

CALIFORNIA HORSE RACING BOARD

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REVISED
PARI-MUTUEL, ADW,
AND
SIMULCAST COMMITTEE MEETING

of the California Horse Racing Board will be held on Wednesday, April 8, 2015, commencing at 9:30 a.m., in the Finish Line Room at the Los Alamitos Race Course, 4961 Katella Avenue, Los Alamitos, California. Non-committee Board members attending the committee meeting may not participate in the public discussion, official committee vote, or committee closed session.

AGENDA

Agenda Items

1. Discussion and action regarding the operation and financial status of Southern California Off Track Wagering, Incorporated (SCOTWINC) and Northern California Off Track Wagering, Incorporated (NCOTWINC).
2. Discussion and action regarding the following mini-satellite wagering issues: 1) Report and update from Sportech concerning its ownership and operation of California mini-satellite wagering facilities; 2) status update on mini-satellite locations approved by the Board but not yet opened; 3) review of 2014 mini-satellite operations, including revenues, costs, and overall handle trends; 4) status of negotiations to revise fees to mini-satellites, including ancillary benefits and 5) status of negotiations for adjusting the 20 mile radius mandated in Business and Profession Code section 19605.25.
3. Discussion and action regarding methods, technology and procedures in place at Santa Anita Park and other California racetracks as well as overall industry standards and practices for the posting of accurate time-of-day information on race videos for the purpose of establishing the precise time at which each race begins as it relates to stop-betting.
4. Discussion and action regarding a proposed amendment to CHRB Rule 2057, Initial Application and Approval of a Simulcast Facility, to require that simulcast wagering facilities (brick-and-mortar) be subject to license renewal and the conditions of such renewal.
5. Discussion and action 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.

6. Discussion and action on the request from the **Lien Games Racing LLC to enact CHRB Rule 1406, Suspension of Rule, to waive the provisions of CHRB Rule 2075 (b) (4), Requirements to Establish an Advance Deposit Wagering Account with an Out-of-State Hub**, which requires advance deposit wagering (ADW) providers to capture the social security number from individuals as part of the application process for establishing an ADW account.
7. Discussion and action regarding the **handle and wagering trends at California's satellite wagering facilities.**
8. Discussion and action regarding an **update from J. Curtis Linnell of the Thoroughbred Racing Protective Bureau (TRPB) on the status of its Tote Security System program, and related discussions concerning industry participation in that program.**
9. Discussion and action regarding a **proposal by the Del Mar Thoroughbred Club for all California racetracks to decide on a uniform public display standard for significant exotic winning wagers, such as solo winning Pick 6 tickets.**
10. Discussion and action regarding the report from Sportech concerning 1) the totalizator malfunction related to the **Pick 5 at Santa Anita on Sunday, February 22, 2015, after the fourth race was moved from the turf to the main track, triggering the requirement under CHRB Rule 1976.9 (Pick (n) Pool) that all selections for that race be considered winners in the Pick 5; 2) why at least two California licensed Advance Deposit Wagering (ADW) providers failed to advise their customers that the fourth race was taken off the turf; 3) the incorrect programming of the totalizator as it relates to the Place Pick 7 at Los Alamitos on Sunday, March 8, 2015, which resulted in the posting of incorrect payoffs for the Place Pick 7 wager and 4) input from AmTote as to how it handles such matters.**
11. Discussion and action regarding the **industry update on providing handheld devices for wagering at racetracks and satellite wagering facilities, and the use of any other new technology to improve the racing experience.**
12. Discussion and action regarding the **report from Game Play Network on its new B Sport wager.**

General Business: Communications, reports, requests for future actions of the Committee.

Additional information regarding this meeting may be obtained from Mike Marten at the CHRB Office at Los Alamitos Race Course, 4961 Katella Avenue, Los Alamitos, CA, 90720; telephone (714) 820-2748; cell (714) 240-1870; fax (714) 821-6232. A copy of this notice can be located on the CHRB website at www.chrb.ca.gov. *Information for requesting disability related accommodation for persons with a disability who requires aids or services in order to participate in this public meeting, should contact Mike Marten.

PARI-MUTUEL/ADW, SATELLITE AND SIMULCAST COMMITTEE

Commissioner George Krikorian, Chairman
2nd Vice Chairman Richard Rosenberg, Member
Rick Baedeker, Executive Director
Jacqueline Wagner, Assistant Executive Director

STAFF ANALYSIS

DISCUSSION AND ACTION REGARDING THE OPERATION AND FINANCIAL STATUS OF SOUTHERN CALIFORNIA OFF TRACK WAGERING, INCORPORATED (SCOTWINC) AND NORTHERN CALIFORNIA OFF TRACK WAGERING, INCORPORATED (NCOTWINC)

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ANALYSIS

SCOTWINC and NCOTWINC submitted 2013 financial statements prior to the Board's February 2015 regular meeting. The Board referred the items to the Pari-Mutuel, ADW, and Simulcast Committee for review. The 2013 financial statements reflect the following:

SCOTWINC

- Statement of Operations and Partner's Capital shows operating revenue of \$26,592,794 and operating expenses of \$23,317,189 and \$3,275,605 of Excess Receipts over Expenses. The excess is distributed back to the member tracks.
- Balance Sheet shows assets of \$5,560,808, Liabilities of \$5,541,714, and an excess of restricted assets over restricted liabilities of \$19,094.

NCOTWINC

- NCOTWINC records its expenses and revenues differently from SCOTWINC in the sense that it does not show an excess or a deficit. NCOTWINC's Operating Expenses show \$8,974,199. The same amount was reimbursed from its member tracks.
- Statement of Assets and Liabilities show assets of \$5,459,729, liabilities of \$5,315,729, and stockowners equity of \$144,000.

BACKGROUND

Business and Professions Code section 19608.2 authorizes the creation of simulcast organizations in California. The organizations are Southern California Off-Track Wagering Inc. (SCOTWINC) and Northern California Off-Track Wagering Inc. (NCOTWINC). The entities are composed of racing associations and fairs to operate the audiovisual signal system. The horsemen's organization contracting with associations, fairs and other operators of simulcast facilities must have "meaningful representation" on any such governing board. The statute requires these organizations to "bear the costs of operation of equipment for transmission and decoding of audiovisual signals and wagering data, the costs of totalizator equipment, mutuel department labor and equipment charges, and the costs, including labor, and overhead of the organization administering the satellite wagering program." The statute further states that the CHRB "shall approve all costs and resolve any differences between an organization and a satellite wagering facility as to which party is required to bear the costs for a disputed item."

RECOMMENDATION

This item is presented for committee discussion and action.

STAFF ANALYSIS

DISCUSSION AND ACTION REGARDING THE FOLLOWING MINI-SATELLITE WAGERING ISSUES: 1) REPORT AND UPDATE FROM SPORTECH CONCERNING ITS OWNERSHIP AND OPERATION OF CALIFORNIA MINI-SATELLITE WAGERING FACILITIES; 2) STATUS UPDATE ON MINI-SATELLITE LOCATIONS APPROVED BY THE BOARD BUT NOT YET OPENED; 3) REVIEW OF 2014 MINI-SATELLITE OPERATIONS, INCLUDING REVENUES, COSTS, AND OVERALL HANDLE TRENDS; 4) STATUS OF NEGOTIATIONS TO REVISE FEES TO MINI-SATELLITES, INCLUDING ANCILLARY BENEFITS AND 5) STATUS OF NEGOTIATIONS FOR ADJUSTING THE 20 MILE RADIUS MANDATED IN BUSINESS AND PROFESSIONS CODE SECTION 19605.25

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BACKGROUND

Business and Professions Code section 19530.5 divides the state into three geographical zones for the purpose of pari-mutuel wagering as follows: (a) the "southern zone," which shall consist of the Counties of Imperial, Orange, Riverside, and San Diego; (b) the "central zone," which shall consist of the Counties of Kern, Los Angeles, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura; and (c) the "northern zone," which shall consist of the remaining counties in the state. Business and Professions Code section 19605.25 authorizes the Board to approve up to 15 mini-satellite wagering sites in each zone, subject to listed conditions, among which is the requirement that no site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. If the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the Board.

Nine mini-satellites are currently operating in California:

1. Bankers Casino in Salinas
2. Commerce Casino in Commerce
3. Firehouse Restaurant in Bakersfield
4. OC Tavern in San Clemente
5. Ocean's 11 in Oceanside
6. Roadhouse Grill in Santa Maria
7. Sammy's Restaurant and Bar in Mission Viejo
8. Santa Clarita Lanes in Santa Clarita
9. Tilted Kilt in Thousand Oaks

The Board has approved license applications for mini-satellites in San Diego and Norco that have not yet opened. Furthermore, the industry has periodically reported on consideration of other sites for mini-satellite wagering.

RECOMMENDATION

This item is presented for Committee discussion and action.

