

9. Discussion and action by the Board on the **Application for Approval to Conduct Advance Deposit Wagering (ADW) of ODS Technologies, L.P., dba TVG, for an out-of-state multi-jurisdictional wagering hub**, for a period of up to two years.
10. Discussion and action by the Board on the **Application for Approval to Conduct Advance Deposit Wagering (ADW) of Churchill Downs Technology Initiatives Company, dba Twinspires.com, for an out-of-state multi-jurisdictional wagering hub**, for a period of up to two years.
11. Discussion and action by the Board on the **Application for Approval to Conduct Advance Deposit Wagering (ADW) of Watch and Wager.Com, LLC, for an out-of-state multi-jurisdictional wagering hub**, for a period of up to two years.
12. Discussion and action by the Board on the **Application for License to Conduct Advance Deposit Wagering (ADW) of XpressBet, LLC, for a California multi-jurisdictional wagering hub**, for a period of up to two years.
13. Public hearing and action by the Board regarding the **proposed amendment to CHRB Rule 1688, Use of Whips**, to change the title and text of rule, replacing the word “whip” with riding crop, and to prohibit a jockey from using a riding crop on a horse more than three times in succession without giving the horse a chance to respond. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)
14. Discussion by the Board on **CHRB Rule, 1699, Riding Rules**.
15. Report from the **Stewards Committee**.
16. **Closed Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by section 11126 of the Government Code.
 - A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," as authorized by Government Code section 11126(e).
 - B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to this agenda captioned “Pending Administrative Adjudications,” as authorized by Government Code section 11126(e).
 - C. The Board may convene a Closed Session for the purposes of considering personnel matters as authorized by Government Code section 11126 (a).

Additional information regarding this meeting may be obtained from the CHRB Administrative Office, 1010 Hurley Way, Suite 300, Sacramento, CA 95825; telephone (916) 263-6000; fax (916) 263-6042. This notice is located on the CHRB website at www.chrb.ca.gov. *Information for requesting disability related accommodation for persons with a disability who require aid or services in order to participate in this public meeting, should contact Jacqueline Wagner.

CALIFORNIA HORSE RACING BOARD

Chuck Winner, Chairman
Bo Derek, 1st Vice Chairman
Richard Rosenberg, 2nd Vice Chairman
Steve Beneto, Member
Jesse H. Choper, Member
George Krikorian, Member
Madeline Auerbach, Member
Rick Baedeker, Executive Director
Jacqueline Wagner, Assistant Executive Director

CALIFORNIA HORSE RACING BOARD
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SACRAMENTO, CA 95825
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PENDING LITIGATION NOVEMBER 2014

COURT LITIGATION

- A. **Jeff Mullins vs. CHRB, et al**
Superior Court of California, County of San Diego, Case No. 37-2010-00092212
- B. **Morteza Atashkar vs. CHRB**
Superior Court of California, County of Sacramento, Case No. 34-2008-00024426
Court of Appeal, Third Appellate District, C074852
- C. **San Luis Rey Racing, Inc., vs. CHRB, et al**
Superior Court of California, County of San Diego, Case No. 37-2011-00096586
- D. **Donald Lockwood vs. CHRB**
Superior Court of California, County of Los Angeles, Case No. BS147701
- E. **James Hanson vs. CHRB**
Superior Court of California, County of Los Angeles, Case No. BS147729

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**PENDING ADMINISTRATIVE ADJUDICATIONS
NOVEMBER 2014**

CASE

- A. Proposed Decision**
Trainer Dominador Fama
Case Number: 14LA0103

- B. Proposed Decision**
Trainer Jorge Farias
Case Number: 14LA0205

- C. Proposed Decision**
Stable Agent Jose Alonso
Case Number: 14LA0216

- D. Pending Further Action**
Trainer Jose DeLaTorre
Case Numbers: 13LA0231, 13LA0254, 13LA0269 and 13LA0270

- E. Proposed Decision After Remand**
Donald Lockwood v. California Horse Racing Board
Case Number: SAC 13-0017, Superior Court Case No. BS147701

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Santa Anita Park Race Track, Baldwin Terrace Room**, 285 West Huntington Drive, Arcadia, California, on **October 23, 2014**.

Present: Chuck Winner, Chairman
 Bo Derek, 1st Vice-Chairman
 Richard Rosenberg, 2nd Vice-Chairman
 Madeline Auerbach, Member
 Steve Beneto, Member
 Jesse H. Choper, Member
 George Krikorian, Member
 Rick Baedeker, Executive Director
 Jacqueline Wagner, Assistant Executive Director
 Robert Miller, General Counsel

APPROVAL OF THE MINUTES OF SEPTEMBER 24, 2014

Chairman Winner asked for approval of the minutes of the Regular Meeting of September 24, 2014. Commissioner Krikorian **motioned** to approve the minutes. Commissioner Beneto **seconded** the motion, which was **unanimously carried**.

EXECUTIVE DIRECTOR'S REPORT.

Executive Director Baedeker stated staff had identified a potential backstretch security system provider and was receiving a demonstration of the system in early November 2014. He said in cooperation with the Jockey's Club, InCompass, and Santa Anita there would also be a demonstration at the Breeders' Cup on microchip tracking for horses; it would begin with a live demonstration of the implant process, followed by a detailed explanation of the proposed pilot program. The amendment to Board Rule 1844, Authorized Medication, took effect October 1, 2014. During the weeks leading up to October 1, staff issued 300 courtesy warning letters to trainers whose horses would have tested positive under the new medication thresholds. Executive Director Baedeker said CHRB was in the process of reorganizing its staff, adding a

staff Counsel with expertise in legislation and regulations. He stated he wished to respond to the Board being vilified over the suspension of Doug O'Neil; bloggers who criticized the Board did not have all the facts. He summarized the issues surrounding the suspension and the reasons the Board came to its decision. Executive Director Baedeker stated the 2014 Fresno Fair all source handle was down eight percent over 2013. Year to date, industry wide daytime all source handle was up less than one percent when compared to the same time in 2013; year to date nighttime all source handle was down 11.7 percent compared with 2013.

PUBLIC COMMENT

Kevin Bolling, representing the California Thoroughbred Horsemen's Foundation (CTHF), stated CTHF had started its annual flu vaccination program for backstretch workers. He said Oak Tree Racing Foundation had sponsored the program for 2014 so that it was free for all backstretch workers.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION IN THE AMOUNT OF \$33,514 TO FIVE BENEFICIARIES.

Commissioner Auerbach **motioned** to approve the request by Los Alamitos Quarter Horse Racing Association to distribute its race day charity proceeds. 2nd Vice-Chairman Rosenberg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION (T) AT GOLDEN GATE FIELDS, COMMENCING DECEMBER 26, 2014 THROUGH JUNE 14, 2015, INCLUSIVE.

Calvin Rainey, representing the Pacific Racing Association at Golden Gate Fields (GGF), stated the 2015 winter-spring meeting consisted of 97 race days from December 26, 2014 to June 14, 2015; and had 12 stakes races, the same as 2014. He said GGF had \$352 million in handle for all race meetings, compared to \$350 million in 2013. Tom Ludt, of GGF, stated the plans for renovations were moving slowly due to complex issues in current litigation. He said GGF expected increases in field size. GGF had a new Racing Secretary: Patrick Mackey. Dan Cirimele, of GGF, stated the 2015 marketing budget would be similar to 2014. GGF planned to heavily promote its El Camino Real Derby, a prep race for the Kentucky Derby, and increase its marketing focus on the local Hispanic market. 2nd Vice-Chairman Rosenberg asked if GGF planned to increase its marketing to any ethnic groups other than Hispanic. Mr. Rainey stated attendance increased on days where the promotion focused on the Hispanic market. He said GGF planned to build on that success by increasing the local advertising on Telemundo. Chairman Winner asked how GGF did with the local Asian market. Mr. Rainey said attendance increased on days which promoted to the Asian market; however, not enough to show a return on investment. Commissioner Krikorian asked what GGF did to attract young customers. Mr. Ludt stated once facility improvements were completed there would be more of a marketing focus on young players. It would be a wasted effort to get them to attend the first time, without having the inviting environment that would keep them coming back. Mr. Rainey said GGF did have a dollar day on Sunday which had a younger demographic. Commissioner Choper asked how handle on dollar days compared to other days. Mr. Rainey said the wagering did not go up with the increase in attendance, but GGF hoped that it was developing a new fan base. Commissioner

Beneto asked if GGF had studied the effects of its field size on its handle. Mr. Ludt stated GGF did much better in handle when the field size was in the eight to ten horses-per-race range. Commissioner Choper asked if that applied to on-track wagering. Mr. Ludt stated it did. Commissioner Beneto asked if it would be worth the risk to try increasing field size by increasing purses. Mr. Ludt said he agreed it could work, but the challenge would be for GGF to remain solvent. He said increasing field size was a complex problem with the decreased horse population, not one that could be solved by just increasing purses. Commissioner Beneto said increased purses would bring in horses from other states. Mr. Ludt said the Thoroughbred Owners of California (TOC) would have to agree to the purse increases. Commissioner Auerbach stated it would be beneficial to receive the horsemen agreements earlier than the rest of the application package so that the Board could better review them. Mr. Ludt said the timing was difficult with race meeting applications for long race meetings at GGF and the Los Angeles Thoroughbred Club at Santa Anita (Santa Anita) due at the same time as the Breeders' Cup was taking place. Commissioner Auerbach said the Breeders' Cup had been run at Santa Anita for three years, long enough for an adjustment period. She stated discrepancies in the stakes schedule should be worked out and agreed upon before being publicly presented to the Board. Chairman Winner asked if there was progress on the outstanding Thoroughbred Owners of California (TOC) and California Thoroughbred Trainers (CTT) agreements. Mr. Rainey said there was still a small issue with the agreements and they had not been finalized. Commissioner Krikorian asked if GGF had put any effort into ensuring its races were simulcast without a delay. Mr. Ludt said a delay in the simulcast was a huge issue; however, getting the states to work together on post times went nowhere. Commissioner Beneto said it was frustrating to be looking for a GGF race on HRTV or TVG and the race begins without warning. Mr. Ludt said GGF simulcast should improve after December 31, 2014 when the Stronach Group takes 100 percent

ownership of HRTV. Commissioner Choper **motioned** to approve the application for license to conduct a horse racing meeting at GGF, commencing December 26, 2014 through June 14, 2015, contingent on the receipt of all outstanding documents. 1st Vice-Chairman Derek **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES TURF CLUB, (T) AT SANTA ANITA, COMMENCING DECEMBER 26, 2014 THROUGH JUNE 28, 2015, INCLUSIVE.

Tom Ludt, representing the Los Angeles Thoroughbred Club at Santa Anita (Santa Anita), stated Santa Anita would host the Breeders' Cup again in 2016, after which the Del Mar Thoroughbred Club would host in 2017. He said Santa Anita had concerns over the length of the the 2014 winter-spring race meeting; however, it was a success. Santa Anita would continue to tweak the use of the facility improvements to further attract the younger crowd; it was an investment which would pay off in the long run. Mr. Ludt said the stakes schedule was not finalized with the Thoroughbred Owners of California (TOC) but there would be a couple of \$1 million dollar races. Commissioner Choper asked if Santa Anita kept a record of its horse populations from year to year. Mr. Ludt said a record was kept of the horses and trainers at Stronach sanctioned facilities; 2014 showed an increase in horse population over 2013 due to the higher purses and the success of Del Mar's Ship and Win program, which brought in horses from out-of-state. Rick Hammerle, of Santa Anita, said there were four facilities stabling horses for Santa Anita race meetings: Santa Anita, San Luis Rey Downs, Fairplex, and Los Alamitos. Chairman Winner asked why Santa Anita did not participate in the Ship and Win program if there was agreement it was such a success. Mr. Ludt said Del Mar, Los Alamitos, and Santa Anita would be meeting with the California Marketing Committee to develop a year-round program. He said

getting the horses to come to California was only part of the challenge, the next issue was finding the incoming horses long-term stabling. Nate Newbie, of Santa Anita, said the two year long renovation finished up in September, 2014, right before the Santa Anita Autumn race meeting; so far the customer response had been overwhelmingly positive. The renovations set out to create a different experience for every level of customer, and Santa Anita launched a new website to showcase the changes especially to new customers. Mr. Newbie said Santa Anita was looking into how to change Twilight Fridays to work around the heavy traffic on Friday evenings; public transportation promotions were being considered. He said the free infield promotion would also be modified to be more effective. 2nd Vice-Chairman Rosenberg said there were two marketing budgets listed for the winter-spring race meeting. Mr. Newbie said the marketing budget would be around \$4.8 million. Mr. Ludt stated the improvements were \$30.5 million more, and the investment from Mr. Stronach would not be recouped for many years. He said the improvements include a new track with the same surface as Los Alamitos, and the same surface Del Mar would install after its November, 2014 race meeting. Chairman Winner said having the same track surface at all of the Southern California tracks was absolutely terrific. Commissioner Auerbach said the new website was fabulous, and very inviting for the technically challenged. Chairman Winner stated putting fans in the saddling arena and the barns to get them out of the heat was a great idea. Executive Director Baedeker asked if anything was planned for 2015 to counter the issues with the extra wear on the turf course during the long race meeting. Mr. Ludt stated he did not know the details; however, Dennis Moore, the Track Superintendent, and Bernie Eastridge the Turf Superintendent had tried many different things and would continue to work on it until it was right. Commissioner Krikorian **motioned** to approve the application for license to conduct a horse racing meeting at Santa Anita, commencing December 26, 2014 through June

28, 2015, contingent upon the submission of outstanding items. 2nd Vice-Chairman Rosenberg seconded the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE LOS ALAMITOS HORSE RACING ASSOCIATION (T) AT LOS ALAMITOS, COMMENCING DECEMBER 3, 2014 THROUGH DECEMBER 23, 2014, INCLUSIVE.

Brad McKinzie, representing the Los Alamitos Racing Association (LARA), stated this would be LARA's first winter race meeting. In the Fall, LARA was the location of the Los Angeles County Fair (LACF) race meeting which had 26 percent more handle than when it ran at Fairplex in 2013. He said the increase in field size made it more successful than the LARA summer race meeting. Mr. McKinzie said LARA expected its success to continue to grow as owners, trainers and wagerers became more familiar with its race meetings. Commissioner Choper stated the shape of the new track was also something to get used to. Mr. McKinzie said the track had now proven itself and LARA could move forward with its past success. He said for the winter meeting there would be the Los Alamitos Futurity, which was a Grade 1 stakes with appointed points towards the Kentucky Derby. Mr. McKinzie said the LARA added Quick Response Codes to all its print marketing that would take any smart phone user directly to the LARA website. Chairman Winner asked if the partnership with the Orange County Register had been a success. Mr. McKinzie said it was very successful and would be continued; however, LARA was also quadrupling its effort in direct marketing and incentives. He said for the winter race meeting LARA would be partnering with the Cypress Boys and Girls Club, and there had been negotiations for a partnership with an Orange County sports team. Mr. McKinzie said the agreement with the Thoroughbred Owners of California had not been completed because there were still discussions on making room for one more graded stakes in the winter schedule.

Commissioner Krikorian **motioned** to approve the application for license to conduct a thoroughbred horse racing meeting at Los Alamitos commencing December 3, 2014 through December 23, 2014, contingent upon receiving all outstanding documents. Commissioner Beneto **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION (Q) AT LOS ALAMITOS, COMMENCING DECEMBER 26, 2014 THROUGH DECEMBER 20, 2015, INCLUSIVE.

Chairman Winner stated the item would be heard at the November Regular Board Meeting.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF WATCH AND WAGER LLC (H) AT CAL EXPO, COMMENCING DECEMBER 26, 2014 THROUGH MAY 3, 2015, INCLUSIVE.

Christopher Schick, representing Watch and Wager (WAW), stated the 2015 race meeting had four more race days than the 2014 race meeting, but ended a week earlier because of the late loss of horse population to other venues. He said WAW invested \$250,000 into horse recruitment that brought in at least nine new barns. Commissioner Beneto asked how many horses were currently at WAW barns. Mr. Schick said around 320, horses were beginning to come in and the number would swell to around 480 by December 1. Commissioner Beneto asked how Steve Barry was able to get enough horses to run Cal Expo harness racing 4 days a week. Mr. Schick said in 2004 there were more horses available; purses supplemented by slot machines at the east coast tracks slowly took away the local trainers. He said the infrastructure of horse populations was built around successful race meetings, which WAW was in the process of rebuilding. Chairman Winner asked if standardbred populations had decreased nationwide the same way

thoroughbred populations had. Mr. Schick stated they had; he said the Meadowlands, once the Mecca of standardbred racing, was down to two days a week because of the low number of horses. The tracks that subsidized with slot machines were taking what was left, leaving the unsubsidized tracks without any horses. Mr. Schick said WAW was fifth in handle out of 55 harness tracks in the nation, but its purse structure, because it was unsubsidized, was somewhere in the middle. Commissioner Beneto asked what the bottom pot was in a place like Yonkers. Mr. Schick said Yonkers bottom pot was \$8,000 with \$50,000 opens every week; WAW bottom pot was \$2,000. 2nd Vice-Chairman Rosenberg asked how long WAW had requested the 16 percent takeout. Mr. Schick said WAW had requested it since it started running Cal Expo harness in 2012. 2nd Vice-Chairman Rosenberg asked if it had been effective. Mr. Schick said the reduced takeout was considered more of a promotion. Also, WAW had always offered it and had nothing to compare it to. 2nd Vice-Chairman Rosenberg asked what other tracks offered the lower takeout. Mr. Schick said it was the unsubsidized tracks looking to increase handle that lowered takeouts. Commissioner Beneto **motioned** to approve the application for license to conduct a horse racing meeting of WAW, at Cal Expo, commencing December 26, 2014 through May 3, 2015, contingent upon the submission of outstanding items. Commissioner Choper **seconded** the motion, which was **unanimously carried**. Executive Director Baedeker stated CHRB staff had been working with WAW on issues related to backside security for which WAW had been very responsive and committed to fixing the issues.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE **PROPOSED AMENDMENT TO CHRB RULE 1588, HORSE INELIGIBLE TO START IN A RACE**, TO PROVIDE THAT A HORSE IS INELIGIBLE TO START IN ANY RACE IN CALIFORNIA IF IT IS ON THE VETERINARIAN'S LIST IN ANOTHER RACING JURISDICTION, UNLESS WITH PRIOR APPROVAL OF THE STEWARDS.

Commissioner Auerbach asked if there was a way for California to take horses off another jurisdiction's Veterinarian's List. Dr. Rick Arthur, Equine Medical Director, stated there was not; however, before a steward approved a horse on another jurisdiction's Veterinarian's List to race, the horse would go through the same steps involved with getting off the California Veterinarian's List. Commissioner Auerbach stated it defied logic for a horse to be on a Veterinarian's List in another state but be determined fit to race in California. Dr. Arthur said Oaklawn only ran in the spring; if a horse was put on its Veterinarian's List, they would be stuck on it until the next year. That was why the stewards needed the authority to allow horses that proved to be sound to race. Commissioner Choper said he assumed the stewards would find out why the horse had not been removed from the other jurisdiction's list. Dr. Arthur said that was correct. Commissioner Beneto asked if a horse that shipped to Arizona could be removed from California's list, if it did the required work in Arizona. Dr. Arthur stated the horse would have to be worked in California to be removed from the California list. 1st Vice-Chairman Derek **motioned** to adopt the proposed amendment to CHRB Rule 1588, Horse Ineligible to Start In a Race, to provide that a horse is ineligible to start in any race in California if it is on the Veterinarian's List in another racing jurisdiction, unless with prior approval of the stewards. Commissioner Auerbach **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO **CHRB RULE 1858, TEST SAMPLE REQUIRED**, TO ELIMINATE THE MAXIMUM RESTRICTION ON SAMPLES THAT MAY BE TAKEN, AND TO ADD HORSES REGISTERED TO RACE AT AN INCLOSURE, NOMINATED TO RACE, AND PRE-ENTERED IN A RACE TO THOSE HORSES SUBJECT TO TESTING.

Commissioner Krikorian asked what the minimum required daily tested currently was. Dr. Rick Arthur, Equine Medical Director, stated the minimum was all winners plus six other horses. Commissioner Auerbach asked why the existing limits were established. Dr. Arthur said the current limits were created to control costs. Commissioner Auerbach said she liked that the horses had to be registered to race; it was very clear. Commissioner Krikorian asked if there were budget constraints preventing required testing. Dr. Arthur said there were not. 2nd Vice Chairman Rosenberg said the rule should state the horses could be tested outside of the inclosure, otherwise it was unclear that a registered horse not yet in the inclosure could be tested. Chairman Winner stated the amendment had already completed its public comment period. Dr. Arthur said he was chairing a national committee that was developing a uniform rule that would specifically address testing outside the inclosure. Commissioner Krikorian **motioned** to adopt the proposed amendment to CHRB Rule 1858, Test Sample Required, to eliminate the maximum restriction on samples that may be taken, and to add horses registered to race at an inclosure, nominated to race, and pre-entered in a race to those horses subject to testing. 1st Vice-Chairman Derek **seconded** the motion, which was **unanimously carried**.

REPORT FROM THE MEDICATION AND TRACK SAFETY COMMITTEE.

1st Vice-Chairman Derek stated Dr. Rick Arthur, Equine Medical Director, provided an update to the Medication and Track Safety committee on the meeting of the International Conference of Racing Analysts and Veterinarians. The conference focused on emerging doping threats and

horse welfare. The Committee discussed the use of cobalt as a performance enhancer, and ketoprofen, a non-steroidal anti-inflammatory drug. 1st Vice-Chairman Derek stated the Committee discussed further regulating corticosteroids. She said staff was working with the Veterinarian Medical Board on acceptable language for third-party Laix administration. Dr. Arthur reported to the Committee the recommendation of the International Federation of Horse Racing Authorities that more out-of-competition testing was needed to prevent the use of performance enhancing drugs during training off-site. Dr. Arthur reported that UC Davis would begin a cardiology project to study heart disease and sudden death in horses. 1st Vice-Chairman Derek stated the Committee discussed the proposed amendment of CHRB Rule 1843.3.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1843.3, PENALTIES FOR MEDICATION VIOLATIONS, TO PROHIBIT: 1) SUSPENDED TRAINERS FROM TRANSFERRING HORSES TO EMPLOYEES; 2) THE USE OF ANY SIGNAGE, COLORS OR IDENTIFIABLE TACK OF A SUSPENDED TRAINER DURING A SUSPENSION AND 3) TO CHANGE FROM 60 DAYS TO 45 DAYS, THE REQUIREMENT THAT TRAINERS SUSPENDED FOR SUCH TIME BE BANNED FROM THE ENCLOSURE AND FORFEIT ALL ASSIGNED STALL SPACE AND REMOVE FROM THE INCLOSURE ALL SIGNAGE, ADVERTISEMENTS, TRAINING-RELATED EQUIPMENT, TACK, OFFICE EQUIPMENT AND OTHER PROPERTY.

1st Vice-Chairman Derek stated the proposed amendment to CHRB Rule 1843.3 was not a reaction to recent events; it had been in development for years. She said the complaint process was lengthy, with ample oversight; when a trainer was suspended the trainer should not be able to benefit from horse racing. Commissioner Chopper stated the requirement to ban trainers from the inclosure should be reduced from 60 to 30 days, not 45. Chairman Winner said there were reasons why 45 days was recommended. Executive Director Baedeker stated any suggestions from the Board or feedback from stakeholders should be considered before moving forward with the 45 day comment period. Chairman Winner said there needed to be an effective minimum

penalty, especially when a trainer benefitted financially during suspension, in violation of section 1843.3(i). 2nd Vice-Chairman Rosenberg stated preventing suspended trainers from transferring their horses to family or employees was not enough; trainers could still transfer their horses to a friend. He said the Board needed to find an effective way to determine if the trainers were benefitting financially from horseracing, no matter how they were doing it. 2nd Vice-Chairman Rosenberg said he also had a problem with the proposed amendment being discussed at the Medication and Track Safety Committee meeting a day before the Regular Board Meeting, without enough time for stakeholders to discuss amongst themselves any issues brought up at Committee. Commissioner Auerbach stated the amendment to Rule 1843.3 was important for ensuring that the trainers playing by the rules did not have to compete with trainers who repeatedly violated medication rules; the amendment was also important to the wagering public who trusted the Board to keep horse racing clean. Chairman Winner said the Board should stick with the 45 day threshold to ban trainers from the inclosure to ensure the amendment targeted repeat offenders. A 30 day suspension might be given to a first time offender and was therefore too low of a threshold. Commissioner Krikorian stated he preferred 30 days. He said the opinions of stakeholders should be considered, but firm action should be taken by the Board for the betterment of horse racing. Jacqueline Wagner, Assistant Executive Director, suggested the Board continue developing the amendment with the stakeholders before initiating the 45 day public comment period. After the official 45-day comment period was initiated, any changes to the amendment required a more in depth process which delayed the finalization of the amendment. Commissioner Auerbach asked if there could be an informal meeting to make the necessary changes. 2nd Vice-Chairman Rosenberg said the Chairman needed to call for an informal meeting. Chairman Winner stated any informal meeting could not have more than two commissioners present. 2nd Vice-Chairman Rosenberg stated 3 commissioners could be present

at an informal meeting. Robert Miller, CHRB Counsel, said a meeting with 3 or more commissioners was governed by the Bagley-Keene Open Meeting Act. Chairman Winner stated the amendment could go back to Committee for more input from concerned stakeholders; options could be developed and presented to the full Board at a later Regular Board Meeting. Commissioner Choper said the Board should encourage communication early in the rulemaking process to not slow down an already cumbersome process. Ms. Wagner stated comments made during the 45-day comment period slowed down the process; when comments led to substantive changes in the text, the process had to start all over again. Executive Baedeker stated the Board should seek comments from stakeholders and commissioners, have a Committee meeting, draft optional texts to present at a Regular Board Meeting all before the 45 day comment period was initiated. Commissioner Beneto said he would prefer the 30 day suspension threshold. 2nd Vice-Chairman Rosenberg stated a trainer's first medication violation may not be indicative of an intention to cheat and should not be treated as such. Chairmen Winner agreed. Alan Balch, representing the California Thoroughbred Trainers (CTT), stated it was important that all stakeholders participated in the development of the amendment, and the CTT looked forward to participating in future discussions. He said the CTT was behind the objective one hundred percent.

**DISCUSSION AND ACTION BY THE BOARD REGARDING THE STATUS UPDATE
FROM THE LOS ANGELES TURF CLUB ON ITS BACKSIDE IMPROVEMENT
PLANS FOR SANTA ANITA AND SAN LUIS REY DOWNS.**

Chairman Winner stated this item would be discussed at a later meeting.

