

CALIFORNIA HORSE RACING BOARD

1010 Hurley Way, Suite 300
Sacramento, CA 95825
www.chrb.ca.gov
(916) 263-6000 Fax (916) 263-6042



REGULAR MEETING

of the **California Horse Racing Board** will be held on **Thursday, February 21, 2019**, commencing at **9:30 a.m.**, in the **Baldwin Terrace Room** at the **Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California**. The audio portion only of the California Horse Racing Board regular meeting will be available online through a link at the CHRB website (www.chrb.ca.gov) under "Webcasts."

AGENDA

Action Items:

1. **Approval of the minutes of November 29, 2018.**
2. **Approval of the minutes of December 13, 2018.**
3. **Approval of the minutes of January 24, 2019.**
4. **Executive Director's Report.**
5. **Public Comment:** Communications; reports, requests for future actions of the Board.
Note: Persons addressing the Board under this item will be restricted to **three (3) minutes** for their presentations.
6. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Pacific Racing Association dba Golden Gate Fields, Combined 2018 race meetings in the amount of \$40,585 to nine beneficiaries.**
7. Discussion and action by the Board on the **Renewal Application for License to Operate a Minisatellite Wagering Facility from S&S Venues California, LLC dba Striders Sports Bar, Grill and Race Lounge in San Diego, California, for a period of up to five years.**
8. Discussion and action by the Board on the **Renewal Application for License to Operate a Minisatellite Wagering Facility from the Firehouse Bar and Restaurant in Bakersfield, California, for a period of up to five years.**
9. Discussion and action by the Board on the **Renewal Application for License to Operate a Minisatellite Wagering Facility from the Commerce Casino in Commerce, California, for a period of up to five years.**

10. Discussion and action by the Board on the **Application for Approval to Conduct Advance Deposit Wagering (ADW) of NYRABets, LLC, 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 Game Play Network, Inc., 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 Approval to Conduct Advance Deposit Wagering (ADW) of Lien Games Racing LLC, dba Off Track Betting.Com, for an out-of-state multi-jurisdictional wagering hub**, for a period of up to two years.
13. 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 and BetAmerica, for an out-of-state multi-jurisdictional wagering hub**, for a period of up to two years.
14. 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.
15. Discussion and action by the Board on the **Application for Approval to Conduct Advance Deposit Wagering (ADW) of XpressBet, LLC, for an out-of-state multi-jurisdictional wagering hub**, for a period of up to two years.
16. Discussion and action by the Board on the **Application for Approval to Conduct Advance Deposit Wagering (ADW) of ODS Technologies, L.P., dba TVG Network, for an out-of-state multi-jurisdictional wagering hub**, for a period of up to two years.
17. **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," and 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
Madeline Auerbach, Vice Chairman
Dennis Alfieri, Member
Debra Reed-Klages, Member
Fredric Maas, Member
Araceli Ruano, Member
Alex Solis, Member
Rick Baedeker, Executive Director
Jacqueline Wagner, Assistant Executive Director

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Del Mar Surfside Race Place, 2260 Jimmy Durante Blvd., Del Mar, California, on November 29, 2018.**

Present: Chuck Winner, Chairman
 Madeline Auerbach, Vice-Chairman
 Araceli Ruano, Member
 Alex Solis, Member
 Rick Baedeker, Executive Director
 Jacqueline Wagner, Assistant Executive Director
 John McDonough, General Counsel

APPROVAL OF THE MINUTES OF SEPTEMBER 27, 2018

Chairman Winner stated that because only three of the Commissioners present attended the September 2018 Regular Board meeting, the item would be moved to the December 2018 Regular Meeting.

APPROVAL OF THE MINUTES OF OCTOBER 25, 2018

Chairman Winner asked for approval of the minutes of the Regular Meeting of October 25, 2018. Commissioner Ruano **motioned** to approve the minutes. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Solis, Ruano, Auerbach, Winner. Nay: None. Motion carried.

EXECUTIVE DIRECTOR'S REPORT.

Executive Director Rick Baedeker reported that the microchip program was concluding, and all horses would have to be microchipped to run at any California racetrack beginning December 26, 2018. He said over 90 percent of the horses had been microchipped, and in 2019, two-year-old horses would arrive already microchipped as part of the registration process. With a microchipped

population, horse identification and the reporting of veterinary records would be more efficient and secure. Executive Director Baedeker reported that handle was up 3.4 percent for The Big Fresno Fair, with the same number of race days in 2018 as in 2017. Runners per race was up from 5.9 to 6.4. He stated that for the industry overall, handle was down 7.1 percent for October 2018 compared to 2017, with one less race during the day. Daytime handle was down eight percent, and nighttime handle was up 1.2 percent. Average daily handle was down 1.6 percent, with daytime handle down 2.6 percent and nighttime handle up seven percent. He said the 2018 year-to-date total handle was up 6.2 percent, with daytime and nighttime handles up 6.4 and four percent, respectively.

PUBLIC COMMENT

There were no public comments.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB, 2018 SUMMER RACE MEEING IN THE AMOUNT OF \$106,015 TO NINE BENEFICIARIES.

This item was removed from the agenda.

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 PARK RACE TRACK, COMMENCING DECEMBER 19, 2018 THROUGH JUNE 25, 2019, INCLUSIVE.

Chairman Winner asked if the outstanding items listed on the staff analysis for the Los Angeles Turf Club (LATC) race meet application had been submitted. Jacqueline Wagner, Assistant Executive Director, stated the Advance Deposit Wagering (ADW) agreement with Twinspires

remained outstanding. Scott Daruty, LATC, said that was correct; LATC was unable to get a signed agreement with Twinpires. Vice-Chairman Auerbach stated she had a question about LATC's stakes schedule. She said it looked like all the listed stakes from the beginning of the meet until about April 6, 2019 would not be used until after April 6, 2019. She stated she did not understand that, because a lot of the listed stakes led up to the graded stakes. Greg Avioli, Thoroughbred Owners of California (TOC), stated he was not aware of any agreement in which the listed stakes would not be used. He said the listed stakes in question may have been a result of a formatting issue with the document. Commissioner Solis asked about the status of the construction of the new barns. Mr. Daruty stated the approval process was continuing to move forward. The 850 stalls were targeted to be completed by the end of 2019. He said LATC was still waiting on final approvals through the City of Arcadia. Chairman Winner asked what LATC's intent was regarding its existing barns. Mr. Daruty stated he was not prepared to speak about specific plans for the existing barns. He said LATC's focus was on getting the additional 850 barns built. He stated he understood people had asked for improvements to the existing barns. He said LATC would come up with a plan and report back to the Board. Chairman Winner asked if LATC was still evaluating other properties for use as a training track. Mr. Daruty stated LATC was evaluating other properties but had nothing definitive to report. Mr. Avioli stated he confirmed the listed stakes; they were overnight stakes that were scheduled to be run. He said he thought the reason they were not included was due to an administrative error. Vice-Chairman Auerbach asked about the status of the agreement with Twinpires. Chairman Winner asked if it would be helpful to give LATC more time to negotiate with Twinpires. Mr. Daruty said he was hopeful LATC would reach an agreement with Twinpires; however, there were several issues that still had to be worked through. He stated the items LATC had asked of Twinpires were virtually identical to what was asked

from TVG, Xpressbet, NYRAbets, and other ADWs, all of whom signed the agreements. Mike Ziegler, Churchill Downs Incorporated (CDI), stated he agreed with Mr. Daruty's statement; he believed CDI and LATC would be able to work through the issues and come to an agreement prior to the deadline for the opening of LATC's meet. Chairman Winner suggested passing a motion including language that an agreement should be reached between Twinspires and LATC by a certain date. Mr. Daruty said he did not believe the lack of a Board approved agreement would prevent fans from wagering. Executive Director Rick Baedeker said that was not what was being suggested. He stated the Board would not be approving the agreement; the agreement had to be furnished to the Board. Currently, the agreement was not furnished to the Board. Previously, the Board had waived the requirement; however, since the agreement was not included in the race meet application, the parties would not be authorized to do business. Robert Brodник, CHRB Staff Counsel, stated the Board had to approve the application in its discretion, and in the best interest of racing. He said the Board would want to know if there was going to be an agreement before approving or disapproving an application. Mr. Daruty asked if it would be a feasible approach for the Board to approve its application and to state in the approval that LATC was not authorized to sell the signal to Twinspires because there was no signed agreement. If, or when, a signed agreement was executed and delivered to staff, LATC could then simulcast to Twinspires. Chairman Winner stated that was exactly what he was suggesting. He asked if December 17, 2018 would be a reasonable date since LATC started simulcasting on December 18, 2018. Mr. Daruty said LATC was unable to export its signal until December 26, 2018. Chairman Winner asked what date would work for LATC. Mr. Daruty said he hoped to have the agreement by the December 17, 2018, but based on previous experience, he could not say for certain it would be completed by then. Executive Director Baedeker asked if LATC wanted an open-ended agreement. Vice-