2014 S-Cal Mini Satellite Contribution to CA Stakeholders

Includes Thoroughbred, Fair, Quarter and Harness Horse Race Meets

Facility Time Frame Open	Commerce Full Year	Firehouse Open 8/6/14	OC Tavern Full Year	Ocean's 11 Full Year	Sammy's Open 2/19/14	Santa Clarita Full Year	Santa Maria Full Year	Tilted Kilt Full Year	Total Min's in S-Cal
Handle	23,362,164	1,996,857	7,650,384	6,875,619	14,584,248	13,565,395	2,928,531	7,316,817	78,280,015
Days/Nights Open	264	101	258	262	311	259	218	253	
Takeout	4,891,316	431,814	1,588,957	1,430,827	3,022,236	2,840,348	612,936	1,506,333	16,324,767
% of Handle	20.94%	21.62%	20.77%	20.81%	20.72%	20.94%	20.93%	20.59%	20.85%
Direct expenses paid by SCOTWINC:**									
Mutuel Labor	513,192	77,438	227,873	266,151	374,942	249,686	119,726	122,660	1,951,667
Mutuel Labor as a % of Handle	2.2%	3.9%	3.0%	3.9%	2.6%	1.8%	4.1%	1.7%	2.5%
Decoders	6,900	3,625	8,700	8,700	7,975	8,700	8,700	8,700	62,000
Tote Charges	63,779	5,451	20,886	18,770	39,815	37,034	7,995	19,975	213,704
Mini Service Fees	116,811	19,509	74,744	34,378	142,488	132,534	28,612	71,485	620,562
Mutuel Supplies/Printing	18,520	1,583	6,065	5,451	11,561	10,754	2,322	5,800	62,055
Telecom	5,250	2,188	5,250	5,250	4,813	5,250	5,250	5,250	38,500
Armored Car	-	715	1,716	4,160	1,925	4,160	2,080	4,160	18,916
Interface Fees	11,728	1,002	3,840	3,452	7,321	6,810	1,470	3,673	39,297
Total Direct Expenses	736,179	111,511	349,074	346,311	590,841	454,927	176,154	241,704	3,006,701
Direct Cost % of Handle	3.2%	5.6%	4.6%	5.0%	4.1%	3.4%	6.0%	3.3%	3.8%
Non Stakeholder Distributions from Takeout									
Host Fees to Tracks Outside California	354,966	29,026	131,294	107,383	244,666	203,153	49,488	113,532	1,233,508
City Tax	76,677	6,590	24,890	22,518	47,525	44,491	9,471	23,961	256,123
Direct Expenses & Non Stakeholder Distributions	1,167,822	147,127	505,258	476,213	883,031	702,571	235,113	379,196	4,496,331
B/M Satellite Wagering Commissions (*SWC)	464,710	39,937	150,849	136,474	288,026	269,650	57,399	145,305	1,552,351
Total Direct Costs, Non Stakeholder & SWC	1,632,532	187,064	656,107	612,687	1,171,057	972,221	292,513	524,501	6,048,682
% of Handle	7.0%	9.4%	8.6%	8.9%	8.0%	7.2%	10.0%	7.2%	7.7%
Distributions to other CA stakeholders:									
CHRB Support - Fairs & Exposition Funds	255,469	20,319	87,573	74,775	160,179	145,768	34,361	85,160	863,603
Stabling & Vanning Fund	258,076	20,562	90,563	75,198	161,712	147,680	35,361	88,444	877,596
Workers' Comp Fund	42,337	3,548	12,652	12,321	23,907	24,750	5,425	12,656	137,596
Equine Research Fund	23,363	1,997	7,651	6,875	14,585	13,566	2,929	7,317	78,282
Breeders & Owners Premiums	141,243	11,804	47,331	41,393	88,116	82,220	18,132	45,603	475,844
Promotion Funds	61,850	5,638	19,364	18,266	38,607	36,716	7,279	18,501	206,221
CHRIMS	11,618	999	3,771	3,412	7,201	6,742	1,435	3,633	38,811
Tracks	1,133,942	81,776	301,835	264,550	624,931	647,130	94,677	329,477	3,478,317
Purses	1,330,886	98,106	362,110	321,349	731,943	763,555	120,824	391,041	4,119,815
Total to other CA stakeholders:	3,258,784	244,749	932,849	818,140	1,851,179	1,868,127	320,424	981,831	10,276,085
% of Handle to other CA stakeholders	13.9%	12.3%	12.2%	11.9%	12.7%	13.8%	10.9%	13.4%	13.1%

* Sammy's was normally open 7 days a week; Santa Maria was normally open only on days with live CA racing, others open 5 days a week.

**Direct costs include incremental costs that would not be incurred if site was not open & exclude non site specific costs such as uplink, audits, insurance, professional services and administrative expenses

Mini Satellite Site Handle Trends							
Location	Date Opened	2014	2013	2012	2011	2010	2009
S-Cal Sites:							
Commerce Casino	7/17/2009	23,362,164	23,350,223	24,012,326	23,996,788	22,859,241	9,048,757
OC Tavern	12/16/2010	7,650,384	10,048,736	9,389,101	8,209,574	116,644	
Santa Maria Original Roadhouse Grill	10/6/2011	2,928,531	3,325,583	3,755,602	630,584	-	
Santa Clarita Lanes	7/5/2012	13,565,395	10,807,948	3,588,989			
Tilted Kilt-Thousand Oaks	9/6/2013	7,316,817	1,700,430				
Oceans 11	12/20/2013	6,875,619	110,687				
Sammy's	2/19/2014	14,584,248					
Firehouse	8/6/2014	1,996,857	-	-	-	-	-
Total S-Cal Mini Sites		78,280,015	49,343,606	40,746,019	32,836,946	22,975,884	9,048,757
N-Cal Mini Site:							
Bankers Casino	3/6/2013	1,209,263	673,061	-	-	-	-
Total Mini Satellite Handle		79,489,278	50,016,667	40,746,019	32,836,946	22,975,884	9,048,757
% Change from prior year		59%	23%	24%	43%	154%	100%

2014 N-Cal Mini Satellite Contribution To CA Stakeholders		
Includes Golden Gate & N-Cal Racing Fair Meets		
Facility Time Frame Open	Bankers Casino Full Year	Total N-Cal Minis
Handle	1,194,272	1,194,272
Days Open	258	258
Daily Average Based on All Days Open	4,629	4,629
Takeout	257,206	257,206
% of Handle	21.54%	21.54%
Direct expenses paid by NCOTWINC:		
Mutuel Labor	100,526	100,526
Mutuel Labor as a % of Handle	8.4%	8.4%
Decoders	32,376	32,376
Tote Charges	3,023	3,023
Mutuel Supplies/Printing	119	119
Telecom	2,467	2,467
Armored Car	3,692	3,692
Interface Fees	690	690
Total Direct Expenses	142,892	142,892
Direct Cost % of Handle	12.0%	12.0%
Non Stakeholder Distributions from Takeout		
Host Fees to Tracks Outside California	24,170	24,170
City Tax	3,871	3,871
Direct Expenses & Non Stakeholder Distributions	170,933	170,933
B/M Satellite Wagering Commissions ("SWC")	23,460	23,460
Total Direct Costs, Non Stakeholder & SWC	194,392	194,392
% of Handle	16.3%	16.3%
Distributions to other CA stakeholders:		
<i>CHRB Support - Fairs & Exposition Funds</i>	8,404	8,404
<i>Stabling & Vanning Fund</i>	14,664	14,664
<i>Workers' Comp Fund</i>	1,808	1,808
<i>Equine Research Fund</i>	1,194	1,194
<i>Breeders & Owners Premiums</i>	7,166	7,166
<i>Promotion Funds</i>	2,933	2,933
<i>CHRIMS</i>	587	587
<i>Tracks</i>	8,415	8,415
<i>Purses</i>	17,642	17,642
Total to other CA stakeholders:	62,814	62,814
% of Handle	5.3%	5.3%
<p>**Direct costs include incremental costs that would not be incurred if site was not open & exclude non site specific costs such as uplink audits, insurance, professional services and administrative expenses</p>		

STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING METHODS, TECHNOLOGY AND
PROCEDURES IN PLACE AT SANTA ANITA PARK AND OTHER CALIFORNIA
RACETRACKS AS WELL AS OVERALL INDUSTRY STANDARDS AND PRACTICES
FOR THE POSTING OF ACCURATE TIME-OF-DAY INFORMATION ON RACE VIDEOS
FOR THE PURPOSE OF ESTABLISHING THE PRECISE TIME AT WHICH EACH RACE
BEGINS AS IT RELATES TO STOP-BETTING

Pari-Mutuel, ADW, and Simulcast Committee Meeting
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BACKGROUND

When a California racetrack simulcasts its races, the video includes a time display for the purpose of establishing the off-time of the race and may continue through to the completion of the race. This time stamp feature was introduced in recent years at the request of the Thoroughbred Racing Protective Bureau (TRPB), the security arm of the Thoroughbred Racing Associations, as an integral part of totalizator security.

The totalizator system has its own clocking system, which is very precise. The time on each tote is set electronically, typically utilizing a data-center service that uses the Atomic Clock, at the beginning of the day. Every tote system records the placement of each wagering transaction down to the second and identifies the exact instant that betting is stopped on each pool on each race. Whenever there is an allegation of past-posting – a suspicion that someone may have placed wagers on a race after the start – it becomes necessary to compare the off-time of the race with stop-betting reports. Theoretically, the off-time of the race and stop-betting are simultaneous because a steward procedurally pushes the button to initiate stop-betting as the gate opens. But to verify that proper procedures were followed in any given race, the stop-betting report and transaction audit files detailing individual wagers must be correlated to the time stamp of the race.