MEETING ADJOURNED AT 12:14 P.M.

A full and complete transcript of the aforesaid proceedings are on file at the office of the California Horse Racing Board, 1010 Hurley Way, Suite 300, Sacramento, California, and therefore made a part hereof.

Chairman

Executive Director

CALIFORNIA HORSE RACING BOARD

NOVEMBER 19, 2014
REGULAR BOARD MEETING

There is no board package material for Item 2

CALIFORNIA HORSE RACING BOARD

NOVEMBER 19, 2014
REGULAR BOARD MEETING

There is no board package material for Item 3

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE
DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF
THE LOS ANGELES TURF CLUB, INC. IN THE
AMOUNT OF \$190,658.20 TO 12 BENEFICIARIES

Regular Board Meeting
November 19, 2014

BACKGROUND

Business and Professions Code section 19550 states the Board shall require each licensed racing association that conducts 14 or less weeks of racing to designate three racing days, and each licensed racing association that conducts more than 14 weeks of racing to designate five racing days during any one meeting, to be conducted as charity days by the licensee for the purpose of distribution of the net proceeds therefrom to beneficiaries through the distribution agent. No racing association shall be required to pay to a distributing agent for the purpose of distribution to beneficiaries more than an amount equal to two-tenths of one percent of the association's total on-track handle on live races conducted by the association at the meeting. Business and Professions Code section 19555 requires that proceeds are to be distributed to beneficiaries within 12 calendar months after the last day of the meet during which charity days were conducted. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 20 percent of the distribution shall be made to charities associated with the horse racing industry. An additional five percent shall be paid to a welfare fund and another five percent shall be paid to a nonprofit corporation, the primary purpose of which is to assist horsemen and backstretch personnel who are being affected adversely as a result of alcohol or substance abuse. In addition to the above distributions, a separate 20 percent shall be made to a nonprofit corporation or trust, the directors or trustees of which shall serve without compensation except for reimbursement for reasonable expenses, and which has as its sole purpose the accumulation of endowment funds, the income on which shall be distributed to qualified disabled jockeys.

ANALYSIS

Los Angeles Turf Club (LATC) is requesting approval to distribute race day charity proceeds generated at its 2013 winter/spring/summer meet from December 26, 2013 through June 29, 2014. From the net race day charity proceeds LATC is proposing a total distribution of \$190,658.20. The charitable organizations selected and amount to be distributed is listed on the attachment. Staff notes that 100 percent of the proceeds will be given to 12 horse racing related organizations.

RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board approve the charity race day distribution as presented.



October 13, 2014

California Horse Racing Board
Attention Linn Voong
1010 Hurley Way, Suite 300
Sacramento, California 95825

Re: Los Angeles Turf Club, Incorporated's Charity Days

Ladies/Gentlemen:

Los Angeles Turf Club, Incorporated, doing business as "Santa Anita Park," has determined the beneficiaries of proceeds from "Charity Days" races conducted at Santa Anita Park during its 2013-2014 winter/spring/summer meet from December 26, 2013 through June 29, 2014. The net proceeds from the "Charity Days" totaled \$190,658.20. This letter supersedes and amends our letter sent previously, which was dated September 25, 2014.

Attached hereto is a list of the organizations selected to be the beneficiaries of the Charity Days proceeds, the amount to be distributed to each and a brief statement about each recipient. Note that 100% of the distributions are to horse related charities.

Also attached is the official CHRIMS report of handle for the said race meet upon which this distribution is based.

Please calendar this matter for discussion and action by the California Horse Racing Board. Distributions will be made upon approval of the proposed amounts by the Board.

Should you have any questions regarding the distributions or the matters set forth herein, do not hesitate to contact the undersigned. Kindly do not supplement this filing with any further documents without giving us prior notice.

Very truly yours,



Frank De Marco, Jr.

FDM:mr

Enclosures

cc: Chairman Chuck Winner

Los Angeles Turf Club, Inc.

285 W. Huntington Drive, P.O. Box 60014, Arcadia, CA 91066-6014 (626) 574-7223 Fax (626) 446-9565

Los Angeles Turf Club, IncorporatedDistribution of Charity Days Proceeds2013-2014 Winter/Spring/Summer Meet (December 26, 2013-June 29, 2014)

	<u>Amounts</u>	<u>Subtotals</u>
I. <u>Horse Related Charities – BP 19556(b) (20% minimum)</u>		
California Equine Retirement Foundation, Inc.	\$ 5,000.00	
California Thoroughbred Foundation	5,000.00	
CARMA	15,958.20	
Edwin Gregson Foundation	40,000.00	
Holy Angels Church (Backside Permanent Deacon)	1,000.00	
Race Track Chaplaincy of America (Southern California Council)	1,000.00	
Southern California Equine Foundation, Inc.	5,000.00	
Tranquility Farm	5,000.00	
United Pegasus Foundation	5,000.00	\$ 82,958.20
II. <u>Welfare Fund for Backside Personnel – BP 19641(b) (5% minimum)</u>		
California Thoroughbred Horsemen's Foundation	18,700.00	18,700.00
III. <u>Fund for Substance or Alcohol Abuse – BP 19556(b) (5% minimum)</u>		
Winners Foundation	53,000.00	53,000.00
IV. <u>Disabled Jockeys Fund – BP 19556(c) (20% minimum)</u>		
Permanently Disabled Jockeys' Fund	36,000.00	36,000.00
Total		<u>\$190,658.20</u>

LOS ANGELES TURF CLUB II, INC.
ADDEMDUM TO REQUEST FOR AUTHORITY TO DISTRIBUTE
2013 CHARITY DAYS PROCEEDS

California Equine Retirement Foundation, Inc. – CERF is an organization that has developed into a full-care ranch to provide a full range of services to former race horses in need of rehabilitation toward retirement or placement in to a new career. CERF maintains 75 plus horses ranging in age from one year to 35 years, each having specific needs to insure proper health and optimal fitness. Each horse has its own paddock where appropriate portions are placed in feeders in the morning and again in the late afternoon. During the day hay is placed in outside feeders for grazing while the horses are turned out. Periodic re-evaluations are made to determine if any changes are needed in any individual's dietary regime. This program provides horses with proper nutrition to maintain health, fitness and longevity.

California Thoroughbred Foundation – CTF is a 503(c)(3) nonprofit organization that provides multiple benefits to individuals involved in the Thoroughbred industry. These include scholarship programs for veterinary medicine students at UC, Davis and maintenance of the Carleton F. Burke Memorial Library.

California Thoroughbred Horsemen's Foundation – CTHF is a 501(c)(3) nonprofit foundation that provides assistance to the low income backstretch community occupied with the care of Thoroughbred race horses at California's major race tracks and fair circuits and CHRB recognized off-track training centers. The organization maintains three clinics throughout the state which see over 10,000 people each year, including numerous children who are prepared medically to return to school each year.

CARMA – The California Retirement Management Account is organized to raise money for retired California race horses. Their mission statement provides that they assist Thoroughbred retirement facilities that care for and retrain horses whose careers have ended after competing in California Thoroughbred races. Their services include tracking of retired California race horses and in working to find homes for retired equines. CARMA also manages a grant request process and distributes funds to qualified retirement facilities caring for such horses. CARMA is dedicated to the goal of providing funding for the rehabilitation, retraining and/or retirement of Thoroughbred horses that have raced in California.

Edwin Gregson Foundation – A nonprofit charitable foundation organized for the purpose of improving the lives of backstretch workers and their immediate family members at California race tracks. The organization provides backstretch workers with many educational programs, including "English as a second language," bible studies and provides numerous programs, including computer training programs at its recreation facility, computer games and various magazines in English and Spanish. It organizes family outings for the workers and their children, including trips to Magic Mountain in Valencia, California, Raging Waters, Galaxy soccer games, Dodger baseball games and excursions to the Long Beach Aquarium. The organization also maintains a recreational hall at Santa Anita Park for the benefit of the backside workers and their children.

Holy Angels Church (Backside Permanent Deacon) – Holy Angels Church is a Catholic Church across the street from Santa Anita Park. A deacon from the church performs a weekly Mass in the recreation room at the track on Monday nights for the workers on the backside. He walks down the shed rows daily in the morning and assists the workers in an endless variety of ways. Examples of the assistance provided include counseling, organizing religious and recreational activities, the collection and distribution of clothing, help with Medicare, Medi-Cal and immigration forms, officiating at holiday gatherings at Santa Anita, etc.

Racetrack Chaplaincy of America (Southern California Council) – The stated mission of the organization is "The overall mission of RTCA, through its councils and chaplains, is to make disciples for Jesus Christ through teaching, preaching, and ministering to the spiritual, emotional, physical, social, and educational needs of those persons involved in all aspects of the horse racing industry."

Southern California Equine Foundation, Inc. – SCEF is a nonprofit charitable organization providing hospital and equine ambulance services on the Southern California Thoroughbred racing circuit. Commonly known as the Equine Hospital, SCEF has a long history of service to the racing industry and the equine athlete. This is an organization "dedicated to the care of the injured horse."

Tranquility Farm – This organization is a 501(c)(3) charity whose principal activity is to accept the donation of Thoroughbred horses from the race tracks and breeding farms and whose goal is to give such horses the best opportunity to find an adoptive home. For those Thoroughbreds that are not readily adoptable, the organization offers comfortable retirement wherever possible, giving priority to horses that were significant competitors or producers. Tranquility Farm requests, but does not require, that owners contribute sponsorship to help defray the costs of rehabilitation and retraining. No horse is denied acceptance at Tranquility Farm based upon its owner's financial contribution.

United Pegasus Foundation – This is a 501(c)(3) charitable organization that aids the rescue of superannuated Thoroughbreds and provides care for such animals at its farm in Tehachapi, California. On occasion the organization purchases older horses at auction and acquires other Thoroughbreds at the request of owners and trainers. The retired Thoroughbreds are maintained in pleasant quarters and peaceful surroundings to live out the balance of their lives. This organization depends entirely upon donations for the purchase of food and other amenities required to maintain the Thoroughbreds.

Winners Foundation – The Winners Foundation provides confidential assistance on a one-to-one basis to employees and family members of California race tracks who are seeking help for alcohol, gambling and drug addiction. Each situation is geared to best support an individual's desire to change his or her life for the better. The Foundation has developed a large referral base and maintains close relationships with community based services such as anonymous 12 step groups, city and county assistance agencies, detox centers, halfway houses and out-patient and in-patient hospital treatment programs. This service is provided to any employee or family member of anyone involved in the California Thoroughbred horse racing community, free of charge. This includes backstretch workers, as well as all employees of Del Mar, Fairplex, Golden Gate Fields, Hollywood Park, Oak Tree, Santa Anita and the California Association of Racing Fairs.

Permanently Disabled Jockeys' Fund – This is a statutorily mandated distribution per Business and Professions Code Section 19556 (c). It provides support to disabled jockeys, as its name implies.

CHRB ANALYSIS

Los Angeles Turf Club, Inc. 2013 Charity Day Proceeds

#	Nonprofit Organization	Amount	Proposed Disbursement Percentage	Percentage Required By Horse Racing Law (from the 2/10 of 1%)	Notes
1	California Equine Retirement Foundation, Inc.	5,000	3%		a
2	California Thoroughbred Foundation	5,000	3%		a
3	California Thoroughbred Horsemen's Foundation	18,700	10%	minimum of 5%	b
4	CARMA	15,958	8%		a
5	Edwin J. Gregson Foundation	37,868	20%		a
6	Holy Angels Church (Backside Permanent Deacon)	1,000	1%		a
7	Racetrack Chaplaincy of American (Southern Ca Council)	1,000	1%		a
8	Southern California Equine Foundation, Inc.	5,000	3%		a
9	Tranquility Farm	5,000	3%		a
10	United Pegasus Foundation	5,000	3%		a
11	Winners Foundation	53,000	28%	minimum of 5%	c
12	Permanently Disabled Jockeys' Fund	38,132	20%	minimum of 20%	d
	Total Horse Related Charities	\$ 190,658.20	100%	minimum of 50%	a
	Notes:				
	a	20% to charities associated with the horse racing industry (B&P 19556 (b))			
	b	5% to welfare fund for backstretch personnel (B&P 19641 (b))			
	c	5% to nonprofit organization to assist horsemen and backstretch personnel affected by alcohol and substance abuse(B&P 19556 (b))			
	d	20% to nonprofit organization that benefits qualified disabled jockeys (B&P 19556 (c)(1))			
	e	overall a minimum of 50% of the charity distribution should go to horse racing industry related nonprofit organizations.			

Background information for each organization is attached.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE
DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF
THE DEL MAR THOROUGHBRED CLUB IN THE
AMOUNT OF \$138,009 TO SEVEN BENEFICIARIES

Regular Board Meeting
November 19, 2014

BACKGROUND

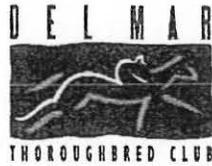
Business and Professions Code section 19550 states the Board shall require each licensed racing association that conducts 14 or less weeks of racing to designate three racing days, and each licensed racing association that conducts more than 14 weeks of racing to designate five racing days during any one meeting, to be conducted as charity days by the licensee for the purpose of distribution of the net proceeds therefrom to beneficiaries through the distribution agent. No racing association shall be required to pay to a distributing agent for the purpose of distribution to beneficiaries more than an amount equal to two-tenths of one percent of the association's total on-track handle on live races conducted by the association at the meeting. Business and Professions Code section 19555 requires that proceeds are to be distributed to beneficiaries within 12 calendar months after the last day of the meet during which charity days were conducted. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 20 percent of the distribution shall be made to charities associated with the horse racing industry. An additional five percent shall be paid to a welfare fund and another five percent shall be paid to a nonprofit corporation, the primary purpose of which is to assist horsemen and backstretch personnel who are being affected adversely as a result of alcohol or substance abuse. In addition to the above distributions, a separate 20 percent shall be made to a nonprofit corporation or trust, the directors or trustees of which shall serve without compensation except for reimbursement for reasonable expenses, and which has as its sole purpose the accumulation of endowment funds, the income on which shall be distributed to qualified disabled jockeys.

ANALYSIS

Del Mar Thoroughbred Club is requesting approval to distribute race day charity proceeds generated at its 2014 summer meet from July 17, 2014 through September 3, 2014. From the net race day charity proceeds Del Mar Thoroughbred Club is proposing a total distribution of \$138,009. The charitable organizations selected and amount to be distributed is listed on the attachment. Staff notes that 100 percent of the proceeds will be given to seven horse racing related organizations.

RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board approve the charity race day distribution as presented.



Joe Harper
*President and
 Chief Executive Officer*

November 4, 2014

Mr. Rick Baedeker
 Executive Director
 California Horse Racing Board
 1010 Hurley Way, Suite 300
 Sacramento, CA 95825

Dear Mr. Baedeker:

The Del Mar Thoroughbred Club Board of Directors has allocated charity day proceeds as set forth below for the California Horse Racing Board's consideration and approval:

California Retirement Management Account (CARMA)*	\$54,884
Permanently Disabled Jockeys Fund*	27,725
Race Track Chaplaincy/ Southern California*	14,000
California Center for Equine Health and Performance*	13,500
Winners Foundation*	11,000
University of Arizona Racetrack Industry Program*	10,000
California Thoroughbreds Horsemen's Foundation*	<u>6,900</u>
TOTAL:	<u>\$138,009</u>
Equine Related Charities*	\$138,009
Non - Equine Related	0
Percentage of Equine Related Charities	100%

Attached please find a schedule describing the charitable organizations listed above.
 Thank you for your attention to this matter. If you need further information please feel free to contact me.

Very truly yours,

Joe Harper
 Chief Executive Officer

**Del Mar Thoroughbred Club
Charitable Organization Descriptions**

California Retirement Management Account (CARMA) – CARMA is a charitable 501 c 3 organization created to raise money for retired racehorses. Their mission is to assist Thoroughbred retirement facilities that care for and retrain horses whose careers have ended after competing in California Thoroughbred races. Madeline Auerbach is CARMA's chairperson. (Contact phone: 626-574-6622; www.carma4horses.org)

Permanently Disabled Jockeys Fund – Founded in 2006, it is a collaborative effort of many leaders in the horse racing industry, including racetracks, jockeys, horsemen and others. It is a public charity that currently provides financial assistance to approximately 60 former jockeys who have suffered catastrophic on-track injuries. It recently was the winner of the National Turf Writers and Broadcasters prestigious Joe Palmer Award for its exceptional work. Nancy LaSala is the group's president. (Contact phone: 630-595-7660; www.pdjf.org/)

Race Track Chaplaincy / Southern California (RTCA/SC) – The RTCA/SC is a nonprofit organization that was established in 1971, dedicated to providing excellence for the spiritual, emotional, physical and social/educational needs of horse racing's workers. RTCA Southern California is an affiliate of Race Track Chaplaincy of America, which has 77 chaplains serving over 117 racetracks throughout the United States and Canada. The RTCA/SC provides services to horse racing workers at Santa Anita, Los Alamitos, Fairplex and Del Mar. Joe Herrick is RTCA/SC's President. (Contact phone: 626-574-6438; <http://rtcasc.com/>)

California Center for Equine Health and Performance – The Center for Equine Health (CEH) was established at University of California Davis School of Veterinary Medicine in 1973. The primary purpose of CEH is to serve as an administrative and academic umbrella for research into means and methods of improving equine health and performance. In conjunction with this, it produces a series of publications that disseminate its findings and pertinent information. Additionally, it serves as the West Coast's quarantine and treatment station for the potentially devastating venereal disease contagious equine metritis. <http://www.vetmed.ucdavis.edu/ceh/>

Winners Foundation – The Winners Foundation was founded in 1984 as a non-profit organization to provide information, support and referral sources to employees and family members of the California horse racing community who are being adversely affected as a result of alcohol and/or substance abuse. There is no charge to anyone seeking aid through the group, which has aided and guided thousands of individuals since its inception. It is currently headed by Bob Fletcher. (Contact phone: 626-945-0880; <http://winnersfoundation.org/>)

University of Arizona Racetrack Industry Program – The program, which was established as part of the University of Arizona’s Animal Science Department in 1974, was the first of its kind to train young men and women to become future leaders in the racing industry. Since its inception it has produced more than 500 graduates for the pari-mutuel industry in areas of expertise ranging from the frontside to the backside. It also hosts the largest gathering of racetrack executives and leaders annually at its “RTIP Symposium” in Tucson in December. Doug Reed is the director of the program. (Contact phone: 520-621-5660; <http://ag.arizona.edu/rtip/>)

California Thoroughbred Horsemen’s Foundation – The California Thoroughbred Horsemen’s Foundation (CTHF) is a non-profit charitable foundation dedicated to improving the quality of life in the community of stable workers at California’s racetracks and training centers. It was founded in 1983 and, among its other projects, currently conducts Monday through Friday medical and dental clinics in both Northern and Southern California that are free for stable workers and their families. Kevin Bolling is the executive director of CTHF. (Contact phone: 626-446-0196; www.cthf.info/)

CHRB ANALYSIS

Del Mar Thoroughbred Club 2014 Charity Day Proceeds

#	Nonprofit Organization	Amount	Proposed Disbursement Percentage	Percentage Required By Horse Racing Law (from the 2/10 of 1%)	Notes
1	California Thoroughbred Horsemen's Foundation	6,900	5%	minimum of 5%	b
2	CARMA	54,884	40%		a
3	Racetrack Chaplaincy of American (Southern Ca Council)	14,000	10%		a
4	California Ce nter for Equine Health and Performance	13,500	10%		a
5	University of Arizona Racetrack Industry Program	10,000	7%		a
6	Winners Foundation	11,000	8%	minimum of 5%	c
7	Permanently Disabled Jockeys' Fund	27,725	20%	minimum of 20%	d
	Total Horse Related Charities	\$ 138,009.00	100%	minimum of 50%	a
	Notes:				
	a	20% to charities associated with the horse racing industry (B&P 19556 (b))			
	b	5% to welfare fund for backstretch personnel (B&P 19641 (b))			
	c	5% to nonprofit organization to assist horsemen and backstretch personnel affected by alcohol and substance abuse(B&P 19556 (b))			
	d	20% to nonprofit organization that benefits qualified disabled jockeys (B&P 19556 (c)(1))			
	e	overall a minimum of 50% of the charity distribution should go to horse racing industry related nonprofit organizations.			

Background information for each organization is attached.

STAFF ANALYSIS
November 19, 2014

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION AT LOS ALAMITOS DECEMBER 26, 2014 THROUGH DECEMBER 20, 2015.

Los Alamitos Quarter Horse Racing Association (LAQHRA) filed its application to conduct a quarter horse racing meeting at Los Alamitos.

At its October 23, 2014 Regular Meeting, the Board deferred the LAQHRA race meet application until November 19, 2014.

- December 26, 2014 through December 20, 2015, or 152 days, three days less than 2014 allocated race dates. The association proposes to race a total of 1,400 races. The (estimated) average daily purse for the 2014 meet is \$90,991. The (estimated) average daily purse for this meet is \$89,780. The 2014 meet has not been completed.
- The race dates proposed are the dates the Board allocated.

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September - 2015						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October - 2015						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November - 2015						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

December - 2015						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

- Racing 3 nights per week, Friday through Sunday, except February 1, 2015, April 5, 2015 and July 4, 2015. Seven to 15 live races per night and 8 to 16 simulcast races.
- First live post 7:00 p.m. Friday; 6:30 p.m. Saturday; 5:00 p.m. Sunday.
- Wagering program will use CHRB rules.
 - Early wagering will start at 9:30 a.m. Friday, Saturday and Sunday.
- Advance Deposit Wagering (ADW) provider is TVG.

Pursuant to Business and Profession Code section 19604, specific provisions must be met before an ADW provider can accept wagers.

Summary of B&P code 19604

To accept wagers on races conducted in California from a resident of California.

- The ADW provider must be licensed by the Board.
- A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
- The agreement shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made.

To accept wagers on races conducted outside of California from a resident of California.

- The ADW provider must be licensed by the Board.
- There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

Documents received in compliance with Business and Professions Code section 19604:

- A copy of the license agreement between ODS Technologies, L.P. dba TVG Network and Los Alamitos Quarter Horse Racing Association has been provided to CHRB.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code section 19602; and with authorized locations throughout California.
- Request that Juan Garcia is appointed horse identifier pursuant to CHRB Rule 1525, Racing Officials Appointed by the Board.
- Track safety inspection has been requested and will be completed before the race meeting begins.
- Inspection of backstretch worker housing has been requested and will be completed before the race meeting begins.
- LAQHRA has reported it will have two emergency medical technicians (EMT's) in the on-track ambulance during racing hours.

RECOMMENDATION:

Staff recommends approval of the application.

STATE OF CALIFORNIA
CALIFORNIA HORSE RACING BOARD
APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING
CHRB-17 (Rev 07/11)

Application is hereby made to the California Horse Racing Board (CHRB) for a license to conduct a horse racing meeting in accordance with the California Business and Professions Code, Chapter 4, Division 8, Horse Racing Law, and the California Code of Regulations, Title 4, Division 4, CHRB Rules and Regulations.

1. APPLICANT ASSOCIATION

- A. Name, mailing address, telephone, fax numbers, and the email address for associations contact person: Cathy Monji
Los Alamitos Quarter Horse Racing Association
4961 Katella Ave.
Los Alamitos, CA 90720 714-820-2800 main 714-820-2820 fax
cmonji@losalamitos.com
- B. Breed of horse: TB QH H
- C. Racetrack name: Los Alamitos Race Course
- D. Attach a certified check payable to the Treasurer of the State of California in the amount of \$10,000 as deposit for license fees pursuant to Business and Professions Code section 19490.
- E. Was the association licensed to operate a race meeting prior to January 1, 2001
 Yes No
 If no, attach a surety bond in the amount of one hundred thousand dollars.

NOTICE TO APPLICANT: No application for a license to conduct a race meeting shall be granted unless the applicant has deposited with the Board a surety bond in the amount of one hundred thousand dollars (\$100,000), or a greater amount, as determined by the board, which is sufficient to ensure payment of employee wages and benefits including, but not limited to, health, welfare, and pension plans. The surety bond shall be maintained during the period of the meeting and for an additional period, as determined by the board, sufficient to assure that all payments are made. This subdivision does not apply to any person or association licensed to operate a horse race meeting prior to January 1, 2001, which has conducted a race meeting in each of the immediate three previous consecutive calendar years. The \$100,000 surety bond amount maybe increased to an amount determined by the Board at the time the application is scheduled for hearing pursuant to Business and Professions Code section 19464(b).

NOTICE TO APPLICANT: Application must be filed not later than 90 days before the scheduled start date for the proposed meeting pursuant to CHRB Rule 1433.

2. DATES OF RACE MEETING

- A. Inclusive dates allocated for the entire meeting: December 26, 2014-December 20, 2015
- B. Actual dates racing will be held:

December 26-28, 2014 (3)	July 3,5, 10-12, 17-19, 24-26, 31 (12)
January 2-4, 9-11, 16-18, 23-25, 31 (13)	August 1,2, 7-9, 14-16, 21-23; 28-30 (14)
February 6-8, 13-15, 20-22, 27-28 (11)	September 4-6, 11-13, 18-20, 25-27 (12)
March 1, 6-8, 13-15, 20-22, 27-29 (13)	October 2-4, 9-11, 16-18, 23-25, 30, 31 (14)
April 3-4, 10-12, 17-19, 24-26 (11)	November 1, 6-8, 13-15, 20-22, 27-29 (13)
May 1-3, 8-10, 15-17, 22-24, 29-31 (15)	December 4-6, 11-13, 18-20, (9)
June 5-7, 12-14, 19-21, 26-28 (12)	

CHRB CERTIFICATION	
Application received: 9/24/14 Deposit received: OK Reviewed: <i>ap</i>	Hearing date: 11/19/14 Approved date: License number:

- C. Total number of days or nights of racing: 152
- D. Days or nights of the week races will be held:
 Wed - Sun Tues - Sat Other (specify) Fri - Sun
- E. Number of days or nights of racing per week: 3 nights per week except Sunday February 1, 2015, Sunday April 5, 2015 and Saturday July 4, 2015.

3. RACING PROGRAM

- A. Total number of races: 1,400 live and 1,800 simulcast = 3,200
- B. Number of races for each day or night: 7-15 live, 8-16 incoming simulcast
- C. Total number of stakes races: 69
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses.
- E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

Race	Friday	Saturday	Sunday	Sunday-Del Mar/Santa Anita
1	7:00	6:30	5:00	6:30
2	7:25	6:55	5:25	6:55
3	7:50	7:20	5:50	7:20
4	8:15	7:45	6:15	7:45
5	8:40	8:10	6:40	8:10
6	9:05	8:35	7:05	8:35
7	9:30	9:00	7:30	9:00
8	9:55	9:25	7:55	9:25
9	10:20	9:50	8:20	9:50
10	10:45	10:15	8:45	10:15
11	11:10	10:40	9:10	10:40
12		11:05	9:35	11:05
13		11:30	10:00	11:30
14			10:25	

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813. For thoroughbred and quarter horse meetings, the total amount distributed for California-bred stakes races from the purse account, including overnight stakes, shall not be less than 10% of the total amount distributed for all stakes races pursuant to Business and Professions Code section 19568(b).

**LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION
2015 STAKES SCHEDULE**

To Be Run	EVENT	Purse & Distance
SUNDAY DECEMBER 28, 2014	(1) HOLIDAY HANDICAP TWO YEAR OLDS	\$20,000 350 YARDS
SUNDAY JANUARY 4, 2015	(2) CHARGER BAR HANDICAP MARES, FOUR YEAR OLDS AND UPWARD	\$100,000 400 YARDS
SUNDAY JANUARY 11, 2015	(3) BARBARA B HANDICAP FOUR YEAR OLDS AND UPWARD	\$20,000 550 YARDS
FRIDAY JANUARY 23, 2015	(4) CYPRESS HANDICAP FOUR YEAR OLDS AND UPWARD	\$25,000 350 YARDS
SATURDAY FEBRUARY 14, 2015	(5) LOS ALAMITOS WINTER DERBY THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, JANUARY 24, 2015	\$200,000 Projected \$100,000 Added 400 YARDS
SUNDAY FEBRUARY 15, 2015	(6) LOS ALAMITOS WINTER CHAMPIONSHIP FOUR YEAR OLDS AND UPWARD TRIALS TO BE RUN, SUNDAY, JANUARY 25, 2015	\$200,000 Projected \$100,000 Added 400 YARDS
SATURDAY FEBRUARY 21, 2015	(7) DENIM N DIAMONDS HANDICAP MARES, FOUR YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$25,000 350 YARDS
SUNDAY FEBRUARY 22, 2015	(8) LOS ALAMITOS MAIDEN STAKES THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, JANUARY 31, 2015	\$150,000 Projected \$25,000 Added 350 YARDS
SUNDAY MARCH 22, 2015	(9) KATELLA HANDICAP FOUR YEAR OLDS AND UPWARD	\$25,000 350 YARDS
FRIDAY APRIL 3, 2015	(10) LA PRIMERA DEL ANO DERBY FILLIES, THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, MARCH 14, 2015	\$200,000 Projected \$35,000 Added 400 YARDS
SATURDAY APRIL 4, 2015	(11) EL PRIMERO DEL ANO DERBY COLTS AND GELDINGS, THREE YEAR OLDS TRIAL TO BE RUN, SUNDAY, MARCH 15, 2015	\$200,000 Projected \$35,000 Added 400 YARDS
SUNDAY APRIL 12, 2015	(12) JAMES S SMITH MEMORIAL HANDICAP THREE YEAR OLDS	\$20,000 350 YARDS
SUNDAY APRIL 19, 2015	(13) WHEATLAND HANDICAP THREE YEAR OLDS AND UPWARD	\$20,000 870 YARDS
SATURDAY MAY 2, 2015	(14) KAWEAH BAR HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 350 YARDS
SATURDAY MAY 9, 2015	(15) LA PACIFICA HANDICAP FILLIES, THREE YEAR OLDS	\$25,000 350 YARDS

To Be Run	EVENT	Purse & Distance
SUNDAY MAY 10, 2015	(16) MISS PRINCESS HANDICAP FILLIES AND MARES THREE YEAR OLDS AND UPWARD	\$25,000 350 YARDS
SATURDAY MAY 16, 2015	(17) DILLINGHAM HANDICAP THREE YEAR OLDS	\$25,000 400 YARDS
SUNDAY MAY 17, 2015	(18) KINDERGARTEN FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SUNDAY, MAY 3, 2015	\$300,000 Projected \$40,000 Added 300 YARDS
SATURDAY JUNE 13, 2015	(19) LOS ALAMITOS CLAIMING FUTURITY TWO YEAR OLDS TRIALS TO BE RUN SUNDAY, MAY 24, 2015	\$75,000 Projected \$25,000 Added 350 YARDS
SATURDAY JUNE 20, 2015	(20) IVAN ASHMENT HANDICAP FILLIES AND MARES, THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$25,000 400 YARDS
SUNDAY JUNE 21, 2015	(21) ED BURKE MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN SUNDAY, JUNE 7, 2015	\$1,000,000 Projected \$250,000 Added 350 YARDS
SUNDAY JUNE 21, 2015	(22) ED BURKE JUVENILE TWO YEAR OLDS	\$30,000 350 YARDS
SUNDAY JUNE 28, 2015	(23) VANDYS FLASH HANDICAP THREE YEAR OLDS	\$25,000 400 YARDS
SATURDAY JULY 4, 2015	(24) INDEPENDENCE DAY HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 300 YARDS
SUNDAY JULY 5, 2015	(25) VESSELS MATURITY FOUR YEAR OLDS AND UPWARD TRIALS TO BE RUN SUNDAY, JUNE 14, 2015	\$200,000 Projected \$100,000 Added 400 YARDS
SUNDAY JULY 26, 2015	(26) GOVERNOR'S CUP FUTURITY TWO YEAR OLDS BRED IN CALIFORNIA TRIALS TO BE RUN SATURDAY, JULY 11, 2015	\$425,000 Projected \$125,000 Added 350 YARDS
SUNDAY JULY 26, 2015	(27) GOVERNOR'S CUP DERBY THREE YEAR OLDS BRED IN CALIFORNIA TRIALS TO BE RUN SUNDAY, JULY 12, 2015	\$225,000 Projected \$100,000 Added 400 YARDS
SUNDAY JULY 26, 2015	(28) SPENCER L CHILDERS CALIFORNIA BREEDERS CHAMPIONSHIP HANDICAP THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$100,000 400 YARDS
SUNDAY JULY 26, 2015	(29) CALIFORNIA BREEDERS MATRON STAKES FILLIES AND MARES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$50,000 400 YARDS

To Be Run		EVENT	Purse & Distance
SUNDAY JULY 26, 2015	(30)	CALIFORNIA BREEDERS FRESHMAN FILLIES STAKES FILLIES, TWO YEAR OLDS BRED IN CALIFORNIA	\$25,000 350 YARDS
SUNDAY JULY 26, 2015	(31)	CALIFORNIA BREEDERS FRESHMAN STAKES TWO YEAR OLDS BRED IN CALIFORNIA	\$25,000 350 YARDS
SUNDAY JULY 26, 2015	(32)	CALIFORNIA BREEDERS DEBUTANTE STAKES FILLIES, THREE YEAR OLDS BRED IN CALIFORNIA	\$25,000 350 YARDS
SUNDAY JULY 26, 2015	(33)	JENS L LIST JR MEMORIAL CALIFORNIA BREEDERS STAKES THREE YEAR OLDS BRED IN CALIFORNIA	\$25,000 400 YARDS
SUNDAY JULY 26, 2015	(34)	CALIFORNIA BREEDERS 550 SOPHOMORE STAKES THREE YEAR OLDS BRED IN CALIFORNIA	\$25,000 550 YARDS
SUNDAY JULY 26, 2015	(35)	\$5,000 SOPHOMORE CLAIMING STAKES THREE YEAR OLDS BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 350 YARDS
SUNDAY JULY 26, 2015	(36)	\$10,000 SOPHOMORE CLAIMING STAKES THREE YEAR OLDS BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 350 YARDS
SUNDAY JULY 26, 2015	(37)	\$5,000 SENIOR CLAIMING STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 400 YARDS
SUNDAY JULY 26, 2015	(38)	\$10,000 SENIOR CLAIMING STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 400 YARDS
SUNDAY JULY 26, 2015	(39)	CALIFORNIA BREEDERS SPRINT STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$25,000 350 YARDS
FRIDAY AUGUST 14, 2015	(40)	TRULY A PLEASURE HANDICAP THREE YEAR OLDS AND UPWARD	\$20,000 870 YARDS
SATURDAY AUGUST 15, 2015	(41)	MERIAL CALIFORNIA REGIONAL DISTAFF CHALLENGE FILLIES AND MARES THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, FRIDAY, JULY 31, 2015	\$20,000 Added \$7,500 Added + \$12,500 B of A Racing Challenge 400 YARDS

To Be Run	EVENT	Purse & Distance
SUNDAY AUGUST 16, 2015	(42) BANK OF AMERICA CALIFORNIA REGIONAL CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN SATURDAY, AUGUST 1, 2015	\$70,000 Added \$15,000 Added + \$55,000 B of A Racing Challenge 440 YARDS
FRIDAY AUGUST 21, 2015	(43) ADEQUAN CALIFORNIA REGIONAL DERBY CHALLENGE THREE YEAR OLDS TRIALS TO BE RUN, SUNDAY, AUGUST 2, 2015	\$30,000 Added \$7,500 Added + \$22,500 B of A Racing Challenge 400 YARDS
SATURDAY AUGUST 22, 2015	(44) JOHN DEERE JUVENILE CALIFORNIA REGIONAL CHALLENGE TWO YEAR OLDS TRIALS TO BE RUN, SATURDAY, AUGUST 8, 2015	\$25,000 Added \$7,500 Added + \$17,500 B of A Racing Challenge 350 YARDS
SATURDAY AUGUST 22, 2015	(45) ZOETIS STARTER ALLOWANCE CALIFORNIA REGIONAL CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, FRIDAY, AUGUST 7, 2015	\$15,000 Added \$5,000 Added + \$10,000 B of A Racing Challenge 350 YARDS
SUNDAY AUGUST 23, 2015	(46) GOLDEN STATE DERBY THREE YEAR OLDS TRIALS TO BE RUN, SUNDAY, AUGUST 9, 2015	\$250,000 Projected \$50,000 Added 400 YARDS
SUNDAY AUGUST 30, 2015	(47) PAT HYLAND MEMORIAL HANDICAP TWO YEAR OLDS	\$25,000 350 YARDS
SUNDAY SEPTEMBER 6, 2015	(48) SGT PEPPER FEATURE HANDICAP THREE YEAR OLDS	\$25,000 350 YARDS
SUNDAY SEPTEMBER 20, 2015	(49) GO MAN GO HANDICAP THREE YEAR OLDS AND UPWARD	\$100,000 400 YARDS
SUNDAY SEPTEMBER 27, 2015	(50) MILDRED N VESSELS MEMORIAL HANDICAP FILLIES AND MARES THREE YEAR OLDS AND UPWARD	\$150,000 400 YARDS
FRIDAY OCTOBER 2, 2015	(51) PCQHRA BREEDERS DERBY THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, SEPTEMBER 12, 2015	\$200,000 Projected \$50,000 Added 400 YARDS
FRIDAY OCTOBER 2, 2015	(52) BLANE SCHVANEVELDT HANDICAP THREE YEAR OLDS AND UPWARD	\$30,000 400 YARDS
FRIDAY OCTOBER 2, 2015	(53) KIP DIDERICKSEN OVERNIGHT HANDICAP THREE YEAR OLDS AND UPWARD	\$15,000 350 YARDS
SATURDAY OCTOBER 3, 2015	(54) PCQHRA BREEDERS FUTURITY TWO YEAR OLDS TRIALS TO BE RUN SUNDAY, SEPTEMBER 13, 2015	\$400,000 Projected \$50,000 Added 350 YARDS
SATURDAY OCTOBER 10, 2015	(55) AUTUMN HANDICAP TWO YEAR OLDS	\$35,000 350 YARDS
SATURDAY OCTOBER 17, 2015	(56) ROBERT L BONIFACE LOS ALAMITOS INVITATIONAL CHAMPIONSHIP THREE YEAR OLDS AND UPWARD	\$150,000 440 YARDS

To Be Run	EVENT	Purse & Distance
SUNDAY OCTOBER 25, 2015	(57) LOS ALAMITOS WILD WEST FUTURITY TWO YEAR OLDS TRIALS TO BE RUN SUNDAY, OCTOBER 4, 2015	\$100,000 Projected \$25,000 Added 350 YARDS
FRIDAY OCTOBER 30, 2015	(58) TOWN POLICY STAKES THREE YEAR OLDS	\$25,000 400 YARDS
SATURDAY OCTOBER 31, 2015	(59) LOS ALAMITOS SUPER DERBY THREE YEAR OLDS TRIALS TO BE RUN, SUNDAY, OCTOBER 11, 2015	\$1,000,000 Projected \$250,000 Added 400 YARDS
SUNDAY NOVEMBER 1, 2015	(60) GOLDEN STATE MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SUNDAY, OCTOBER 18, 2015	\$1,000,000 Projected \$100,000 Added 400 YARDS
SUNDAY NOVEMBER 1, 2015	(61) GOLDEN STATE JUVENILE TWO YEAR OLDS	\$30,000 400 YARDS
SATURDAY NOVEMBER 14, 2015	(62) CORONA CHICK HANDICAP TWO YEAR OLDS	\$25,000 400 YARDS
SUNDAY NOVEMBER 15, 2015	(63) Z WAYNE GRIFFIN DIRECTORS TRIAL THREE YEAR OLDS AND UPWARD TRIALS FOR THE CHAMPION OF CHAMPIONS	\$15,000 per Trial 400 YARDS
SATURDAY NOVEMBER 21, 2015	(64) LAS DAMAS HANDICAP FILLIES AND MARES THREE YEAR OLDS AND UPWARD	\$25,000 400 YARDS
SUNDAY DECEMBER 6, 2015	(65) SNOWBOUND SUPERSTAR HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 870 YARDS
FRIDAY DECEMBER 11, 2015	(66) PAUL B FORD MEMORIAL HANDICAP THREE YEAR OLDS	\$20,000 550 YARDS
SATURDAY DECEMBER 12, 2015	(67) CHAMPION OF CHAMPIONS THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN SUNDAY, NOVEMBER 15, 2015	\$600,000 440 YARDS
SUNDAY DECEMBER 13, 2015	(68) LOS ALAMITOS 2 MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN SUNDAY, NOVEMBER 22, 2015	\$2,000,000 Projected \$500,000 Added 400 YARDS
SUNDAY DECEMBER 13, 2015	(69) LOS ALAMITOS JUVENILE INVITATIONAL TWO YEAR OLDS	\$35,000 400 YARDS
FRIDAY DECEMBER 18, 2015	(70) A RANSOM HANDICAP THREE YEAR OLDS	\$25,000 350 YARDS
SATURDAY DECEMBER 19, 2015	(71) FIRST DOWN DASH HANDICAP THREE YEAR OLDS AND UPWARD	\$35,000 400 YARDS
SUNDAY DECEMBER 20, 2015	(72) SOUTHERN CALIFORNIA DERBY THREE YEAR OLDS TRIALS TO BE RUN SUNDAY, NOVEMBER 29, 2015	\$200,000 Projected \$35,000 Added 400 YARDS

**LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION
2014 STAKES SCHEDULE**

To Be Run	EVENT	Purse & Distance
SUNDAY DECEMBER 29, 2013	(1) HOLIDAY HANDICAP TWO YEAR OLDS	\$20,000 350 YARDS
SUNDAY JANUARY 5, 2014	(2) CHARGER BAR HANDICAP MARES, FOUR YEAR OLDS AND UPWARD	\$100,000 400 YARDS
SUNDAY JANUARY 12, 2014	(3) BARBARA B HANDICAP FOUR YEAR OLDS AND UPWARD	\$20,000 550 YARDS
SUNDAY JANUARY 19, 2014	(4) CYPRESS HANDICAP FOUR YEAR OLDS	\$25,000 350 YARDS
SATURDAY FEBRUARY 15, 2014	(5) LOS ALAMITOS WINTER DERBY THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, JANUARY 25, 2014	\$200,000 projected 400 YARDS
SUNDAY FEBRUARY 16, 2014	(6) LOS ALAMITOS WINTER CHAMPIONSHIP FOUR YEAR OLDS AND UPWARD TRIALS TO BE RUN, SUNDAY, JANUARY 26, 2014	\$200,000 projected 400 YARDS
SATURDAY FEBRUARY 22, 2014	(7) DENIM N DIAMONDS HANDICAP MARES, FOUR YEAR OLDS BRED IN CALIFORNIA	\$25,000 350 YARDS
SUNDAY FEBRUARY 23, 2014	(8) LOS ALAMITOS MAIDEN STAKES THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, FEBRUARY 1, 2014	\$125,000 projected 350 YARDS
SUNDAY MARCH 23, 2014	(9) KATELLA HANDICAP FOUR YEAR OLDS AND UPWARD	\$25,000 350 YARDS
SATURDAY APRIL 5, 2014	(10) LA PRIMERA DEL ANO DERBY FILLIES, THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, MARCH 15, 2014	\$200,000 projected 400 YARDS
SUNDAY APRIL 6, 2014	(11) EL PRIMERO DEL ANO DERBY COLTS AND GELDINGS, THREE YEAR OLDS TRIAL TO BE RUN, SUNDAY, MARCH 16, 2014	\$200,000 projected 400 YARDS
SUNDAY APRIL 13, 2014	(12) JAMES S SMITH MEMORIAL HANDICAP THREE YEAR OLDS	\$20,000 350 YARDS
SATURDAY MAY 3, 2014	(13) KAWEAH BAR HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 350 YARDS
SATURDAY MAY 10, 2014	(14) LA PACIFICA HANDICAP FILLIES, THREE YEAR OLDS	\$25,000 350 YARDS
SUNDAY MAY 11, 2014	(15) MISS PRINCESS HANDICAP FILLIES AND MARES THREE YEAR OLDS AND UPWARD	\$25,000 350 YARDS

To Be Run	EVENT	Purse & Distance
SATURDAY MAY 17, 2014	(16) DILLINGHAM HANDICAP THREE YEAR OLDS	\$25,000 400 YARDS
SUNDAY MAY 18, 2014	(17) KINDERGARTEN FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SUNDAY, MAY 4, 2014	\$300,000 projected 300 YARDS
SATURDAY JUNE 14, 2014	(18) LOS ALAMITOS CLAIMING FUTURITY TWO YEAR OLDS TRIALS TO BE RUN SUNDAY, MAY 25, 2014	\$75,000 projected 350 YARDS
SATURDAY JUNE 21, 2014	(19) IVAN ASHMENT HANDICAP FILLIES AND MARES, THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$25,000 400 YARDS
SUNDAY JUNE 22, 2014	(20) ED BURKE MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN SUNDAY, JUNE 8, 2014	\$1,000,000 projected 350 YARDS
SUNDAY JUNE 22, 2014	(21) ED BURKE JUVENILE TWO YEAR OLDS	\$30,000 350 YARDS
SUNDAY JUNE 29, 2014	(22) VANDYS FLASH HANDICAP THREE YEAR OLDS	\$25,000 400 YARDS
FRIDAY JULY 4, 2014	(23) INDEPENDENCE DAY HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 300 YARDS
SUNDAY JULY 6, 2014	(24) VESSELS MATURITY FOUR YEAR OLDS AND UPWARD TRIALS TO BE RUN SUNDAY, JUNE 15, 2014	\$200,000 projected 400 YARDS
SATURDAY JULY 26, 2014	(25) GOVERNOR'S CUP FUTURITY TWO YEAR OLDS BRED IN CALIFORNIA TRIALS TO BE RUN SATURDAY, JULY 12, 2014	\$425,000 projected 350 YARDS
SATURDAY JULY 26, 2014	(26) GOVERNOR'S CUP DERBY THREE YEAR OLDS BRED IN CALIFORNIA TRIALS TO BE RUN SUNDAY, JULY 13, 2014	\$225,000 projected 400 YARDS
SATURDAY JULY 26, 2014	(27) SPENCER L CHILDERS CALIFORNIA BREEDERS CHAMPIONSHIP HANDICAP THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$100,000 400 YARDS
SATURDAY JULY 26, 2014	(28) CALIFORNIA BREEDERS MATRON STAKES FILLIES AND MARES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$50,000 400 YARDS
SATURDAY JULY 26, 2014	(29) CALIFORNIA BREEDERS FRESHMAN FILLIES STAKES FILLIES, TWO YEAR OLDS BRED IN CALIFORNIA	\$25,000 350 YARDS

To Be Run	EVENT	Purse & Distance
SATURDAY JULY 26, 2014	(30) CALIFORNIA BREEDERS FRESHMAN STAKES TWO YEAR OLDS BRED IN CALIFORNIA	\$25,000 350 YARDS
SATURDAY JULY 26, 2014	(31) CALIFORNIA BREEDERS DEBUTANTE STAKES FILLIES, THREE YEAR OLDS BRED IN CALIFORNIA	\$25,000 350 YARDS
SATURDAY JULY 26, 2014	(32) JENS L LIST JR MEMORIAL CALIFORNIA BREEDERS STAKES THREE YEAR OLDS BRED IN CALIFORNIA	\$25,000 400 YARDS
SATURDAY JULY 26, 2014	(33) CALIFORNIA BREEDERS 550 SOPHOMORE STAKES THREE YEAR OLDS BRED IN CALIFORNIA	\$25,000 550 YARDS
SATURDAY JULY 26, 2014	(34) \$5,000 SOPHOMORE CLAIMING STAKES THREE YEAR OLDS BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 350 YARDS
SATURDAY JULY 26, 2014	(35) \$10,000 SOPHOMORE CLAIMING STAKES THREE YEAR OLDS BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 350 YARDS
SATURDAY JULY 26, 2014	(36) \$5,000 SENIOR CLAIMING STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 400 YARDS
SATURDAY JULY 26, 2014	(37) \$10,000 SENIOR CLAIMING STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 400 YARDS
SATURDAY JULY 26, 2014	(38) CALIFORNIA BREEDERS SPRINT STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$25,000 350 YARDS
SATURDAY AUGUST 16, 2014	(39) MERIAL CALIFORNIA REGIONAL DISTAFF CHALLENGE FILLIES AND MARES THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, FRIDAY, AUGUST 1, 2014	\$20,000 Added \$7,500 Added + \$12,500 B of A Racing Challenge 400 YARDS
SUNDAY AUGUST 17, 2014	(40) BANK OF AMERICA CALIFORNIA REGIONAL CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN SATURDAY, AUGUST 2, 2014	\$70,000 Added \$15,000 Added + \$55,000 B of A Racing Challenge 440 YARDS
FRIDAY AUGUST 22, 2014	(41) ADEQUAN CALIFORNIA REGIONAL CHALLENGE THREE YEAR OLDS TRIALS TO BE RUN, SUNDAY, AUGUST 3, 2014	\$30,000 Added \$7,500 Added + \$22,500 B of A Racing Challenge 400 YARDS

To Be Run	EVENT	Purse & Distance
SATURDAY AUGUST 23, 2014	(42) JOHN DEERE JUVENILE CALIFORNIA REGIONAL CHALLENGE TWO YEAR OLDS TRIALS TO BE RUN, SATURDAY, AUGUST 9, 2014	\$25,000 Added \$7,500 Added + \$17,500 B of A Racing Challenge 350 YARDS
SATURDAY AUGUST 23, 2014	(43) ZOETIS STARTER ALLOWANCE CALIFORNIA REGIONAL CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, FRIDAY, AUGUST 8, 2014	\$15,000 Added \$5,000 Added + \$10,000 B of A Racing Challenge 350 YARDS
SUNDAY AUGUST 24, 2014	(44) GOLDEN STATE DERBY THREE YEAR OLDS TRIALS TO BE RUN, SUNDAY, AUGUST 10, 2014	\$250,000 Projected 400 YARDS
SUNDAY AUGUST 31, 2014	(45) PAT HYLAND MEMORIAL HANDICAP TWO YEAR OLDS	\$25,000 350 YARDS
SATURDAY SEPTEMBER 6, 2014	(46) THE PLAN OVERNIGHT HANDICAP TWO YEAR OLDS	\$15,000 350 YARDS
SATURDAY SEPTEMBER 6, 2014	(47) HE FLYS OVERNIGHT HANDICAP THREE YEAR OLDS AND UPWARD	\$15,000 350 YARDS
SUNDAY SEPTEMBER 7, 2014	(48) SGT PEPPER FEATURE HANDICAP THREE YEAR OLDS	\$25,000 350 YARDS
SUNDAY SEPTEMBER 14, 2014	(49) GO MAN GO HANDICAP THREE YEAR OLDS AND UPWARD	\$100,000 400 YARDS
SUNDAY SEPTEMBER 28, 2014	(50) MILDRED N VESSELS MEMORIAL HANDICAP FILLIES AND MARES THREE YEAR OLDS AND UPWARD	\$150,000 400 YARDS
FRIDAY OCTOBER 3, 2014	(51) PCQHRA BREEDERS DERBY THREE YEAR OLDS TRIALS TO BE RUN, FRIDAY, SEPTEMBER 12, 2014	\$200,000 projected 400 YARDS
FRIDAY OCTOBER 3, 2014	(52) BLANE SCHVANEVELDT HANDICAP THREE YEAR OLDS AND UPWARD	\$30,000 400 YARDS
FRIDAY OCTOBER 3, 2014	(53) KIP DIDERICKSEN OVERNIGHT HANDICAP THREE YEAR OLDS AND UPWARD	\$15,000 350 YARDS
SATURDAY OCTOBER 4, 2014	(54) PCQHRA BREEDERS FUTURITY TWO YEAR OLDS TRIALS TO BE RUN SATURDAY, SEPTEMBER 13, 2014	\$400,000 projected 350 YARDS
SATURDAY OCTOBER 11, 2014	(55) AUTUMN HANDICAP TWO YEAR OLDS	\$35,000 350 YARDS
SATURDAY OCTOBER 18, 2014	(56) ROBERT L BONIFACE LOS ALAMITOS INVITATIONAL CHAMPIONSHIP THREE YEAR OLDS AND UPWARD	\$150,000 440 YARDS

To Be Run	EVENT	Purse & Distance
SUNDAY OCTOBER 26, 2014	(57) LOS ALAMITOS WILD WEST FUTURITY TWO YEAR OLDS TRIALS TO BE RUN SUNDAY, OCTOBER 5, 2014	\$100,000 projected 350 YARDS
FRIDAY OCTOBER 31, 2014	(58) TOWN POLICY STAKES THREE YEAR OLDS	\$25,000 400 YARDS
SATURDAY NOVEMBER 1, 2014	(59) LOS ALAMITOS SUPER DERBY THREE YEAR OLDS TRIALS TO BE RUN, SUNDAY, OCTOBER 12, 2014	\$1,000,000 projected 400 YARDS
SUNDAY NOVEMBER 2, 2014	(60) GOLDEN STATE MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SUNDAY, OCTOBER 19, 2014	\$1,000,000 projected 400 YARDS
SUNDAY NOVEMBER 2, 2014	(61) GOLDEN STATE JUVENILE TWO YEAR OLDS	\$30,000 400 YARDS
SATURDAY NOVEMBER 15, 2014	(62) CORONA CHICK HANDICAP TWO YEAR OLDS	\$25,000 400 YARDS
SUNDAY NOVEMBER 16, 2014	(63) Z WAYNE GRIFFIN DIRECTORS TRIALS THREE YEAR OLDS AND UPWARD TRIALS FOR THE CHAMPION OF CHAMPIONS	\$15,000 per Trial 400 YARDS
SATURDAY NOVEMBER 22, 2014	(64) LAS DAMAS HANDICAP FILLIES AND MARES THREE YEAR OLDS AND UPWARD	\$35,000 400 YARDS
FRIDAY DECEMBER 12, 2014	(65) PAUL B FORD MEMORIAL HANDICAP THREE YEAR OLDS	\$20,000 550 YARDS
SATURDAY DECEMBER 13, 2014	(66) CHAMPION OF CHAMPIONS THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN SUNDAY, NOVEMBER 16, 2014	\$750,000 440 YARDS
SUNDAY DECEMBER 14, 2014	(67) LOS ALAMITOS 2 MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN SUNDAY, NOVEMBER 23, 2014	\$2,000,000 projected 400 YARDS
SUNDAY DECEMBER 14, 2014	(68) LOS ALAMITOS JUVENILE INVITATIONAL TWO YEAR OLDS	\$35,000 400 YARDS
FRIDAY DECEMBER 19, 2014	(69) A RANSOM HANDICAP THREE YEAR OLDS	\$25,000 350 YARDS
SATURDAY DECEMBER 20, 2014	(70) FIRST DOWN DASH HANDICAP THREE YEAR OLDS AND UPWARD	\$35,000 400 YARDS
SUNDAY DECEMBER 21, 2014	(71) SOUTHERN CALIFORNIA DERBY THREE YEAR OLDS TRIALS TO BE RUN SUNDAY, NOVEMBER 30, 2014	\$200,000 projected 400 YARDS

4. RACING ASSOCIATION

- A. Association is a: Corporation (complete subsection C)
 LLC (complete subsection D)
 Other (specify, and complete subsection E)

B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. On file

C. CORPORATION

1. Registered name of the corporation: Horsemen's Quarter Horse Racing Association
2. State where incorporated: California
3. Registry or file number for the corporation: C0618259
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:

Richard M. English	Chairman
Cathy Monji	President/Director
John Seibly	Vice President/Director
G. Michael Lyon	Secretary
Virginia Hyland	Director Emeritus
Edward C. Allred	Director
John Andreini	Director
R. D. Hubbard	Director
Anthony Zidich	Director
Fred Scane	Director

5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each: QUARTER HORSE RACING, INC. 100%

6. Number of outstanding shares in the corporation: 0

7. Are the shares listed for public trading? Yes No

If yes, on what exchange and how is the stock listed:

8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: Wagner, Kirkman, and Blaine

9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: QUARTER HORSE RACING, INC

A. Is parent and/or paired corporation or entity a publicly traded or privately held company that guarantees the obligation of the applicant? If no, proceed to section F.

