the San Mateo property with the conclusion of the San Mateo County Fair meet on August 18, but it is unclear how long training might continue this year “to accommodate horsemen.” The owner of Bay Meadows has obtained all of the required permits to begin converting the property for other uses on September 1.

The industry submitted a draft calendar to the Board for 2009 racing in Northern California. The proposal shifts most of the dates vacated by Bay Meadows over to Golden Gate Fields, to be run either by MEC, which is the owner of Golden Gate, and/or the Alameda County Fair, which would lease the facility from MEC. The Alameda County Fair would run its races at Golden Gate during development of the Pleasanton racing complex into a year-round training facility. The industry is continuing to work out the details of the summer fair racing circuit for Northern California.

Two agenda items pertaining to a proposed 1-percent increase in the takeout for wagering on fair races were withdrawn from consideration. However, the Board recognized that it is critically

important that additional funding be found that will facilitate contemplated improvements at both Fairplex and the Alameda County Fair to allow for expanded stabling and racing at those facilities.

Vice Chairman Harris expressed concerns that a comprehensive plan was needed for improvements at the fair facilities, and the fans should not be solely burdened by an increase in takeout, having previously indicated, “If something isn’t selling well, raising the price is not the answer.”

The Board approved for 45-day public notice a proposed rule to require the use of safety reins in racing and training in California. Safety reins contain an internal back-up cord connected to the bit, so that if the traditional outer reins break, the jockey or driver can still maintain control of the horse. Safety reins are strongly endorsed by the Jockeys’ Guild, which helped draft legislation that became Section 19504 of the Horse Racing Law requiring the Board to require the use of safety reins if the Board determines they would provide jockeys and exercise riders greater protection from accidents and injuries than conventional reins.

The Board approved the license application for the California Exposition and State Fair to conduct a mixed-breed meet from August 7 through September 1, marking the return of traditional summer fair racing to Sacramento for the first time since 2004. Harness meets have been run in recent summers at Cal Expo. Harness racing is currently being run at Cal Expo, through August 2, and will return September 12 following the fair meet.

“We’re back in business,” said David Elliot, assistant general manager at Cal Expo. “We’re doing a lot of work and spending a lot of money getting the racetrack as safe as possible for thoroughbred (and mixed breed) racing this summer.”

Vice Chairman Harris complemented Cal Expo for returning to the mixed-breed meet and described it as a very sound decision. He had opposed the move to an all-harness season from the onset.

The Cal Expo racing schedule includes two entire programs on Friday, August 22, with the first program scheduled to begin at 1:15 p.m. and the second at 5:45 p.m.

The Board approved the license application for the Humboldt County Fair to conduct a mixed-breed meet in Ferndale from August 7 through August 17. Both Chairman Shapiro and Vice Chairman Harris commented that going forward, the Board and industry should consider eliminating some of the overlapped dates that Ferndale historically has run with other racetracks.

The Board authorized the Oak Tree Charitable Foundation to distribute \$78,213 in race-day charity proceeds to 21 beneficiaries.

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