Acting on customer suspicions and complaints about the accuracy of the clock displayed on race videos at Santa Anita Park, the Board asked the TRPB to independently check the accuracy of the Santa Anita video clock for the races on March 15, 2015. The TRPB reported the following:

It looks like the difference of Video to Tote is as follows (with the video ahead of the Tote):

- #1 3 seconds
- #2 23 seconds
- #3 45 seconds
- #4 69 seconds
- #5 88 seconds
- #6 113 seconds
- #7 131 seconds
- #8 151 seconds
- #9 165 seconds

More recently, a customer taking an active interest in this issue provided the CHRB with detailed reports suggesting that the time stamps on videos at Santa Anita and Golden Gate Fields continue to lag behind actual times – six-to-eight seconds late at Santa Anita, up to 24 seconds late at Golden Gate on March 29. The shorter discrepancy at Santa Anita could be due to the delay in video transmissions from racetracks. If this turns out to be the explanation, then it would appear that the more significant time discrepancies on March 15 at Santa Anita were corrected and the problem resolved.

RECOMMENDATION

This item is presented for Committee discussion and action. A TRPB representative is prepared to report on TRPB recommendations. In addition, staff recommends the Committee hear from representatives of Pegasus Communications, Santa Anita, Xpressbet, TVG and Twinpires.

From: On Behalf Of Shiva Scanlon
Sent: Tuesday, March 31, 2015 12:24 PM
To: Marten, Mike
Cc:
Subject: Re: time stamps on videos

Hi Mike -

The following is a description of the procedures implemented by Pegasus Communications, Inc. at Santa Anita Park to operate the race slate clock.

The race slate is the graphic with race information (e.g., date, distance) which is displayed on the program feed both before and as the horses break the gate. The "slate clock" is the time display which is shown in conjunction with the race slate. The slate clock is displayed in "hrs:min:sec" format.

The graphics generator is an Avid Deko program. On the same Deko machine is a program entitled About Time, which is set to read time data from the U.S. Navel Observatory Master Clock. It is synchronized at the beginning and throughout each race day. About Time is in place to ensure that the computer clock is consistently accurate. It can be reset manually at any time, and is also set to automatically update every minute. The minute update was implemented from a five minute update upon recently receiving the feedback regarding the delay in the time stamp.

The Deko receives the time from the computer clock. The sequence of computer clock to Deko to video switcher to program display (public view) may cause minor lag from the beginning to end of the sequence. That delay can range from one quarter of a second to no more than two seconds.

Pegasus is eager to resolve this matter. As such, the collaboration of all parties involved is requested. To achieve optimal continuity, Pegasus requests that each entity (e.g., tote company, mutuel dept) detail the processes in which they acquire the time officially used so that the most congruous method may be achieved among all parties.

Thank you for assisting Pegasus Communications with this matter.

Best,
SS



Shiva Scanlon
Production Manager

STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING
THE PROPOSED AMENDMENT OF
BOARD RULE 2057, INITIAL APPLICATION AND APPROVAL OF A
SIMULCAST FACILITY
TO REQUIRE THAT ALL SIMULCAST FACILITIES (BRICK-AND-MORTAR)
BE SUBJECT TO LICENSE RENEWAL
AND THE CONDITIONS OF SUCH RENEWAL

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ISSUE

Pursuant to Rule 2057, Initial Application and Approval of a Simulcast Facility, the approval of an application for initial license to operate a simulcast facility constitutes a license to operate as a brick-and-mortar simulcast wagering facility. The license does not have an expiration date, but is subject to compliance with the Board's rules and statutes prescribed in the Horse Racing Law. Approved facilities are not required to resubmit an application or renew their license unless altering the physical facility. Plans for new, proposed brick-and-mortar simulcast facility sites, or for the remodeling or alteration of existing sites are required to be submitted to the Board for review prior to construction.

Brick-and-mortar simulcast facilities are the only racing organizations whose license to operate provides no specific term. The license for a racing association or racing fair to operate a horse racing meeting, for example, expires at the end of the race meeting. A license to operate a minisatellite wagering facility has a five year term, and advance deposit wagering licenses may be approved for up to two years. All of these organizations except brick-and-mortar simulcast facilities are required to resubmit a complete application for approval by the Board if they wish to continue to operate.

As the Board and California horse racing industry push for the opening of new mini-satellite wagering facilities, and as some of the existing brick-and-mortar simulcast facilities at fair locations post significant declines in handle, the question has been raised as to whether the CHRB should require periodic relicensing of all brick-and-mortar simulcast facilities, which would afford the CHRB and the industry the opportunity to evaluate those facilities and their operations.

ANALYSIS

Simulcast wagering facilities have operated in California since the mid-1980s. Including the four major racetracks, the Hollywood Park facility, and six racing fairs, there are currently 30 simulcast wagering facilities located throughout the state. Four of the 30 simulcast facilities are located on Indian reservations.

Pursuant to Board Rule 2057, the day-to-day operation of a facility is overseen by a simulcast supervisor who works in concert with a pari-mutuel manager to ensure that all aspects of the facility operation run smoothly. Under the Board's rules, brick-and-mortar simulcast wagering facilities are required to provide a patron area for pari-mutuel wagering and observation of the signal received from the host association and to provide security personal to protect the public and maintain the peace within the facility. The Board's rules currently do not specify minimum standards for the size of facility, tables, parking, concessions etc. Facilities are required to identify such items at the time of applications. Minimum equipment standards necessary for facilitating pari-mutuel wagering are identified in the Board's rules.

Approved facilities are inspected by CHRB enforcement approximately once per year. These inspections focus on the overall facility operation in addition to compliance with the Board's rules and regulations. Inspections reports are retained by the Chief Investigator and copies are forwarded to the Executive Director.

The proposed amendment to Rule 2057 provides for a five-year term of license to commence from the date the Board approves the application. In addition, the form Application for Authorization to Operate a Simulcast Wagering Facility, CHRB-25 (Rev. 4/92), which is incorporated by reference in Rule 2057 will be updated.

BACKGROUND

Business and Professions Code section 19440 provides that the Board shall adopt regulations for the control of pari-mutuel wagering. Business and Professions Code section 19590 provides that the Board shall adopt rules governing, permitting, and regulating pari-mutuel wagering on horse races under the system known as the pari-mutuel method of wagering.

Division 8, Chapter 4, Article 9.2 of the Business and Professions Code authorizes the Board to permit the extension of pari-mutuel wagering through use of live audio-visual simulcast television programming of horse races and to regulate an extension of pari-mutuel wagering to be located at approved horse racing facilities and at other specified California facilities where live horse racing is not conducted.

Business and Professions Code section 19433 provides that the Board may visit or investigate the office, track, or other place of business of any licensee for the purpose of satisfying itself that its rules and regulations are strictly complied with.

RECOMMENDATION

This item is presented for Committee discussion and action.

CALIFORNIA HORSE RACING BOARD
 TITLE 4. CALIFORNIA CODE OF REGULATIONS
 ARTICLE 24. INTRASTATE SIMULCAST WAGERING
 RULE 2057. ~~INITIAL APPLICATION AND APPROVAL~~ AUTHORIZATION OF A
 SIMULCAST FACILITY

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2057. ~~Initial Application and Approval~~ Authorization of a Simulcast Facility.

No person, which includes any individual, partnership, corporation, or other association or organization, shall conduct or attempt to conduct wagering on the results of races simulcast from a race meeting held in this State unless authorized and permitted to do so by the Board as follows:

(a) A racing association, fair or other entity proposing to act as a guest association shall complete an Application for Authorization to Operate a Simulcast Wagering Facility, CHRB-25 (~~Form CHRB-25~~, Rev. 03/4/9215) which is hereby incorporated by reference. Form CHRB-25 shall be available at the Board's administrative office. The application shall be filed with the Board at least ninety (90) days prior to the first day of racing scheduled start date of operation for review, investigation and approval based on the following conditions:

(1) In order to allow an evaluation of the competence, integrity, and character of the applicant to operate a simulcast wagering facility, any person, corporation, trust association, partnership or joint venture shall submit with the application, a Personal History Record (Form CHRB-25A, Rev 7/93), which is hereby incorporated by reference, for the following:

(A) If the applicant is a corporation, the officers, directors, and each owner, directly or indirectly, of any equity, security or other ownership interest in the corporation. However, in the case of owners of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own five (5) percent or more of

the publicly held securities need be disclosed.

(B) If the applicant is a trust, the trustee and all persons entitled to receive income or benefit from the trust.

(C) If the applicant is an association, the members, officers and directors.

(D) If the applicant is a subsidiary, the officers, directors, and stockholders of the parent company thereof. However, in the case of owners of a publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own five (5) percent or more of the publicly held securities need be disclosed.

(E) If the applicant is a partnership or joint venture, all of the general partners, limited partners or joint venturers.

(F) If the parent company, general partner, limited partner, or joint venturer of any applicant is itself a corporation, trust, association, subsidiary, partnership, or joint venture, then the disclosure of such information, shall be made, as necessary, to determine ultimate ownership. However, in the case of owners of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own five (5) percent or more of the publicly held securities need be disclosed.

(G) If the applicant employs a management company, disclosure shall apply to the management as set forth in subsections A through F as appropriate.

(2) The applicant has executed an agreement with a simulcast organization for the conduct of simulcast wagering at its facility; or may act on its own behalf by contracting with simulcast service suppliers and each individual racing association or fair to act as a guest association. A copy of each signed contract must accompany the application (Form CHRB-25; Rev. 4/92).