If yes, answer questions 10-17. Yes No

10. Registered name of the corporation: N/A

11. State where incorporated: N/A

12. Registry or file number for the corporation: N/A

13. Names of all officers and directors, titles, and the number of shares of the corporation held by each: N/A

14. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each: N/A

15. Number of outstanding shares in the corporation: N/A

16. Are the shares listed for public trading? N/A Yes No
 If yes, on what exchange and how is the stock listed: N/A
17. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: N/A

D. LLC

1. Registered name of the LLC: N/A
2. State where articles of organization are filed: N/A
3. Registry or file number for the LLC: N/A
4. Attach a list of the names of all members (including individuals (true names), corporations, other LLCs and or foreign entities), titles, and the number of shares of the LLC held by each: N/A
5. Are the shares listed for public trading? N/A Yes No
 If yes, on what exchange and how the stock is listed: N/A
6. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: N/A
 A. Is parent and/or paired entity either a publically traded or privately held company that guarantees the obligation of the applicant? If no, proceed to section F. If yes, answer questions 7-12. N/A Yes No
7. Registered name of the LLC/Corporation: N/A
8. State where articles of organization are filed: N/A
9. Registry or file number for the LLC: N/A
10. Attach a list of the names (true names) of all members (members may include individuals, corporations other LLCs and foreign entities), titles, and the number of shares of the LLC held by each: N/A
11. Are the shares listed for public trading? N/A Yes No
12. If yes, on what exchange and how the stock is listed: N/A

E. OTHER

1. Name(s) of partners/sole proprietor: N/A
2. If a partnership, attach partnership agreement. N/A

F. FINANCIAL INFORMATION *

1. Attach the most recent audited annual financial statement or financial report for the applicant. The financial statement or financial report shall include all relevant financial information specific to the applicant including: 2012 & 2013 Audited Financials are on file with the CHRB as is the 2014 Projected Profit & Loss Statement.
 - Statement of Financial Position: also referred to as a balance sheet. Statement should report on applicant's assets, liabilities, contingent liabilities and ownership equity as of the date of the prepared statement.
 - Statement of Comprehensive Income: also referred to as Profit and Loss ("P&L") Statement. Statement should include report on applicant's income, expenses, and profits.
 - Profit and Loss statement for prior two years race meeting and Profit and Loss statement for projected year race meeting.
 - Statement of Changes in Equity: to include the changes of the applicants' equity through the reporting period.

- Statement of Cash Flows: to include a report of the applicant's cash flow activity, particularly its operating investing and financing activities during the reporting period.
- Copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission.

***NOTICE TO APPLICANT:** The financial information provided pursuant to subsection (F) above is exempt from disclosure pursuant to Government Code section 6254(k) and non-disclosable to the public.

G. MANAGEMENT AND STAFF

1. Name and title of the managing officer and/or general manager of the association and the name and title of all department managers and staff, other than those listed in 13B, who will be listed in the official program:

Richard M. English	Chairman
Cathy Monji	President/Director
Robert Snyder	Controller
Michael Monji	Assistant General Manager
Frank Sherren	Plant Superintendent
Alex Soltero	Chief of Security
Howard Knuchell	Director of Operations
Robert DiGiovanni	Director of Mutuels
Ed Burgart	Track Announcer
Melodie Knuchell	Director Simulcasting/Nominations
Dawn Conklin	Paymaster of Purses
Ken Walker	Director of Labor Relations

2. Name and title of the person(s) authorized to receive notices on behalf of the association and the mailing and email address of such person(s). Cathy Monji, 4961 Katella Ave., Los Alamitos, CA 90720

5. TAKE OUT PERCENTAGE

1. If this is a thoroughbred race meeting, will the percentage deducted for any type of wager be adjusted pursuant to Business and Professions Code section 19601.01? If no, proceed to subsection 6. If yes, identify the wager and the proposed takeout percentage. N/A

Yes No

Wager(s) to be adjusted: _____ Proposed percentage: _____%

- A. Attach copy of written notice requesting the proposed takeout adjustment, the proposed percentage and the wager(s) affected. The notice must include the written agreement of the thoroughbred association and the horsemen's organization for the meeting of the thoroughbred association accepting the wager. N/A

NOTICE TO APPLICANT: Pursuant to Business and Professions Code section 19601.01 notwithstanding any other provision of law, a thoroughbred association or fair, upon the filing of a written notice with, and approval by, the board specifying the percentage to be deducted, may deduct from the total amount handled in the pari-mutuel pool for any type of wager an amount of not less than 10 percent nor more than 25 percent. The written notice shall include the written agreement of the thoroughbred association or fair and the horsemen's organization for the meeting of the thoroughbred association or fair accepting the wager. The established percentage to be deducted shall remain in effect until the filing of a subsequent notice with, and approval by, the board, unless otherwise specified in the notice.

6. HANDLE HISTORY

1. Complete the table below providing the last five years of handle and attendance for your racing association. If your association has been operating for fewer than five years, provide information for the period of time it has been in operation. If the racing association has changed ownership include the handle information for the previous racing association.

Year	Handle	Attendance
2013	249,286,086	460,763
2012	249,548,673	495,506
2011	261,018,853	527,277
2010	262,068,119	570,583
2009	278,813,327	729,995

7. PURSE PROGRAM (Excluding supplements, nominations, sponsorships and starter fees.):

A. Purse distribution:

1. All races other than stakes:

Current meet estimate:	2015	9,200,000
Prior meet actual:	2014	9,198,192

Average Daily Purse (7 A1 ÷ number of days):

Current meet estimate:	2015	60,526
Prior meet actual:	2014	60,915

2. Overnight stakes: 2015 N/A
 Current meet estimate: 2014 N/A
 Prior meet actual:

Average Daily Purse (7 A2 ÷ number of days):

Current meet estimate:	2015	N/A
Prior meet actual:	2014	N/A

3. Non-overnight stakes:
 Current meet estimate: 2015 3,407,500
 Prior meet actual: 2014 3,504,151

Average Daily Purse (7 A3 ÷ number of days):

Current meet estimate:	2015	22,418
Prior meet actual:	2014	23,206

4. Total Purses: (7A1+7A2+ 7A3)
 Current meet estimate: 2015 12,607,500
 Prior meet actual: 2014 12,702,343

B. California-bred Stakes Races:

1. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:

Current meet estimate:	2015	10%
Prior meet actual:	2014	10%

Average Daily Purse (7 B1 ÷ number of days):

Current meet estimate:	2015	22,418
Prior meet actual:	2014	23,206

- C. Funds to be generated for all California-bred incentive awards (including breeder awards and owners premiums):

Current meet estimate:	2015	597,000
Prior meet actual:	2014	596,292

- D. Payment to each recognized horsemen's organization contracting with the association and the name(s) of the organization(s):

Recognized Horsemen's Organization

Current meet estimate:	2015	Prior meet actual:	2014
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Total	442,000	Total	441,040
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- E. Amount from all sources to be distributed in the form of purses or other benefits to horsemen (7 A+7 C+7 D):

Current meet estimate:	2015	13,646,500
Prior meet actual:	2014	13,739,675

Average Daily Purse (7 E ÷ number of days):

Current meet estimate:	2015	89,780
Prior meet actual:	2014	90,991

- F. Purse funds to be generated from on-track handle and intrastate off-track handle (excluding carry-overs from prior race meet(s):

Current meet estimate:	2015	11,650,000
Prior meet actual:	2014	11,639,878

Average Daily Purse (7 F ÷ number of days):

Current meet estimate:	2015	76,645
Prior meet actual:	2014	77,085

- G. Purse funds to be generated from interstate handle:

Current meet estimate:	2015	1,670,000
Prior meet actual:	2014	1,666,641

Average Daily Purse (7 G ÷ number of days):

Current meet estimate:	2015	10,987
Prior meet actual:	2014	11,037

- H. Bank and account number for the Paymaster of Purses' purse account: on file
- I. Name, address, email and telephone number of the pari-mutuel audit firm engaged for the meeting: Robert Passero, 230 Old Ranch Rd., Seal Beach, CA 90740

NOTICE TO APPLICANT: All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, **shall not** be deemed as income to the association; **shall not** be transferred to a parent corporation outside the State of California; and **shall**, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from off-track simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards, shall also be deposited within 3 calendar days following receipt, into such liability account. In the event the association is obligated to the payment of purses prior to those obligated amounts being retained from pari-mutuel wagering for such purpose, or as a result of overpayment of earned purses at the conclusion of the meeting, the association shall transfer from its own funds such amounts as are necessary for the Paymaster of Purses to distribute to the horse owners statutorily or contractually entitled thereto. The association is entitled to recover such transferred funds from the Paymaster of Purses' account; and if insufficient funds remain in the account at the conclusion of the meeting, the association is entitled to carry forward the deficit to its next succeeding meeting as provided by Business and Professions Code section 19615(c) or (d). In the event of **underpayment** of purses which results in a balance remaining in the Paymaster of Purses' account at the conclusion of the meeting after distribution of amounts due to horsemen and breeders and horsemen's organizations, the association may carry forward the surplus amount to its next succeeding meeting; provided, however, that the amount so retained does not exceed an amount equivalent to the average daily distribution of purses and breeders' awards during the meeting. All amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

8 STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: 1100.
- B. Minimum number of stalls believed necessary for the meeting: 1100
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: 0
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: N/A
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. N/A

Complete subsections F through H if the association will request reimbursement for off-site stabling as provided by Business and Professions Code sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, proceed to section 9.

- F. Total number of usable stalls made available on-site for the 1986 meeting, pursuant to Business and Professions Code section 19535(c): N/A
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall: N/A
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: N/A

9 PARI-MUTUEL WAGERING PROGRAM

A. Pursuant to Business and Professions Code section 19599, and with the approval of the CHRB, associations may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each:

Use DD for daily double, E for exacta (special quinella), PK3 for pick three, PK4 for select four, PNP for pick (n) pool, PPN for place pick (n), Q for quinella, SF for superfecta, TRI for trifecta, and US for unlimited sweepstakes (pick 9).

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1	\$1E, \$1DD, \$1PNP, \$1 TRI, \$1SF, \$1PPN	CHRB 1959, 1957, 1976.9, 1979, 1979.1, 1976.8
Race #2	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #3	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #4	\$1E, \$1PK3, \$1TRI, \$1SF, \$1DD	CHRB 1959, 1977, 1979, 1979.1, 1957
Race #5	\$1E, \$1PK3, \$1TRI, \$1SF, \$2PNP6, \$1DD	CHRB 1959, 1977, 1979, 1979.1, 1976.9, 1957
Race #6	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #7	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #8	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #9	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #10	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #11	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #12	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #13	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #14	\$1E, \$1TRI, \$1SF, \$1DD	CHRB 1959, 1979, 1979.1, 1957
Race #15	\$1E, \$1TRI, \$1SF	CHRB 1959, 1979, 1979.1,

1. Late daily double will always occur in the last two races of the race card.
2. If there are not enough horses carded in a race to offer a trifecta, we will offer a \$1 quinella, CHRB1958.
3. Late pick four will always be offered on the last four races of the race card, CHRB 1976.9.
4. Rolling pick three begins in the second race of each card and continues through the 3rd to last race of the card.
5. If a field should scratch down to 5 betting interests, LAQHRA requests administrative authority to cancel show wagering when necessary.

B. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: December 21, 2014

C. List any options requested with regard to exotic wagering: N/A

D. Will "advance" or "early bird" wagering be offered? Yes No
 If yes, when will such wagering begin? Specify days and time for "early bird" wagering:
 Friday, Saturday, Sunday at 9:30am

E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract: Scientific Racing Games, contact person: Terry McWilliams, contract expires 09/24/15 (with our option to extend for 2 one year periods.)

10. ADVANCE DEPOSIT WAGERING (ADW)

- A. Identify the ADW provider(s) to be used by the association for this race meeting:
TVG
- B. Attach a copy of the agreement/contracts with each ADW provider to be used for this race meeting. On file
- C. Have the contract/agreements been approved by the respective horsemen's groups?

Yes No

If yes, attach a copy of the approval.

NOTICE TO APPLICANT: Pursuant to Business and Professions Code section 19604, ADW providers may accept wagers on races conducted in California from a resident of California if: 1) the ADW provider is licensed by the Board; 2) a written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made; 3) the agreement shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made. ADW providers may accept wagers on races conducted outside of California from a resident of California if: 1) the ADW provider is licensed by the Board; 2) there is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wagers are placed and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

11. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the association to conduct simulcast wagering:
Southern California Off-Track Wagering, Inc.
- B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.
On file

C. California simulcast facilities the association proposes to offer its live audiovisual signal:

<u>Northern California</u>	<u>Southern California</u>
Alameda County Fair, Pleasanton	Barona Casino, Lakeside
Anderson	Ventura County Fair, Ventura
The Jockey Club At San Mateo	San Bernardino County Fair, Victorville
Big Fresno Fair, Fresno	Viejas Casino & Turf Club, Alpine
California State Fair \$ Expo, Sacramento	Del Mar Thoroughbred Club, Del Mar
Club One, Fresno	Hollywood Park Casino, Inglewood
Golden Gate Fields, Albany	Desert Expo Centre, Indio
Tulare County Fair, Tulare	The Farmers Fair, Perris
Monterey County Fair, Monterey	Antelope Valley Fair, Lancaster
San Joaquin County Fair, Stockton	Sycuan Gaming Center, El Cajon
Santa Clara County Fair, San Jose	National Orange Show, San Bernardino
Solano County Fair, Vallejo	Fairplex Park, Pomona
Sonoma County Fair, Santa Rosa	Santa Anita, Arcadia
Stanislaus County Fair, Turlock	
Tulare County Fair, Tulare	



Pacific Coast Quarter Horse Racing Association

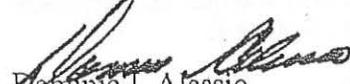
John Hindman
TVG
6701 Center Drive West
Suite 160
Los Angeles, CA 90045

October 8, 2014

Dear Mr. Hindman,

Pacific Coast Quarter Horse Racing Association approves the full card simulcasting of races from Los Alamitos Race Course under the Federal Interstate Horse Racing Act to the hub in Oregon operated by TVG pursuant to the terms of the agreement between O.D.S. Technologies, L.P. d/b/a TVG and Los Alamitos Race Course.

Sincerely,


Dominic J. Alessio
President

- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal: Mexico (including Agua Caliente and related books, Juarez and related books, and Hipodromo de las Americas and related books); and those included in E.
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association: The Caribbean Basin (Las Caymanas Park and various books on St. Marten, Jamaica, Barbados, and Trinidad); Dominican Republic (Hipodromo V. Centenario); Canada (Assiniboia Downs, Barrie Downs, Dresdan, Fraser Downs, Dawartja Downs. Elmira Raceway, Flamboro Downs, Fraser, Kawartha Downs, Marquis Downs, Queensbury Downs, Red Shores, Rideau Carlton, Hippodromo l'Hippodrome de Montreal, Calgary Stampede, Hastings Park, Northland Park, Ontario Jockey Club, Picov, Rocky Mountain Turf, Stampede Park, Western Fair, Windsor Raceway, Woodbine, Woodstock, and others); Argentina (La Plata, San Ysidro, Pallermo, and related books); Austria, Belarus, Belgium, Brazil (Jockey Club and related books); Columbia, (LosComuneros); Germany, Ireland, Panama (Codere-PresidenteRemon);Russia. Grenada, United Kingdom, Uruguay (Maronas Racetrack);Venezuela (La Rinconada and related books); U.S. Virgin Islands (books);Peru, Puerto Rico (El Commandante), South Korea, South Africa.

America Tab-OR	European Wagering Services
AmWest Entertainment-KY	Evangeline Downs-LA
Arapahoe Park-CO	Fair Grounds Racecourse-LA
Arima Race Club,Trinidad	Fair Meadows, IA
Arlington International Race Course-IL	Fairmount Park-IL
Atlantic City Casino Assn.-NJ	Finger Lakes Race Track-NY
Atlantis Paradise, LVDC	Firelake Entertainment(LVDC) OK
Avatar Ventures, LVDC	Fonner Park-NE
Balmoral Park-IL	Foxwoods Casino (LVDC)-CT
BetPad, OR	Freehold Raceway-NJ
Beulah Park-OH	Garden State Park-NJ
Birmingham Race Course-AL	Geneva Lakes Kennel Club-WI
Blue Ribbon Downs-OK	Great Lakes Downs-MI
Buffalo Trotting Association-NY	Greentrack-AL
Calder Race Course-FL	Gulf Greyhound Park
Capital Sports Pty-Australia	Gulfstream Park-FL
Canterbury Park-MN	Harrington Raceway & Simulcast Facility-DE
Capital District OTB-NY	Hawthorne Race Course-IL
Catskill Off-Track, NY	Hazel Park-MI
Choctaw Racing Services, OK	Hialeah Park-FL
Churchill Downs-KY	Hinsdale Greyhound Park, NH
Churchill Downs Sports Spectrum-KY	Hipica De Panama-MIR
Cities of Gold, LVDC	Holiday Beach Hotel (LVDC)-NV
Citizen Band Potawatomi Indian Tribe (LVDC)	Hoosier Park-IN
Colonial Downs-VA	Ida Racing, ID
Columbus Races-NE	Indiana Downs, IN
Connecticut OTB-CT	International All Sports, Australia
Corpus Christi Greyhound Track-TX	International Racing Group, (IRG)
Cypress Bayou Casino	Jackson Harness Raceway-MI
Dairyland Greyhound Park-WI	Keeneland-KY
Day At The Track,	Ladbroke at the Meadows-PA
Delaware Park-DE	Lebanon Trotting Club-OH
Delta Downs-LA	Lewiston OTB-ME
DGS Systems Corp, LVDC	Les Bois Park-ID
Dover Downs-DE	Lien Games, ND
Downs at Albuquerque-NM	Lodge At Belmont
Downs at Santa Fe	Lone Star Race Park-TX
Ebet	Louisiana Downs-LA
Ellis Park-KY	Luckity
Elite Turf Club, LVDC	Manor Downs-TX
Emerald Downs, WA	Maryland Jockey Club-MD
Eureka Downs, KS	Maywood Park-IL
Euro Off-Track, Isle of Man	Meadowlands, NJ

- Megatote, LVDC
- Meskwaki Casino (LVDC)-NV
- Mobile Greyhound Park-AL
- Monmouth Park-NJ
- Montana Simulcast, MT
- Monticello Raceway-NY
- Mountaineer Park-WV
- Mt. Pleasant Meadows-MI
- Multnomah Greyhound Park-OR
- Nassau Downs OTB-NY
- Nebraska State Fair Park-NE
- New Jersey Sports & Exposition
- New Mexico State Fair-NM
- New York City Off-Track Betting-NY
- New York Racing Association-NY
- Northfield Park-OH
- Northville Downs-MI
- Northville Racing Corp.-MI
- Northwest Racing Associates Ltd.(Emerald)
- Oaklawn Park-AR
- Ocean Downs-MD
- Penn National Race Course-PA
- Philadelphia Park-PA
- Phumelela Gold, South Africa
- Plainridge Racecourse-MA
- Playfair Race Course-WA
- Pojoaque Pueblo Gaming, Inc. (LVDC)-OK
- Pompano Park, FL
- Portland Meadows-OR
- Potawatomi Indian Tribe, WI
- Prairie Meadows-IA
- Premier Gateway Int.
- Premier Turf Club-ND
- Raceway Park-OH
- Racing & Gaming Services, St Kitts
- Racing2Day-FL
- Remington Park-OK
- Retama Park-TX
- Rillito Park-AZ
- River Downs-OH
- Rockingham Park-NH
- Ruidoso Downs-NM
- Running Aces Harness Park, MN
- Saddlebrook, TX
- Sam Houston Park-TX
- Sandy Downs, ID
- Saratoga Raceway-NY
- Schenectady OTB-NY
- Scioto Downs-OH
- Silks Corporation, N. Dakota Horse Park, ND
- Sol Mutuel Ltd, S. America
- Southland Greyhound Park-AR
- Spirit Mountain Casino (LVDC)-OR
- Social Gaming
- Sports Creek Raceway-MI
- Sportsman's Park-IL
- Suffolk Downs-MA
- Suffolk OTB, NY
- Sunland Park Racetrack-NM
- SunRay Park and Casino-NM
- Tampa Bay Downs-FL
- Television Games Network-CA
- The Downs @ Albuquerque
- The Lodge at Belmont, NH
- The Racing Channel,
- The Red Mile, KY
- The Royal Turf Club, Antigua
- The Stables (LVDC)-OK
- Thistledown Racing Club-OH
- Tioga Downs, NY
- TP Racing, LLLP (Turf Paradise)-AZ
- TRN International, PA
- Tucson Greyhound Park-AZ
- Turning Stone Casino-NY
- US Off-Track-OR
- Valley Race Park, TX
- Velocity
- Vernon Downs-NY
- Western Regional OTB-NY
- Wichita Greyhound Park-KS
- Will Rogers Downs-OK
- Wonderland Greyhound Park
- Woodlands-KS
- Wyoming OTB-WY
- Yonkers Raceway-NY
- Youbet-Tote Tasmania, Australia
- Zia Park, NM

F. California mini-simulcast facilities the association proposes to offer its live audiovisual signal:

- | | |
|-----------------------------------|----------------------------------|
| Bankers, Salinas | Santa Clarita |
| Commerce Casino, City of Commerce | Santa Maria Roadhouse |
| Mermaid Tavern, Thousand Oaks | Sammy's -Lake Forest |
| OC Tavern, San Clemente | FireHouse Restaurant-Bakersfield |

G. For **THOROUGHBRED** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": N/A

NOTICE TO APPLICANT: Business and Professions Code section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being conducted in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or fair is conducting its racing meeting cannot exceed a combined daily total of 50 imported thoroughbred races statewide. The limitation of 50 imported thoroughbred races per day statewide does not apply to those races specified in Business and Professions Code section 19596.2(a)(1), (2), (3) and (4).

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track Race Dates Full Card or Selected Feature and/or Stakes Races

- H. For **QUARTER HORSE** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country quarter horse races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Delta Downs	April -July	Selected races
Sam Houston	June-September	Selected races
Prairie Meadows	July-September	Selected races
Remington Park	March-June	Selected races
Ruidoso Downs	May-September	Selected races
	September 5,6,7	All American Gold Cup, Derby and Futurity
Fair Grounds	August-September	Selected races
Fair Meadows/Tulsa	May-July	Selected races
Hoosier Park	September	Selected races
Evangeline Downs	September-December	Selected races
Lone Star Park	October-December	Selected races
Canterbury Park	May-September	Selected races
Indiana Downs	May-July	Selected races
Emerald Downs	TBA	Selected races
Portland Meadows	TBA	Selected races
Zia Park	TBA	Selected races
Retama Park	TBA	Selected races

- I. For **STANDARD BRED** racing associations, list the host tracks from which the association proposes to import out-of-state and/or out-of-country harness races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

HARNESS SIMULCAST RACES TO BE IMPORTED

Name of Host Track Race Dates Full Card or Selected Feature and/or Stakes Races

- J. For **ALL** racing associations, list imported simulcast races the association plans to receive which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
Balmoral	Standardbred	January-December	Selected races
Maywood	Standardbred	January-December	Selected races
Meadowlands	Standardbred	January - August;	Selected races
Tioga	Standardbred	TBA	Selected races
Hawthorne	Standardbred	TBA	Selected races
Red Mile	Standardbred	September	Selected races

Scioto Downs	Standardbred	August	Selected races
Pompano Downs	Standardbred	October	Selected races
Dover Downs	Standardbred	TBA	Selected races
The Meadows	Standardbred	TBA	Selected races
Northfield Park	Standardbred	TBA	Selected races
Vernon Downs	Standardbred	TBA	Selected races
Mohawk Raceway	Standardbred	TBA	Selected races
Penn National	Standardbred	TBA	Selected races
Running Aces	Standardbred	TBA	Selected races
Mohawk	Standardbred	TBA	Selected races
Remington Park	Paint	TBA	Selected races
Emerald Downs	Tb, 4 ¼ furlong, \$5000 claimers or less TBA		Selected races
Hastings	Tb, 4 ¼ furlong, \$5000 claimers or less TBA		Selected races
Delta Downs	Tb, 4 ¼ furlong, \$5000 claimers or less TBA		Selected races
Portland Meadows	Tb, 4 ¼ furlong, \$5000 claimers or less TBA		Selected races

- K. For ALL racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in Business and Professions Code sections 19596.2 and 19596.3, attach a copy showing the agreement by the appropriate racing association(s). Agreements forwarded as needed.

