

IMMEDIATE PRESS RELEASE

October 5, 2006

The ITHA is responding to a questionnaire labeled “Notice to All Concerned Horsemen” that has been distributed unsigned and undated to the membership of the ITHA.

1. The ITHA Board of Directors does not operate in the dark. It is very evident to the membership of the ITHA what the Board of Directors do and has done for the horsemen.
 - Working with the management team at Hawthorne-National, LLC over the past 12 months, the ITHA has alleviated ALL past overpayment and recapture, resulting in a **15%** purse increase at the current meet
 - **7%** Purse increase in overnight purses at Arlington Park in 2006. This increase includes the **\$752,000** that the ITHA Board demanded from Arlington Park before signing the 2006 contract
 - The action that the ITHA took regarding the TVG/YouBet situation put an additional **\$500,000** in commissions to the purse account at Hawthorne-National, LLC
 - The ITHA was successful in raising simulcast host percentage fees in 2006. This increased purse revenue during the NJC meet this spring by over **\$350,000**
 - The ITHA along with the our racing partners in Illinois lobbied tirelessly to successfully get legislation passed that put an additional **\$10,718,852** in the purse accounts at Arlington Park and Hawthorne-National, LLC
 - The ITHA working with the Illinois Racing Board to establish threshold amounts on race day medications
 - The ITHA successfully negotiated a contract at Hawthorne Race Course this fall that eliminated all cost to the horsemen of manure removal
 - The Chicago Thoroughbred Horsemen’s Foundation (CTHF), subsidiary of the ITHA has successfully maintained benevolence benefits to the Trainers/Assistant Trainers despite rising healthcare costs
 - The CTHF partnering with Racetrack Chaplaincy of America and the Palatine School District has saved the CTHF over **\$35,000** a year in Learning Center expense while mentoring 5 times as many children.

- Establishing a trainers lounge at Hawthorne that remains open until the last race every race day.

These points are just a miniscule outline of what the Board of Directors of the ITHA has done for our members in recent months.

2. The ITHA follows strict Illinois code in regards to accounting and auditing procedures. Ulbrich & Company, PC the firm who conducted the Independent Corporate Audit of the ITHA is a member of the AICPA (American Institute of Certified Public Accountants) and has conducted an annual audit of the financial statements of the ITHA in accordance with auditing standards generally accepted. This has been done since the inception of the ITHA. There is no other type of audit that a not-for-profit organization such as the ITHA would be expected to have on a regular basis. In 2006, the ITHA not only had its annual independent corporate audit of the Financial Statements, it also by request of a few members had an Applied Procedure Forensic Audit conducted.
3. The President of the ITHA has satellite subscription service supplied for the ITHA to follow racing on a national scale on both horseracing channels. The By-Laws of the ITHA stipulate that the ITHA “foster and promote” on several degrees the sport of thoroughbred horseracing. (ITHA By-Laws, Purposes)
4. The ITHA employee volunteered to reimburse the ITHA because there was no supporting documentation for the charges. The employee reimbursed the larger amount. Prior to 2006, the ITHA did not have a policy of retaining receipts; the monthly statements were used for documentation. Commencing in 2006, the corporate policy has changed. The policy was changed prior to the Applied Procedure Forensic Audit.
5. The Applied Procedure Forensic Audit uncovered the lack of documentation. The Independent Corporate Auditing Firm, Ulbrich & Company, PC conducts their Audit of Financial Statements of the ITHA in accordance with auditing standards accepted in the United States of America. Those standards require that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Ulbrich & Company, PC has informed the Board of Directors of the ITHA that their own company professional standards includes full disclosure of any financial abnormalities to the Board of Directors of the ITHA if found.
6. The employee reimbursed the ITHA for an entire years worth of undocumented receipts. NOT three months.
7. The Board of Directors in executive session discussed the situation. Upon discovery of all facts, the Board felt that reimbursement of the charges and the change in corporate policy was the correct action. The General Counsel of the ITHA was informed of all activities, and advised the Board of Directors.

