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## CALIFORNIA HORSE RACING BOARD



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CHRB NEWS RELEASE

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### REVIEW OF CHRB ACTIONS AND DISCUSSIONS 3-19-09

ALBANY, CA – The California Horse Racing Board conducted its regular monthly meeting Thursday at Golden Gate Fields. Chairman John Harris presided. Vice Chairman David Israel and Commissioners John Andreini, Jesse Choper, Bo Derek were in attendance. During the meeting:

- Hollywood Park's president informed the Board that the Inglewood racetrack would conduct its scheduled meet this fall, but when asked by racing commissioners for a longer-term commitment, track President Jack Liebau said he was not in a position to commit to racing beyond this calendar year.

When the Board approved the 2009 racing calendar last November, Hollywood Park was awarded fall dates (November 11 through December 21). Even though the track had not committed to racing beyond its spring-summer meet, expectations had been that Hollywood Park would race in the fall. But when Hollywood Park's owner recently unveiled plans to the City of Inglewood for a mixed-use development on the 238-acre property that would include a retail district, office space, and nearly 3,000 residential units, the Board placed the matter on the agenda for the meeting.

"Yes, Hollywood Park will be conducting its fall meet," Liebau confirmed without elaboration. Chairman Harris and Vice Chairman Israel both asked Liebau whether he could give any assurances of racing beyond this fall. Liebau said he could not. Chairman Harris expressed his hope that Hollywood Park would continue its racing operation, and he encouraged others to voice their support for racing in Inglewood beyond 2009.

- The Board voted unanimously to reinstate subsections (a), (c) and (d) of Rule 1663 (Entry of Claimed Horse), which state: (a) A horse claimed out of a claiming race is eligible to race at any racing association in California immediately after being claimed. The horse is not eligible to start in a claiming race for 25 days after the date of the claim for less than 25% more than the amount for which it was claimed (c) A claimed horse may be removed from the grounds of the association where it was claimed for non-racing purposes. (d) The provisions of subsection (a) of this rule do not apply to standardbred horses.

Subsection (b) of Rule 1663 remains waived and is not in effect. This section states: (b) A horse claimed out of a claiming race is not eligible to race in any State other than California until 60 days after the close of the meeting from where it was claimed except in a stakes race. (1) For the purposes of this rule, the California Fair Circuit shall be considered one meeting.

The Board has authorized for 45-day public notice a revision to Rule 1633 (b) that would change the out-of-state restriction language to "60 days after the date of the race" instead of "after the close of the meeting." The Board also has requested an opinion from the Office of the Attorney General on this provision.

After the meeting, Chairman Harris said he, for one, took these actions due to a lawsuit filed against

the Board by horse owner Jerry Jamgotchian alleging that the restriction (subsection (b)) on claimed horses leaving the state violated the federal Interstate Commerce Act. Chairman Harris said the requirement to not run the claimed horse in a race for less than 125 percent of the claim price for a period of 25 days would not be violation of the Interstate Commerce Act and thus was retained. He noted that several horsemen and track officials expressed strong concern that the changed rule would result in claiming raids on California horses by out-of-state interests.

- A representative of Magna Entertainment Corp. (MEC) provided an update on MEC's Chapter 11 bankruptcy filing, including motions concerning the sale of Santa Anita, Golden Gate Fields, and other MEC-owned properties, and the status of funds due to various industry programs considered vital to on-going racing operations. Gregg Scoggins, MEC's national director for regulatory affairs, said the funding issues are being reviewed and he might have something to report within a week. Scoggins said the bankruptcy judge already approved \$13.4 million in debtor-in-possession financing, and the judge will consider motions to approve another \$49 million on March 27. Other issues scheduled to be heard either March 27 or at hearings in April include MEC motions for the setting of procedures for the auctioning of MEC assets. MEC proposes bidding and auctioning timetables that could lead to the sales of racetrack properties in early August. Additional information about the MEC bankruptcy process, including hearing dates, court documents and court orders, can be obtained at this Website ([www.kcc11c.net/magna](http://www.kcc11c.net/magna)).

After the meeting, Chairman Harris stressed that several persons in the racing industry expressed concerns about delays in the distribution of funds that MEC held in trust for various programs and operations that are not believed to be general creditors, including the Stabling and Vanning Fund and satellite location fees. He noted their fear that these programs might be forced to close down – to the detriment of Santa Anita and Golden Gate's continuing operations and the overall industry – if payments are not made soon. Chairman Harris said that although all pari-mutuel tickets have been and will be paid, the bankruptcy filing has delayed the distribution of millions of dollars from pari-mutuel wagering due to other beneficiaries, including \$1.2 million in license fees due the State of California.

- Representatives of Betfair, the purchaser of TVG, gave a presentation on their global operations and touched briefly on their plans for TVG. Gerard Cunningham, president of Betfair USA, described Betfair as an Internet-based “stock exchange for sports bettors.” The presentation showed an example of wagers being placed among online bettors at set odds before and during a race. He said Betfair only accepts wagers where they are legal. He also said Betfair is committed to helping the horse-racing industry and is the second-largest sponsor of horse racing in the United Kingdom. He promised to make TVG more “consumer oriented.”
- The Board approved the application for Hollywood Park to conduct a horse racing meeting from April 22 through July 19. Racing will be conducted five days a week, Wednesday through Sunday, with eight races on the weekdays and nine or 10 races on selected Saturdays, Sundays, and holidays.
- The Board authorized for public notice two proposed regulatory amendments to reduce the number of wagering interests that must be scheduled to start at the time the wagering pools open in California for trifecta and superfecta wagering. Rule 1979 (Trifecta) currently requires six wagering interests. The proposal is to reduce that required number to four. Rule 1979.1 (superfecta) currently requires eight wagering interests. The proposal would reduce that number to six. Racing associations and fairs would have the right to not offer these bets.
- The Board authorized the Jockeys' Guild to enter into a consulting contract, not to exceed \$50,000,

for purposes of drafting and implementing the Jockey Pension Plan for California jockeys. As authorized by law, a jockey must ride a minimum of 1,250 races in California during his or her career to be vested in the defined contribution retirement plan for California licensed jockeys. The plan is funded by Advance Deposit Wagering.

- The California Authority of Racing Fairs reported on its planning for race meets to be conducted by CARF at Golden Gate Fields this summer (August 12-23 and September 9-October 4). Their goals include creating a core racing program of fair dates through the summer circuit featuring turf and higher-quality thoroughbreds; creating attractive opportunities for horses from other jurisdictions while retaining the better Northern California thoroughbreds; increasing field size by better management of runner inventory, carefully structuring the purses and stakes schedule, and reducing the number of racing days in September; and distributing a competitive simulcast program to all markets.
- CHRB Executive Director Kirk Breed reported on the proposed budget for the 2009-10 fiscal year and the requirement under a new law for the CHRB to consult with the industry on developing a formula for budget funding. Breed will be meeting with industry representatives on this matter. Any segments of the industry wishing to participate in this discussion should contact the CHRB offices or Craig Fravel, executive vice president of the Del Mar Thoroughbred Club.
- The Board authorized the distribution of \$190,000 in race day charity proceeds by the Hollywood Park Racing Association to 23 beneficiaries, more than 60 percent of which will go to equine-related charities.

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