NOTICE TO APPLICANT: All interstate wagering to be conducted by an association is subject to the provisions of Title 15, United States Codes, which require specific written approval of the CHRB and of the racing commission having jurisdiction in the out-of-state venue. All international wagering to be conducted by an association is subject to the provision of Business and Professions Code sections 19596, 19596.1, 19596.2, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

Every association shall pay over to the simulcast organization within 3 calendar days following the closing of wagering for any day or night racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering, and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and vanning deductions. Every association shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each day or night racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 7.)

12. CHARITY RACING DAYS

- A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association:
Los Alamitos Quarter Horse Charity Foundation, 4961 Katella Ave., Los Alamitos, CA 90720
- B. Names and addresses of the trustees or directors of the distributing agent:
Robert Main 4961 Katella Ave., Los Alamitos, CA 90720
Althea Miller 4961 Katella Ave., Los Alamitos, CA 90720
Charles Brain 4961 Katella Ave., Los Alamitos, CA 90720
- C. Dates the association will conduct races as charity racing days OR:
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)? Yes

NOTICE TO APPLICANT: Net proceeds from charity racing days shall be paid to the designated and approved distributing agent within 180 days following the conclusion of the association's race meeting in accordance with the provisions of Business and Professions Code section 19555. Thereafter, the distributing agent shall distribute not less than 90% of the aggregate proceeds from such charity racing days within 12 calendar months after the last day of the meeting during which the charity racing days were conducted and shall distribute the remaining funds as soon thereafter as is practicable. At least 50% of the distribution shall be made to charities associated with the horse racing industry in accordance with the provisions of Business and Professions

Code section 19556(b) and (c).

13. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

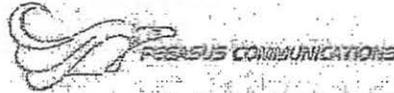
- A. Racing officials nominated:
- | | |
|-----------------------------|-----------------------|
| Association Veterinarian(s) | Becky Fitzgerald, DVM |
| Clerk of Scales | Glen Miki |
| Film Specialist | Stewards |
| Horse Identifier | Juan Garcia |
| Horseshoe Inspector | Barry Rynearson |
| Paddock Judge | Louie Cacioppo |
| Patrol Judges | Louie Cacioppo |
| Placing Judges | Ed Reese, Jay Conklin |
| Starter | Gary Brinson |
| Timer | Jay Conklin |
- B. Management officials in the racing department:
- | | |
|-------------------------------------|--------------|
| Director of Racing | Ron Church |
| Racing Secretary | Ron Church |
| Assistant Racing Secretary | Ed Reese |
| Paymaster of Purses | Dawn Conklin |
| Others (identify by name and title) | |
- C. Name, address, email and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
Barbara Weinstein, 9582 Hamilton Ave, STE 265, Huntington Beach, CA 92646 714 964-7102
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
Plusmic Corporation USA – Bill O'Brien 12/31/15
- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
Pegasus Communications - Jim Porep 12/31/15 automatically renews yearly
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:
Pegasus Communications - Jim Porep 12/31/15 automatically renews yearly

14. SECURITY CONTROLS

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers.
Alex Soltero – Chief of Security 714-926-0959 cell
714-820-2664 office
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: 23
1. Attach a written plan for enhanced security for graded stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period

6-22

13 E



Jim Porep, Jr., President
 Pegasus Communications, Inc.
 16633 Ventura Blvd, Suite 1010
 Encino, CA 91436
 Office 818-907-1900
 Cell 951-314-6348

LARC Contract Term:
 April 21, 2014 / April 21, 2017

Major Video Equipment Listing
 Broadcast Video Production Control Room, Grandstand lower level

HD graphics systems with Pegasus DataLinks interface software
 32/16 to Sony 2 ME Switcher

Recording systems:

1- ZPlay HD video recorder, slow motion playback

1- 3play HD video recorder, slow motion playback

1-Sony DigiBeta

Audio Mixing Board

144x Router

Camera locations

1- HD Pan camera 1

1- HD Pan camera 2

1- HD 7/8 tower

1- HD 3/8 tower

1- HD Wireless gate camera system

1- HD Shutter cam at finish line

1- HD Jib mount winner's circle/finish line

2- HD TVG Set

1- HD Pan camera 3 / Isolation, cover shot

1- HD 3/8 quarter horse tower

Organizational Chart 2014

Los Alamitos Race Course
Security Department

Chief of Security	Alex Soltero	Cell. (714) 926-0959
Captain of Security		
Day Shift Sergeant	Keith Hicks	Office (714) 820-2664 Cell (714) 770-1351
Night Shift Sergeant		
Day Shift Security Officers	Guillermo Chavez Jose Murillo Jericho Navalta Bunthoeun Sos Edgardo Castillo	Mainline Club House Desk Mezz Grandstand ent.
Night Shift Officers	Louie Reid Jackie Dixon Henry Chambers Gabriel Castellanos	Control Desk (Part Time) 2 / 3 days a week Mainline Mezz Paddock Club House
Stable Area Officers	Avina, Villafan, Franco Jorge Avina Jose Alvarez Gabriel Villafan Cesar Franco	Day stable Night stable Split Shift Night Receiving Barn Graveyard
Off Hour Officers	Fernando Gomez Luis Rivas Frank Wozniak	Grave Yard Split Shift Days

Stable Gate Attendants

April Dudone	Swing Gate
Ronnie White	Day West Gate
Mario Martinez	Spilt Shift
Arturo Sandoval	Night West Gate
Marco Avina	Grave yard Gate
Lydia Llamas	Day Gate
Cheri Willett	Part Time / On Call
6 Stable Gate Attendants / 1 Part Time	

and a plan for detention stalls. Not used at this time.

2. Detention Stalls: Not used at this time.
 - A. Attach a plan for use of graded stakes or overnight races.
 - B. Number of security guards in the detention stall area during a 24-hour period.
 - C. Describe number and location of surveillance cameras in detention stall area.
3. TCO2 Testing:
 - A. Number of races to be tested, and number of horses entered in each race to be tested.
 - B. Plan for enhanced surveillance for trainers with high-test results.
 - C. Plan for detention stalls for repeat offenders.
 - D. Number of security personnel assigned to the TCO2 program.

C. Describe the electronic security system: Not used at this time.

1. Location and number of video surveillance cameras for the detention stall and stable gate.

D. For night racing associations. Describe emergency lighting system:

15. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:

Huntington Ambulance, PO Box 145, Sunset Beach, CA 90742 562-904-1550,
714-325-0363 cell -Stacy O'Brien

 1. Attach a certification from the ambulance service(s) listed in 15A, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: N/A
 1. Attach a certification from the ambulance service (s) listed in 15B, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority. N/A
- C. Describe the on-track first aid facility, including equipment and medical staffing: Open during live racing hours with basic first aid supplies including an Automated External Defibrillator (AED), manned by two EMT's.
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting: **(If quarter horse racing association sees D (1) :**
 1. Name address and emergency telephone number of hospital located within 1.5 miles of the racetrack, which whom an agreement is in place to provide emergency medical services, pursuant to Business and Professions Code section 19481.3(a):
Los Alamitos Medical Center West Anaheim Medical Center

Emergency Track Lighting System
Los Alamitos Race Course

The main race track lighting system is comprised of (970) 1000 watt 277 volt metal halogen light fixtures. The emergency lighting system is comprised of (305) 1500 watt quartz light fixtures. If the main system experiences a brief loss or interruption of power the metal halogen lights will fail. Due to the type of fixture they may take up to 20 minutes to reach full illumination. In the event of an interruption of this type the back-up emergency quartz lighting system automatically comes on. This happens instantly and the back-up emergency system can remain on for up to 90 minutes.

6-27

H 15 A

Huntington Ambulance, LLC

CHRB
1010 Hurley Way #300
Sacramento, CA 95825

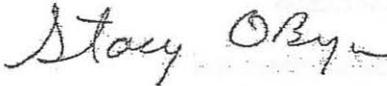
April 23, 2014

Dear CHRB Board,

I, Stacey O'Bryan, President of Huntington Ambulance, LLC certify that all E.M.T's (Emergency Medical Technicians) working for Huntington Ambulance, LLC are licensed with the State of California Emergency Medical Services and licensed and certified with the Orange County Emergency Medical Services.

All of our E.M.T's are licensed with the California Horse Racing Board.

Sincerely,



Stacey O'Bryan - President
Huntington Ambulance, LLC

CHRB Item 15.1 – Explanation of lack of paramedic staff

Unlike Los Angeles County, which allows for the licensing of private paramedic services, all paramedic services in Orange County fall under the jurisdiction of the Orange County Health Care Agency, Department of Emergency Medical Services and that agency does not license private paramedic services within the county.

All paramedic services within Orange County are provided by the Orange County Fire Authority and there is no provision within current guidelines that allow for OCFA units to be staged for activities of private events such as horse racing.

Because of this guideline, all racing events at Los Alamitos are covered by two fully equipped ambulances staffed by state certified EMT's. These EMT's and our ambulance service also fall under the jurisdiction of the Orange County Emergency Medical Services and our operations at the track are reviewed on an annual basis. I have included our last review with the suggestions of OCEMS which have been implemented by our track.

It is important to note that while our track is not covered by paramedics, the protocol for having paramedics on the scene in case of an accident has been reviewed and approved by the OCEMS.

The nearest paramedic staffed fire station to Los Alamitos Race Course is literally across the street. This proximity is no accident. The OCEMS will tell you that the site was chosen for the specific reason of its proximity to the race track.

In case of an accident that requires paramedic response, our Huntington Ambulance EMT's will stabilize the patient and will meet the OCFA paramedic unit at the pre-designated location directly across the street from the fire station. This location is accessed through a gate on our backstretch that we have shown on the enclosed graphic.

Not only does the OCEMS approve of this system, as you can see from our latest review, they believe having experienced EMT's handle the initial care of the jockey before handing the patient off to paramedics has benefits.

3751 Katella Ave
Los Alamitos, CA
562-799-3212

3033 West Orange Ave
Anaheim, CA 92804
714-827-3000

In case of a major accident/head injury they are routed to:

Long Beach Memorial or
2801 Atlantic Ave
Long Beach, CA 90802
562-933-2000

UCI
101 The City Dr
Orange, CA 92868
714-456-7890

This will be determined by the Paramedics, not the race track or EMT's

- E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:
Same as D 1.
- F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey: see attached
- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to Business and Professions Code section 19481.3(d):
Allie Rodriguez/FLSIG-safety manager
Frank Sherren-safety program director LARC
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Our fire clearance inspection is conducted yearly in March, see attached.
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):
Self Insured-Finish Line Self Insurance Group, certificate # On File
Administrator: Sig Solutions
PO Box 905
Seal Beach, Ca 90740
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation.

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall pursuant to Business and Professions Code section 19481.3 maintain, staff, and supply an on-track first aid facility, that may be either permanent or mobile, and which shall be staffed and equipped as directed by the board. A qualified and licensed physician shall be on duty at all times during live racing, except that this provision shall not apply to any quarter horse racing at the racetrack if there is a hospital situated no more than 1.5 miles from the racetrack and the racetrack has an agreement with the hospital to provide emergency medical services to jockeys and riders. An ambulance licensed to operate on public highways provided by the track shall be available at all times during live racing and shall be staffed by two emergency medical technicians licensed in accordance with Division 2.5 (commencing with Section 1797) of the Health and Safety Code, one of whom may be an Emergency Medical Technician Paramedic, as defined in section 1797.84 of the Health and Safety Code. (b) Each racing association and racing fair shall adopt and maintain an emergency medical plan detailing the procedures that shall be used in the event of an on-track injury. The plan shall be posted in each jockey room in English and Spanish. (c) Prior to every race meeting, the racing association or racing fair shall contact area hospitals to coordinate procedures for the rapid admittance and treatment of emergency injuries. (d) Each racing association or racing fair shall designate a health and safety manager and assistant manager, who shall be responsible for compliance with the provisions of this section and one of whom shall be on duty at all times when live racing is conducted. The health and safety manager may, at the discretion of the racing association, be the person designated to perform risk management duties on behalf of the association.

16. CONCESSIONAIRES AND SERVICE CONTRACTORS

Names and addresses of all persons to whom a concession or service contract has been given, other

FINISH



Finish Line Self Insurance Group, Inc.

4961 Katella, Los Alamitos, CA 90720 • phone 714-820-2743 • fax 714-820-2813

Steps Required in Reporting a Workers Compensation Accident

- 1. Immediately Report an accident to Security AND Finish Line Self Insurance Group (714) 820-2743. You must report the incident within 24 hours.**
- 2. Obtain a treatment authorization form from the Finish Line Self Insurance Group Office or, if on a weekend, from the Security office.**
- 3. Go to the designated clinic for treatment.**
Healthpointe Medical Center
7052 Oranewood Ave, Suite 6
Garden Grove (714) 903-1100

FINISH



Finish Line Self Insurance Group, Inc.

4961 Katella, Los Alamitos, CA 90720 • phone 714-820-2743 • fax 714-820-2813

Pasos Requeridos en Caso de un Accidente

- 1. Inmediatamente reporten el accidente a seguridad y a la oficina de Finish Line Self Insurance Group (714) 820-2743. Tiene que ser reportado dentro de las primeras 24 horas del incidente.**
- 2. Obtengan la forma de autorización para tratamiento de la oficina de Finish Line Self Insurance Group o, en los fines de semana, de la oficina de seguridad**
- 3. Vayan a la clínica designada
Healthpointe Medical Center
7052 Oranewood Ave, Suite 6
Garden Grove (714) 903-1100**



ORANGE COUNTY FIRE AUTHORITY

Community Risk Reduction – Safety and Environmental Services Section / Area 1

8081 Western Av, Buena Park CA 92620 – www.ocfa.org – (714) 527-9475 / Fax (714) 229-8801

October 15, 2014

Los Alamitos Race Course
4961 Katella Ave.
Los Alamitos, CA 90720
Attn: Frank Sherren

Dear Mr. Sherren,

This letter is in response to your request for a fire and life safety clearance at the above address. The annual inspection has been completed and a plan of correction has been accepted. A reasonable degree of fire and life safety is present at this time.

If you need additional information regarding this letter, please contact me by phone at 714 229-8805, by fax at 714 229-8806 or send an email to doughartman@ocfa.org.

Respectfully,

Douglas A. Hartman,
Senior Fire Prevention Specialist



FINILIN-01 SPRZEMIELEWSKI

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/11/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Bolton & Company 3475 E. Foothill Blvd., Suite 100 Pasadena, CA 91107	CONTACT NAME: PHONE (A/C, No, Ext): (626) 799-7000 FAX (A/C, No): (626) 441-3233 E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE INSURER A : New York Marine & General Ins. Co. NAIC #	
INSURED Finish Line Self Insurance Group, Inc. 4961 Katella Avenue Los Alamitos, CA 90720	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE	\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTIONS \$						EACH OCCURRENCE	\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC2015EPP00329	01/01/2015	01/01/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Los Alamitos Race Course Eff. 1/1/2015

CERTIFICATE HOLDER California Horse Racing Board 1010 Hurley Way, Suite 300 Sacramento, CA 95825	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/9/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MOC Insurance Services License No. 0589960 44 Montgomery St., 17th Fl. San Francisco CA 94104	CONTACT NAME: Sara Przemielewski PHONE (A/C No. Ext): (415) 957-0600 FAX (A/C No.): (415) 957-0577 E-MAIL ADDRESS: sprzemielewski@marcoevich.com															
	INSURED Finish Line Self Insurance Group, Inc. 4961 Katella Avenue Los Alamitos CA 90720	<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: New York Marine & General</td> <td></td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: New York Marine & General		INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:
INSURER(S) AFFORDING COVERAGE	NAIC #															
INSURER A: New York Marine & General																
INSURER B:																
INSURER C:																
INSURER D:																
INSURER E:																
INSURER F:																

COVERAGES CERTIFICATE NUMBER: CL1310928222 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS								
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/OP AGG \$ \$								
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$								
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTIONS \$						EACH OCCURRENCE \$ AGGREGATE \$ \$								
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC2014EPP00127	1/1/2014	1/1/2015	<table border="1"> <tr> <td>WC STATUTORY LIMITS</td> <td>OTHER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$ 1,000,000</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td>\$ 1,000,000</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$ 1,000,000</td> </tr> </table>	WC STATUTORY LIMITS	OTHER	E.L. EACH ACCIDENT	\$ 1,000,000	E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000	E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
WC STATUTORY LIMITS	OTHER														
E.L. EACH ACCIDENT	\$ 1,000,000														
E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000														
E.L. DISEASE - POLICY LIMIT	\$ 1,000,000														

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 104, Additional Remarks Schedule, if more space is required)
 Coverage extended as of start date below to employees assigned to listed trainer for Horse Racing and Training Codes: 8631, 8278

CERTIFICATE HOLDER

CANCELLATION

California Horse Racing Board 1010 Hurley Way, Suite 300 Sacramento, CA 95825	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE S Przemielewski/SPR
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Number: 4524-001

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
OFFICE OF THE DIRECTOR

CERTIFICATE OF CONSENT TO SELF-INSURE

THIS IS TO CERTIFY, That
LOS ALAMITOS RACING ASSOCIATION AND QUARTER HORSE RACING, INC, A GENERAL
PARTNERSHIP, DBA LOS ALAMITOS RACE COURSE
(Name of Affiliate)

FINISH LINE SELF INSURANCE GROUP, INC.
(Master Certificateholder)

has complied with the requirements of the Director of Industrial Relations under the provision of Sections 3700 to 3705, inclusive, of the Labor Code of the State of California and is hereby granted this Certificate of Consent to Self-Insure.

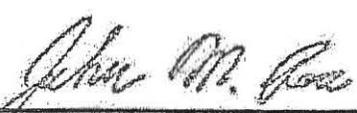
This certificate may be revoked at any time for good cause shown.*

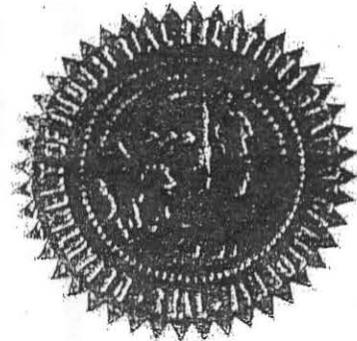
EFFECTIVE:

THE 1st DAY OF JULY 2005

DEPARTMENT OF INDUSTRIAL RELATIONS
OF THE STATE OF CALIFORNIA


MARK T. JOHNSON, MANAGER


JOHN M. REA, DIRECTOR



*Revocation of Certificate:— "A certificate of consent to self-insure may be revoked by the Director of Industrial Relations at any time for good cause after a hearing. Good cause includes, among other things, the impairment of the solvency of such employer, the inability of the employer to fulfill his obligations, or the practice by such employer or his agent in charge of the administration of obligations under this division of any of the following: (a) Habitually and as a matter of practice and custom inducing claimants for compensation to accept less than the compensation due or making it necessary for them to resort to proceedings against the employer to secure the compensation due; (b) Discharging his compensation obligations in a dishonest manner; (c) Discharging his compensation obligations in such a manner as to cause injury to the public or those dealing with him." (Section 3702 of Labor Code.) The Certificate may be revoked for noncompliance with Title 8, California Administrative Code, Group 2 --Administration of Self-Insurance.

than those already identified, and the goods and/or services to be provided by each:
 Centaur Hot Walkers, Inc., 5761 Ridgeview Ave., Mira Loma, CA 91752

Does the association provide its own concessions? Yes No

17. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Attach a copy of the promotional and marketing plans for the race meeting:
 See attached
- B. Promotional/ Marketing budget for this race meeting:
 See attached
 Promotional/Marketing budget for prior race meeting:
 See attached
- C. Number of hosts and hostesses employed for meeting:
 See attached
- D. Describe facilities set aside for new fans:
 See attached
- E. Describe any improvements to the physical facility in advance of the meeting that directly benefit: See attached
 - 1. Horsemen
 - 2. Fans
 - 3. Facilities in the restricted areas

18. SCHEDULE OF CHARGES

- A. Proposed charges, note any changes from the previous year:

Admission (general)	3.00
Admission (clubhouse)	5.00/10.00 (Vessels club)
Reserved seating (general)	N/A
Reserved seating (clubhouse)	N/A
Parking (general)	Free
Parking (preferred)	5.00
Programs (on-track)	3.50
(off-track)	4.00
- B. Describe any "Season Boxes" and "Turf Club Membership" fees:
 See attached
- C. Describe any "package" plans such as combined parking, admission and program:
 N/A

CHRB LICENSE APPLICATION

ON TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

1. Los Alamitos will conduct one state wide mailer featuring a mystery mutuel vouchers. The vouchers are sent to off-track players as well as on-track players. Each voucher is worth at least \$5. Vouchers in denominations of \$10, \$20, \$50, \$100, \$500, and \$1,000 are also mailed. In addition, two \$2,500 vouchers will be mailed. In recent years, a \$10,000 mystery voucher was cashed at the Pleasanton simulcast location. The tentative date for this promotion is California Breeders Champions Night.
2. Premium item giveaway nights will be held in February, April, July, September, November and December. Planned giveaways include beanies and sweatshirts in the winter, hat in July, cowboy hat in July, t-shirt or ear-buds in September, blanket in November and wall calendar or player's carryall in December of 2015.
3. Family days at Los Alamitos will be held in the summer with the running of the popular 18th annual Wienerschnitzel Wiener National. One-hundred dachshunds compete for prize money and trophies. The annual event receives great pre and post event publicity on television newscasts like the top rated Channel 5 Morning News. The event annually attracts over 12,000 people, most of which get exposed to the excitement of horseracing for the first time. This event has been adopted by nearly ALL of the fairs conducting live racing as well as Del Mar and Golden Gate Fields.
4. The Los Alamitos annual Halloween Carnival will be conducted in late fall. This event benefits a local charity, as well as the Los Alamitos Race Track Chaplaincy. A costume contest for kids and adults as well as a ton of carnival games are held in a safe, fun, and family oriented environment. This event provided first-time exposure of horseracing to hundreds of local families each year. Cash prizes are awarded.
5. Los Alamitos will continue its partnership with the Orange County Register's Register Connect subscribers. In 2014, Los Alamitos hosted four events with each event attracting over 1,000 people.
6. Los Alamitos will partner with Living Social, Travelzoo and Amazon to offer Night at the Races packages for its 2015 live racing program. Los Alamitos offers these packages six times per year through these partners. The packages provide a variety of packages with the most popular offering a \$64 value for \$25. The package includes passes for two people to the track's Vessels Club, preferred parking, \$10 food voucher, souvenir Los Alamitos logo glasses, a trip to the winner's circle and an 8X10 photo of that group's winner's circle visit. Los Alamitos sold over 2,000 of these packages in 2014 with nearly all purchases made by first-time visitors to the track. Guests receive VIP treatment, a

brochure designed for first-time guests and track personnel have been trained to answer frequently asked question.

7. Los Alamitos will once again conduct the strongest marketing program of any southern California track specifically aimed for the in-state simulcast facilities. In 2014, Los Alamitos conducted over 30 handicapping contest at satellite facilities for cash prizes in excess of \$17,000. Most handicapping contests are held in conjunction with a premium item giveaway like logo hats, t-shirts, umbrellas, sweatshirt, etc. Racing personality Les Onaka is on hand at each of the contests promoting the nighttime Quarter Horse signal via handicapping seminars and question and answer sessions. Photos of winners are posted on the track's social media pages. Visits were made to the new satellite locations of Firehouse Grill in Bakersfield and Sammy's Original in Lake Forest.

In 2014, Los Alamitos also visited Commerce Casino, Santa Anita, Surfside, Monterrey, Victorville, Lancaster, San Bernardino, Ventura, Barona, Viejas and Santa Clarita. Fan data is gathered at each location. Los Alamitos added over 1,500 new patrons to its mailing list via this program. This program will continue the same level in 2015.

FAN AMMENITIES

1. Los Alamitos night meet is also the only meet that continues to offer race results on the telephone. The line includes Ed Burgart's full race call. The number to call is 714-995-2222.
2. Los Alamitos employs one part-time employee to assist patrons with their Racing Rewards card, which serves as the track's loyalty program. This program rewards its members with cash vouchers for playing the nighttime Los Alamitos racing program with a 1 percent return on their money wagered. In 2014, more than \$15,000 will be awarded to frequent players.
3. Los Alamitos' senior citizen admission prices are \$2 every single day. More than 80% of the Los Alamitos parking lot is now available at no charge as part of its free general parking area.
4. On major race nights, The Vessels Club serves as the set for TVG's "The Quarters" show. The live show adds to the Vessels Club experience, as Vessels Club guests are now part of "The Quarters" and the setting provides added exposure to The Vessels Club.
5. Los Alamitos has made available online video of morning workouts of 2-year-olds. Horseplayers find this a useful tool, as they're able to dissect workouts of horses that have yet to make an official start. In addition to the video footage, the site provides breeding information on each horse.

ONLINE

1. Los Alamitos provides Ed Burgart's tip sheet free on its website at www.losalamitos.com. The page also features a video blog of Burgart's Horses to Watch for the Night. The track's website also features a 22-minute preview show of Friday's races. Burgart serves as the host with analysis provided by Les Onaka.
2. Los Alamitos offers a free nighttime pocket program, which can be downloaded at www.losalamitos.com.
3. The Los Alamitos Facebook pages currently have a combined 30,000 Likes/Friends. The page is updated with handicapping information, race videos, trainer interviews, stakes photos results, etc. Los Alamitos maintains a Twitter Feed @losalracing and a Youtube Channel @ losalqh.

ADVERTISING & TV

1. Los Alamitos markets the night program on TVG with a 36-week advertising campaign throughout the year. Los Alamitos works closely with TVG to promote and encourage viewers to visit the track for live racing. Vessels Club and general concession menu items are often promoted on TVG to show fans what's available at the racetrack.