Chairman Auerbach stated when the Board previously left the issue open-ended, it was never submitted to the Board. She said LATC had difficulties with Twinpires getting a signed agreement in the past; that was the problem and the Board determined it would not allow that anymore. Vice-Chairman Auerbach stated LATC listed the Santa Margarita Stakes on its Winter schedule, but online the Beholder Mile was listed. She said she was struggling with the stakes schedule because it was inconsistent. Mr. Avioli said the schedule TOC signed off on was what was in the packet. He stated he believed the racing office may have made a change. Vice-Chairman Auerbach said her concern was that it was hard enough to get Grade 1 races and she did not want them to be given away or dropped. She stated she did not think that was anyone's intent, but when there was confusion, it needed to be straightened out. Chairman Winner said he would give until December 21, 2018 for LATC and Twinpires to provide a signed agreement to the Board. He stated he wanted to give the parties as much time as possible to reach an agreement. Commissioner Winner **motioned** to approve the Los Angeles Turf Club application to conduct a horse racing meeting commencing December 19, 2018 through June 25, 2019. However, authority to send the Los Angeles Turf Club signal to Twinpires was conditioned upon the Board's receipt of a signed agreement by December 21, 2018. Commissioner Ruano **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Solis, Ruano, Auerbach, Winner. Nay: None. Motion 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 19, 2018 THROUGH JUNE 11, 2019, INCLUSIVE. (NOTE: OPENING DAY IS DECEMBER 26, 2018.)

Chairman Winner asked if all the required documents and agreements had been received. Jacqueline Wagner, Assistant Executive Director, stated that the California Thoroughbred Trainers agreement and Xpressbet Advance Deposit Wagering agreement were received. Additionally, an agreement had been reached with the Thoroughbred Owners of California (TOC). She said the license was being amended to include additional out-of-country host locations. Robert Brodnik, CHRB Staff Counsel, stated that the agreements with the licensed Northern California simulcast wagering facilities were outstanding. Chairman Winner asked if there was an agreement with TwinSpires and BetAmerica. Scott Daruty, Pacific Racing Association (PRA), said no. Vice-Chairman Auerbach asked for the status of the fire clearances. Ms. Wagner stated the fire clearances were expected to be received before the current clearances expired in December 2018 and early 2019. Larry Swartzlander, California Authority of Racing Fairs (CARF), said he was concerned CARF would be signing a third satellite agreement without Northern California Off Track Wagering Incorporated (NCOTWINC), which was being reformed. He stated that resolution was needed before the summer 2019 race meet in terms of the NCOTWINC structure, and it was unacceptable to sign another agreement without resolution. Greg Avioli, TOC, said the NCOTWINC structure would be the same for the winter meet as it was for fall 2018. Chairman Winner **motioned** to approve the PRA application to conduct a horse racing meeting commencing December 19, 2018 through June 11, 2019, contingent on the receipt of agreements with each satellite wagering facility in Northern California, as required by law, the TOC agreement, and all other outstanding items by close of business on December 3, 2018. The motion was being made, as the contingencies were in the public interest and served the purposes of horse racing law.

However, authority to send the PRA signal to TwinSpires and BetAmerica was conditioned upon receipt of the agreement between the parties by the Board by December 21, 2018. Vice-Chairman Auerbach **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Winner, Auerbach, Ruano, Solis. Nay: None. Motion carried.

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, 2018 THROUGH MAY 7, 2019, INCLUSIVE.

Christopher Schick, Watch and Wager (WAW), stated WAW submitted its application for a race meeting commencing December 26, 2018 through May 7, 2019. He said he wanted to provide an update on WAW's current meet that commenced October 20, 2018 through December 23, 2018. He stated WAW opened on Saturday, November 10, 2018. It was smoky for its opening night due to the Camp Fire that broke out on November 8, 2018. The smoke worsened over the next week, and races were cancelled. He said there were a lot of horses set to qualify, but the weekend races were cancelled. He stated it also rained before Thanksgiving. The track did not respond well to the rain, and the Friday program was cancelled. There were a lot of horses that did not qualify the week of the smoke, and may not have qualified due to the situation with the track. WAW moved the qualifying races to after its Saturday night card so that the racing surface was preserved for the pari-mutuel races. He said that a few years ago, legislation changed the California Standardbred Sire Stakes Program. In 2017, the nomination of stallions was opened to other states, and the Canadian province of Alberta. The stallion nominations increased from 5 to 24 by opening up the nomination process, with over 400 foals from those 24 stallions that were nominated. Commissioner Ruano **motioned** to approve the Watch and Wager application to conduct a horse racing meeting commencing December 26, 2018 through May 7, 2019. Commissioner Solis

seconded the motion, which was **unanimously carried**. Roll call vote: Aye: Solis, Ruano, Auerbach, Winner. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF NYRABETS, LLC, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

Chairman Winner said that when the Board granted licenses or approved the applications for the Advance Deposit Wagering (ADW) providers, he was going to recommend the approvals be for three months. The three-month licenses would allow staff to evaluate the ADW providers' California profit-and-loss statements, which were only recently received. He stated he was going to appoint a special committee of himself and Commissioner Maas to complete the task with staff and the ADW providers. Tony Allevato, NYRABets, LLC (NYRA Bets) and NYRA Television, said NYRA was a not-for-profit racing organization based in New York. NYRA Bets was relatively new to ADW outside of New York, but it experienced 80 percent growth in California in 2018 compared to 2017. He stated NYRA Bets had a strong television presence in California via Fox Sports, and NYRA Bets' goal was to help the industry grow via the best possible technology and the best racing. He said NYRA Bets would be announcing that it was greatly increasing its national television presence in 2019. Vice-Chairman Auerbach **motioned** to approve the NYRA Bets application for approval to conduct ADW for an out-of-state multi-jurisdictional wagering hub, for a period of three months. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Auerbach, Ruano, Solis, Winner. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF GAME PLAY NETWORK, INC., FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

Russell Fine, Game Play Network (GPN), stated GPN was formed by the management team that brought the first online Advance Deposit Wagering (ADW) to the United States, the team that built Youbet.com. The objective was to present non-handicappers a game-style interface on top of horse racing. GPN spent five years working toward that goal, and two years ago when GPN came before the Board for renewal, they had yet to do any consumer testing. He said the last two years GPN had some fairly explosive growth and was now growing 10 to 15 percent per month. GPN would be operating on an annualized rate of \$5 million in handle. He stated based on GPN's current growth, GPN expected to make a material difference in the pools over the next few years. GPN announced a partnership with the World Poker Tournament to infuse different types of entertainment media on top of a horse racing platform. John Valenzuela, Local 280, stated the agreement with Local 280 was one of the outstanding agreements that had not been signed with any of the ADW companies. The issue was brought to Local 280's board, which requested Local 280 to not sign an agreement if there were no jobs available from the ADWs, as all the ADW companies were located outside the State of California. Commissioner Solis **motioned** to approve the Game Play Network application for approval to conduct ADW for an out-of-state multi-jurisdictional wagering hub, for a period of three months. Vice-Chairman Auerbach **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Winner, Auerbach, Ruano, Solis. Nay: None. Motion carried.

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 AND BETAMERICA, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

Mike Ziegler, Churchill Downs Incorporated (CDI), said CDI contributed greatly to the growth of Advance Deposit Wagering (ADW) in California and nationally by the strength of the Kentucky Derby and CDI's associated brands. He stated that CDI's position was that it currently had a content and exchange agreement in place with The Stronach Group (SG). SG had asked for amendments to the agreement, and CDI was working on them. He said he felt strongly that when CDI and SG met on December 10, 2018, they would reach an agreement. Thereafter, CDI could obtain approvals from the Thoroughbred Owners of California. Commissioner Ruano **motioned** to approve the CDI application for approval to conduct ADW for an out-of-state multi-jurisdictional wagering hub, for a period of three months. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Winner, Auerbach, Ruano, Solis. Nay: None. Motion carried.

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.