(3) Every licensed simulcast facility shall be inspected by the fire authority having jurisdiction as dictated by that authority's inspection schedule. After each inspection, a fire clearance by the fire authority must be obtained by the simulcast facility and filed with the Board within ten (10) calendar days of its receipt. This clearance must indicate that the facility meets the standard of fire safety set by the fire authority and that said facility is in compliance with fire safety codes as are applicable in that jurisdiction.

(4) Every simulcast facility shall be equipped with a downlink system consisting of a network broadcast quality satellite receiving antenna coupled with a broadcast specification Ku and/or C band receiver compatible with the encryption system used, with motorized directional control, electrical service, coaxial cabling, or equivalent or industry-accepted cabling, closed-circuit TV monitors and audio system, and a public address system.

(5) The guest association shall provide a patron area for ~~parimutuel~~ pari-mutuel wagering and the observation of the satellite signal as received from the host association. The patron area shall be designated on the application by the applicant. Such area shall be the inclosure-public, as defined in Rule 2056 (j) in this Article, of the simulcast facility. No form of horse racing wagering, either in person, or by the use of runners, messengers, or otherwise shall be permitted outside the inclosure. All odds data made available to the guest association by the host association shall be displayed at all times. Effective January 1, 1994 for new facilities, the only offices permitted in restricted ~~parimutuel~~ pari-mutuel access areas will be those required for operation of the ~~parimutuel~~ pari-mutuel system.

(6) The guest association shall appoint and have on duty while racing is being conducted, a simulcast facility supervisor or an assistant simulcast facility supervisor as defined in Rule 2056 (a) and (n) in this Article.

(7) Every person employed by a guest association within the restricted area of the inclosure, as defined in Rule 1420 (v) in this Division and Rule 2056 (j) in this Article, of the simulcast facility is required to be licensed pursuant to Rules 1440 and 1481 in this Division.

(8) Every guest association shall provide security personnel to protect the public and maintain the peace within the simulcast wagering facility. Additionally, the guest association shall maintain such security controls over its inclosure and premises, as defined in Rule 1420 (q) in this Division, the areas where uplink and downlink equipment is located, fencing, access gates, cables, wires and power lines and warning notifications where uplink and exterior equipment is located and the equipment room where inside downlink receiving components are located as the Board's Executive Director or his/her designee shall direct. Guest associations shall also remove, deny access to, eject or exclude persons as provided by Rules 1980 and 1989 in this Division.

Guest associations shall have the right to request, in writing, that the Chairman of the Board grant a stay from such security controls directed by the Executive Director within seventy-two (72) hours of the directive. If granted, such a stay shall remain in force until an appeal can be considered at the next regularly scheduled public meeting of the Board. An appeal must be submitted, in writing, at least two (2) weeks prior to the meeting date. The directive will be in force until a stay is issued or the Board renders its decision on the appeal. Decisions by the Board shall be final.

(9) No guest association shall conduct wagering on any race or races other than those approved by the Board or simulcast by its host association.

(10) No guest association, except as provided for in Business and Professions Code Section 19605.3, may discontinue its operation nor conduct any activity which would cause

interruption of the signal without giving the Board and the host association prior written notice within fifteen (15) calendar days of such discontinuance or other change.

(11) Plans for new, proposed simulcast facility sites or for the remodeling or alteration of existing sites shall be submitted to the Board for review prior to the preparation of construction drawings. The Board shall review and approve said plans relative to security for the ~~parimutuel~~ pari-mutuel operations, placement of data lines and overall compatibility with Board policy and regulation within thirty (30) working days from the date the plans were received. If applicable, the simulcast organization named in the agreement described in (a)(2) of this Rule shall be notified by the guest association of the availability of the plans and shall have the right to review them relative to security for the ~~parimutuel~~ pari-mutuel operations and placement of data lines and comment to the Board prior to Board approval or denial of the plans.

(12) In the case of a fair, the Department of Food and Agriculture must approve the application pursuant to the provisions of Sections 19605.1, 19605.2 and 19605.6 of the Business and Professions Code. Such approval is not required for the California Exposition and State Fair and the Los Angeles County Fair.

(b) The Board will notify an applicant in writing within fourteen (14) calendar days from the receipt date by the Board's Administrative office if its application is incomplete. This notice will include:

(1) Instructions as to what is required of the applicant to complete the application.

(2) Instructions for requesting additional time to satisfy the requirements listed in the notification, if needed.

(c) The Board shall approve or deny a completed application within sixty (60) calendar days from the receipt date by the Board unless the applicant requests and is granted additional

time to supply information.

(d) If the Board denies approval of the application, the applicant has thirty (30) calendar days, from the receipt date of the Board's denial notification, to request a reconsideration of the Board's decision. This request must be in writing and sent to the Board's Administrative office. If reconsideration is denied, the applicant has thirty (30) days to file for Superior Court review in accordance with Section 19463 of the Business and Professions Code.

(e) The approval of the application by the Board shall constitute a license to operate as a simulcast wagering facility subject to the compliance provisions of Section 19433 of the Business and Professions Code.

(1) The term of a license to operate as a simulcast wagering facility shall be five years from the date the Board approves the application.

Authority: Sections 19420, 19440 and 19590,
Business and Professions Code.

Reference: Sections 19410, 19410.5, 19460, 19433, 19463, 19601, 19605, 19605.1, 19605.2,
19605.6, 19608, 19608.1 and 19608.2, Business and Professions Code and
Sections 15376 and 15378 Government Code.

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD
 APPLICATION FOR AUTHORIZATION TO OPERATE A SIMULCAST WAGERING FACILITY
 CHRB-25 (Rev. 4/92 3/15)

Application is hereby made to the California Horse Racing Board (CHRB) for authorization to operate a simulcast wagering facility in accordance with the California Business and Professions Code (B&P), Chapter 4, Division 8 (Horse Racing Law) and the California Code of Regulations, Title 4, Division 4 (CHRB Rules and Regulations).

Application for Authorization to Operate a Simulcast Wagering Facility CHRB-25 (Rev. 3/15) (application) must be filed not later than 90 days before the scheduled start date for operation of the proposed facility pursuant to CHRB Rule 2057. Additionally, in order to allow an evaluation of the competence, integrity, and character of the applicant to operate a simulcast wagering facility, any person, corporation, trust association, partnership or joint venture shall submit a Personal History Record (Form CHRB-25A) with the application.

The applicant must supply complete responses. The information is to be provided as of the date of this application unless otherwise specified. The applicant may refer to an exhibit/attachment in response to a question; however, the page number and line in which the text is responsive must be identified.

The term of a license to operate as a simulcast wagering facility shall be five years from the date the Board approves the application.

APPLICANT INFORMATION (Section 1)

Name of applicant:

The applicant is:

- Racing Association
 Fair
 Federally Recognized Indian Tribe

Zone Location:

North South Central
 (To be completed by CHRB staff)

Facility street address:

Mailing address (if different from above):

E-mail address:

City:

State:

Zip Code:

Phone:

Fax:

Website:

County:

CONTACT PERSON (Section 2)

(Authorized Simulcast Facility Representative)

Name and title of the contact person:

Business street address:

Mailing address (if different from above):

City:

State:

Zip Code:

County:

Phone:

E-mail:

Fax:

SIMULCAST ORGANIZATION INFORMATION (Section 3)

Identify below the simulcast organization(s) that will operate the pari-mutuel wagering at the facility:

Attach a copy of the agreement between the applicant and the simulcast organizations(s) that sets forth therein the duties of the respective parties.

Attach a copy of the written consent of the horsemen's organization(s), if applicable, consenting to the acceptance of wagers at the facility.

OPERATION OF SIMULCAST FACILITY (Section 4)

NOTICE TO APPLICANT Changes to management personnel and Simulcast Facility Supervisor(s) must be immediately reported to the Board.

List the regular schedule for operation of the facility (below):

<u>Days of operation</u>	<u>Hours</u>
<u>[example] Daily, Wed – Sun or Tues – Sat</u>	

List inclusive date during which the applicant proposes to operate as a simulcast wagering facility during the current racing year (below):

<u>Days of operation</u>	<u>Hours</u>
<u>[example] Daily, Wed – Sun or Tues – Sat</u>	

Time periods during the calendar year the facility **will not** be utilized as a simulcast wagering facility (explain why):

If approved, wagering will be offered on live race meetings being held or conducted by the following California racing association(s):

<u>Race meeting (date)</u>	<u>Breed</u>	<u>Day or night</u>

Provide dates below during which the applicant will conduct or has conducted live horse racing during the current racing year (if none, so state):

<u>Race Meeting (date)</u>	<u>Breed</u>

MANAGEMENT AND STAFF (Section 5)

Every person employed by a guest association within the restricted area of the inclosure, as defined in Rule 1420(v) is required to be licensed pursuant to Rules 1440 and 1481.

List name of the simulcast facility supervisor; assistant simulcast facility supervisor, and staff within the restricted area of the inclosure (below):

<u>Name and Title</u>	<u>CHRB License No. and Expiration Date</u>

Attach a proposed staffing plan for the facility and/or simulcast wagering site, to include the number of security personnel and the number of pari-mutuel clerks.