On major race nights, The Vessels Club serves as the set for TVG's "The Quarters" show. The live show adds to the Vessels Club experience, as Vessels Club guests are now part of "The Quarters" and the setting provides added exposure to The Vessels Club.

2. Los Alamitos buys airtime on Time Warner Cable with :30 spots airing on Angels games on PrimeTicket, Dodgers games on Time Warner with additional spots also airing on the Golf Channel, TBS, Bravo, and Fox Sports' Trackside Live.
3. Los Alamitos markets its night program via the Mike Willman weekly radio shows. In 2014, Los Alamitos also purchased targeted sponsorships in all other major southern California radio shows.
4. Los Alamitos spent over \$75,000 in 2014 in newspaper advertising. This expenditure included sponsoring Terry Turrell's nightly handicapping tip sheet in the Long Beach Press Telegram. Los Alamitos was also successful in bringing back horse racing results and entries to the Orange County Register, not only of the nighttime Quarter Horse races, but also for all of the daytime Thoroughbred tracks.
5. The Replay Show is available on TVG mornings on a Friday through Monday basis.
6. Los Alamitos produces a weekly 22 minute preview show of its weekend races that is available on Friday mornings on TVG and all day on Friday at www.losalamitos.com. The show is hosted by Ed Burgart and it features Les Onaka plus a bevy of top

handicappers. Interviews, human interest pieces with local horsemen and stakes previews are also part of the show.

HORSEMEN

1. Los Alamitos will continue its DVD Scrapbook program designed to reward racehorse owners at Los Alamitos. Every time a horse wins a race at Los Alamitos, the owner will receive one DVD - completely free - featuring the horse's winning performance. The DVD includes the post parade, warm-ups, race analysis, actual race, and winner's circle.

2. In celebration of Grade 1 stakes races and its participants, Los Alamitos provides a personalized gift to the connections of each horses. Gifts will include wine glasses, horse bridles, wine bottles, full-color participation posters, etc.

Promotional/Marketing budget for **2014** race meeting:

- | | |
|----------------------------------------------------|-----------|
| 1. On-Track Marketing budget: | \$350,000 |
| 2. Marketing budget for simulcast facilities/fans: | \$600,000 |

B. Promotional/Marketing budget for **2015** race meeting:

- | | |
|----------------------------------------------------|-----------|
| 1. On-Track Marketing budget: | \$350,000 |
| 2. Marketing budget for simulcast facilities/fans: | \$600,000 |

C. Number of hosts and hostesses employed for meeting:

Chris Wade serves as the racing analyst on the Los Alamitos racing broadcast. Wade provides expert handicapping information prior to each race. He provides racing fans with his Pick 4 suggestions, plus tips and hints on how to play the races at Los Alamitos. Several group directors work closely with parties to ensure a fun night at the races. Group parties have race named in their honor and the opportunity to visit the winner's circle for their race.

One information window is open day and night at Los Alamitos Race Course to answer any questions or inquiries about the track or horseracing in general. Fans can also pick up general information and pamphlets at the Racing Rewards Center and Vessels Club free.

D. Describe facilities set aside for new fans:

1. The Los Alamitos terraces – one on the mezzanine level and another one on the Vessels Club level- bring fans closer to our new walking ring and winner's circle

2. area, while providing added comfort to these racing fans' overall experience at the track. The new Paddock Terraces added in July now offer over 40 tables for four equipped with a personal flat screen TV.
3. As part of the Living Social, Travelzoo and Amazon promotions, new guests enjoy premium outdoor seating in the Vessels Club patio, which overlooks the finish line.

E. Describe any improvements to the physical facility in advance of the meeting that directly benefits horsemen and fans:

1. The 2015 Los Alamitos Quarter Horse meeting will be the first time that the entire racing season at Los Alamitos is available as an high definition broadcast. Los Alamitos has increased its HD monitors throughout the plant as follows:
 2. Los Alamitos recently completed an HD TV upgrade in the entire Vessels Club adding 54 large HD sets at a cost of over \$40,000.
 3. The Mezzanine bar area in the grandstand has been refurbished to include a new player study areas, a wall of 8 HD TVs and 6 additional large HD screens throughout the study area.
 4. New bar style area seating in the Mezzanine area for added player comfort and new bar décor has been added.
 5. Over 60 flat screen TVs ranging between 18 and 32 inches in size have been added to the clubhouse Player's Club area.
 6. Seven large 48 inch flat screens have been added throughout the outside grandstand seating area.
 7. Permanent message boards continue to operate; one in the infield, which is a full color 8 feet tall by 20 feet wide Daktronics board featuring the broadcast of the Los Alamitos races, prices, pools, and marketing billboards; and one on the main entrance to the track, a two-color board featuring the latest messages and track news to the more than half-million motorists per year that make their way up and down Katella Avenue.

19. JOCKEYS/DRIVERS' QUARTERS

A. Check the applicable amenities available in the jockeys/drivers' quarters:

- | | | |
|--------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------|
| <input checked="" type="checkbox"/> Corners (lockers and cubicles) | How many | <input type="text" value="70"/> |
| <input checked="" type="checkbox"/> Showers | <input checked="" type="checkbox"/> Steam room, sauna or steam cabinets | <input checked="" type="checkbox"/> Lounge area |
| <input type="checkbox"/> Masseur | <input checked="" type="checkbox"/> Food/beverage service | <input checked="" type="checkbox"/> Certified platform scale |

B. Describe the quarters to be used for female jockeys/drivers:
 Separate quarters with cubicles, showers, steam box, sleeping quarters

20. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing has been requested and will be completed prior to the beginning of the race meet.
- B. Number of rooms used for housing on the backstretch of the racetrack:
220 out of 344
- C. Number of restrooms available on the backstretch of the racetrack:
13
- D. Estimated ratio of restroom facilities to the number of backstretch personnel:
18/1

21. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: feet.
- B. Describe the type of track surface at the facility, including the specific track surface composition:
Dirt track consisting of sand, clay, silt, organic and gravel. See attached lab report.
- C. The percent of cross slope in the straight-aways is: 3%
The percent of cross slope in the center of the turns is: 6%
- D. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
Inner rail is a metal slant rail with metal safety cover, 40" in height from track to top of rail. Outer rail is a metal gooseneck with 6" X 4" metal tubing.
- E. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:
Rick Hughes/Dennis Moore
- F. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.
See attached
- G. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be

Los Alamitos Race Track Maintenance Program

Renovations that are done during the morning training hours will consist of watering the surface if needed. Two tractors will then make a total of two passes each approximately 80ft. in width. The racetrack closes at 10:00am. Once the horses have exited the track the harrowing process will begin. This will consist of harrowing the entire racetrack from rail to rail. At this point all blade work will need to be completed for the day. A concrete curb under the inside rail is used as a grade marker. This is used as a guideline to maintain a uniform and consistent racing surface. The racetrack is now watered if needed and harrowed. In the afternoon water is applied for the evening's races followed by cutting the surface using a California cutting harrow. Additional water will be added if needed and the track will be harrowed once again. The watering and harrowing will continue thru the first few races depending on the first race post time. Under normal conditions once the sunsets there will be no need to continue to water. After the final race the entire surface is harrowed and is now ready for the following morning workouts. The harrows are set daily on level concrete pad, which allows us to maintain an even and consistent racing surface. The racetrack is ripped and rototilled once a week to a depth of six inches then laid back down with roller harrows and watered as needed.

listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing.

22. DECLARATIONS

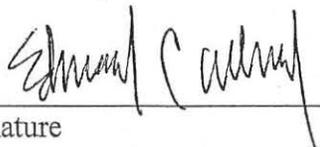
- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): no exceptions
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. Pending, to be completed by 10/10/14.
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). On file
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):
No exceptions
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state):
No exceptions

NOTICE TO APPLICANT: Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

23. CERTIFICATION BY APPLICANT

I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the association to attest to this application on its behalf.

Edward C Allred
Print Name


Signature

Owner
Print Title

09-25-14
Date

STAFF ANALYSIS

DISCUSSION BY THE BOARD REGARDING THE PROPOSAL TO DEVELOP REGULATIONS REQUIRING GEOGRAPHIC LOCATION TRACKING WHEN USING A WIRELESS DEVICE TO PLACE AN ADVANCE DEPOSIT WAGER, WHEN IN THE INCLOSURE OF A RACETRACK

Regular Board Meeting
November 19, 2014

ISSUE

CHRIMS, Inc. (CHRIMS) has submitted a proposal to add a new rule requiring Advance Deposit Wagering (ADW) providers to facilitate the collection of geographic location data from ADW wagering patrons, when using a wireless device to place a wager, within the inclosure of a racetrack.

ANALYSIS

CHRIMS submits that from the inception of the legalization of ADW it was contemplated that wagers made at a California racing association, fair, satellite wagering facility or minisatellite would be accounted for and tracked separately. CHRIMS cites Business and Professions code section 19604(f) (5) (e), 19604(g) and 19604(h) as support:

(E) Notwithstanding any provision of this section to the contrary, the distribution of market access fees pursuant to this subparagraph may be altered upon the approval of the board, in accordance with an agreement signed by all parties whose distributions would be affected.

(g) A racing association, a fair, a satellite wagering facility, or a minisatellite wagering facility may enter into an agreement with an ADW provider to accept and facilitate the placement of any wager from a patron at its facility that a California resident could make through that ADW provider. Deductions from wagers made pursuant to the agreement shall be distributed in accordance with the provisions of this chapter governing wagers placed at that facility, except that the board may authorize alternative distributions as agreed to by the ADW provider, the operator of the facility accepting the wager, the association or fair conducting that breed of racing in the zone where the wager is placed, and the respective horsemen's organization.

(h) Any issues concerning the interpretation or application of this section shall be resolved by the board.

CHRIMS provides in the past, due to technical and economic difficulties, the tracking of ADW wagers by geographical location has not been done. However, technology has now evolved to where the ability to geographically locate someone using their mobile device has become much more sophisticated and accurate to the point where tracking of the physical location where an ADW wager is placed can be accomplished.

CHRIMS also provides that the Thoroughbred Owners of California (TOC) has requested that all ADW companies licensed in California facilitate the tracking of these wagers. The proposal

submitted by CHRIMS is to develop a regulation requiring the geographical location of where a wager is taking place and is intended to provide a method of tracking ADW wagers, while at the same time safeguarding the privacy of the customer and the ADW company. In order to accomplish this objective the regulation would need to provide that:

Any California resident that wishes to make a pari-mutuel wager through a mobile device must activate their geographical location function. CHRIMS submits that the ADW provider will then track their customer wagers via longitude and latitude. CHRIMS will provide a web service that will allow each ADW company to access and obtain a zip code for those wagers that are being placed at a brick and mortar location. Subsequently, the ADW company will flag those wagers and submit them in the standard data file that they currently provide to CHRIMS. This will allow for the tracking of these wagers, while at the same time protecting the anonymity of the customer and the proprietary information of the ADW Company. This proposal provides the means to require this data and information.

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in California and over all persons or things having to do with such meetings is vested in the California Horse Racing Board (Board). Business and Professions Code section 19440 states responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code Section 19602 provides that any racing association located in this state may authorize betting systems located outside of this state to accept wagers on a race or races conducted or disseminated by that association and may transmit live audiovisual signals of the race or races and their results to those betting systems, except that any authorization is subject to the consent of the host association and applicable federal laws, including, but not limited to, Chapter 57 (commencing with Section 3001) of Title 15 of the United States Code.

Business and Professions Code section 19604 (g) provides a racing association, a fair, a satellite wagering facility, or a minisatellite wagering facility may enter into an agreement with an ADW provider to accept and facilitate the placement of any wager from a patron at its facility that a California resident could make through that ADW provider. Deductions from wagers made pursuant to the agreement shall be distributed in accordance with the provisions of this chapter governing wagers placed at that facility, except that the board may authorize alternative distributions as agreed to by the ADW provider, the operator of the facility accepting the wager, the association or fair conducting that breed of racing in the zone where the wager is placed, and the respective horsemen's organization.

RECOMMENDATION

This item is presented for Board discussion.

Staff recommends the Board hear from CHRIMS, and refer the proposal to the Pari-Mutuel, ADW and Simulcast Committee for further input and development.

STAFF ANALYSIS
November 19, 2014

APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW)
BY LIEN GAMES RACING LLC, AS AN OUT-OF-STATE MULTI-JURISDICTIONAL
WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

Lien Games Racing, LLC filed its application as an out-of-state multi-jurisdictional wagering hub to provide Advance Deposit Wagering (ADW). It is currently licensed through December 31, 2014 as an out-of-state multi-jurisdictional wagering hub.

A bond or other form of financial security in the amount of \$500,000 is required to be submitted with an application for license to conduct advance deposit wagering. Lien Games Racing, LLC, as a current ADW provider, has a \$500,000 bond continuation certificate on file that will expire January 1, 2015. Lien Games is currently in the process of obtaining a new continuation certificate that will cover 2015.

This application provides for:

- Dates of operation will be 365 days a year, 24 hours a day, with the exception of Christmas day. CHRB Rule 2072, Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant, allows for a two year license term.
- Business and Profession Code section 19604 includes specific provisions that must be met before an ADW provider can accept wagers. These include:

19604 (b)(1) and (2)

No ADW provider may accept wagers on **races conducted in California** from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into

account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on **races conducted outside of California** from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

19604 (a)(7)

“Hub agreement” as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.”

19604 (d)(1) (B)

“The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization . . .”

Lien Games has notified the Board that it is pursuing an agreement with Pari-mutuel Employees Guild Local 280 (labor organization), which will cover the 2015 calendar year.

Monarch Content Management, LLC (MCM), was the negotiating party for the 2014 simulcast wagering agreements between Lien Games, the California thoroughbred racing associations, California Authority of Racing Fairs, Los Angeles County Fair at Los Alamitos, and the Sonoma County Fair. MCM is currently in negotiations for 2015 ADW contracts; however, the negotiations have not yet determined which associations or ADW providers MCM will be representing. To date the 2015 contracts and/or agreements required pursuant to Business and Professions Code section 19604 that allow ADW providers to accept wagers on races conducted in and outside of California for the applied license term have not been received.

Lien Games is listed as an ADW provider on the December 26, 2014 through June 14, 2015 Pacific Racing Association (PRA) and the December 26, 2014 through June 28, 2015 Los Angeles Turf Club (LATC) race meeting application.

The following **items are outstanding** and will need to be submitted and/or resolved before ADW wagers can be accepted:

1. Bond
2. Hub agreement
3. Contract and/or agreements required pursuant to Business and Professions Code section 19604 that allows Lien Games to accept wagers
4. Horsemen's Agreement
5. Labor agreement

RECOMMENDATION:

If the application is considered for approval, staff recommends approval of a two year license contingent upon the submission of outstanding items.

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD (CHRB)
 APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING
 CHRB-133 (New 9/01)

Application is made to the CHRB for approval to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

NOTICE – By submitting the Application the out-of-state Applicant consents to the jurisdiction of California courts and the application of California law as to all California wagers and operations.

Application must be filed not later than 90 days in advance of the date scheduled to conduct Advance Deposit Wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

1. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

A. Name, mailing address, telephone and fax numbers:

Corporate Offices:

Lien Games Racing LLC
 404 4th Avenue North, Suite 200
 Fargo, North Dakota 58102
 (P.O. Box 1029, Fargo, ND 58107-1029)

218-422-9004 Voice, 866-500-5764 Fax
Operations and Customer Service Center:

Lien Games Racing LLC
 808 3rd Avenue South
 Suite 207
 Fargo, North Dakota 58103
 701-232-9995 Voice, 800-860-7067 Fax

B. Name, title, license number and racing jurisdiction where licensed for all management personnel:

Lien Games Racing LLC, North Dakota Service Provider License No. 2014-008
 Ken Lien, President, 2014 North Dakota License
 Kevin Hall, Secretary/Treasurer, 2014 North Dakota License
 North Dakota Racing Commission
 Gunner LaCour, Director of Racing
 500 North 9th Street
 Bismarck, North Dakota 58501
 (701) 328-4290

C. Name, title and mailing address of the California agent for receipt of service of process:

John J. Ford, Chief Executive Officer
 BAM Software and Services LLC
 78 1st Street, 6th Floor
 San Francisco, California 94105

CHRB CERTIFICATION

Application received: 8/22/14 LT
 Reviewed: 9/24/14 LT

Hearing date: 11/19/14
 Approval date:

- C. Attach the contract with the California racing association or fair and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.

See Tab 3 for Hub Agreements.

See Tab 4 for Simulcast Agreements with California tracks.

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted:

Advance Deposit Wagering for non-Californians is currently being conducted, in accordance with a Service Provider License issued by the North Dakota Racing Commission. Advance Deposit Wagering for California residents commenced on December 8, 2013 in accordance with approvals received from the California Horse Racing Board.

- B. Hours Advance Deposit Wagering will be conducted:

Wagering will be offered every day of the year, with the exception of Christmas Day. Customer Service hours are 9:00 am to 1:00 am, Eastern, every day of the year with the exception of Christmas Day.

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
 LLC (complete subsection C)
 Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

1. Registered name of the corporation:
2. State where incorporated:
3. Registry or file number for the corporation:
4. Name of all officers and directors, titles, and number of shares of the corporation held by each:
5. Names (true names) of all persons, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
6. Number of outstanding shares in the corporation:

7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
10. Attach the most recent annual financial statement for the corporation, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.
11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

C. LLC

1. Registered name of the LLC:
Lien Games Racing LLC
2. State where articles of organization are filed:
North Dakota
3. Registry or file number for the LLC:
North Dakota ID: 21381200
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
Ken Lien, President (41% of K2 Investments, which owns 100% of Lien Games Racing LLC)
Kevin Hall, Secretary/Treasurer (59% of K2 Investments, which owns 100 % of Lien Games Racing LLC)
5. Names (true names) of all members, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
K2 Investments LLC – 100% owner
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: N/A

K2 Investments LLC is owned 59% by Kevin Hall and 41% by Ken Lien.

8. Attach the most recent annual financial statement for the LLC, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.

Lien Games Racing LLC Financials and copies of reports to North Dakota Racing Commission, Attached at Tab 5

9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

California Business Plan and 2015 California Budget, Attached at Tab 6.

D. OTHER

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.
3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

4. **ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS** – must comply with Rule 2074.

A. List the procedures to establish an Account:

All accounts are initiated online before any wagering is conducted. Accounts for California residents will only be established in the name of a natural person and will be non-transferable. Individuals will be required to self-certify that they are not prohibited from wagering under Rule 1980. Information required to establish an Account will include: (1) account holder's full legal name, (2) principal residence address, (3) telephone number, (4) Social Security number or last 4 digits of Social Security number, (5) identification or certification to prove the account holder is at least 18 years of age, and (6) whether the account holder wants to use a credit card to make deposits to their account. Lien Games Racing LLC will employ electronic verification with respect to each account holder's name, principal residence address, date of birth and Social Security number at the time account is established, using Veratad Technologies LLC. or Gamble ID, LLC. An account will not be activated if the information supplied is untrue or incomplete. When established, Lien Games Racing LLC will designate an account number for each account. The number will not be changed unless the account holder is informed prior to any change. The account holder will select or be assigned a unique user name or number to use to access their account, along with a password. Lien Games Racing LLC will inform the account holder of the assigned account number and provide a copy of its Advance Deposit Wagering procedures, terms and conditions as well as information that pertains to the operation of the Account. Lien Games Racing LLC will comply with Internal Revenue Service (IRS) requirements for reporting and withholding proceeds from Advance Deposit Wagers by account holders and shall provide to account holders who are subject to IRS reporting or withholding, a Form W2-G summarizing the information for tax purposes. Upon written request, Lien Games Racing LLC will provide account holders with summarized tax information on Advance Deposit Wagering activities.

- B. If an application form is used to establish an Account attach a copy of the form.

Online Application Form, Attached at Tab 7.

- C. Name and address of the third party you will use to verify identity, residence and age verification:

Either Veratad Technologies LLC's Age and Identity Solution, located at 500 Frank W. Burr Boulevard, Teaneck, New Jersey 07666 or Jumio, Inc.'s NetVerify Solution, located at 268 Lambert Avenue, Palo Alto, California, 94306, is used to verify identity, residence and age.

5. OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2073.

- A. Submit a copy of your plan for operation.

Plan of Operation of Advance Deposit Wagering Accounts, Attached at Tab 8.

- B. List the type of deposits you will accept:

Credit Cards: Visa, Mastercard, American Express and Discover.

Electronic Checks: Customers can have deposits debited from their checking account and credited to their wagering account (ACH).

Green Dot Money Pak and InComm Vanilla Reload: Customers can deliver cash to a variety of retailers throughout California, including Walmart, CVS, K Mart and 7Eleven, where they can pay cash and a convenience fee, for which they will receive a unique code, which funds can then be credited to their wagering account.

Wire transfers

Paper Checks and Money Orders

- C. Identify any fees or transaction-related charges and the amount that will be assessed:

There are no fees for video streaming. There are no fees or charges imposed by Lien Games Racing LLC in connection with submitting wagers, or in making paper check, electronic check, wire, or Green Dot MoneyPak or InComm Vanilla Reload deposits. There is a 3.98% fee when making a deposit using a credit card.

6. SECURITY ACCESS

- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:

Security Access Policy and Safeguards, Attached at Tab 9.

1. Description of the technology to ensure identity, residence, and age verification when an Account is established:
2. Description of the technology to ensure confidentiality of the Means of Personal Identification:
3. Methods and locations available for Account Holders to withdraw funds from their Account:

4. If the Advance Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation:

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm: CHRIMS, Inc., 7950 Dublin Boulevard, Suite 216, Dublin, California, 94568, 925-307-7020.
- B. Type(s) of pari-mutuel or totalizator equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract:

Totalizator services and equipment supplied by Amtote International, 11200 Pepper Road, Hunt Valley, MD 21031, (904) 278-9077, under contract expiring on December 31, 2014.

- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted:

Advance Deposit Wagering will be accepted on racing at racing associations located in the United States, Canada, UAE, Australia, France, Ireland, Sweden and the United Kingdom. Racetracks upon which wagers are currently being accepted are attached at Tab 10. In addition, the Applicant is seeking simulcast agreements with additional domestic and international venues upon which to offer wagering to customers.

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 18.

8. CONTRACTS AND AGREEMENTS

- A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:
- Tote Company: Amtote International
 - Thoroughbred Data: Equibase Company LLC
 - Harness Data: Trackmaster (AXCIS Information Network, Inc.)
 - Greyhound Data: TrackData Systems Corporation
 - Technology, Marketing and Consulting: BAM Software and Services, LLC
 - Communications and Video Streaming: Roberts Communications
 - Geo-Location Source: NeuStar Inc. (formerly known as Quova)
 - Identity Verification: Veratad Technologies, LLC
 - ACH Processing: ACH Direct, Inc.
 - Credit Card Processing: CardFlex, Vantiv, Stripe
 - Cash deposits at land-based retailers: Green Dot Corporation, InComm Vanilla Reload
- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed:
- 2015 Hub Agreements
 - 2015 Labor Agreement

9. ADVERTISING

CHRB-133 (New 9/01)

Name and address of the advertising agency you will use:
BAM Software and Services, LLC
78 1st Street, Sixth Floor
San Francisco, CA 94105

NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

10. CERTIFICATION

I hereby certify under penalty of perjury that I have examined this Application, that all of the foregoing statements in this Application are true and correct, and that I am authorized to attest to this Application.

Kevin J Hall

Print Name

Sec. Treas.

Print Title

[Handwritten Signature]

Signature

8/22/14

Date

STAFF ANALYSIS

November 19, 2014

APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING OF ODS TECHNOLOGIES, L.P., DBA TVG FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

TVG filed its application as an out-of-state multi-jurisdictional wagering hub to provide Advance Deposit Wagering (ADW). It is currently licensed through December 31, 2014 as an out-of-state multi-jurisdictional wagering hub.

A bond or other form of financial security in the amount of \$500,000 is required to be submitted with an application for license to conduct advance deposit wagering. TVG, as a current ADW provider, has a \$500,000 bond on file that will expire December 31, 2015.

This application provides for:

Dates of operation will be 365 days a year, 24 hours a day. CHRB Rule 2072, Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant, allows for a two year license term.

- Business and Profession Code section 19604 includes specific provisions that must be met before an ADW provider can accept wagers. These include:

19604 (b)(1) and (2)

No ADW provider may accept wagers on **races conducted in California** from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is

applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on **races conducted outside of California** from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

19604 (a)(7)

““Hub agreement” as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.”

19604 (d)(1) (B)

“The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization . . .”

TVG has provided the Board with a copy of the following agreements in compliance with Business and Professions Code section 19604:

- License Agreement by and Between ODS Technologies, L.P. d/b/a TVG Network and Los Alamitos Quarter Horse Racing Association, Los Alamitos Harness Racing Association, dated as of December 12, 2008 agreement ending December 31, 2018.
- License Agreement by and Between ODS Technologies, L.P. and Del Mar Thoroughbred Club, dated as of November 16, 2011 agreement ending September 2016.
- License Agreement by and Between ODS Technologies, L.P. and Watch and Wager.com, LLC (Cal Expo), dated as of October 3, 2014 agreement ending October 3, 2016.
- Addendum agreement with Pari-mutuel Employees Guild Local 280 (labor organization), extending the terms and conditions of the labor agreement through December 31, 2015.

Monarch Content Management, LLC (MCM), was the negotiating party for the 2014 simulcast wagering agreements between TVG the California thoroughbred racing associations, California Authority of Racing Fairs, Los Angeles County Fair at Los Alamitos, and the Sonoma County

Fair. MCM is currently in negotiations for 2015 ADW contracts; however, the negotiations have not yet determined which associations or ADW providers MCM will be representing.

There are 13 racing venues approved for racing by the California Horse Racing Board: four thoroughbred racing associations, one quarter horse racing association, one harness facility racing and seven fairs. TVG has provided documentation allowing it to accept wagering for only three of the thirteen.

TVG is listed as an ADW provider on the December 26, 2014 through December 21, 2015 Los Alamitos Quarter Horse Racing Association (Los Alamitos); the December 26, 2014 through May 3, 2015 Watch and Wager.com, LLC; the December 26, 2014 through June 14, 2015 Pacific Racing Association (PRA) and the December 26, 2014 through June 28, 2015 Los Angeles Turf Club (LATC) race meeting application.

The following **items are outstanding** and will need to be submitted and/or resolved before ADW wagers can be accepted:

1. Contract and/or agreements required pursuant to Business and Professions Code section 19604 that allows TVG to accept wagers on the remaining 10 racing venues.
2. Horsemen's Agreement.

RECOMMENDATION:

If the application is considered for approval, staff recommends approval of a two year license contingent upon the submission of outstanding items.