Ed Comins, Watch and Wager (WAW), stated WAW was doing well both in California and internationally. He said WAW offered something slightly unique in the Advance Deposit Wagering (ADW) market, which was a good thing against some quite dominant competitors. Vice-Chairman Auerbach asked if WAW could share what made it unique without giving away any confidential information. Mr. Comins stated he believed WAW's wager pad was very easy to use

for professionals and the smaller players with the widest range of international content of any ADW in the world. He said WAW wagered on virtually everything. Vice-Chairman Auerbach asked what was WAW's most obscure wager. Mr. Comins said pari-mutuel wagering on Indian content. He asked the Board to clarify the three-month approval date. Chairman Winner stated it was three months from the day of the Board meeting. Vice-Chairman Auerbach **motioned** to approve the Watch and Wager application for approval to conduct ADW for an out-of-state multi-jurisdictional wagering hub, for a period of three months. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Solis, Ruano, Auerbach, Winner. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF XPRESSBET, LLC, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

Gene Chabrier, Xpressbet, LLC (Xpressbet), said Xpressbet continued to grow in California and nationally, mostly by its expanding coverage through XBTV. Commissioner Solis **motioned** to approve the Xpressbet application for approval to conduct Advance Deposit Wagering for an out-of-state multi-jurisdictional wagering hub, for a period of three months. Commissioner Ruano **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Winner, Auerbach, Ruano, Solis. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF ODS TECHNOLOGIES, L.P., DBA TVG NETWORK, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

John Hindman, TVG Network (TVG), stated 2018 had been a positive year for California racing, and TVG was looking forward to working with all of the racing associations, fairs, and horsemen to make 2019 successful. Commissioner Ruano **motioned** to approve the TVG Network application for approval to conduct Advance Deposit Wagering for an out-of-state multi-jurisdictional wagering hub, for a period of three months. Vice-Chairman Auerbach **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Solis, Ruano, Auerbach, Winner. Nay: None. Motion carried.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1467, PAYMASTER OF PURSES, TO INCLUDE TRAINER AND JOCKEY PURSE DEDUCTIONS FROM ANY THOROUGHBRED RACE CONDUCTED AT A THOROUGHBRED OR FAIR RACE MEETING, TO BE CONTRIBUTED TO THE CALIFORNIA RETIREMENT MANAGEMENT ACCOUNT (CARMA), A CHARITABLE TRUST FUND MAINTAINED BY CARMA, A NON-PROFIT ORGANIZATION. (NOTE: THIS CONCLUDES THE 45-DAY PUBLIC COMMENT PERIOD. THE BOARD MAY ADOPT THE PROPOSAL AS PRESENTED.)

This item was removed from the agenda.

REPORT FROM THE STEWARDS COMMITTEE.

Executive Director Rick Baedeker stated the Stewards Committee meeting was held on November 13, 2018. He said several issues were discussed, such as failure to appear, eligibility, contraband, and appropriate penalties for, and review of, jockeys easing up before the wire. He stated there was an extensive discussion of the riding rule, specifically the language that referred to a better placing. There were suggestions on ways to simplify that reference and make it clearer, not only

for those who enforced the rule but for the racing public and everyone else who had an interest in it. The goal was to make it easier to understand and implement. He said it was now staff's responsibility to come back to the Board with some suggested changes for the riding rule. He stated the role social media played in Stewards' decisions was also discussed. He said unlike baseball where a call was more objective, the calls made in racing were subjective. He stated that was why there were three stewards in the stand and eight different video angles for the stewards to review. He said the stewards had very difficult jobs. If people could listen in on one of their meetings and learn of the passion and integrity the stewards had for their jobs, they would have a different perspective. Chairman Winner stated he agreed with Executive Director Baedeker. He wished people could see how dedicated the stewards were, how hard they worked, and what a difficult job they had. He said the Board was trying to remove the subjectivity as much as possible. Executive Director Baedeker stated he did not want to give the impression that the Board only paid attention to what the stewards did when a Stewards Committee meeting was held. He said when he became Executive Director of the CHRB he learned there were 18 stewards throughout the state and they did not have direct supervision. He stated he did not have the time or ability to supervise the stewards, as he had never been a steward. He stated Darrel McHargue, CHRB Chief Steward, had 25 years' experience as a rider and racing official steward. He said every decision that was made by the stewards was reviewed by Mr. McHargue with the stewards. He stated any nuance in a rule was discussed. He said Mr. McHargue also took care of scheduling the stewards for all the meets throughout the year, including the fairs. Chairman Winner stated the Board did open the Stewards Committee meetings to trainers and jockeys from time to time to have discussions about things they were concerned about or possible complaints, so that there was a more free and open relationship between them.

MEETING ADJOURNED AT 10:49 A.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

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Los Alamitos Race Course, 4961 Katella Avenue, Los Alamitos, California, on December 13, 2018.**

Present: Chuck Winner, Chairman
 Madeline Auerbach, Vice-Chairman
 Alex Solis, Member
 Fredric Maas, Member
 Rick Baedeker, Executive Director
 Jacqueline Wagner, Assistant Executive Director
 John McDonough, General Counsel

APPROVAL OF THE MINUTES OF SEPTEMBER 27, 2018

Chairman Winner asked for approval of the minutes of the Regular Meeting of September 27, 2018. Vice-Chairman Auerbach **motioned** to approve the minutes. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Maas, Winner, Auerbach, Solis. Nay: None. Motion carried.

EXECUTIVE DIRECTOR'S REPORT.

Executive Director Rick Baedeker reported that the Racing Commissioners International (RCI) held its winter meetings in Tucson, Arizona, December 2 through December 3, 2018. At the meetings, discussions were held regarding the revamping of the interstate compact licensing technology. A horse owner would be able to apply online for licenses in multiple states. Executive Director Baedeker reported that at the University of Arizona's Global Symposium on Racing held after the RCI meetings, the discussion centered on sports wagering. In California, legalized sports wagering would require a statewide ballot, and the earliest that could occur would be during the November 2020 election. Executive Director Baedeker reported that handle was down 29.4 percent for November 2018 compared to 2017, with one more race day and one more night of racing. The decrease was due to the absence of a Breeders' Cup in 2018 compared to 2017. Daytime handle

2-2 **Proceedings of the Regular Meeting of December 13, 2018**

was down 32 percent, and nighttime handle was up 15 percent. He said 2018 year-to-date daytime handle was up one percent, and nighttime handle was up five percent, with an overall increase of 1.3 percent. He stated that for the Santa Anita fall 2018 meet, handle was up 27 percent, with 22 days of racing versus 19 last year. Average daily handle was up 10.25 percent, and the average number of runners per race decreased from 8.7 in 2017 to eight in 2018.

PUBLIC COMMENT

There were no public comments.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB, 2018 SUMMER RACE MEETING IN THE AMOUNT OF \$106,015 TO NINE BENEFICIARIES.

This item was removed from the agenda.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB, 2018 FALL RACE MEETING IN THE AMOUNT OF \$17,143 TO FOUR BENEFICIARIES.

This item was removed from the agenda.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST FROM SOUTHERN CALIFORNIA OFF TRACK WAGERING INC. (SCOTWINC) TO CONTINUE THE MODIFICATION OF THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCE DEPOSIT WAGERING (ADW) AS PERMITTED UNDER BUSINESS AND PROFESSIONS CODE SECTION 19604(f)(5)(E) FOR WAGERING CONDUCTED BY THOROUGHBRED ASSOCIATIONS IN THE SOUTHERN AND CENTRAL ZONE DURING CALENDAR YEAR 2019.

