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CHRB NEWS RELEASE

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CALIFORNIA OWNERS GROUPS REACH ACCORD, SET CONDITIONS FOR ELECTION OF DIRECTORS

SACRAMENTO, CA – The two thoroughbred owners' organizations in California reached an agreement Wednesday between themselves and the California Horse Racing Board whereby after certain conditions are met, the Thoroughbred Owners of California (TOC) will conduct an election for all seats on its Board of Directors, and all California thoroughbred owners will be eligible to vote in that election regardless of whether they hold a second license in some other occupational category.

Provided the current voting members of the TOC first approve several bylaw changes, the open election for all 15 seats on the TOC Board will begin February 1, 2012, with votes accepted through March 1. This election would eliminate the need for a separate election on the proposed decertification of the TOC as the organization officially representing thoroughbred owners in California.

"We're pleased that both sides have come together with a reasonable solution," said CHRB Chairman Keith Brackpool, who hosted several meetings with representatives of the two groups in an effort to bring them closer together. "With this issue behind us and the industry working in greater harmony, we hope to resolve other pressing issues as the new year progresses."

"The TOC is glad that this matter is resolved and urges all its members to support the proposal," said TOC Chairman Jack Owens, who – like all TOC board members – will voluntarily step down under the agreement to allow for the election of all seats on the board. Owens and the other current directors will be eligible to run for the open seats.

"The CTHA's primary goal was to end the discriminatory and exclusionary policies of the TOC and provide free and open elections, so that California thoroughbred owners would be able to choose how they are represented. That goal has been achieved through this negotiated settlement," said David Wilson, president of the California Thoroughbred Horsemen's Association (CTHA), the newly formed horsemen's group that submitted a petition to the CHRB in August to begin the TOC decertification process. Under the agreement, the CTHA will name up to 10 candidates on the election ballot.

Now that agreement has been reached, the next step in the process will be for the CHRB to approve proposed amendments to the TOC bylaws designed to expand the membership of the TOC and diversify its Board of Directors and Executive Committee. The Board will consider this matter at the November 17 meeting.

If the racing commissioners approve the bylaw amendments, the TOC will begin disseminating ballots on November 23 to its current voting membership asking them to approve the bylaw changes. That voting will conclude December 27.

The February election can only take place if the TOC membership first approves the proposed bylaw amendments. A rejection of those bylaw changes would automatically restart the TOC decertification process. In

such a case, the CHRB would begin disseminating decertification election ballots on or before January 30, 2012. Decertification voting would continue through February 29.

The five proposed bylaw changes fall into two categories. The first category pertains to membership in the TOC. The current bylaws contain certain restrictions on membership. Current TOC members will be asked to open the membership – with full voting rights – without restriction to any person licensed by the CHRB as an owner of a thoroughbred racehorse.

The second category pertains to membership on the TOC Board of Directors and Executive Committee. One of the bylaw changes would create two classes of members. The Owner Class would consist of thoroughbred owners who are not licensed by the CHRB to train horses. The Owner/Trainer Class would consist of thoroughbred owners who also are licensed as trainers or who may be the spouse of a trainer. Under proposed bylaw amendments, members in the Owner/Trainer Class and their spouses can run for up to 40 percent of the seats on the TOC Board of Directors (six of the 15 seats), and at least one of the five directors serving on the Executive Committee must be in the Owner/Trainer Class. At least one of the Owner/Trainer Class directors must be from Northern California and at least one must be from Southern California, as opposed to all six being from one part of the state.

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