Application is made to the CHRB for approval to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

NOTICE – By submitting the Application the out-of-state Applicant consents to the jurisdiction of California courts and the application of California law as to all California wagers and operations.

Application must be filed not later than 90 days in advance of the date scheduled to conduct Advance Deposit Wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

1. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

A. Name, mailing address, telephone and fax numbers:

ODS Technologies, L.P. d/b/a TVG Network
19545 N.W. Von Neumann Drive, Suite 210
Beaverton, OR 97006
Tel: (503) 748-3800 Fax: (503) 748-3838

B. Name, title, license number and racing jurisdiction where licensed for all management personnel:

BJ Cosson, Vice President, Operations & Customer Relations, Oregon License # 20730
Larry Trickel, Manager, Wager Operations, Oregon License # 20410
Scott Pakel, Manager, Financial Services, Oregon License # 24465
Grace Kenworthy, Manager, Customer Relations, Oregon License # 14605

C. Name, title and mailing address of the California agent for receipt of service of process:

John Hindman
SVP & General Counsel
ODS Technologies, L.P. d/b/a TVG Network
6701 Center Drive West, Suite 800
Los Angeles, CA 90045

D. Attach the contract with the California racing association or fair and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.

Behind **TAB 2** please find the following documents: 1) an abstract of valid and binding contracts with the following licensed California racing associations: Los Alamitos, Del Mar, and Cal Expo that identifies the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes; 2) copies of the current License Agreements and amendments between i) Los Alamitos; ii) Del Mar Thoroughbred Club; iii) Monarch Content Management, LLC; and (iv) WatchandWager.com (Cal Expo)

CHRB CERTIFICATION

Application received: 10/8/14
Reviewed: *cap*

Hearing date: 11/20/14
Approval date:

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted: 365 days/year
- B. Hours Advance Deposit Wagering will be conducted: 24 hours/day

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
- LLC (complete subsection C)
- Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

1. Registered name of the corporation:
2. State where incorporated:
3. Registry or file number for the corporation:
4. Name of all officers and directors, titles, and number of shares of the corporation held by each:
5. Names (true names) of all persons, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
6. Number of outstanding shares in the corporation:
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
10. Attach the most recent annual financial statement for the corporation, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.
11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

C. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent annual financial statement for the LLC, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.
9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

D. OTHER

1. Name(s) of partners/sole proprietor:

General Partner:
 ODS Holding LLC
 6701 Center Drive West, Suite 800
 Los Angeles, CA 90045

Limited Partner:
 TSE US LLC
 6701 Center Drive West, Suite 800
 Los Angeles, CA 90045

2. If a partnership, attach partnership agreement.

Behind **TAB 3**, please find a copy of the Limited Partnership Agreement and amendments for ODS Technologies, L.P.

Pursuant to California Horse Racing Board Rule 1497 and the California Public Records Act, and under TAB 3, personal financial data used to establish TVG's qualifications for

licensure/approval is not subject to public disclosure.

3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

The TVG Advance Deposit Wagering Business Plan for the projected term of approval is attached hereto behind **TAB 4**.

4. **ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS** – must comply with Rule 2074.

A. List the procedures to establish an Account:

1. Customers must be at least 21 years of age to establish an advance deposit wagering account.
2. Customers can establish an account by telephone by calling 1-888-PLAY TVG, on the Internet at www.tvg.com, by mail, or in person at a TVG retail outlet or racetrack partner by providing the following information:
 - Name
 - Social Security Number
 - Date of Birth
 - Principal Residence Address Including Postal ZIP Code
 - Telephone Number
3. Each application submitted to TVG is subject to electronic verification by a nationally recognized third party information services provider with respect to name, principal residence address including postal zip code, date of birth and Social Security Number. If there is a discrepancy between the application information submitted to TVG and the information provided by the electronic verification described above, or if no information on the applicant is available from such electronic verification, the applicant will be required to provide identification issued by a recognized government agency (driver's license or government ID) showing his or her date of birth and residence address to complete the application process.
4. Provided that the account applicant's information has been positively identified, each applicant is assigned his or her TVG Personal Wagering Account Number and is asked to establish a Personal Identification Number consisting of four (4) numeric characters.

B. If an application form is used to establish an Account attach a copy of the form.

A copy of the application form available on www.tvg.com is provided behind **TAB 5** to this document.

C. Name and address of the third party you will use to verify identity, residence and age verification:

Equifax Credit Information Services
P.O. Box 4472
Atlanta, GA 30302

5. **OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS** – must comply with Rule 2073.

A. Submit a copy of your plan for operation.

The Plan of Operation is attached hereto behind **TAB 6**.

B. List the type of deposits you will accept:

Deposits will be accepted in the form of:

1. Check, money order or negotiable order of withdrawal;
2. Cash (at designated financial/retail outlets);
3. Charges made to an account holder's credit card or debit card upon the direct and personal instruction of the account holder, which may be given by telephone or other secure electronic means;
4. Transfer by means of an electronic funds or ACH (Automated Clearing House) transfer from a monetary account controlled by an account holder to his/her account, said account holder may be liable for any charges imposed by the transmitting or receiving entity with such charges to be deducted from the account;
5. Stored value cards; and
6. Wire transfers.

C. Identify any fees or transaction-related charges and the amount that will be assessed:

TVG account holders have a monthly subscription fee of \$19.95.

6. **SECURITY ACCESS**

A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:

1. Description of the technology to ensure identity, residence, and age verification when an Account is established:

Please refer to Section 4.3.1 of the Plan of Operation attached hereto behind **TAB 6**.

2. Description of the technology to ensure confidentiality of the Means of Personal Identification:

Please refer to Section 4.5.6 of the Plan of Operation attached hereto behind **TAB 6**.

3. Methods and locations available for Account Holders to withdraw funds from their Account:

Please refer to Section 4.3.5 of the Plan of Operation attached hereto behind **TAB 6**.

4. If the Advance Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation:

Please refer to Section 4.5.6 of the Plan of Operation attached hereto behind **TAB 6**.

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm:

Oregon Racing Commission
Suite 310
800 N.E. Oregon Street, #11
Portland, OR 97232
(503) 731-4052

- B. Type(s) of pari-mutuel or totalizator equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract:

Totalizator services are provided by contract with Sportech Racing, LLC. The contract expires December 31, 2015. Please refer to Section 3 of the Plan of Operation behind **TAB 6** for more details.

- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted:

Ajax Downs, Ajax, ON	Freehold Raceway, Freehold, NJ	Oak Tree, Arcadia, CA
Arapahoe Park, Aurora, CO	Great Britain	Pimlico Race Course, Baltimore, MD
Assiniboia Downs, Winnipeg, MB	Harrah's Philadelphia, Chester, PA	Portland Meadows, Portland, OR
Balmoral Park, Crete, IL	Harrington Raceway, Harrington, DE	Santa Anita Park, Arcadia, CA
Beulah Park, Grove City, OH	Hastings Racecourse, Vancouver, BC	Tampa Bay Downs, Tampa, FL
Buffalo Raceway, Hamburg, NY	Hawthorne Racecourse, Stickney/ Cicero, IL	Monticello Raceway, Monticello, NY
Canterbury Park, Shakopee, MN	Hialeah Park Race Track, Hialeah, FL	Mountaineer Park, Chester, WV
Churchill	Indiana Downs, Shelbyville, IN	Meadowlands, East Rutherford, NJ
Arlington Park, Arlington Heights, IL	Japan Racing Association	Monmouth Park, Oceanport, NJ
Calder Race Course, Miami Gardens, FL	Keeneland, Lexington, KY	Northfield Park, Northfield, OH
Churchill Downs, Louisville, KY	Kentucky Downs, Franklin, KY	NYRA
Fair Grounds Race Course, New Orleans, LA	Lone Star Park at Grand Prairie, Grand Prairie, TX	Oak Tree, Arcadia, CA
Hoosier Park, Anderson, IN	Los Alamitos, Los Alamitos, CA	Ocean Downs, Berlin, MD
The Meadows, Latin American Racing	Louisiana Downs, Bossier City, LA	Penn National Gaming Inc.
Colonial Downs, New Kent, VA	Maywood Park, Maywood, IL	Charles Town, Charles Town, WV
Del Mar, Del Mar, CA	Monarch Content Management CARF	Hollywood Slots, Bangor, ME
Delaware Park, Wilmington, DE	Cal Expo, Sacramento, CA	Hollywood Casino at Penn National Race Course, Grantville, PA
Delta Downs, Vinton, LA	Ferndale (Humboldt Co. Fair)	Raceway Park, Toledo, OH
Dover Downs, Dover, DE	Fresno (Fresno Fair)	Zia Park, Hobbs, NM
Dubai	Pleasanton (Alameda Co. Fair)	Philadelphia Park, Bensalem, PA
Ellis Park, Henderson, KY	Golden Gate Fair	Pocano Downs, Wilkes-Barre, PA
Emerald Downs, Auburn, WA	Santa Rosa (Sonoma Co. Fair)	Pompano Park, Pompano Beach, FL
Evangeline Downs, Opelousas, LA	Stockton (San Joaquin Fair)	Prairie Meadows Racetrack, Altoona, IA
Fair Meadows, Tulsa, OK	Vallejo (Solano Co. Fair)	Presque Isle Downs, Erie, PA
Fairmount Park, Collinsville, IL	Del Mar, Del Mar, CA	Remington Park, Oklahoma City, OK
Finger Lakes, Farmington, NY	Fairplex Park, Pomona, CA	Retama Park, TX
Fonner Park, Grand Island, NE	Golden Gate Fields, Berkeley, CA	River Downs, Cincinnati, OH
Fort Erie Race Track, Fort Erie, ON	Gulfstream Park, Hallandale Beach, FL	Ruidoso Downs, Ruidoso, NM
Fraser Downs, Canada	Laurel Park, Laurel, MD	Running Aces, Columbus, NM
	Lone Star Park, Grand Prairie, TX	Sam Houston Race Park, Houston, TX
		Scioto Downs, Columbus, OH
		Singapore (South Africa & Singapore

(Kranji)
 Suffolk Downs, East Boston, MA
 Sunland Park (Nuevo Sol Turf Club),
 Sunland Park, NM
 Tampa Bay Downs, Tampa, FL

Tioga Downs, Nichols, NY
 Turf Paradise, Phoenix, AZ
 Turfway Park, Florence, KY
 Vernon Downs, Vernon, NY
 Will Rogers Downs, Claremore, OK

Woodbine Racetrack/Mohawk
 Raceway, Toronto, ON
 Wyvern, Australia
 Yavapai Downs, Prescott, AZ
 Yonkers, Yonkers, NY

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 18.

8. CONTRACTS AND AGREEMENTS

- A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:

Sportech Racing, LLC
 1500 Bluegrass Lakes Parkway
 Alpharetta, GA 30004
 (770) 664-3700

Equibase Company LLC
 821 Corporate Drive
 Lexington KY 40503-2794
 (859) 296-3079

Trackmaster, an Equibase Company
 851 Fremont Ave. #109
 Los Altos, CA 94024
 (650) 947-9020

- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed:

9. ADVERTISING

Name and address of the advertising agency you will use:

Piston
 1111 6th Ave, 6th Floor
 San Diego, California 92101
 (T) 619.308.5266 (F) 619.238.8923

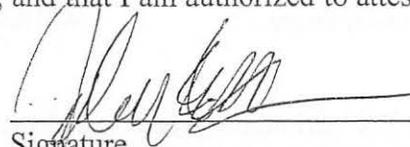
NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

10. CERTIFICATION

I hereby certify under penalty of perjury that I have examined this Application, that all of the foregoing statements in this Application are true and correct, and that I am authorized to attest to this Application.

John Hindman
Print Name

SVP & General Counsel
Print Title


Signature

11/01/2014
Date

STAFF ANALYSIS
November 19, 2014

APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF CHURCHILL DOWNS TECHNOLOGY INITIATIVES COMPANY DBA TWINSPIRES FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

Twinspires filed its application as an out-of-state multi-jurisdictional wagering hub to provide Advance Deposit Wagering (ADW). It is currently licensed through December 31, 2014 as an out-of-state multi-jurisdictional wagering hub.

A bond or other form of financial security in the amount of \$500,000 must be submitted with an application for license to conduct ADW. Twinspires, as a current ADW provider, has a \$500,000 bond on file that is continuous until cancelled.

This application provides for:

- Dates of operation will be 365 days a year, 24 hours a day. CHRB Rule 2072, Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant, allows for a two year license term.
- Business and Profession Code section 19604 includes specific provisions that must be met before an ADW provider can accept wagers. These include:

19604 (b)(1) and (2)

No ADW provider may accept wagers on **races conducted in California** from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on **races conducted outside of California** from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

19604 (a)(7)

“Hub agreement” as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.”

19604 (d)(1) (B)

“The Board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization . . .”

Twinspires has notified the Board that it is pursuing an extension to the existing agreement with Pari-mutuel Employees Guild Local 280 (labor organization), extending the terms and conditions of the labor agreement through December 31, 2015.

Monarch Content Management, LLC (MCM), was the negotiating party for the 2014 simulcast wagering agreements between Twinspires, the California thoroughbred racing associations, California Authority of Racing Fairs, Los Angeles County Fair at Los Alamitos, and the Sonoma County Fair. MCM is currently in negotiations for 2015 ADW contracts; however, the negotiations have not yet determined which associations or ADW providers MCM will be representing. To date the 2015 contracts and/or agreements required pursuant to Business and Professions Code section 19604 that allow ADW providers to accept wagers on races conducted in and outside of California for the applied license term have not been received.

Twinspires is listed as an ADW provider on the December 26, 2014 through May 3, 2015 Watch and Wager.com, LLC; the December 26, 2014 through June 14, 2015 Pacific Racing Association (PRA) and the December 26, 2014 through June 28, 2015 Los Angeles Turf Club (LATC) race meeting application.

The following **items are outstanding** and will need to be submitted and/or resolved before ADW wagers can be accepted:

1. Hub agreement
2. Contract and/or agreements required pursuant to Business and Professions Code section 19604 that allows Twinpires to accept wagers
3. Horsemen's Agreement
4. Labor agreement

RECOMMENDATION:

If the application is considered for approval, staff recommends approval of a two year license contingent upon the submission of outstanding items.

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD (CHRB)
 APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING
 CHRB-133 (New 9/01)

Application is made to the CHRB for approval to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

NOTICE – By submitting the Application the out-of-state Applicant consents to the jurisdiction of California courts and the application of California law as to all California wagers and operations.

Application must be filed not later than 90 days in advance of the date scheduled to conduct Advance Deposit Wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

1. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

- A. Name, mailing address, telephone and fax numbers: **Churchill Downs Technology Initiatives Company (dba TwinSpires and Luckity), 800 W. El Camino Real, Mountain View, CA 94040. Phone (650) 429-2900 Fax: (650) 967-3201**
- B. Name, title, license number and racing jurisdiction where licensed for all management personnel:
Ted Gay, President – applied for California license
Mike Cody, Vice President – licensed in California (294715)
Brad Blackwell, Vice President – licensed in California (304449)
- C. Name, title and mailing address of the California agent for receipt of service of process:
CT Corporation System
818 West Seventh St.
Los Angeles, CA 90017
- D. Attach the contract with the California racing association or fair and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.
Attached at Tab 2

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted:
Every day of the year
 Hours Advance Deposit Wagering will be conducted:
24 hours a day

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
 LLC (complete subsection C)

CHRB CERTIFICATION

Application received: 9/4/14
 Reviewed: 9/24/14 LT

Hearing date: 11/19/14
 Approval date:

Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

1. Registered name of the corporation: **Churchill Downs Technology Initiatives Company**
2. State where incorporated: **Delaware**

3. Registry or file number for the corporation: **4284783**
4. Name of all officers and directors, titles, and number of shares of the corporation held by each:
 - Ted Gay, President**
 - Mike Cody, Vice President**
 - Brad Blackwell, Vice President**

 - Robert Evans, Director**
 - William Carstanjen, Director**
 - Alan Tse, Director**

No officer or director directly holds any shares of applicant as applicant is wholly-owned by its ultimate parent company, Churchill Downs Incorporated
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each: **N/A as applicant is the wholly owned subsidiary of a corporate entity**
6. Number of outstanding shares in the corporation: **100**
7. Are the shares listed for public trading? Yes No

If yes, on what exchange and how is the stock listed:
Applicant is wholly-owned by Churchill Downs Incorporated (traded as CHDN on Nasdaq)
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: **Bradley K. Blackwell**
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
Churchill Downs Incorporated holds 100% of the shares of the applicant
10. Attach the most recent annual financial statement for the corporation, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation. **Attached at Tab 3 is the most recent Annual Report on Form 10-K for Churchill Downs Incorporated**
11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval. **Attached at Tab 4**

C. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:

5. Names (true names) of all members, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent annual financial statement for the LLC, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.
9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

D. OTHER

1. Name(s) of partners/sole proprietor:
 2. If a partnership, attach partnership agreement.
 3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.
4. **ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS** – must comply with Rule 2074.
- A. List the procedures to establish an Account: **See Section 2.1 on page 1 of the Plan of Operations attached at Tab 6 which complies with Rule 2074**
 - B. If an application form is used to establish an Account attach a copy of the form. **Attached at Tab 5 is the form of applications available online at www.twinspires.com and www.luckity.com.**
 - C. Name and address of the third party you will use to verify identity, residence and age verification: **Equifax Secure, Inc., 1550 Peachtree St., NW, Atlanta, GA 30309**

5. OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS -- must comply with Rule 2073.

- A. Submit a copy of your plan for operation. Attached at Tab 6
 - B. List the type of deposits you will accept: ACH, credit card, debit card, Green Dot MoneyGram, online bill pay, cash at specified locations, check and money order by mail.
 - C. Identify any fees or transaction-related charges and the amount that will be assessed: \$5 per credit/debit card transactions to offset charges and 4.5% is charged for credit card advance transactions processed over the phone by the processor. \$25 fee for returned checks.
-

6. SECURITY ACCESS

- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:
 1. Description of the technology to ensure identity, residence, and age verification when an Account is established: Applicant uses Equifax and IDology, independent third parties, to provide comprehensive verification of the account information provided by customers. For a more detailed description of verification see Section 2.1.1.1 of the Plan of Operations attached at Tab 6.
 2. Description of the technology to ensure confidentiality of the Means of Personal Identification: See Section 2.1.5 on page 5 of the Plan of Operations attached at Tab 6.
 3. Methods and locations available for Account Holders to withdraw funds from their Account: Requests for withdrawals may be made online or by phone. Checks are mailed to the address on file within five business days.
 4. If the Advance Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation: 6130 NE 78th Court, Suite C4, Portland, OR (phone: (503) 253-0234; fax: (503) 253-0140) with hours of operation of 8:30 am to 10:30 pm PST or later depending on the last race of the day. Records are also maintained at 801 Corporate Drive, Lexington, KY (phone: (877) 774-7371) with hours of operation of 9:00 am to 1:00 am EST.

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm: **PricewaterhouseCoopers LLP, 500 W. Main St., Suite 1800, Louisville, KY 40202**
- B. Type(s) of pari-mutuel or totalizator equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract: **Totalizator services will be provided by United Tote. The contract expires in 2017.**
- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted: **See the tracks listed at Tab 7 which are subject to annual simulcast agreements.**

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 18.

8. CONTRACTS AND AGREEMENTS

- A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:
Global Cash Access, 3525 E. Post Rd., Suite 120, Las Vegas, NV 89120
Green Dot Corporation, 605 E. Huntington Dr., Suite 205, Monrovia, CA 91016
Roberts Communications Network, Inc., 4175 Cameron St., Suite B-10, Las Vegas, NV 89103
US-Offtrack, 6130 NE 78th Court, Suite C4, Portland, OR
- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed: **N/A**

9. ADVERTISING

Name and address of the advertising agency you will use: **Hoffman York, 142 East Ontario, Suite 13, Chicago, IL 60611**

NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

10. CERTIFICATION

I hereby certify under penalty of perjury that I have examined this Application, that all of the foregoing statements in this Application are true and correct, and that I am authorized to attest to this Application.

Brad Blackwell

Print Name

Vice President

Print Title

Brad York

Signature

8/19/14

Date

STAFF ANALYSIS
November 19, 2014

APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING OF
WATCH AND WAGER.COM LLC FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL
WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

Watch and Wager.com, LLC (WAW) filed its application as an out-of-state multi-jurisdictional wagering hub to provide Advance Deposit Wagering (ADW). It is currently licensed through December 31, 2014 as an out-of-state multi-jurisdictional wagering hub.

A bond or other form of financial security in the amount of \$500,000 is required to be submitted with an application for license to conduct ADW. WAW, as a current ADW provider, has a \$500,000 bond on file that is continuous until cancelled.

This application provides for:

- Dates of operation will be 365 days a year, 24 hours a day, with the exception of Christmas day. CHRB Rule 2072, Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant, provides for a two-year license term.
- Business and Professions Code section 19604 includes specific provisions that must be met before an ADW provider can accept wagers. These include:

19604 (b)(1) and (2)

No ADW provider may accept wagers on **races conducted in California** from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on **races conducted outside of California** from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

19604 (a)(7)

““Hub agreement” as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.”

19604 (d)(1) (B)

“The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization . . .”

WAW has provided the Board with a copy of the following agreement in compliance with Business and Professions Code section 19604:

- Hub agreement between Watch and Wager.com LLC (ADW Provider) and Watch and Wager Harness Racing (Association).

Monarch Content Management, LLC (MCM), was the negotiating party for the 2014 simulcast wagering agreements between WAW, the California thoroughbred racing associations, California Authority of Racing Fairs, Los Angeles County Fair at Los Alamitos, and the Sonoma County Fair. MCM is currently in negotiations for 2015 ADW contracts; however, the negotiations have not yet determined which associations or ADW providers MCM will be representing. With the exception of the hub agreement the 2015 contracts and/or agreements required pursuant to Business and Professions Code section 19604 that allow ADW providers to accept wagers on races conducted in and outside of California for the applied license term have not been received.

WAW is listed as an ADW provider on the December 26, 2014 through May 3, 2015 Watch and Wager.com, LLC (Harness); the December 26, 2014 through June 14, 2015 Pacific Racing Association (PRA) and the December 26, 2014 through June 28, 2015 Los Angeles Turf Club (LATC) race meeting application.

The following **items are outstanding** and will need to be submitted and/or resolved before ADW wagers can be accepted:

1. Contract and/or agreements required pursuant to Business and Professions Code section 19604 that allows WAW to accept wagers.
2. Horsemen agreement (Harness and Thoroughbred).
3. Labor agreement.
4. 2013 Financials.

RECOMMENDATION:

If the application is considered for approval, staff recommends approval of a two year license contingent upon the submission of outstanding items.

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD (CHRB)
 APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING
 CHRB-133 (New 9/01)

Application is made to the CHRB for approval to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

NOTICE – By submitting the Application the out-of-state Applicant consents to the jurisdiction of California courts and the application of California law as to all California wagers and operations.

Application must be filed not later than 90 days in advance of the date scheduled to conduct Advance Deposit Wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

1. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

A. Name, mailing address, telephone and fax numbers:

Edward Comins
President
WatchandWager.com LLC
20 California St. 7th Floor
San Francisco, CA 94111
Phone: (415) 503-4041
Fax: (415) 677-9798

B. Name, title, license number and racing jurisdiction where licensed for all management personnel:

Edward Comins
President
WatchandWager.com LLC

Edward Comins Personal License:
California Horse Racing Board License No. 308911

North Dakota Racing Commission Occupational License No. 4046

WatchandWager.com LLC is licensed by the California Horse Racing Board.

Watchandwager.com LLC is licensed by the North Dakota Racing Commission as a

CHRB CERTIFICATION

Application received: 8/25/14
 Reviewed: *ap*

Hearing date: 11/19/14
 Approval date:

**Simulcast Service Provider – License No. 2014-12
Appendix 1 – Copies of all applicable Licenses.**

C. Name, title and mailing address of the California agent for receipt of service of process:

**Edward Comins
President
WatchandWager.com LLC
20 California St. 7th Floor
San Francisco, CA 94111**

D. Attach the contract with the California racing association or fair and the required horsemen’s approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.

Appendix 2 – Hub Contracts and Horsemen Agreements

2. DATES OF OPERATION

A. Dates Advance Deposit Wagering will be conducted:

Advanced Deposit Wagering will be conducted every day except Christmas Day.

B. Hours Advance Deposit Wagering will be conducted:

Advanced Deposit Wagering will be conducted on a 24 hour/ 7 day a week basis except Christmas Day.

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
- LLC (complete subsection C)
- Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

1. Registered name of the corporation:

[Empty rectangular box for providing the registered name of the corporation]

2. State where incorporated:
3. Registry or file number for the corporation:
4. Name of all officers and directors, titles, and number of shares of the corporation held by each:
5. Names (true names) of all persons, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
6. Number of outstanding shares in the corporation:
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
10. Attach the most recent annual financial statement for the corporation, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.
11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

C. LLC

1. Registered name of the LLC:

WatchandWager.com LLC
See Attached Corporate Documents: Appendix 3

2. State where articles of organization are filed:

Articles – Nevada, Certificate No: C20100804-2888
North Dakota Certificate of Authority ID#: 27,855,000
California Certificate of Registration, May 19th 2012

3. Registry or file number for the LLC:

Articles – Nevada, Certificate No: C20100804-2888
 North Dakota Certificate of Authority ID#: 27,855,000
 California Certificate of Registration, May 19th 2012

4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:

WatchandWager.com Ltd. (UK Company) is the 100% owner of WatchandWager.com LLC.

The Directors of WatchandWager.com Ltd. are:
 Edward Comins – President
 Denham Eke, Chairman

Appendix 4 – Corporate Brochure and Structure

5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:

WatchandWager.com Ltd. owns 100% of WatchandWager.com LLC. It is a corporate ownership. As a result, no individuals own shares in either WatchandWager.com Ltd. or WatchandWager.com LLC.

6. Are the shares listed for public trading? Yes No

No, both WatchandWager.com Ltd. and WatchandWager.com LLC are not listed for public trading.

If yes, on what exchange and how is the stock listed:

Note: the parent company and ultimate beneficiary owner is Webis Holdings PLC, a listed company of the London Stock Exchange (AIM).

Further details on Webis Holdings is available at www.webisholdingsplc.com

7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:

As stated, the parent company and ultimate beneficiary owner is Webis Holdings PLC, a listed company of the London Stock Exchange (AIM).

Further details on Webis Holdings is available at www.webisholdingsplc.com

8. Attach the most recent annual financial statement for the LLC, including balance sheet and

profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.