Jacqueline Wagner, Assistant Executive Director, stated that the Los Angeles Turf Club had signed the 2019 Southern California Off Track Wagering Incorporated (SCOTWINC) Advance Deposit Wagering (ADW) Expense Fund Agreement. George Haines, SCOTWINC, said that SCOTWINC was requesting the annual approval of the ADW redirection of market access fees. Vice-Chairman Auerbach **motioned** to approve the request from SCOTWINC to continue the modification of the distribution of market access fees from ADW as permitted under Business and Professions Code section 19604(f)(5)(E). Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Solis, Auerbach, Winner, Maas. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF LIEN GAMES RACING LLC, DBA OFF TRACK BETTING.COM, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

Chairman Winner said the approval period for the Lien Games Racing, LLC (Lien Games) Advance Deposit Wagering (ADW) application would have to be changed so that the term ended on the same date as the terms for the ADW applications approved at the November 29, 2018 Regular Board meeting. John Ford, Lien Games, stated that the thoroughbred and harness hub agreements in the application package that Lien Games submitted to the Board had lapsed. He said a new signed harness hub agreement had just been submitted, and he was optimistic a thoroughbred hub agreement would be reached. Chairman Winner stated he would recommend approval for a

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period consistent with that of the ADW applications approved at the November 29, 2018 Regular Board meeting, pending the agreement from the Thoroughbred Owners of California (TOC). Executive Director Rick Baedeker asked if the approval would be pending the thoroughbred hub agreement as well. Chairman Winner said yes. Mr. Ford stated that Lien Games would conduct pari-mutuel wagering on harness races only, until a thoroughbred hub agreement was signed. Greg Avioli, TOC, said he wanted clarification that although TwinSpires and Lien Games would be licensed, they would not have the authority to operate in California in 2019 without a hub agreement. Executive Director Baedeker stated he believed the issue was addressed at the November 2018 Regular Board meeting. Mr. Avioli said the discussion in November 2018 was more about authority from the track and the horsemen to simulcast, not the hub agreement. Executive Director Baedeker stated that the lawyers probably needed to weigh in on the issue. He said the hub agreement may not necessarily be an impediment to a license, but wagering could not be conducted without the hub agreement. Mr. Ford said no wagering could be conducted on the particular breed. Chairman Winner and Executive Director Baedeker agreed. Commissioner Maas **motioned** to approve the Lien Games application for approval to conduct ADW for an out-of-state multi-jurisdictional wagering hub, for a period of three months from November 29, 2018, pending a signed agreement with TOC and a signed thoroughbred hub agreement. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Maas, Winner, Auerbach, Solis. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY FROM CALIFORNIA HORSE RACING AND SPORT LLC DBA THE DERBY ROOM, SPORT GRILL & TURF CLUB IN NORCO, CALIFORNIA.

George Haines, Southern California Off Track Wagering Incorporated, said the minisatellite wagering facility would have 44 large-screen TVs and operate day and night. Casey Zolnier, The Derby Room, stated that the facility would be open for breakfast, lunch, and dinner, with a large menu and outdoor patio. He said The Derby Room would cater to existing horseracing fans and would also conduct plenty of marketing to bring horse racing to the general public. The Derby Room expected that customers who visited to watch other sports would become interested in horse racing. Vice-Chairman Auerbach **motioned** to approve the application to operate a minisatellite wagering facility at The Derby Room in Norco from December 20, 2018 through December 19, 2023. Commissioner Solis **seconded** the motioned, which was **unanimously carried**. Roll call vote: Aye: Solis, Auerbach, Winner, Maas. Nay: None. Motion carried.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1467, PAYMASTER OF PURSES, TO INCLUDE TRAINER AND JOCKEY PURSE DEDUCTIONS FROM ANY THOROUGHBRED RACE CONDUCTED AT A THOROUGHBRED OR FAIR RACE MEETING, TO BE CONTRIBUTED TO THE CALIFORNIA RETIREMENT MANAGEMENT ACCOUNT (CARMA), A CHARITABLE TRUST FUND MAINTAINED BY CARMA, A NON-PROFIT ORGANIZATION.

This item was removed from the agenda.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED ADDITION OF CHRB RULES 1859.1, OUT-OF-COMPETITION TESTING PROCEDURES AND REQUIREMENTS; AND 1869, PROHIBITED DRUG SUBSTANCE IN OUT-OF-COMPETITION TESTING, AND THE PROPOSED AMENDMENT OF CHRB RULES 1858, TEST SAMPLE REQUIRED; 1859, TAKING, TESTING AND REPORTING OF SAMPLES; 1859.25, SPLIT SAMPLE TESTING; AND 1867, PROHIBITED VETERINARY PRACTICES, TO INCORPORATE THE ASSOCIATION OF RACING COMMISSIONERS INTERNATIONAL (ARCI) MODEL RULE FOR OUT-OF-COMPETITION TESTING INTO THE CHRB'S RULES AND REGULATIONS.

The proposed addition of CHRB Rules 1859.1, Out-of-Competition Testing Procedures and Requirements, and 1869, Prohibited Drug Substances in Out-of-Competition Testing, and the proposed amendment of CHRB Rules 1858, Test Sample Required; 1859, Taking, Testing and Reporting of Samples; 1859.25, Split Sample Testing; and 1867, Prohibited Veterinary Practices, would incorporate the Association of Racing Commissioners International (ARCI) Model Rules for out-of-competition testing within the CHRB's Rules and Regulations. Robert Brodник, CHRB Staff Counsel, stated there was one public comment received during the 45-day comment period. He said staff worked with the industry to ensure the language of the proposed regulations addressed the industry's concerns, while giving the Board the ability to conduct a robust out-of-competition testing program. Commissioner Maas stated he wanted to hear a response to the comment that some therapeutic drugs would be prohibited. Dr. Scott Stanley, University of California, Davis, Maddy Laboratories, stated that the comment regarding the restriction did not apply to horse racing. He said the rules were clear that a permitted, legally compounded preparation could be used. Commissioner Maas asked about the ARCI argument. Mr. Brodник said that Model Rule 011-020(k) provided that the use of a non-FDA-approved drug was forbidden without prior permission of the Board, and the proposed amendment conformed with the Model Rule. Vice-Chairman Auerbach stated that the Board was trying to address illegally compounded products prepared by veterinary pharmaceutical companies. Dr. Stanley said there was a case where a

pharmacy was producing a product called Deep Peptide that turned out to be dermorphin, and the product was being used in Quarter horse racing in the southwest. Chairman Winner asked if there were any recent cases in California. Dr. Stanley stated there were cases in which compounded medications were involved in findings, but the findings were likely a result of preparation failure rather than illegal medication. Most of the cases involved therapeutic medications used for therapeutic medical applications. Commissioner Maas **motioned** to approve the addition of Rules 1859.1 and 1869 and the amendment of Rules 1858, 1859, 1859.25, and 1867. Chairman Winner **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Solis, Auerbach, Winner, Maas. Nay: None. Motion carried.

DISCUSSION BY THE BOARD CONCERNING UNAUTHORIZED MATCH RACING IN CALIFORNIA.

Executive Director Rick Baedeker stated that the Board was looking into match racing in California, and it was aware of Quarter horses shipped off the grounds of licensed inclosures to participate in match races, and then returned to the race track. The horses were then given to trainers before entry and ended up testing positive for clenbuterol. He stated there were issues beyond medication, as approximately three months ago, a licensee participating in a match race was killed. Executive Director Baedeker said that CHRB investigators had worked over long periods of time to convince local authorities to crack down on unauthorized match racing events. He stated that the Board thought a change in the Penal Code was needed, because it was a misdemeanor to conduct such an event, and it was unlikely that a local sheriff would shut down an event for a misdemeanor. Robert Brodnik, CHRB Staff Counsel, said a major issue was the negative impact these events had on the perception of horse racing. The events were unlicensed,

unregulated, and unsanctioned. Chairman Winner stated the item was placed on the agenda because drug violations were often connected to match races. Match racing involved illegal gambling and illegal drugs, which violated everything for which the Board stood. Dr. Ed Allred, Los Alamitos Racing Association (LARA), said that CHRB investigators had been aware of the issue for over five years and had made lengthy reports to him. He stated he thought law enforcement was literally afraid to enter a crowd of 2,000 people to make arrests. Dr. Allred said the issue was also a problem for Workmen's Compensation because there had been Quarter horse riders that were injured at match races but claimed to had gotten injured at LARA. Commissioner Solis asked if signs could be posted in the jockeys' rooms saying that riders participating in match races could lose their licenses. Vice-Chairman Auerbach asked that Mr. Brodnik send a message to the California Thoroughbred Trainers (CTT) having CTT notice its membership about riders in match races possibly losing their licenses. Commissioner Maas asked Mr. Brodnik if any of the felony animal cruelty statutes could extend to the issue. Mr. Brodnik stated it was possible. He said the problem was gaining access to the events. Executive Director Baedeker said the gates at the events were tightly controlled, and the attendees did not speak openly about the events. Chairman Winner said he requested the industry provide any help it could.

DISCUSSION BY THE BOARD CONCERNING CHRB RULE 1887, TRAINER OR OWNER TO INSURE CONDITION OF HORSE, AND SHIP-IN HORSES.

