

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

DECEMBER 17, 2007

BOARD APPROVES EQUINE RETIREMENT FUND DEDUCTION

INGLEWOOD, CA – California thoroughbred owners will donate a portion of purses to equine retirement programs under a rule amendment approved Friday by the California Horse Racing Board with the concurrence of the Thoroughbred Owners of California (TOC). It will go into effect when and if approved by the Office of Administrative Law.

The Board directed the paymaster of purses to deduct 0.3 percent of the net purse earned by any thoroughbred horse at a thoroughbred racing association or fair, which will be deposited into the California Retirement Management Account (CARMA), a charitable trust fund to be established by the TOC for the benefit of California thoroughbred retirement and rehabilitation facilities.

“This is a wonderful idea, of course, and something we are obligated to do. We owe this to the horses. Without them, none of us would be sitting here,” said CHRB Chairman Richard B. Shapiro, who had suggested last April creating a mechanism for horse owners to donate a portion of their purses for equine retirement.

Coincidentally, the TOC already was exploring this same proposal, which led to the drafting of the rule approved Friday by a 4-2 vote. Commissioners John Amerman, Jerry Moss, and Jesse Choper voted with the chairman, while Vice Chairman John Harris and Commissioner John Andreini voted against approving the amendment.

Horse owners must notify the paymaster of purses if they wish to opt out of this voluntary program. However, Marsha Naify, chairwoman of the TOC board, said she expects the vast majority of horse owners to participate in this worthwhile effort. She calculated that with 100-percent participation, three-tenths a percent of thoroughbred purses would amount to \$450,000 a year.

Vice Chairman Harris, while supporting the concept of good outplacement and humane care of horses, questioned whether the CARMA fund would be adequate, and he favored an “opt in” program. He also suggested bringing jockeys, trainers, racetracks, and other segments of the industry into the program before going forward, and questioned if this item was well enough understood by the many stakeholders involved to go forward, as it amounts to a tax on just one segment of the industry. He also stated that many owners and breeders are currently spending considerable amounts of their own moneys to support their own retired horses, and questioned if a quasi-governmental-based program was the way to go.

Commissioner Amerman concurred that more needs to be done, and he was encouraged by the attitude of TOC Director Madeline Auerbach when she said, “We are going to be very aggressive and active in approaching every segment of the industry to raise money for retired thoroughbreds.” Amerman then suggested, “We should give this program a chance. It’s the right thing to do. It makes sense.”

“I agree,” said Chairman Shapiro. “We’ve got nothing to lose and a lot to gain. I would like to start with this program and grow it from here. We have to start somewhere, and if we don’t approve it now, I’m afraid we won’t ever get it going.”

The CARMA funds will be distributed to qualified retirement/rehabilitation facilities, as determined by the TOC. The facilities must be non-profit, approved by the CHRB, and they must provide services to retired horses that competed in thoroughbred races in California.

In other business, Ron Charles, president of Santa Anita, and Paul Harper, technical director for Cushion Track, provided an update on efforts to correct a drainage problem with the new Cushion Track surface in Arcadia before the start of the winter meet on December 26. Harper explained that some of the surface materials had washed down and accumulated on the underlying foundation to create an “impermeable layer.” He said crews had been working around the clock to “wash the tarmac and make that porous again.” And he said they had “modified the grain of the sand and the wax” to prevent the problem from recurring.

Directing comments to Cushion Track, Chairman Shapiro sternly stated, “We need to know that you understand the severity and the urgency of getting this product right.” He said Cushion Track needed to stand behind the product it sold to Santa Anita and should place all of its resources into fixing this problem rather than moving on to sell someone else another track.

Harper assured the chairman the problem would be corrected “within a few days.” When Commissioner Amerman asked whether Santa Anita had a contingency plan, Charles responded, “Yes, we have a back-up plan. We could change the maintenance. But we’re hoping to finish Tuesday and have horses back on the track Wednesday. The track will be safe. We would not put the horses on a track that wasn’t safe. We will have racing at Santa Anita.”

The Board insured that California jockeys and their eligible dependents will continue to have health and welfare benefits in 2008 by approving an agreement between the TOC and the Jockeys’ Guild creating a non-profit corporation – the Jockeys’ Welfare Corporation (JWC) – to distribute approximately \$1 million annually for this purpose from uncashed refunds in pari-mutuel wagering. This program resulted from a review begun by the CHRB three years ago to make certain the fund authorized by California Horse Racing Law was being used properly to benefit California jockeys.

Under the agreement approved Friday, the JWC will hold the funds authorized by statute and distribute them to the insurance company providing the health, vision, and dental benefits to active jockeys who qualify by riding in at least 100 races in California, and to certain qualified veteran riders. Funds also will be distributed to the Guild for welfare payments to disabled riders. The program will be overseen by a committee appointed by the TOC, the Guild, and the CHRB.

The Board approved a short-term license for the Sacramento Harness Association (SHA) to operate a race meet at Cal Expo from December 27, 2007, through January 20, 2008, and asked SHA to appear at the Board's January 17 meeting with proof of the company's financial viability in order to get the license extended. SHA is attempting to obtain rent concessions from Cal Expo. SHA will need to demonstrate financial stability and also post a \$500,000 bond or letters of credit as part of its financial commitment.

The Board took an emergency rulemaking action to bring CHRB rules into conformance with a new statute, which takes effect January 1, 2008, increasing by \$10 the minimum riding fee for jockeys. The statute requires additional increases in subsequent years.

The Board approved for public notice a regulatory amendment creating a new license classification for stable name groups, which would allow for multiple parties to race under one stable name. Anyone owning 10 percent or more of a horse in the stable would also be required to be individually licensed, while owners with less than 10 percent would have the option of being licensed. The proposed amendment was drafted at the request of two stable groups, Little Red Feather Racing and West Point Thoroughbreds, who feel the changes will help them bring new owners into racing. The advocates of the proposal agreed to provide the public and the Board with some examples of how the process would work.

"Let's put out the welcome mat," said Chairman Shapiro in endorsing the proposal. "I'm in favor of anything to help partnerships like this and bring more people into the game."

The Board authorized the Pacific Racing Association to distribute \$142,173 in race day charity proceeds to 12 beneficiaries, including \$27,000 to the Winners Foundation and \$28,435 to the Disabled Jockeys Fund.

#