Appendix 5 – Financial Statements

Attached:

WatchandWager.com LLC Financials to July 2013

WathcandWager.com Cal Expo Financials to July 2013

Webis Holdings PLC Annual Report 2011-12

Webis Holdings PLC Interim Report 2012-13

9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

Appendix 6 – Business Plan

Appendix 7 – US Marketing Plan

D. OTHER

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.
3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

4. ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2074.

- A. List the procedures to establish an Account:

Applicant must provide the following information to watchandwager.com in order to create a new account:

Personal Information including:

first name
last name
email address
country
state/province
date of birth
home phone number
security question and answer
home address
city/town

ZIP code
Login Information
Social Security Number
Bank Account Details * Not necessary for creating an account but needed for first deposit.

- B. If an application form is used to establish an Account attach a copy of the form.

Appendix 8 – Registration Form

- C. Name and address of the third party you will use to verify identity, residence and age verification:

US Info Search.com LLC
5330 East Main St. Suite 101B
Columbus, OH 43213
General Phone #: (614) 322-9914

ID3 Global Verification
Veratad Technologies, LLC
500 Frank W. Burr Blvd
Teaneck, New Jersey 07666

Equifax Information Services
1550 Peachtree N.W
Atlanta, Georgia 30348

- 5. **OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2073.**

WatchandWager.com LLC can confirm that its operation has and will comply with Rule 2073.

Appendix 9 – Plan of Operation

- A. Submit a copy of your plan for operation.

Appendix 9 – Plan of Operation

- B. List the type of deposits you will accept:

Credit Card
Debit Card
Bank Wire
ACH

**Check
Payment Wallets**

- C. Identify any fees or transaction-related charges and the amount that will be assessed:

All processing fees are covered by the Advanced Deposit Wagering company, eg WatchandWager.

6. SECURITY ACCESS

- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:

1. Description of the technology to ensure identity, residence, and age verification when an Account is established:

Social Security Numbers are verified through an independent site <http://www.usinfosearch.com> to verify the customer's age and address are correct. IP address verification and a reverse phone number search.

***We require the following documents in order to open an account:**

- 1-Clear Photographic ID (Passport, Drivers License, Armed Forces ID)
1-Address Verification (Utility Bill – no more than 3 months old. Must have full applicant name and may not be a mobile bill)**

Appendix 10 – Security Procedures

2. Description of the technology to ensure confidentiality of the Means of Personal Identification:

Appendix 10 – Security Procedures

3. Methods and locations available for Account Holders to withdraw funds from their Account:

**ACH withdrawals
Check withdrawals**

Account holders request these withdrawals online. These are then processed by customer services, by either ACH payment or Check withdrawal to the account holder.

4. If the Advance Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation:

**AmTote International Ltd
Maryland Mid-Atlantic Hub**

11200 Pepper Road
Hunt Valley, MD 21031

Phone: (410) 785-5134
Fax: (410) 584-0077
Hours of Operation: 24/7

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm:

UK Auditors
KPMG, London, United Kingdom

US Auditors
KMPG, US
55 Second Street
San Francisco, CA 94105
Phone: (415) 951-0100

US Settlements
California Horse Race Management Systems (CHRIMS)
7950 Dublin Blvd. Suite 216
Dublin, CA 94568
Phone: (925) 307-7020

- B. Type(s) of pari-mutuel or totalizator equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract:

**AmTote Spectrum Hub in Hunt Valley, Maryland. Amtote International.
Contract expires on 06/30/2015.**

- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted:

Appendix 11 – Track List

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 18.

8. CONTRACTS AND AGREEMENTS

- A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:

- A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:

Settlements: CHRIMS 7950 Dublin Blvd. Suite 216 Dublin, CA 94568
Data: Equibase 821 Corporate Dr. Lexington, KY 40503
Streaming: Roberts Communication Network, LLC 4175 Cameron St. Suite B-10 Las Vegas, NV 89103
Software: i-neda Ltd The Hub, IQ Farnborough Farnborough, Hampshire GU14 7JP, UK

- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed: NONE

9. ADVERTISING

Name and address of the advertising agency you will use:

WatchandWager.com LLC
 Advertising will be completed in house by our in house marketing team at:
 20 California St. 7th Floor
 San Francisco, CA 94111

Appendix 7 – US Marketing Plan

NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts.. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

Appendix 12 – Labor Agreement

10. CERTIFICATION

I hereby certify under penalty of perjury that I have examined this Application, that all of the foregoing statements in this Application are true and correct, and that I am authorized to attest to this Application.

EDWARD COMINS

Print Name

PRESIDENT

Print Title

Signature

8/22/14

Date

STAFF ANALYSIS
November 19, 2014

APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF XPRESSBET.COM, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

XpressBet, LLC (XpressBet) filed its application as an out-of-state multi-jurisdictional wagering hub to provide advance deposit wagering (ADW). It is currently licensed through December 31, 2014 as an out-of-state multi-jurisdictional wagering hub.

A bond or other form of financial security in the amount of \$500,000 is required to be submitted with an application for license to conduct ADW. XpressBet, as a current ADW provider, has a \$500,000 bond on file that is continuous until cancelled.

This application provides for:

- Operating during all times races are running up to twenty-four hours a day. XpressBet has applied for a one-year license beginning January 1, 2015 through December 31, 2015. CHRB Rule 2072, Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant, provides for a two-year license term.
- Business and Profession Code section 19604 includes specific provisions that must be met before an ADW provider can accept wagers. These include:

19604 (b) (1) and (2)

No ADW provider may accept wagers on **races conducted in California** from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is

applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on **races conducted outside of California** from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

19604 (a) (7)

““Hub agreement” as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.”

19604 (d) (1) (B)

“The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization . . .”

Xpressbet has provided the Board with a copy of the following agreements in compliance with Business and Professions Code section 19604:

- Hub agreement between Xpressbet, LLC and Los Angeles Turf Club beginning January 1, 2015 ending December 31, 2015.
- Addendum agreement with Pari-mutuel Employees Guild Local 280 (labor organization), extending the terms and conditions of the labor agreement through December 31, 2015.

Monarch Content Management, LLC (MCM), was the negotiating party for the 2014 simulcast wagering agreements between Xpressbet, the California thoroughbred racing associations, California Authority of Racing Fairs, Los Angeles County Fair at Los Alamitos, and the Sonoma County Fair. MCM is currently in negotiations for 2015 ADW contracts; however, the negotiations have not yet determined which associations or ADW providers MCM will be representing.

XpressBet is listed as an ADW provider on the December 26, 2014 through May 3, 2015 Watch and Wager.com, LLC; the December 26, 2014 through June 14, 2015 Pacific Racing Association

(PRA) and the December 26, 2014 through June 28, 2015 Los Angeles Turf Club (LATC) race meeting application.

The following **items are outstanding** and will need to be submitted and/or resolved before ADW wagers can be accepted:

1. Contract and/or agreements required pursuant to Business and Professions Code section 19604 that allow XpressBet to accept wagers.
2. Horsemen's Agreement.

RECOMMENDATION:

If the application is considered for approval, staff recommends approval of a two year license contingent upon the submission of outstanding items.

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD (CHRB)
 APPLICATION FOR LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING
 CHRB-133 (New 9/01)

Application is made to the CHRB for a license to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and comply with the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

NOTICE – By submitting the Application the out-of-state Applicant consents to the jurisdiction of California courts and the application of California law as to all California wagers and operations.

Application must be filed not later than 90 days in advance of the date scheduled to conduct advance deposit wagering and must be accompanied by a bond or other form of financial security in the amount of \$500,000.

1. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

A. Name, mailing address, telephone and fax numbers:

Xpressbet, LLC
 C/O Gene Chabrier
 200 Racetrack Road, Bldg # 26
 Washington, PA 15301
 Telephone: (724) 229-6223
 Facsimile: (724) 229-6239

B. Name, title, license number and racing jurisdiction where licensed for all management personnel:

Please note that under Oregon law, the following individuals are not required to hold a license issued by the Oregon Racing Commission, but each individual does hold a license issued by the CHRB.

<u>Name</u>	<u>Title</u>	<u>CHRB License No.</u>
Ronald W. Luniewski	President	275875
Dan Newman	Vice President	305020
Jane Lynn	Secretary	302888
Michael M. Rogers	Vice President	306749

Name, title and mailing address of the California agent for receipt of service of process:

CT Corporation System
 818 West Seventh Street
 Los Angeles, CA 90017

CHRB CERTIFICATION

Application received: 8/28/14
 Reviewed: *cap*

Hearing date: 11/19/14
 Approval date:

- C. Attach the contract with the California racing association or fair and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.

Below is a list of the Race Track licensees with which Xpressbet either has contracted or is in the process of contracting for the purpose of offering such licensees' content through Xpressbet's advance deposit wagering service. Please find attached as Exhibit 1 under TAB #2 a copy of various Race Track licensee agreement, along with a copy of Xpressbet's agreement with the Thoroughbred Owners of California.

<u>Race Track</u>	<u>Licensee</u>
Santa Anita Park	Los Angeles Turf Club, Incorporated
Golden Gate Fields	Pacific Racing Association/ Cal Fair
California Expo	Sacramento Harness Association
Sacramento	California State Fair
Stockton	San Joaquin Fair
Fresno	Fresno County Fair
Pleasanton	Alameda County Fair
Vallejo	Solano County Fair
Santa Rosa	Sonoma County Fair
Del Mar	Del Mar Thoroughbred Club
Fairplex Park	Los Angeles County Fair Association
Humboldt	Humboldt County Fair
Los Alamitos Race Course	Los Alamitos
Pleasanton	Oak Tree Racing Association

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted:
Xpressbet, LLC will conduct advance deposit wagering January 1, 2015 up to and including December 31, 2015.
- B. Hours Advance Deposit Wagering will be conducted:
While races are run, up to twenty-four (24) hours per day.

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
X LLC (complete subsection C)
Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

- Registered name of the corporation:
- State where incorporated:

3. Registry or file number for the corporation:
4. Name of all officers and directors, titles, and number of shares of the corporation held by each;
5. Names (true names) of all entities and persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
6. Number of outstanding shares in the corporation:
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
10. Attach the most recent annual audited financial statements for the corporation, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission.
11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

C. LLC

1. Registered name of the LLC:
Xpressbet, LLC
2. State where articles of organization are filed:
Delaware
3. Registry or file number for the LLC:
3373240
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:

<u>Name</u>	<u>Title</u>	<u>Number of Shares Owned</u>
Ronald W. Luniewski	President	None
Dan Newman	Vice President	None
Jane Lynn	Executive Vice President	None
Michael M. Rogers	Vice President	None

5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:

TSG Developments Investments Inc., (The Stronach Group) a Delaware Corporation, holds 100% of the membership interests in the LLC and owns 100 shares.

6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:

7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:

TSG Developments Investments Inc., a Delaware Corporation that is ultimately controlled by the Stronach Trust, based in Ontario Canada. There are several holding companies between Xpressbet, LLC and the Stronach Trust established for tax purposes.

8. Attach the most recent annual audited financial statements for the LLC, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the California Corporations Commission.

Enclosed is a copy of the Xpressbet, LLC Audited Financial Statement as of and for the Year Ended December 31, 2013, and an Independent Auditor's Report.

9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

Xpressbet's business plan for 2015 is being provided under separate confidential cover and it is requested that such business plan remain confidential at all times to the CHR.B.

D. **OTHER - Not Applicable**

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.
3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.
4. **ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2075**

A. List the procedures to establish an Account:

Included in the attached Exhibit 2 Under TAB #3, Plan of Operation, is the Applicant's Account Opening Procedures. (Pages 3 & 4)

B. If an application form is used to establish an Account, attach a copy of the form.
Attached as Exhibit 3 Under TAB #4 is a copy of the application form, similar forms are used for on-site or in-person applications.

C. Name and address of the third party you will use to confirm identity, residence and age verification:

In respect of wagers placed through the Applicant's internet and telephone account wagering products, the Applicant will make use of the services of TransUnion, LLC to provide identity, residence and age verification services. The address of TransUnion, LLC is set forth below:

TransUnion, LLC
555 W. Adams Street
Chicago, IL 60661

5. OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2073.

A. Submit a copy of your plan for operation.

Please see attached as Exhibit 2 Under TAB #3 is Applicant's *Plan of Operation*.

B. List the type of deposits you will accept:

In respect of internet and telephone account wagering, the Applicant will accept the following types of deposits: cash deposits made directly, personal checks, cashier's checks, money orders made directly or mailed, debits to an Account Holder's credit card or debit card, Green Dot Money Packs, PayNearMe, bank wire and other electronic transfers from a monetary account controlled by Account Holder.

C. Identify any fees or transaction-related charges and the amount that will be assessed:

For purposes of internet and telephone account wagering, customers will not be charged a monthly membership or wagering fee or a per-call or wager transaction fee. However, customers may be charged a value added transaction fee of \$0.25 per telephone call when dealing with a live teller. Processing fees may be charged in respect of deposits made pursuant to Item 5B above.

To the extent credit cards are used/permitted in connection with internet and telephone account wagering, processing fees for credit card cash advances will be no greater than 6%. High value customers may not be subject to credit card cash advance processing fees.

A wire transfer of less than \$250.00 is subject to a \$5 processing fee. A wire transfer of greater than \$250.00 is not subject to any charge.

Customers requesting special delivery (e.g. courier) may be charged the cost of those services.

As the distribution platforms evolve and future enhancements deliver increased functionality to customers, monthly fees or surcharges may be implemented for added value services.

6. SECURITY ACCESS

- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:

Please refer to Exhibit 4 Under TAB #5 for Items 1 – 4.

1. Description of the technology to ensure identity, residence, and age verification when an Account is established. **Page 1**
2. Description of the technology to ensure confidentiality of the Means of Personal Identification. **Page 1**
3. Methods and locations available for Account Holders to withdraw funds from their Account. **Page 3**
4. If the Account Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation. **Page 3**

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm:

Bowen & McBeth
10722 Arrow Route, Suite 110
Rancho Cucamonga, California 91730
Telephone: 909-944-6465
Facsimile: 909-980-4788

- B. Type(s) of pari-mutuel or totalizator equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract:

- (i) Types of pari-mutuel or totalizator equipment to be used.
Totalizator equipment and services will be provided to Applicant by AmTote International, Inc. In addition to standard totalizator equipment and services, Applicant will be utilizing (a) IVR – “interactive voice response technology” (an automated touch-tone betting system), provided by AmTote International, Inc. (b) on-line computer wagering technology (c) IVR – natural language voice recognition system provided by AmTote International, Inc. and Applicant is currently operating under an agreement with AmTote International, Inc. which expires on October 31, 2017. Xpressbet fully expects to renew a long term agreement with AmTote. The CHRB will be notified upon execution.
- (ii) Simulcast Organization
Roberts Communications Network, Inc., and AmTote International, Inc.
- (iii) Name of entity supplying equipment, and expiration date of the service contract.
Equipment to be supplied by:
AmTote International, Inc.
11200 Pepper Road
Hunt Valley, MD 21031-1324

Expiration date: October 31, 2017

- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted:

Attached as Exhibit 5 Under TAB #6 is the list of racing venues on which the Applicant currently intends to accept Advance Deposit Wagering. The applicant will update the website as racing venues are confirmed or added.

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 21.

8. CONTRACTS AND AGREEMENTS

- A. List name and address of all organizations you contracted with to facilitate Advance Deposit Wagering:

**AmTote International, Inc.
11200 Pepper Road
Hunt Valley, MD 21031-1324**

- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed:

N/A

9. ADVERTISING

Name and address of the advertising agency you will use:

**SME Branding, Inc
298 5th Avenue
5th Floor
New York, NY 10001**

**Agency 360
C/O Hawthorne Race Course
3501 S. Laramie Street
Stickney/Cicero, IL 60804**

NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3), advertisements shall not be deceptive to the public.

See Exhibit 6 Under TAB #7, Example of current print advertisement.

10. CERTIFICATION

I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized to attest to this application.

Ron Luniewski
Print Name:

Signature:

President
Print Title:

Date:

10. CERTIFICATION

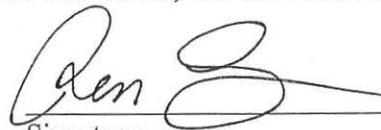
I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized to attest to this application.

Ron Luniewski

Print Name:

President

Print Title:



Signature:

August 25, 2014

Date:

STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD
REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1688, USE OF WHIPS,
TO CHANGE THE TITLE AND TEXT OF RULE, REPLACING THE WORD "WHIP" WITH
RIDING CROP, AND TO PROHIBIT A JOCKEY FROM USING A RIDING CROP ON A
HORSE MORE THAN THREE TIMES IN SUCCESSION WITHOUT GIVING THE HORSE
A CHANCE TO RESPOND

Regular Board Meeting
November 19, 2014

ISSUE

It is a priority of the Board to ensure humane treatment of the horse. In 2010 the Board amended Rule 1685, Equipment Requirement, to update the allowed design of riding crops used by California jockeys. The modifications were intended to eliminate injuries to the horse caused by the riding crop. However, Board Rule 1688, Use of Whips, has not been updated to conform to developments in other racing jurisdictions.

ANALYSIS

The amendment to Board Rule 1688, Use of Whips changes the title and text to replace the word "whip" with "riding crop." "Riding crop" is more specific, and is the word used by the horse racing industry to describe the tool used to encourage and help maintain control of race horses.

The proposed amendment to Rule 1688 also adds subsection 1688(b)(6) that places an additional limit on the jockey's use of the riding crop during a race. 1688(b)(6) prohibits the jockey from using the riding crop more than three times in succession without allowing the horse time to respond. The purpose of the amendment is to curtail and prevent any excessive use of the riding crop. The amendment of Rule 1688 is necessary to clarify what is the acceptable use of a riding crop and update the rule to be consistent with similar changes adopted by other racing jurisdictions.

- Kentucky requires that the jockey show the horse the riding crop and give it time to respond before striking the horse. Having struck the horse, the jockey must give the horse a chance to respond before using the riding crop again.
- New York requires the jockey to show the horse the riding crop before using it again.
- ARCI Model Rule, ARCI-010-035 Running of the Race, states that all riders should show the horse the riding crop, giving the horse time to respond before using the riding crop. Once the riding crop is used, riders should give the horse a chance to respond before using it again.

At its April 2014 Regular Board Meeting the Board discussed the proposal to amend Rule 1688. After discussion, the Board directed staff to initiate the 45-day public comment period for the proposed amendment. During the comment period three comments were received. One comment in opposition was received from the Pacific Coast Quarter Horse Racing Association

(PCQHRA); however, the PCQHRA changed its position, sending a second comment in support of the proposed amendment. The third comment was from a race horse owner in favor of the proposed amendment. Both favorable comments stated the proposed rule amendment promoted the safety of the horse and jockey.

RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 8. RUNNING THE RACE
PROPOSED AMENDMENT OF
RULE 1688. USE OF WHIPS

1688. Use of ~~Whips~~ Riding Crop.

(a) In all races where a jockey will not ride with a ~~whip riding crop~~, an announcement shall be made over the public address system of such fact.

(b) Although the use of a ~~whip riding crop~~ is not required, any jockey who uses a ~~whip riding crop~~ during a race is prohibited from ~~whipping using a riding crop on a horse~~:

(1) on the head, flanks, or on any parts of its body other than the shoulders or hind quarters;

(2) during the post parade except when necessary to control the horse;

(3) excessively or brutally causing welts or breaks in the skin;

(4) when the horse is clearly out of the race or has obtained its maximum placing; or

(5) persistently even though the horse is showing no response under the ~~whip riding crop~~; or

(6) more than three times in succession without giving the horse a chance to respond before using the riding crop again.

(c) Correct uses of the ~~whip riding crop~~ are:

(1) showing horses the ~~whip riding crop~~ before hitting them;

(2) using the ~~whip riding crop~~ in rhythm with the horse's stride; and

(3) using the ~~whip riding crop~~ as an aid to maintain a horse running straight.

Authority: Sections 19420, 19440 and 19562,
Business and Professions Code.

Reference: Sections 19440, 19481 and 19562,
Business and Professions Code.

The Tucker Group

October 7, 2014

Leeland Turner
Regulations Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95625

RE: Proposed Amendment to Rule 1688. Use of Riding Crop

Dear Mr. Turner,

I write this letter on behalf of my client, Pacific Coast Quarter Horse Racing Association (PCQHRA), to express our opposition to this proposed change to Rule 1688. While we fully understand and appreciate the underlying reason for the proposed rule change, it quite frankly is unworkable in the Quarter Horse segment of the industry. In a race that is no longer than 22 seconds at 440 yards and no less than 15 seconds at 300 yards, a rider must maintain the straightest course he can with a quarter horse, who is running at full speed from start to finish. A horse which suddenly alters course often needs a reminder several times with the use of a riding crop. If a rider was restricted to using a riding crop three times or less during a portion of a race, the horse may not react quick enough to run straight.

Additionally, your own Policy Statement Overview on page 5 acknowledges that, "The riding crop is a tool that is used not only to encourage race horses, but also to maintain control. The riding crop is used in certain situations for safety because it provides a measure of control over the horse in critical situations." It's the safety concerns to both jockey and horse that unfortunately leads PCQHRA to feel this proposed rule change should be amended to speak only to thoroughbreds. The Board of Stewards currently has the authority and responsibility to address overuse of a riding crop by a rider as deemed necessary. To arbitrarily limit the use of the riding crop to three consecutive uses places our horses and jockeys in an unsafe situation purely for optics. For this reason, we must remain opposed unless the proposed rule is amended.

Respectfully,



Curtis Tucker

CRT:nt

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Pacific Coast Quarter Horse Racing Association

Rick Baedeker
Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95625

RE: Proposed Amendment to Rule 1688. Use of Riding Crop

Dear Rick,

The purpose of this letter is to clarify PCQHRA's concern regarding the riding crop rule change. Our initial response was to oppose this rule but after further discussion with jockeys, owners, trainers and the Jockey's Guild we feel the use of the riding crop should be monitored so that any inappropriate use or perception of animal abuse be eliminated. We maintain the safety of the rider and horse be first priority.

Therefore, PCQHRA takes this opportunity to change our position and support the proposed amendment to rule 1688.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dominic Alessio'. The signature is stylized with a large, sweeping initial 'D'.

Dominic Alessio
President

Turner, Leeland T.

From: John Harris
Sent: Sunday, September 14, 2014 12:17 PM
To: Turner, Leeland T.
Cc:

Subject: FW: CHRB Notice of Proposal to Amend Rule 1688, Use of Riding Crop
Attachments: 1688 Notice.pdf; 1688 Text.pdf

I am concerned about the necessity of this rule and how it may impact racing overall. It is good to be cautious in enacting new rules absent clear need, and this is another example of that.

Ample rules exist already for the stewards to utilize if they feel a horse or the safety of jockeys is being abused due to poor riding practices. I think more input from all the segments of the sport need to be listened to before the board moves too quickly on this measure.

From: CHRB Office Services [<mailto:OSU@chr.ca.gov>]
Sent: Thursday, September 11, 2014 9:33 AM
Cc: CHRB Staff
Subject: CHRB Notice of Proposal to Amend Rule 1688, Use of Riding Crop

Turner, Leeland T.

From: Rick Gold
Sent: Sunday, October 26, 2014 10:10 AM
To: Turner, Leeland T.
Subject: Comments re: Proposal to Amend Rule 1688, Use of Riding Crop

Dear Mr. Turner,

I am writing in support of the proposed amendment to CHRB Rule 1688, Use of Riding Crop.

My involvement in horse racing includes many years as a fan, a bettor, and, more recently, a partner in a small racing stable.

Those of us who are lucky enough to participate in the sport share a solemn responsibility to ensure the safety and welfare of our equine athletes. Excessive whipping may not be as serious a problem as medication abuse, but it is one that is obvious to almost anyone who watches a race from the rail. While a whip can be a valuable riding tool, far too many riders seem to act as if there is nothing else in the toolbox. And frankly, far too many of my fellow fans and horseplayers seem to equate excessive whipping with "trying hard to win." But if we hope to grow this sport, we must keep the horses first.

The rule as drafted is straightforward and appropriate. Unlike the rule initially adopted in the UK in 2011, it does not require a jockey to keep a running tally in his or her head, nor does it require consideration of exactly where the horse is on the course. It is simple: no more than three times in a row, then try something else. This just formalizes what is already common-sense horsemanship.

I attended races in England not long after after the whip rules were adopted there. Reading the racing press, one would have thought it was the end of the world. But the jockeys adapted, and British racing is better for it. It is much more exciting to watch a thrilling stretch run when the focus is on the horses and you don't have to cringe.

As with any change to long-held practice, there will be start-up issues with the interpretation and enforcement of this amendment. I encourage the stewards and the Board to listen carefully to all stakeholders through the rollout, and make adjustments as required. But this proposal is a good one and I expect it to become a national model. I also expect that most people's eventual reaction will be "why didn't we do this years ago?"

I appreciate the opportunity to provide comments, and I appreciate all the CHRB is doing on behalf of horse racing in California.

Best regards,

Richard B. (Rick) Gold
Partner, Bourbon Lane Stable

STAFF ANALYSIS
DISCUSSION BY THE BOARD ON
CHRB RULE, 1699, RIDING RULES

Regular Board Meeting
November 19, 2014

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). Business and Professions Code section 19562 provides the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in this State.

Board Rule 1699, Riding Rules, establishes riding rules during the running of the race. A copy of the text for Board Rule 1699 is attached for reference.

RECOMMENDATION

This item is presented for Board discussion.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 8. RUNNING THE RACE
RULE 1699. RIDING RULES

1699. Riding Rules.

During the running of the race:

(a) A leading horse is entitled to any part of the course but when another horse is attempting to pass in a clear opening the leading horse shall not cross over so as to compel the passing horse to shorten its stride.

(b) A horse shall not interfere with or cause any other horse to lose stride, ground or position in a part of the race where the horse loses the opportunity to place where it might be reasonably expected to finish.

(c) A horse which interferes with another and thereby causes any other horse to lose stride, ground or position, when such other horse is not at fault and when such interference occurs in a part of the race where the horse interfered with loses the opportunity to place where it might, in the opinion of the Stewards, be reasonably expected to finish, may be disqualified and placed behind the horse so interfered with.

(d) Jockeys shall not ride carelessly, or willfully, so as to permit their mount to interfere with or impede any other horse.

(e) Jockeys shall not willfully strike or strike at another horse or jockey so as to impede, interfere with, intimidate, or injure.

(f) If a jockey rides in a manner contrary to this rule, the mount may be disqualified and the jockey may be suspended or otherwise disciplined by the Stewards.

Authority: Section 19562,
Business and Professions Code.

Reference: Sections 19461 and 19562,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD

NOVEMBER 19, 2014
REGULAR BOARD MEETING

There is no board package material for Item 15