Robert Brodnik, CHRB Staff Counsel, said that Rule 1887, Trainer or Owner to Insure Condition of Horse, provided, in part, that owners of a ship-in horse were the joint absolute insurer and equally responsible for the condition of a horse entered in a race. He said there was concern regarding the fact that there was a link between horses shipping in shortly before race time and

positive drug tests. Chairman Winner stated that the Board was trying to eliminate instances in which horses were shipped in from a farm after having been involved in match races, and a trainer was paid \$100 or \$200 to become the listed trainer for a day or two. The horses then ended up testing positive for a drug administered off track. He said the Board was trying to target situations where horses that had received illegal medications were shipped in, and the trainer was responsible, even though the trainer was not involved. He stated it was the Board's opinion that the trainer should be responsible. Hopefully, that would create a disincentive for trainers accepting horses on a daily or overnight basis for a few hundred dollars. The Board also wanted to ensure that owners were also held responsible. Chairman Winner said he recommended language be written to address the issues presented.

MEETING ADJOURNED AT 10:35 A.M.

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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

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California, on January 24, 2019.**

Present: Madeline Auerbach, Vice-Chairman
Alex Solis, Member
Fredric Maas, Member
Debra Reed-Klages, Member
Dennis Alfieri, Member
Rick Baedeker, Executive Director
Jacqueline Wagner, Assistant Executive Director
John McDonough, General Counsel

APPROVAL OF THE MINUTES OF NOVEMBER 29, 2018

This item was moved to the February 2019 Regular Board meeting.

APPROVAL OF THE MINUTES OF DECEMBER 13, 2018

This item was moved to the February 2019 Regular Board meeting.

EXECUTIVE DIRECTOR'S REPORT.

Executive Director Rick Baedeker reported that Commissioner Alfieri would chair the Pari-Mutuel and Wagering Facility Committee, and Commissioner Maas would serve as a member. Commissioner Maas would be the Chair of the Legislative, Legal and Regulations Committee, and Commissioner Alfieri would serve as a member. There would be no change to the Medication, Safety and Welfare Committee. For the Jockey and Driver Welfare Committee, the Chair would be Commissioner Solis, and serving as a member would be Vice-Chairman Auerbach. There would be no change to the Stewards Committee. Commissioner Reed-Klages would chair the Racing, Breeding and Stabling Initiatives Committee, and Commissioner Solis would serve as a member.

For the Race Dates Committee, the Chair would be Chairman Winner, and serving as a member would be Commissioner Ruano. Commissioner Ruano would be the Chair of the Budget, Finance and Audit Committee, and Commissioner Reed-Klages would serve as a member. Executive Director Baedeker reported that December 2018 had the same number of day races and one less night race than in 2017. Daytime handle was up 16 percent, and nighttime handle was down one percent, with a 13.8 percent increase overall. Year-to-date daytime and nighttime handles were up 1.9 and 4.53 percent, respectively. Handle was up 2.14 percent overall with the same numbers of day and night races. There was no Breeders' Cup in 2018, in contrast to 2017. He stated that Golden Gate Fields had two less racing days for its fall 2018 meet compared to 2017. Total handle was up 14.5 percent, and average daily handle was up 22 percent. There were large gains in Advance Deposit Wagering (ADW) and out-of-state wagering on Golden Gate Fields' signal. He said handle was down 49 percent in 2018 for the Del Mar Thoroughbred Club (DMTC) without the Breeders' cup compared to 2017. Excluding the Breeders' Cup, DMTC's total handle was up 11.15 percent with two more race days than in 2017. Average daily handle was down 2.7 percent, with the average number of starters down from 8.5 to 7.7. He stated that handle was up 10.6 percent for the Los Alamitos Quarter Horse Racing Association in 2018 versus 2017, with three more race days. Average daily handle was up 8.34 percent. He said that on-track handle was up slightly in 2018 for the Los Alamitos Racing Association compared to last year, with satellite network handle up four percent. ADW handle was up nearly 15 percent, and out-of-state wagering handle was up 14.3 percent. He stated that for the Los Angeles Thoroughbred Club's meet that ended in December 2018, there were eight race days versus 11 last year. Total handle was down 33 percent, and average daily handle was down 8.14 percent. He said average daily handle was up 15.45

percent for the Watch and Wager Harness fall 2018 meet, with nine race days compared to 15 last year.

PUBLIC COMMENT

There were no public comments.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB, 2018 SUMMER RACE MEETING IN THE AMOUNT OF \$106,015 TO NINE BENEFICIARIES.

Commissioner Maas **motioned** to approve the distribution of race day charity proceeds of the Del Mar Thoroughbred Club in the amount of \$106,015 to nine beneficiaries. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Alfieri, Maas, Auerbach, Solis, Reed-Klages. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE DEL MAR THOROUGHBRED CLUB, 2018 FALL RACE MEETING IN THE AMOUNT OF \$17,143 TO FOUR BENEFICIARIES.

Commissioner Maas **motioned** to approve the distribution of race day charity proceeds in the amount of \$17,143 to four beneficiaries. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Alfieri, Maas, Auerbach, Solis, Reed-Klages. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE LOS ANGELES TURF CLUB, INCORPORATED DBA AS SANTA ANITA PARK 2017-2018 WINTER/SPRING RACE MEETING, DECEMBER 26, 2017 TO JUNE 24, 2018, IN THE AMOUNT OF \$153,227 TO TEN BENEFICIARIES.

Frank DeMarco, Los Angeles Turf Club (LATC), said that LATC was prepared to make its race day charity distribution as soon as the Board approved the item. Commissioner Maas **motioned** to approve the distribution of race day charity proceeds of LATC in the amount of \$153,227 to ten beneficiaries. Commissioner Alfieri **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Alfieri, Maas, Auerbach, Solis, Reed-Klages. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE LOS ANGELES TURF CLUB II, INCORPORATED DBA AS SANTA ANITA PARK 2018 AUTUMN RACE MEETING, SEPTEMBER 28, 2018 TO NOVEMBER 4, 2018, IN THE AMOUNT OF \$28,445 TO TEN BENEFICIARIES.

Frank DeMarco, Los Angeles Turf Club II (LATC II), said that LATC II was prepared to make its race day charity distribution as soon as the Board approved the item. Commissioner Reed-Klages **motioned** to approve the distribution of race day charity proceeds of LATC II in the amount of \$28,445 to ten beneficiaries. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Alfieri, Maas, Auerbach, Solis, Reed-Klages. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST FOR APPROVAL OF THE CONTINUATION OF THE 0.50% DISTRIBUTION TO THE SOUTHERN CALIFORNIA STABLING AND VANNING FUND FROM ADVANCE DEPOSIT WAGERING (ADW) HOSTED BY THOROUGHBRED RACING ASSOCIATIONS AND RACING FAIRS CONDUCTING RACING IN THE CENTRAL AND SOUTHERN ZONES FOR THE PERIOD COMMENCING JANUARY 1, 2019 THROUGH DECEMBER 31, 2019 AS PERMITTED UNDER BUSINESS AND PROFESSIONS CODE SECTION 19604(f)(5)(E).

Executive Director Rick Baedeker stated it was not the first time the item had been before the Board. When a wager was made in California, including an Advance Deposit Wagering (ADW) wager online, the law required that certain distributions be made from the net proceeds, such as to the Jockey Retirement Fund. The remaining balance was called the market access fee, which was essentially the net revenue that was split between purses and commissions for the racetrack. The law allowed for the tracks and horsemen who received the purses to make a request before the Board to use some of the funds for a different purpose. Mary Forney, Thoroughbred Owners of California, said the four-party agreement signed at the end of 2016 for the 0.50 percent distribution would be expiring at the end of 2019. She stated that the Stabling and Vanning Fund (SVF) was currently at a \$1 million deficit. After the market access fee and all other inputs, it was projected to be at a \$3.7 million surplus by the end of 2019. Commissioner Auerbach asked why the SVF would increase so much. Ms. Forney said the funds had been used to pay off the debt owed to the various facilities, so more funds would now remain in the SVF. Vice-Chairman Auerbach asked if the deficit was due to an accounting function. Executive Director Baedeker asked if debt service was being eliminated. Ms. Forney said the debts to the tracks would be eliminated. Commissioner Maas asked if the minimum needed to offset stabling and vanning expenses was still \$10 million per year. Ms. Forney stated the expenses were projected to be \$9.5 million for 2019. Commissioner Solis **motioned** to approve the request for the continuation of the 0.50 percent distribution of market access fees from ADW to the Southern California Stabling and Vanning Fund.

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Commissioner Maas **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Alfieri, Maas, Auerbach, Solis, Reed-Klages. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST FROM THE LOS ANGELES TURF CLUB FOR APPROVAL OF A SPECIAL MANDATORY PAYOUT OF THE RAINBOW PICK 6 WAGER ON FEBRUARY 2, 2019, PURSUANT TO ASSOCIATION OF RACING COMMISSIONERS INTERNATIONAL (ARCI) MODEL RULE 004-105(G)(a).