SECURITY AND FIRE PREVENTION (Section 6)

Name of the individual(s) responsible for the day-to-day operation of the simulcast wagering facility:

Attach a certificate of insurance for workers' compensation coverage including carrier and the policy number securing the applicant's liability for payment of workers' compensation is (if self-insured, provide details):

Attach a fire clearance from the fire authority having jurisdiction.

CHRB-25 (Rev. 4/92 3/15)

Attach a security plan to include: the name, title and phone number of the person having responsibility for security controls, the number of security officers and/or guards and the police or sheriff's department having jurisdiction for criminal law enforcement over the premises of the facility.

Specify the name, address and telephone number of the emergency ambulance service the applicant will utilize in event of illness or injury at the facility:

Does the applicant propose to have emergency medical care available at the facility:

Yes No If yes, describe:

FACILITY DESCRIPTION (Section 7)

Describe the food and beverage services to be offered (full meals served; cafeteria-style full meals; short-order counter service; pre-ordered prepared sandwiches and fast foods available; full bar services; bar counters; or other description as appropriate):

The seating capacity in the general admission area is:

The seating capacity in the simulcast wagering facility is:

The number of tables in the simulcast wagering area is:

The seating capacity in the premium area is:

The number of tables in the premium area is:

Overall square footage in the simulcast wagering area is:

Overall square footage available for "overflow" attendance:

Attach a photograph of the simulcast wagering area.

Describe occupancy restrictions, if any, imposed by the fire authority having jurisdiction:

The total number of parking spaces available in the combined parking areas can accommodate (number of standard sized automobiles):

Describe any other activities to be scheduled on or near the facility premises that may have a negative impact on available parking:

CONCESSIONAIRES AND VENDORS (Section 8)

The concessionaires, vendors, and other entities providing food service, beverage service, racing selection services, janitorial or custodial service, or other service or supplies within the simulcast wagering facility are (specify the name and type of service or supplies):

Other vendors to be permitted to sell products or services outside, but on the premises of, the simulcast wagering facility are:

EQUIPMENT PROVIDED BY THE SIMULCAST WAGERING FACILITY (Section 9)

Describe the television equipment (satellite receivers, decoders, controls, monitors, etc.) to be utilized at the facility:

Describe the public address equipment (controls, microphones, speakers, etc.) to be utilized at the facility:

Attach a detailed scale plan of the facility indicating all points of access to facility, emergency exits, placement of offices, and food and beverage service location and detailing the location of the proposed simulcast wagering site. Identify how the designated simulcast wagering area will be restricted to patrons 21 years and over. Attach photos of the simulcast wagering site.

PARI MUTUEL EQUIPMENT AND WAGERING SERVICES (Section 10)

Describe the pari-mutuel equipment, odds displays, modems or muxes, and method of data transmission to be utilized (include the number of pari-mutuel terminals to be on-site):

Will the applicant be responsible for maintenance of the pari-mutuel equipment?

Yes No

Describe the method by which patron complaints regarding wagering operation and/or the facility or its employees may be filed:

Has the applicant made arrangements to provide for the encashment of valid pari-mutuel tickets issued at other facilities or at California race meetings?

Yes No

ADMISSIONS, CHARGES AND SERVICE FEES (Section 11)

Complete if applicable and note N/A if not

Admissions charges, if any, are:	Level 1 (General Admission): Level 2 (Premium CH): Level 3 (Membership):
Parking charges, if any, are:	Level 1 (General): Level 2 (Premium): Level 3 (Valet):
Program charges, if any, are:	
Seating charges, if any, are:	

RENEWAL (Section 12)

Complete this section only if renewing your license.

Is this a renewal application: Yes

What is the date that the simulcast facility initially began operation?

Have there been any changes since the submission of your last application for authorization to operate a simulcast wagering facility? Yes No

If you have answered, "Yes", to the above question please attach a detailed statement describing the change.

ELIGIBILITY FOR APPROVAL AS A GUEST ASSOCIATION (Section 13): Complete applicable subsection

- Racing Association (complete section A)
- Fair (complete section B)
- Federally Recognized Indian Tribe (complete section C)

A. Racing Association (approval pursuant to Business and Professions Code section 19605)

The name under which the association is licensed by the Board:

The names and titles of management personnel assigned to the facility:

Name and Title	Contact phone and email

B. Fair

Approval is requested pursuant to Business and Professions Code Section 19605.1 OR 19605.2.

Correct title of the fair or fair association:

Names and titles of the present fair directors:

Fair applicants must attach the resolution of its governing body that determined that the conduct of simulcast wagering at its fair facility best serves the interest of the fair.

Names and titles of management personnel assigned to the simulcast wagering facility:

Name and Title	Contact phone and email

C. TRIBAL FACILITY

Approval is requested pursuant to the Tribal-State Compact signed on:

The name of the tribe under which the Tribal-State Compact was approved:

Names and titles of management personnel assigned to the facility:

If applicable, names and titles of management personnel comprising management company or other entity operating gaming and simulcast wagering at the facility:

<u>Name and Title</u>	<u>Contact phone and email</u>

Has the management company or other entity been approved by the U. S. Bureau of Indian Affairs?

Yes No If yes, the date of that approval _____.

STATE OF CALIFORNIA
CALIFORNIA HORSE RACING BOARD
APPLICATION FOR AUTHORIZATION TO OPERATE A SIMULCAST WAGERING FACILITY
CHRB-25 (Rev. 4/92 3/15)

~~Application is hereby made to the California Horse Racing Board (CHRB) for authorization to operate a simulcast wagering facility in accordance with the California Business and Professions Code (B&P), Chapter 4, Division 8 (Horse Racing Law) and the California Code of Regulations, Title 4, Division 4 (CHRB Rules and Regulations).~~

Name of applicant association, fair, or tribal facility:

Location of facility (City and County):

Mailing address of association, fair, or tribal facility:

Telephone number:

Name and title of the managing officer or tribal council representative of the applicant association, fair, or tribal facility:

Name of the affiliated (simulcast) organization(s) that will operate the pari-mutuel wagering at the facility:

The regular schedule for operation of the facility will be as follows:

Inclusive date during which the applicant proposes to operate as a simulcast wagering facility during the current racing year:

Application must be filed not later than 90 days before the scheduled start date for operation of the proposed facility pursuant to CHRB Rule 2057.

CHRB CERTIFICATION	
Application filed on: _____	Approved on: _____
Reviewed by: _____	License number issued: _____
Date of Hearing: _____	Date tribal compact approved: _____

OPERATION OF THE SIMULCAST WAGERING FACILITY

Inclusive hours for operation of the facility:

Daily Wed-Sun Tues-Sat Other specify:

Inclusive time periods during the calendar year the facility **will not** be utilized as a simulcast wagering facility:

Exceptions to the foregoing:

If approved, wagering will be offered on live race meetings being held or conducted by the following racing associations:

RACE MEETING _____ BREED _____ DAY OR NIGHT _____

Dates during which the applicant will conduct or has conducted live horse racing during the current racing year (if none, so state):

ELIGIBILITY FOR APPROVAL AS A GUEST ASSOCIATION

The applicant association is: Racing Association Fair
 Tribal Facility Other Business Entity

COMPLETE THE APPLICABLE SUBSECTION:

RACING ASSOCIATION—approval pursuant to B&P Section 19605.

The name under which the association is licensed by the Board:

The names and titles of management personnel assigned to the facility:

FAIR

Approval is requested pursuant to B&P Section 19605.1 OR 19605.2.

Correct title of the fair or fair association:

CHRB-25 (Rev. 4/92 3/15)

Names and titles of the present fair directors:

Names and titles of management personnel assigned to the simulcast wagering facility:

TRIBAL FACILITY

Approval is requested pursuant to the Tribal State Compact signed on _____.

The name of the tribe under which the Tribal State Compact was approved:

Names and titles of management personnel assigned to the facility:

If applicable, names and titles of management personnel comprising management company or other entity operating gaming and simulcast wagering at the facility:

Has the management company or other entity been approved by the U. S. Bureau of Indian Affairs?
 Yes _____ No _____ If yes, the date of that approval _____.

NOTICE TO APPLICANT Changes to management personnel and Simulcast Facility Supervisor(s) must be immediately reported to the Board.

CONCESSIONAIRES AND VENDORS

The concessionaires, vendors, and other entities providing food service, beverage service, racing selection services, janitorial or custodial service, or other service or supplies within the simulcast wagering facility are (specify the name and type of service or supplies):

Other vendors to be permitted to sell products or services outside, but on the premises of, the simulcast wagering facility are:

SUPERVISION, SECURITY AND FIRE PREVENTION

The names of all persons to be employed as a Simulcast Facility Supervisor at the simulcast wagering facility:

The workers' compensation insurance carrier and the policy number securing the applicant's liability for payment of workers' compensation is (if self-insured, give details):

CHRB-25 (Rev. 4/92 3/15)

Attach a copy of the Certificate of Insurance.

Attach a fire clearance from the fire authority having jurisdiction.