8. The Executive Director did not have similar irregular charges. The Executive Director provided all documentation for the Forensic procedure and provided the same documentation to the Audit Committee of the ITHA and the Board of Directors.
9. Prior to 2006, the ITHA used credit card statements as documentation for auditing procedures. This same policy had been in affect for all the previous administrations. The Executive Director implemented a corporate policy change in January of 2006, prior to the Forensic Audit. The ITHA MBNA credit cards were not used by employees' of the ITHA for personal use. The entire staff did not receive a gas allowance. The ITHA was informed that it is the responsibility of the employee to notify if they did not use the entire amount for work related purposes. In August of 2005, the current Executive Director removed this benefit from the ITHA employees'. This action was taken 6 months prior to the Forensic Audit. Regarding the canceling of the credit cards, this action was taken to protect the employees' of the ITHA from further unjust accusations. Repeating: the Forensic Applied Procedure did not uncover any abuse of ITHA funds by the employees' of the ITHA.
10. The ITHA President attends the Kentucky Derby annually with the other Presidents of horsemen organizations nationally. It specifically states in the By-Laws of the ITHA that we strive for business improvement within our sport.
11. These overseas phone calls were placed by a trainer member of the ITHA, NOT an employee of the ITHA. The trainers are NOT scrutinized for their health benefits. The Chicago Thoroughbred Horsemen's Foundation (CTHF) is the benevolence division of the ITHA. All claims for benevolence are investigated by the staff; unfortunately there are individuals that try to take advantage of our benevolence monies.
12. This was a typographical error. The individual mailer to the membership provided the correct information.
13. Concerning the assets of the ITHA, as of August 31, 2006 the assets of the ITHA were **\$700,729.29** not \$80,921.00 as reported in the questionnaire. In regards to the assumption that the ITHA jobs are part time, the ITHA office is open 7 days a week when we our racing February through December, and 5 days a week in January. Regarding the salaries of the ITHA, the salaries do not exceed \$250,000 a year.
14. ITHA By-Laws stipulate one general membership meeting a year. In 2006 there will two meetings, one in October and one in December. Pertaining to legislation passed this spring; HB1918 is held up in the courts. The riverboat association sued the State of Illinois and the Illinois Racing Board, not the ITHA or the racetracks. We are assisting the State and the Illinois Racing Board on behalf of their request for assistance. There were agreements in place for the distribution of the AGR monies between the horsemen and the tracks. These agreements were done prior to the lawsuit. The ITHA Board of Directors does not take action to "surprise" anyone. There was NO cancellation of the election. The Board of Directors unanimously approved a re-instatement of three-year terms of the Directors, in a cost saving procedure to the ITHA. The Board acts as representation to all horsemen. "The business and affairs of the Corporation shall be managed under the direction of its Board of Directors" (ITHA By-Laws, Article VII, Section 1).

15. Racing dates are requested by the Associations, handed out by the Illinois Racing Board. The ITHA worked diligently with all parties to secure the most number of live days that we can support here in Chicago. The ITHA was asked how we knew what the horsemen wanted. Well, we do not want less racing, do we?

There have also been a myriad of other accusations made about the ITHA and its staff. One such accusation is that the Executive Director is refusing to give information about the ITHA employees' annuity. It is not an Annuity, it is a retirement pension plan started by the previous administration President. The request by Jan Ely to the ITHA, because of laws pertaining to insurance, is being directly handled by the ITHA General Counsel.

The ITHA has maintained an open door policy. The individuals who requested the Applied Forensic Audit Procedures refused to meet with the accounting firm that conducted the action and refused to meet with the Audit Committee of the ITHA. Not at any time, has one of these individuals come to the ITHA office and asked a question. The questions that they have are relatively easy to answer, if you want the proper answer, all you have to do ask. A number of individuals that were on there 'list' of concerned members have come to the ITHA asked questions. If asked, numerous people on their 'list' would appreciate it if their name was taken off.

The ITHA will continue its efforts to make racing as viable as possible for its members. If you have any questions, please feel free to come to the ITHA office and ask, we are open 7 days a week while racing.

Thank you.