Vice-Chairman Auerbach asked if the unique ticket jackpot had to be over \$1 million by January 27, 2019 for the special mandatory payout of the Rainbow Pick 6 wager on February 2, 2019. Tom Varela, Monarch Content Management (MCM), said that was correct. Vice-Chairman Auerbach stated since there was racing between January 27, 2019 and February 2, 2019, there was still potential the wager could hit during that time. Mr. Varela said the mandatory payout would still be offered if the wager was hit. The payout, however, would be for whatever was in the pool for that day. He stated he did not believe LATC would guarantee a \$1 million carryover. Vice-Chairman Auerbach said the concept was not clear since the wager was being advertised as a multi-million-dollar mandatory payout; if the wager hit before the mandatory payout and then only paid out \$6.82, there could be quite the problem. Executive Director Rick Baedeker said it sounded like a management plan; that if it did not reach \$1 million by January 27, 2019, LATC would not move forward with the distribution. Mr. Varela stated that was correct. Executive Director Baedeker said from a regulatory standpoint, the request was to be able to distribute the pool on February 2, 2019. Mr. Varela stated that was correct. Executive Director Baedeker said there was no regulatory requirement for the January 27, 2019 date. Robert Brodник, CHRB Staff Counsel, said that was his understanding; typically, the wager would continue to roll over if not hit. He stated after speaking with Eric Sindler, counsel for LATC, the intent was that on February 2, 2019, if the pool

was over \$1 million, LATC would be able to pay it out that day. Vice-Chairman Auerbach said she understood that part; what was not clear to her was the gap between the two dates. If LATC was comfortable with that, then she was too. Executive Director Baedeker asked what the carryover amount was at currently. Mr. Varela said he believed it was around \$900,000. Commissioner Solis **motioned** to approve LATC's request of a special mandatory payout of the Rainbow Pick 6 Wager on February 2, 2019. Commissioner Reed-Klages **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Alfieri, Maas, Auerbach, Solis, Reed-Klages. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD ON THE RENEWAL APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY FROM THE OCEAN'S ELEVEN CASINO IN OCEANSIDE, CALIFORNIA FOR A PERIOD OF UP TO FIVE YEARS.

Commissioner Maas asked if the application's outstanding items were addressed. Executive Director Rick Baedeker stated that only the wet signatures for the application were outstanding. George Haines, Southern California Off Track Wagering Incorporated (SCOTWINC), said that SCOTWINC was gathering the signatures from the various racing associations. Vice-Chairman Auerbach asked for the status of the Ocean's Eleven Casino gaming license renewal. Mr. Haines said the license renewal was in process. Commissioner Maas **motioned** to approve the application for renewal of Ocean's Eleven Casino's license to operate a minisatellite wagering facility for a period of five years, contingent upon receipt of the wet signatures for the application and the updating of the Ocean's Eleven Casino gaming license. Commissioner Alfieri **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Alfieri, Mass, Auerbach, Solis, Reed-Klages. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSAL TO SUSPEND THE IMPLEMENTATION OF CHRB RULE 1554(a)(1), DUTIES OF HORSE IDENTIFIER; RULE 1581.1(a)(4), ENTRIES; RULE 1588(a)(12) HORSE INELIGIBLE TO START IN A RACE AND RULE 1597.5, MICROCHIPS REQUIRED FOR ALL HORSES ON GROUNDS, PURSUANT TO CHRB RULE 1406, SUSPENSION OF RULE.

Robert Brodnick, CHRB Staff Counsel, stated the proposal to suspend the implementation of certain portions of the microchip regulations would allow staff to address and correct issues regarding the language in the current rules. The proposal to suspend was brought forward when staff discovered there were still a significant number of horses without microchips at certain tracks. Currently, horses would be unable to enter a race if not microchipped. He said if the rules were not suspended, field sizes for specific tracks, including Los Alamitos, would be reduced. Rule 1406, Suspension of Rule, allowed the Board, for good cause, to suspend any application of its rules upon any condition it may impose. He stated the Board would consider amendments to the language in Agenda Item number 13. Executive Director Rick Baedeker said as the regulations' effective date of December 26, 2018 rapidly approached, it was determined that 95 percent of Thoroughbreds were microchipped, and 80 percent of Quarter horses were microchipped. This created an imminent situation where the entry box would be compromised, and the potential for nighttime racing cancellations. Vice-Chairman Auerbach stated she believed it was important for the new Commissioners to understand that California was very aggressive with microchipping; the Board went into a pilot program with the Jockey Club and felt getting all horses microchipped within the timeframe could be accomplished. However, when working with government protocols and procedures it sometimes took longer to get things done. Vice-Chairman Auerbach **motioned** to suspend the implementation of Rule 1544(a)(1), 1581.1(a)(4), 1588(a)(12), and 1597.5, pursuant to the Board's authority under Rule 1406, until such time as any amendments to those rules become

effective. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Alfieri, Maas, Auerbach, Solis, Reed-Klages. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENTS TO CHRB RULES 1581.1 ENTRIES AND RULE 1597.5, MICROCHIPS REQUIRED FOR ALL HORSES ON GROUNDS, TO REVISE AND CLARIFY MICROCHIP REQUIREMENTS FOR CALIFORNIA RACEHORSES.

The proposed amendment to Rule 1581.1, Entries, would repeal language that prevented horses from entering a race that did not carry a microchip or receive a waiver from the stewards. The proposed amendment to Rule 1597.5, Microchips Required for All Horses on Grounds, would make changes for purposes of clarity, repeal redundant language, and expand authority for stewards to grant a waiver. Robert Brodnik, CHRB Staff Counsel, stated that discussions were held with stakeholders to address areas in which the regulations were deficient. He said the proposed amendment to Rule 1581.1 repealed language that prevented horses from entering a race without a microchip, which stakeholders thought was redundant because there was already a provision in the Board's rules that precluded a horse from starting in a race if it did not carry a microchip. He stated that the proposed amendment to Rule 1597.5 also repealed similar language for the same reason. He said language was expanded to allow stewards to grant a waiver not just for stakes races, as individuals came to race in California for other types of races as well. He stated that stakeholders realized it was important to have a point person for the microchip procedures, and that person would be the horse identifier. Accordingly, language was stricken where it included both the horse identifier and the steward, and language was written to include the horse identifier where needed. Commissioner Maas **motioned** to direct staff to initiate a 45-day public comment period regarding the proposed amendments to Rule 1581.1 and Rule 1597.5.

Commissioner Alfieri **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Alfieri, Maas, Auerbach, Solis, Reed-Klages. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENTS TO CHRB RULES 1433, APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING; AND RULE 1498, PHYSICAL EXAMINATION AND THE PROPOSED ADDITION OF CHRB RULE 1498.1, RETURN TO RIDE AUTHORIZATION REQUIRED, TO INCORPORATE THE COMPONENTS OF THE ASSOCIATION OF RACING COMMISSIONERS INTERNATIONAL (ARCI) MODEL RULE FOR CONCUSSION PROTOCOLS INTO THE CHRB'S RULES AND REGULATIONS.

Executive Director Rick Baedeker stated CHRB staff had been working with the Jockeys' Guild (Guild) and a workers' compensation company towards implementation of concussion protocols for not only jockeys but all riders. He said during discussions difficult questions arose, such as what type of fall from a horse required an examination; should being unseated during the post parade or in the paddock be treated the same as coming off during a race; or should the stewards decide? He stated the fact was some incidents looked serious and ended up harmless, while other incidents looked harmless, but resulted in serious head injuries because symptoms from concussions could be latent. The more the issues were debated, the clearer it became that rules needed to be promulgated rather than developing policy. He stated the proposed amendments to Rule 1433, Application for License to Conduct a Horse Racing Meeting; Rule 1498, Physical Examination; and the proposed addition of Rule 1498.1, Return to Ride Authorization Required, were developed to implement concussion protocols. The proposed amendment to Rule 1498 would require the annual examination currently required for jockeys and drivers to include a baseline concussion assessment, such as the current state of the art SCAT 5 exam. While the Health Insurance Portability and Accountability Act (HIPPA) laws prevented the Board from mandating that the results of the exam be provided to the track physician, the Guild had offered to encourage