The name of the person having responsibility for security controls at the facility is:

The number of security officers and/or guards to be regularly employed at the facility is:

The police or sheriff's department having jurisdiction for criminal law enforcement over the premises of the facility is:

Specify the name, address and telephone number of the emergency ambulance service the applicant will utilize in event of illness or injury at the facility:

Does the applicant propose to have emergency medical care available at the facility:

Yes ——— No ——— If yes, describe:

EQUIPMENT PROVIDED BY THE GUEST ASSOCIATION

Describe the television equipment (simulcast receivers, decoders, controls, monitors, etc.) to be utilized at the facility:

Describe the public address equipment (controls, microphones, speakers, etc.) to be utilized at the facility:

Attach a detailed scale plan of the facility indicating all points of access, emergency exits, and the placement of offices and food and beverage service locations.

PARI-MUTUEL EQUIPMENT AND WAGERING SERVICES

Describe the pari-mutuel equipment, odds displays, modems or muxes, and method of data transmission to be utilized (include the number of pari-mutuel terminals to be on-site):

Will the applicant be responsible for maintenance of the pari-mutuel equipment?

Yes ——— No

Describe the method by which patron complaints regarding wagering operation and/or the facility or its employees may be filed:

Has the applicant made arrangements to provide for the encashment of valid pari-mutuel tickets issued at other facilities or at California race meetings?

Yes ——— No

ADMISSIONS, CHARGES AND SERVICE FEES

The admissions charges are: ——— Level 1 (Gen. Adm.)
Level 2 (Premium CH)
Level 3 (Membership)

Parking Charges are: ——— Level 1 (General)
Level 2 (Premium)
Level 3 (Valet)

Program costs are:

Seating costs, if any, are:

FOOD AND BEVERAGE SERVICE

Describe the food and beverage services to be offered (full meals served; cafeteria-style full meals; short order counter service; pre-ordered prepared sandwiches and fast foods available; full bar services; barn counters; or other description as appropriate):

The seating capacity in the general admission area is:

The number of tables in the general admission area is:

The seating capacity in the premium area is:

The number of tables in the premium area is:

Overall square footage in the public general admission area is:

CHRB-25 (Rev. 4/92 3/15)

Overall square footage in the public premium admission area is:

Overall square footage available for "overflow" attendance:

Describe occupancy restrictions, if any, imposed by the fire authority having jurisdiction:

The total number of parking spaces available in the combined parking areas can accommodate (number of standard sized automobiles):

Describe any other activities to be scheduled on or near the facility premises that may have a negative impact on available parking:

AGREEMENTS

Fair applicants must attach the resolution of its governing body that determined that the conduct of simulcast wagering at its fair facility best serves the interest of the fair.

Attach a copy of the agreement between the applicant and the (simulcast) organizations(s) that sets forth therein the duties of the respective parties:

Attach a copy of the written consent of the horsemen's organization(s), if applicable, consenting to the acceptance of wagers at the facility.

NOTICES TO APPLICANT

Notice is given to the applicant that its application, if approved by the Board, authorizes the applicant to offer pari-mutuel wagering at its simulcast facility until notified otherwise.

Notice is also given that retention of and control over all moneys generated from pari-mutuel wagering held or conducted at the facility is the responsibility of the (simulcast organization(s) which contract(s) to provide the pari-mutuel equipment and pari-mutuel employees; and that such organization(s) is (are) responsible for its proper distribution in accordance with the law and the rules and regulation of the Board.

Notice is also given that CHRB Rules 1870 and 1871 require that the Board be given 15 days notice in writing of any intention to terminate operations, engagements, or services by any licensee, approved concessionaire, or approved service contractor.

DECLARATIONS

All labor agreements, concession contracts, service contracts, horsemen's agreement, lease agreements and agreement with the (simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility have been finalized except as follows (if there are no exceptions, so state):

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 approval except as follows (if there are no exceptions, so state):

Absent natural disasters or causes beyond the control of the applicant, its service contractors, concessionaires or employees engaged at the facility, no reasons are believed to exist that may result in a stoppage to the conduct of pari-mutuel wagering at the facility or the withholding of any vital service to the applicant except as follows (if there are no exceptions, so state):

By authority of Article 9.2, of the California B&P Code; and the Federal Indian Gaming Act; in order to allow an evaluation of the competence, integrity, and character of potential simulcast facility operators authorized by the CHRB, any person, corporation, trust association, partnership, joint venture, or management firm who submits an application for such authorization or who is named in such application and who is not a State or County entity, or has not previously completed such disclosure when filing for a horseracing application pursuant to Article 4, Section 19480 of the California B&P Code shall be required to complete and submit a full disclosure statement.

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 applicant to attest to this application on its behalf.

 Print Name

 Signature

 Print Title

 Date

STAFF ANALYSIS
DISCUSSION AND ACTION 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

Pari-Mutuel, ADW, and Simulcasting Committee Meeting
April 8, 2015

BACKGROUND

At the November 19, 2014 Regular Board Meeting a proposal was heard to add a rule to require advance deposit wagering (ADW) providers to identify wagers placed on mobile devices by accountholders within brick-and-mortar wagering facilities in California. The item was referred to the Pari-Mutuel, ADW and Simulcast Committee for further discussion and development of a text for a possible regulation.

Wagers placed through ADW accounts return less to horsemen's purses and host tracks than wagers placed traditionally at racetracks and simulcast facilities. The Thoroughbred Owners of California (TOC) believes that a significant amount of wagering is taking place within brick-and-mortar facilities by customers using mobile devices to place wagers through their ADW accounts, largely as a matter of convenience. The industry is not proposing to prevent customers from wagering in this manner. But the industry is exploring ways to identify those wagers, with the goal of distributing them in a manner more favorable to horsemen and hosts.

The original proposal was for a regulation requiring ADW providers to identify wagers placed by customers located within brick-and-mortar facilities by utilizing Global Positioning System (GPS) tracking of their mobile devices. However, the Committee suggested a study be conducted to determine what percentages of ADW wagers were being made at the brick-and-mortar facilities, with a corresponding adjustment to the ADW percentages.

RECOMMENDATION

This item is presented for Committee discussion and action. Staff recommends the Committee hear from representatives of TOC and CHRIMS.

STAFF ANALYSIS

DISCUSSION AND ACTION ON THE REQUEST FROM THE LIEN GAMES RACING LLC TO ENACT CHRB RULE 1406, SUSPENSION OF RULE, TO WAIVE THE PROVISIONS OF CHRB RULE 2075(B)(4), REQUIREMENTS TO ESTABLISH AN ADVANCE DEPOSIT WAGERING ACCOUNT WITH AN OUT-OF-STATE HUB, WHICH REQUIRES ADVANCE DEPOSIT WAGERING (ADW) PROVIDERS TO CAPTURE THE SOCIAL SECURITY NUMBER FROM INDIVIDUALS AS PART OF THE APPLICATION PROCESS FOR ESTABLISHING AN ADW ACCOUNT

Pari-Mutuel, ADW, and Simulcasting Committee Meeting

April 8, 2015

BACKGROUND

Business and Professions Code section 19604 (d) (2) (A) states: *The board shall develop and adopt rules and regulations requiring ADW providers to establish security access policies and safeguards, including, but not limited to, the following: (A) The ADW provider shall use board-approved methods to perform location and age verification confirmation with respect to persons establishing an advance deposit wagering account.*

Board Rule 2075, Requirements to Establish an Advance Deposit Wagering Account with an Out-of-State Hub, lists requirements for establishing an ADW account. The requirements include: (1) Account Holder's full legal name. (2) Principal residence address. (3) Telephone number. (4) Social Security number. (5) Identification or certification to prove the Account Holder is at least 18 years of age. (6) Whether the Account Holder wants to use a credit card to make deposits to their Account. Lien Games Racing LLC (Lien Games) has requested on behalf of "all ADWs" an exemption from the requirement that applicants for ADW accounts initially provide their social security numbers. It stated that elimination of the social security number requirement would facilitate easier adoption by new customers for ADWs and, increase the availability of pari-mutuel wagering to residents of California. Lien Games further stated that ADWs would comply with Internal Revenue Service (IRS) requirements for reporting and withholding by obtaining social security numbers from account holders if and when it becomes necessary for IRS purposes.

RECOMMENDATION

The item is presented for Committee discussion and action. Staff recommends the Committee hear from a Lien Games representative.

Hi Jackie –

Per Mike Martin's request below, attached please find a formal request for the Board to waive certain Rule 2074 and 2075 requirements with regard to the collection of social security numbers at ADW account registration.

Thank you for your consideration of my request to place this item on the April 8, 2015 Pari-mutuel, ADW and Simulcasting Committee Meeting. Please do not hesitate to contact me with any questions.

Thanks.

John

John J. Ford
Chief Executive Officer



BAM Software and Services LLC

78 1st Street, 6th Floor

San Francisco, California 94105

925.942.9000, EXT 100

2014 Conferences:

University of Arizona's Symposium on Racing & Gaming, December 8-11, Speaker

iGSe Totally Gaming, San Francisco, July 14-16, Speaker

iGaming North America, Planet Hollywood Las Vegas, March 19-21, Speaker

AGTOA, Encore Las Vegas, February 9-12

ICE Totally Gaming, ExCel, London, February 4-6

European Online Gaming Forum, Canary Wharf, London, February 3-4, Speaker

REQUEST FROM LIEN GAMES RACING LLC
FOR WAIVER
OF CERTAIN PROVISIONS OF RULES 2074 AND 2075

March 27, 2015

Pari-Mutuel, ADW, and Simulcasting Committee Meeting
April 8, 2015

Lien Games Racing LLC is requesting that the CHRB waive certain requirements when registering new account holders to facilitate easier adoption by new customers for ADWs and, as a result, increase the availability of pari-mutuel wagering to residents of California.