riders to authorize that transfer. If the SCAT 5 baseline was completed, and the track physician had that baseline, the physician could make an accurate diagnosis of whether there was a concussion. If there was no baseline, it would be unlikely the rider would be authorized to return without undergoing additional tests. He said the proposed addition of Rule 1498.1 differentiated between a rider or driver being unseated during a race versus other times. If a rider was unseated during a race, the rider must be examined and a Return to Ride Authorization Form shall be signed by a physician and given to the stewards. He stated riders being unseated at other times, including during morning workouts, in the stable area, paddock, or in the post parade, could be cleared by the responding medical personnel. However, if those unseated riders were not cleared by the medical personnel, a Return to Rider Authorization Form must be completed and given to the stewards. He said the proposed amendment to Rule 1433 would amend CHRB-17, Application for License to Conduct a Horse Racing Meeting, and CHRB-18, Application for License to Conduct a Horse Racing Meeting of a California Fair, to require race applicants to submit medical plan procedures related to concussions and the "return to ride" protocol. Robert Brodnik, CHRB Staff Counsel, stated the proposed amendment to Rule 1498 would require all jockeys, apprentice jockeys and drivers to complete a baseline concussion assessment. He said this was done at the direction of the Guild because the assessments were an important tool to help evaluate whether someone was suffering from a concussion. The proposed amendment also included a waiver to allow stewards in limited situations to grant a waiver. He stated the proposed addition of Rule 1498.1 really set forth the protocol the rider would have to complete if unseated within the inclosure. He said the proposal defined "unseated" as coming off the horse involuntarily. Rule 1498.1, subsection (a), would require all riders that became unseated during a race to have the form completed by a physician and submitted to the stewards. Within the form, physicians must

attest to their training in the evaluation and management of concussions and that they were acting within the scope of their practice. He stated subsection (b) was to offer an important distinction between falling during a race and potentially stepping off a horse in the backstretch, which may not lead to a significant injury. The amendment to Rule 1433 would require race meet applicants take a closer look at their internal return to ride protocol. Associations would be required to attach their medical procedures related to the assessment and treatment of concussions, including return to ride protocols, and any qualified physicians who would be available to assist with the completion of the Return to Ride Authorization forms. CHRB staff believed the amendments would provide the Board with the information necessary to ensure that the racing associations and fairs were cognizant of the issues of concussions and had the appropriate protocols and procedures in place. Vice-Chairman Auerbach stated she was concerned about the protocol for non-racing situations such as mornings and non-racing days. She did not want to make it difficult for the trainers, jockeys, and exercise riders to perform their functions because of rules that were impractical in the mornings and the backside. Executive Director Baedeker said the Board was trying to accept the fact that the proposed regulations would not cover every situation, and there would be gaps. He stated it was a tough question to answer. How far do you go? He said he felt the proposal was a first step in the right direction, and he would not be surprised if staff had to come back before the Board with additional regulations or changes to existing regulations. Vice-Chairman Auerbach said the only way the proposal could work was if the Guild could get their members to understand that if they fell off a horse, they needed to cooperate and get evaluated. Matt Broad, Guild, stated the proposed regulations were important measures to consider. He said just by the nature of the sport, jockeys had a greater risk of experiencing concussions throughout their career. The Guild wanted to protect the longevity of riders' careers and ensure their health and safety. He stated the

Guild wanted to make sure it was determined who would be storing the baseline data going forward, and when the new protocols were equitably put in place, so jockeys were not getting back on horses too soon or, conversely, not soon enough. Aaron Gryder, jockey, said concussion protocol was an important issue. If a jockey had a concussion and was not checked out properly, others would be endangered. Concussions affected memory and decision making; horse racing was a split-second game. He said he did not believe the concussion protocols would be a hard sell to a lot of members of the Guild because it would be saving them. He believed every time there was a head injury, it should be looked at a bit closer. Cody Jensen, jockey, thanked the Board for taking the proposal seriously. He said he had suffered nine documented concussions, and he did not know how many other times he got back up when he should not have. He stated riders did not always take the best care of themselves, and did not always make the best decisions; it was just a desire to get back out there and compete. The concussion protocols were something that could protect riders from themselves. Riders had a lot of attributes, but the brain was the most important one. He stated as a 25-year veteran, he could have greatly benefitted from concussion protocols over the course of his career. Advancements made regarding the effect of brain injuries and the implementation of concussion protocols would have a significant impact on younger riders that had 20 plus years ahead of them. Mindy Coleman, Guild, stated she wanted to recognize the CHRB as being the first regulatory body to take the step to make concussion protocols a rule. The Guild looked forward to working with the Board and believed the proposed rules were the first steps in the right direction. Mr. Jensen said there needed to be something for riders coming from out-of-state, not just out-of-country, since not every state had concussion protocols. Mr. Brodnick stated the proposed regulation did not distinguish between out-of-state and out-of-country. If a rider came from out-of-state, he or she could apply for the waiver. Executive Director Rick Baedeker said the

stewards could grant a waiver for a particular situation for riders coming in from out-of-state or out-of-country. Michael Lyon, Post Time/Finish Line (PTFL), stated he was the program administrator for the Workers Compensation Program for the industry. He commended the Board for taking action on concussions. He said Rule 1498 currently did not require an annual physical exam for exercise riders. PTFL would like to see the rule extended to include exercise riders, since they had the highest frequency and severity of industrial accidents. Exercise riders needed to be evaluated on an annual basis like the jockeys. He said PTFL had concerns about the level of training for doctors that would be releasing riders back to work. He stated it was not specified in the proposed regulations; they simply required training and evaluation in the management of a concussion. Executive Director Baedeker said as a regulatory body, CHRB could rely on the fact that a physician was licensed by the State of California. He stated there were some issues with requiring exercise riders to get physical exams. There were more exercise riders than jockeys, and requiring exercise riders to pay for the physical, and getting them all completed would encumber the process at this time. The industry, however, acknowledged that the issue had to be addressed. Mr. Lyon stated the annual physical exam should include a review of a riders past workers' compensation injury. He said there were exercise riders and jockeys who were determined by their workers' compensation physician to be 70 percent disabled; however, a different physician may not be aware of those disabilities. Executive Director Baedeker said the Board looked into that as well, and there were issues with transferring medical records due to HIPPA. Mr. Lyon stated he appreciated the fact that the proposed amendment to Rule 1498.1 included exercise riders in the return-to-work requirement. He said he was concerned that the concussion protocols would not be standard and would vary from track to track. Executive Director Baedeker stated the Board thought a good way to handle the concussion protocols was to have the protocols as addendums to

the race meet applications. That would allow individuals such as Mr. Lyon the opportunity to stand up before the Board and state a particular set of protocols was not adequate. Commissioner Solis **motioned** to direct staff to initiate a 45-day public comment period regarding the proposed amendments to Rule 1433 and Rule 1498, and the proposed addition of Rule 1498.1. Commissioner Reed-Klages **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Alfieri, Maas, Auerbach, Solis, Reed-Klages. Nay: None. Motion carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1891.1, PENALTY FOR POSSESSION OF ELECTRICAL DEVICE, TO REQUIRE THAT A COMPLAINT AGAINST A LICENSEE FOR VIOLATION OF, OR CONSPIRING TO VIOLATE, RULE 1890 (c) SHALL BE REFERRED TO THE STEWARDS FOR HEARING AND ADJUDICATION.

The proposed amendment to Rule 1891.1, Penalty for Possession of Electrical Device, would provide stewards with the authority to hear cases involving possession of an electrical device, require that a complaint against a licensee for violation of or conspiring to violate subsection (c) of Rule 1890, Possession of Contraband, be referred to the Board of Stewards for hearing and adjudication, and eliminate the revocation of a license for an 1890(c) violation. Robert Brodник, CHRB Staff Counsel, said the proposed amendment would lead to more efficient, expeditious results for cases. Executive Director Rick Baedeker said Rule 1891.1 was added three years ago because the Board wanted the license revoked for a rider found in possession of an electrical device. It was found to be counterproductive, however, because the process was taken out of the hands of the stewards and placed with a separate body with its own administrative and adjudication processes. Mr. Brodник stated that the rule's revocation requirement mandated that the formal hearing went through the Office of Administrative Hearings (OAH). The process, which was the only process for revocation of a license, was slow and protracted, and it left the licensee and Board