1. We are requesting a waiver of the requirement under Rule 2015 to collect social security numbers when establishing an ADW account for individuals.

Rule 2075, Requirements to Establish an Advance Deposit Wagering Account with an Out-Of-State Hub

Lien Games Racing LLC is requesting an exemption for all ADWs from the requirements of Rule 2075 (c) (4) which requires that the ADW collect the social security number of an individual when establishing an ADW account. ADWs would still collect all other required personal information, which consists of full legal name (Rule 2075 (c) (1)), residential address (Rule 2075 (c) (2)), telephone number (Rule 2075 (c) (3)), and identification or certification that the account holder is at least 18 years of age (Rule 2075 (c) (5)). We are also requesting a waiver of the requirement that the verification of account holders under Rule 2075 (d) include verification of the social security number.

ADWs would still be required, as set forth in Rule 2075 (i), to comply with Internal Revenue Service requirements for reporting and withholding and would collect account holder social security numbers in connection with such requirements.

2. To maintain consistency for all ADWs, we would also request a waiver for the same requirements of Rule 2074, which applies to ADWs which are California Entities.

Rule 2074, Requirements to Establish an Advance Deposit Wagering Account with a California Entity.

Lien Games Racing LLC is requesting an exemption for all ADWs from the requirements of Rule 2074 (c) (4) which requires that the ADW collect the social security number of an individual when establishing an ADW account. ADWs would still collect all other required personal information, which consists of full legal name (Rule 2074 (c) (1)), residential address (Rule 2074 (c) (2)), telephone number (Rule 2074 (c) (3)), and identification or certification that the account holder is at least 18 years of age (Rule 2074 (c) (5)). We are also requesting a waiver of the requirement that the verification of account holders under Rule 2074 (d) include verification of the social security number.

ADWs would still be required, as set forth in Rule 2074 (i), to comply with Internal Revenue Service requirements for reporting and withholding and would collect account holder social security numbers in connection with such requirements.

STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING THE HANDLE AND WAGERING
TRENDS AT CALIFORNIA'S SATELLITE WAGERING FACILITIES

Pari-Mutuel, ADW, and Simulcasting Committee Meeting

April 8, 2015

BACKGROUND

There currently are 19 traditional simulcast-only facilities operating in California along with nine (out of 10) racetracks and fairs that offer simulcast wagering to the public during their non-racing seasons.

The simulcast-only facilities are:

1. Antelope Valley Fair in Lancaster
2. Barona Casino in Lakeside
3. Desert Expo Center in Indio
4. Fairplex Finish Line Sports Grill in Pomona
5. Fantasy Springs Casino in Indio
6. Fresno Club One in Fresno
7. Hollywood Park Casino
8. Lake Perris Sports Pavilion in Perris
9. Monterey County Fair in Monterey
10. National Orange Show in San Bernardino
11. San Bernardino County Fair in Victorville
12. San Mateo County Events Center in San Mateo
13. Santa Clara County Fair in San Jose
14. Shasta District Fair in Shasta
15. Solana County Fair in Vallejo
16. Stanislaus County Fair in Turlock
17. Sycuan Band of Mission Indians in El Cajon
18. Ventura County Fair in Ventura
19. Viejas Casino and Turf Club in Alpine

The 10 racetracks and fairs offering race meets in California are:

1. Del Mar Turf Club/22nd Agricultural District in Del Mar
2. Golden Gate Fields in Albany
3. Los Alamitos Race Course (including Los Angeles County Fair meet) in Los Alamitos
4. Santa Anita Park in Arcadia
5. Cal Expo in Sacramento
6. Alameda County Fair/Oak Tree Racing Association in Pleasanton
7. Fresno District Fair in Fresno
8. Humboldt County Fair in Ferndale
9. San Joaquin County Fair in Stockton
10. Sonoma County Fair in Santa Rosa

The Humboldt County Fair does not operate a simulcast facility during its off season.

RECOMMENDATION

This item is presented for Committee discussion and action. A statistical report on handle and wagering trends at traditional California satellite wagering facilities is attached.

Handle for California Brick and Mortar Sites Operating as Off-Track Facilities

Calendar Year Basis

Facility:	Notes	2014	% Chg from Prior Year	2013	% Chg from Prior Year	2012	% Chg from Prior Year	2011
Anderson		1,393,598	1%	1,379,441	2%	1,353,256	0%	1,357,838
Bakersfield	Closed 7/28/2013	-	-100%	3,210,255	-49%	6,252,881	-1%	6,319,536
Bankers Casino	Mini-opened 3/6/2013	1,209,263	80%	673,061	100%	-	-	-
Barona	Tribal Site	12,207,175	-8%	13,298,566	-10%	14,812,026	-5%	15,671,508
Cabazon	Tribal Site	10,425,813	-2%	10,643,523	-12%	12,097,322	3%	11,775,388
Commerce Casino	Mini-opened 7/17/2009	23,362,164	0%	23,350,223	-3%	24,012,326	0%	23,996,788
Ferndale	GG/night signals during fair	138,059	-5%	145,340	16%	125,801	-11%	140,934
Firehouse	Mini-opened 8/6/2014	1,996,857	100%	-	-	-	-	-
Fresno		5,719,764	16%	4,936,578	8%	4,551,746	-11%	5,096,391
Fresno Club One		3,292,015	4%	3,157,232	-3%	3,256,118	0%	3,257,292
Golden Gate		16,642,149	-10%	18,578,101	-8%	20,179,198	-2%	20,510,555
Hollywood Park	More off-track days in 2014	86,429,988	12%	77,076,860	-9%	84,855,536	-4%	87,977,893
Lake Perris		10,772,529	2%	10,568,628	-7%	11,347,493	-10%	12,658,226
Lancaster		10,631,125	-13%	12,212,026	-8%	13,298,016	-4%	13,852,414
Los Alamitos	Less off-track days in 2014	82,802,078	-11%	93,427,570	-7%	100,228,632	-3%	103,146,512
Monterey		4,643,855	-4%	4,826,194	-24%	6,353,312	-15%	7,447,408
OC Tavern	Mini-opened 12/16/2010	7,650,384	-24%	10,048,736	100%	9,389,101	14%	8,209,574
Oceans 11	Mini-opened 12/20/2013	6,875,619	100%	110,687	100%	-	-	-
Pleasanton		27,964,007	-5%	29,504,593	-5%	31,141,729	-5%	32,683,540
Pomona		54,229,724	-5%	57,032,551	3%	55,270,115	1%	54,484,046
Sacramento		20,125,933	1%	20,006,782	-6%	21,284,404	-3%	21,924,932
Sammy's	Mini-opened 2/19/2014	14,584,248	100%	-	-	-	-	-
San Bernardino		20,662,373	-3%	21,349,256	-10%	23,714,773	-2%	24,124,672
San Jose		26,820,683	-6%	28,500,804	-11%	31,860,308	-4%	33,350,446
San Mateo County		58,453,368	-8%	63,529,567	0%	63,592,676	-6%	67,640,008
Santa Anita	Fewer off-track days in 2014	48,959,146	-32%	72,284,161	-3%	74,649,410	-9%	81,720,193
Santa Clarita Lanes	Mini-opened 7/5/2012	13,565,395	100%	10,807,948	100%	3,588,989	100%	-
Santa Maria/Orig Roadhouse Grill	Mini-opened 10/6/2011	2,928,531	-12%	3,325,583	-11%	3,755,602	3%	3,647,874
Santa Rosa		8,624,119	-5%	9,045,534	1%	8,962,383	-5%	9,465,977
Shalimar (Indio)		2,929,836	-2%	3,001,364	-17%	3,601,905	-22%	4,607,619
Stockton		14,158,993	3%	13,784,337	-1%	13,866,403	-10%	15,399,568
Surfside Race Place	Fewer off-track days in 2014	34,114,981	-15%	40,075,255	2%	39,357,645	-9%	43,230,659
Sycuan	Tribal Site	6,176,911	1%	6,098,322	1%	6,050,329	1%	5,962,796
Tilted Kilt	Mini-opened 9/6/2013	7,316,817	100%	1,700,430	100%	-	-	-
Tulare	Closed 12/29/2013	-	-100%	2,990,033	14%	2,628,218	-4%	2,740,459
Turlock		5,463,573	-7%	5,903,193	-9%	6,476,086	0%	6,445,692
Vallejo		14,004,595	0%	14,031,364	1%	13,953,035	-7%	14,923,909
Ventura		16,223,655	-16%	19,380,248	-10%	21,602,554	-6%	22,924,187
Victorville		5,540,452	-3%	5,718,226	-2%	5,859,046	-1%	5,899,187
Viejas	Tribal Site	6,384,614	-10%	7,055,714	-12%	8,008,676	-11%	9,038,180
Total sites in Northern California		208,653,974	-6.9%	224,202,407	-4.9%	235,837,552	-5.2%	248,704,486
Total sites in Southern California		486,770,415	-2.4%	498,565,878	-3.3%	515,499,496	-3.3%	532,927,715

Statewide Brick and Mortar	695,424,389	-3.8%	722,768,285	-3.8%	751,337,048	-3.9%	781,632,201
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Days with at least one California card	216	-1.8%	220	-2.2%	225	0.9%	223
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STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING AN UPDATE FROM
J. CURTIS LINNELL OF THE
THOROUGHBRED RACING PROTECTIVE BUREAU (TRPB)
ON THE STATUS OF ITS TOTE SECURITY SYSTEM PROGRAM,
AND RELATED DISCUSSIONS CONCERNING INDUSTRY PARTICIPATION
IN THAT PROGRAM

Pari-Mutuel, ADW, and Simulcasting Committee Meeting

April 8, 2015

BACKGROUND

J. Curtis Linnell, vice president of the Thoroughbred Racing Protective Bureau (TRPB), has for the past several years periodically provided updates to the Board regarding the development of a new Tote Security System (TSS). At the Pari-Mutuel, ADW, and Simulcasting Committee meeting of April 2014 a full status report was provided. At that time, some industry representatives expressed concerns about various aspects of the TSS program, particularly the cost of participation. Since that meeting, taking such concerns into account, the TRPB has downsized its proposal, eliminated much of the cost, and reduced the cost of participation. Mr. Linnell is prepared to provide a status report to the Committee.

The Board has been supportive of the TSS concept with particular interest in the “transaction capture” feature of the proposed program. This feature would allow regulators and racetrack officials to view wagering transactions on a database accessible over the Internet. This information would include details on every wager – information that today can only be obtained through queries to totalizator companies, which can sometimes take days to resolve. This same information would be available shortly after the betting closes on a race through the TSS program.

In order for the California horse racing industry to take full advantage of a TSS program, all systems that merge wagers with California hosts would need to automatically upload their transaction audit files to the TRPB database, which is not currently the case.

RECOMMENDATION

This item is presented for Committee discussion and action. A TRPB representative is prepared to make a presentation to the Committee.

STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING A PROPOSAL BY THE
DEL MAR THOROUGHBRED CLUB
FOR ALL CALIFORNIA RACETRACKS TO DECIDE ON A
UNIFORM PUBLIC DISPLAY STANDARD
FOR
SIGNIFICANT EXOTIC WINNING WAGERS,
SUCH AS SOLO WINNING PICK 6 TICKETS

Pari-Mutuel, ADW, and Simulcasting Committee Meeting

April 8, 2015

BACKGROUND

Occasionally there are major payouts on winning wagers, such as a single winning ticket in the Pick Six, and the public is curious about the details of those winning tickets. The Board has encouraged the industry to post those details for some time. The Del Mar Thoroughbred Club (DMTC) is proposing that all California racetracks decide on a uniform standard for the public display for exotic winning wagers. The standard would establish the criteria for posting as well as the content, such as the wagering location and time stamp, ticket structure, and cost. The information could be posted on the host's website, or on the Calracing.com website, or both.

Obtaining ticket details is relatively quick and simple for wagers placed on track and at other California brick-and-mortar wagering locations. But when the California totalizator services provider must query outside providers for this information, the process can bog down. Obtaining all such information would be instantaneous if the Thoroughbred Racing Protective Bureau's Tote Security System program were in place. Absent that, there would be a need to convince outside wagering locations and their totalizator companies to cooperate more quickly with California requests for ticket details, so that the information could be posted in a timely manner.

RECOMMENDATION

This item is presented for Committee discussion and action. Representatives of DMTC are prepared to elaborate on their proposal.

STAFF ANALYSIS

DISCUSSION AND ACTION REGARDING THE REPORT FROM SPORTECH CONCERNING 1) THE TOTALIZATOR MALFUNCTION RELATED TO THE PICK 5 AT SANTA ANITA ON SUNDAY, FEBRUARY 22, 2015, AFTER THE FOURTH RACE WAS MOVED FROM THE TURF TO THE MAIN TRACK, TRIGGERING THE REQUIREMENT UNDER CHRB RULE 1976.9 (PICK (N) POOL) THAT ALL SELECTIONS FOR THAT RACE BE CONSIDERED WINNERS IN THE PICK 5; 2) WHY AT LEAST TWO CALIFORNIA LICENSED ADVANCE DEPOSIT WAGERING (ADW) PROVIDERS FAILED TO ADVISE THEIR CUSTOMERS THAT THE FOURTH RACE WAS TAKEN OFF THE TURF; 3) THE INCORRECT PROGRAMMING OF THE TOTALIZATOR AS IT RELATES TO THE PLACE PICK 7 AT LOS ALAMITOS ON SUNDAY, MARCH 8, 2015, WHICH RESULTED IN THE POSTING OF INCORRECT PAYOFFS FOR THE PLACE PICK 7 WAGER AND 4) INPUT FROM AMTOTE AS TO HOW IT HANDLES SUCH MATTERS

Pari-Mutuel, ADW, and Simulcasting Committee Meeting

April 8, 2015

BACKGROUND

Sportech, the totalizator services provider for all California racetracks, is prepared to report on two recent incidents involving the interpretation and application of Board rules as they pertain to calculating pari-mutuel payouts.

The first incident occurred February 22, 2015, after the fourth race on that program was moved from the hillside turf course to the main track due to a torrential downpour immediately after the running of the first race. The Pick 5 began with the first race, so wagering in that pool was closed at the running of the first race. CHRB Rule 1976.9, Pick (n) Pool, requires that if the racing surface changes from turf to dirt or dirt to turf in any race of a Pick (n) Pool, and such change was not announced to the public before the close of wagering on the Pick (n) Pool, all wagers on such race shall be considered winning wagers for the purposes of the Pick (n) Pool. This meant that all selections in the fourth race became winning selections in the Pick 5. A ticket with three horses in the fourth race counted as three winners if the ticket contained the winners of the other four races. Due to a human error at Sportech, the correct information was not initially entered in the system for calculation of payouts. This error was identified prior to any payouts. Sportech took more than five hours to resolve the problem, and permit payouts.

The second incident occurred March 8, 2015, and involved incorrectly posted payouts for the Place Pick 7 at Los Alamitos. Los Alamitos advertised and offered the customary Place Pick 7, which requires patrons to select the first and/or second-place finishers in each of the seven races, as distinct from the Pick 7, which requires the selection of only first-place finishers. A second-place finisher in the Place Pick 7 is a correct selection. A second-place finisher in the Pick 7 is a losing selection. After the running of the seventh race, which was the final leg of the Place Pick 7, Sportech incorrectly priced the pool as a Pick 7. The official posted payouts indicated that tickets with six out of seven winners were worth \$1,023 for \$1. This was because no ticket had seven first-place finishers, making winners of tickets with six out of seven first-place finishers, based on Pick 7 requirements. But in truth it was a Place Pick 7 Pool. Customers, who were

unaware of the error in calculation, assumed that their Place Pick 7 tickets that correctly selected combinations of six of seven first or second-place finishers were good, and then were frustrated when they attempted to cash their tickets. Over a period of several days, Sportech and pari-mutuel officials at Los Alamitos re-calculated and resolved the issue by paying out the pool twice – once to those tickets containing six of seven first-place finishers and a second time to tickets containing a combination of seven out of seven first and second-place finishers.

In addition to reporting on the nature of these two incidents, Sportech is prepared to report the steps it has taken to prevent future such incidents. Furthermore, representatives of Amtote, a separate totalizator company that is in the process of finalizing a contract with the California industry to be the new totalizator services provider, is prepared to discuss its procedures and methods.

A major concern raised by these two incidents involves whether the racetracks, ADW providers and totalizator companies take adequate steps to immediately notify the public. In the Santa Anita incident, at least one ADW company never did advise its customers that the fourth race had moved from turf to dirt. And in the Los Alamitos incident, the program was completed and most everyone had left the track by the time the error was discovered.

RECOMMENDATION

The matter is presented for Committee discussion and action. Staff recommends the Committee hear from representatives of Sportech and Amtote.

STAFF ANALYSIS
DISCUSSION AND ACTION
REGARDING THE INDUSTRY UPDATE ON PROVIDING HANDHELD DEVICES
FOR WAGERING AT RACETRACKS AND SATELLITE WAGERING FACILITIES,
AND THE USE OF ANY OTHER NEW TECHNOLOGY TO IMPROVE
THE RACING EXPERIENCE

Pari-Mutuel, ADW, and Simulcasting Committee Meeting

April 8, 2015

BACKGROUND

At its April 2014 Regular Meeting, the Board approved a request by Xpressbet to offer the use of wagering tablets to on-track customers, so that patrons could conveniently wager on races using wagering accounts. Such wagers were calculated as on-track wagers for revenue distribution purposes.

RECOMMENDATION

This item is presented for Committee discussion and action. Industry representatives are prepared to provide an update on the use of wagering tablets, as well as other new technologies.

STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING THE
REPORT FROM GAME PLAY NETWORK ON
ITS NEW B SPOT WAGER

Pari-Mutuel, ADW, and Simulcasting Committee Meeting
April 8, 2015

BACKGROUND

Media reports in late-February 2015 indicated the Game Play Network had begun offering mobile games as a means of introducing new fans to pari-mutuel wagering. This game is accessed through the bspot.com website. The Board approved an ADW license for the Game Play Network at its February 2014 Regular Meeting. A Game Play Network representative is prepared to report on the B Spot wager and any other racing-related developments.

RECOMMENDATION

This item is presented for Committee discussion and action. A Game Play Network representative is prepared to address the Committee.