without finality. He said that prior to the addition of the rule, stewards heard the matter but could not revoke a license, only suspend or fine the licensee. The objective of the amendment was to allow the stewards to hear cases again, if they chose. In egregious cases, the stewards could refer the matter to OAH for revocation. Executive Director Baedeker said there were situations in which contraband was found, and the stewards had to refer the cases to OAH. Therefore, the stewards could not take action to suspend the individuals or get them removed from the grounds. Mr. Brodnik stated that under the proposed amendment, the stewards would have the authority to suspend, and if the matter was ever appealed, the appeal would come before the Board. Executive Director Baedeker said a license could not be suspended then referred for revocation. Vice-Chairman Auerbach asked if there was a way to give the stewards the ability to take action and still have a license revoked or not granted. Executive Director Baedeker stated that the Board could not direct the stewards. Mr. Brodnik said Rule 1529, Referral to the Board, allowed stewards to refer cases under their jurisdiction to the Board. If the stewards determined they could not provide appropriate punishment, they could refer the matter to the Board for revocation. Executive Director Baedeker stated that the case would then go to OAH. After a license was revoked, the former licensee could still reapply for a license after one year. Commissioner Maas asked if, under the proposed amendment, a license could be suspended pending future revocation, such that the individual in violation would not be permitted to remain on the premises. Mr. Brodnik said the stewards would have the authority to hear the case within ten days of finding the prohibited item. The stewards could then suspend the licensee through the term of the license, which would prevent the licensee from being within any inclosure in California. Commissioner Reed-Klages asked about the reapplication process. Mr. Brodnik stated that an investigator would look at any rulings issued by the stewards. The individuals would appear before a hearing officer, and the proposed

decision would be sent to the Board in closed session for a decision. Executive Director Baedeker said the stewards could also make a recommendation as to whether the individuals should be relicensed. Mr. Brodник stated that the proposed amendment would lead to faster adjudications. Vice-Chairman Auerbach **motioned** to direct staff to initiate a 45-day public comment period regarding the proposed amendment to Rule 1891.1. Commissioner Reed-Klages **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Alfieri, Maas, Auerbach, Solis, Reed-Klages. Nay: None. Motion carried.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1467, PAYMASTER OF PURSES, TO INCLUDE TRAINER AND JOCKEY PURSE DEDUCTIONS FROM ANY THOROUGHBRED RACE CONDUCTED AT A THOROUGHBRED OR FAIR RACE MEETING, TO BE CONTRIBUTED TO THE CALIFORNIA RETIREMENT MANAGEMENT ACCOUNT (CARMA), A CHARITABLE TRUST FUND MAINTAINED BY CARMA, A NON-PROFIT ORGANIZATION.

Vice-Chairman Auerbach stated she was recusing herself from the discussion and voting on the proposed amendment to Rule 1467, Paymaster of Purses. Robert Brodник, CHRB Staff Counsel, said the proposed amendment to Rule 1467 did not receive any comments during the 45-day notice period. He stated the proposed amendment would require the paymaster to deduct 0.3 percent from the purses of jockeys and trainers to be deposited into the Charitable Trust Fund maintained by the California Retirement Management Account (CARMA), which was a not-for-profit organization. However, trainers and jockeys could elect to not have the 0.3 percent deducted by filling out a Notification of Exclusion form. The proposed amendment would require CARMA to file an audited financial statement to the Board at the end of its fiscal year. Currently, owners already allowed 0.3 percent of their purse monies to be deposited into CARMA. This would allow 0.3 percent to be deducted from trainers and jockeys and donated to CARMA. Commissioner Alfieri

Proceedings of the Regular Meeting of January 24, 2019

motioned to approve the amendment to Rule 1467. Commissioner Solis **seconded** the motion, which **carried** four to zero with one abstention. Roll call vote: Aye: Alfieri, Maas, Solis, Reed-Klages. Nay: None. Abstain: Auerbach. Motion carried.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED ADDITION OF CHRB RULE 1842.1, ADDITIONAL REPORT FOR INTRA-ARTICULAR TREATMENTS, TO REQUIRE VETERINARIANS ADMINISTERING MEDICATION OR TREATMENT INTO AN ARTICULAR STRUCTURE OF A HORSE LOCATED WITHIN THE INCLOSURE TO PROVIDE AN INTRA-ARTICULAR TREATMENT RECORD TO THE TRAINER WHO SHALL MAINTAIN THE RECORDS FOR A PERIOD OF ONE YEAR, AND MAKE THE RECORDS AVAILABLE TO THE EXAMINING VETERINARIAN FOR THE PURPOSE OF ASSISTING WITH PRE-RACE VETERINARY EXAMINATIONS AND OTHER EXAMINATIONS AS REQUIRED BY THE BOARD.

The proposed addition of Rule 1842.1, Additional Report for Intra-Articular Treatments, would require veterinarians administering medication or treatment into an articular structure of a horse located within the inclosure to provide an intra-articular treatment record to the trainer, who shall maintain the records for one year and make them available to the examining veterinarian to assist with pre-race veterinary examinations and other examinations as required by the Board. Robert Brodnik, CHRB Staff Counsel, stated that the item was adopted by the Board at its September 2018 Regular Meeting, and a rulemaking file was submitted to the Office of Administrative Law (OAL). OAL contacted CHRB with a concern regarding clarity. In response, CHRB amended the rule to include the new language, "located within any CHRB inclosure." The new language was re-noticed for a 15-day notice period. He said no comments were received during the 15-day comment period. Darrell Haire, Jockeys' Guild, stated that the Jockeys' Guild supported the proposed language. Commissioner Maas **motioned** to approve the proposed addition of Rule

1842.1. Commissioner Alfieri **seconded** the motion, which was **unanimously carried**. Roll call vote: Aye: Alfieri, Maas, Auerbach, Solis, Reed-Klages. Nay: None. Motion carried.

MEETING ADJOURNED AT 11:35 A.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

FEBRUARY 21, 2019
REGULAR BOARD MEETING

There is no board package material for Item 4

CALIFORNIA HORSE RACING BOARD

FEBRUARY 21, 2019
REGULAR BOARD MEETING

There is no board package material for Item 5

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF
RACE DAY CHARITY PROCEEDS OF THE PACIFIC RACING ASSOCIATION DBA
GOLDEN GATE FIELDS, COMBINED 2018 RACE MEETINGS IN THE AMOUNT OF
\$40,585 TO NINE BENEFICIARIES

Regular Board Meeting
February 21, 2019

ISSUE

The Pacific Racing Association, doing business as Golden Gate Fields (GGF), is requesting approval to distribute race day charity proceeds generated at three live race meetings for the period of December 20, 2017, to December 18, 2018. GGF is proposing a total distribution of \$40,585.97. The organizations selected and amounts to be distributed are listed on the attachment. Staff notes that 100 percent of the proposed charity distributions are made to equine related charity organizations.

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 30 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 non-profit 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.

RECOMMENDATION

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

CHRB ANALYSIS

Pacific Racing Association dba Golden Gate Fields, Combined Charity Day Proceeds

December 20, 2017-June 30, 2018; August 22, 2018-October 2, 2018; October 17, 2018-December 18, 2018

#	Nonprofit Organization	Amount	Proposed Disbursement Percentage	Percentage Required By Horse Racing Law (2/10 of 1% on-track, live, handle)	Notes
1	California Thoroughbred Foundation	1,200.00	3%		a
2	CARMA	5,400.00	13%		a
3	Edwin J. Gregson Foundation	8,600.00	21%		a
4	Neigh Sayers Foundation	1,200.00	3%		a
5	Racetrack Chaplaincy of American (Northern Ca Council)	2,400.00	6%		a
6	United Pegasus Foundation	1,200.00	3%		a
7	California Thoroughbred Horsemen's Foundation	3,585.97	9%	minimum of 5%	b
8	Winners Foundation	6,500.00	16%	minimum of 5%	c
9	Permanently Disabled Jockeys' Fund	10,500.00	26%	minimum of 20%	d
	Total Horse Related Charities	\$ 40,585.97	100%	minimum of 60%	e
	Notes:				
	a	30% 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 60% of the charity distribution should go to horse racing industry			



Pacific Racing Association, Inc.

Frank De Marco, Jr., Esq.
Vice President, Regulatory Affairs

January 15, 2019

California Horse Racing Board
Attention: Jackie Wagner
1010 Hurley Way, Suite 300
Sacramento, CA 95825

RE: Pacific Racing Association's Charity Day Proceeds

To Whom It May Concern:

Pacific Racing Association, doing business as "Golden Gate Fields," has determined the beneficiaries of proceeds from Charity Days races conducted at Golden Gate Fields during its live race meets from December 20, 2017 to December 18, 2018. The net proceeds from the "Charity Days" totaled \$40,585.97.

12/20/2017 – 06/12/2018	\$26,122.95
08/22/2018 – 10/02/2018	\$ 6,176.85
10/17/2018 – 12/18/2018	\$ 8,286.17

Attached hereto is a list of the organizations selected to be the beneficiaries of the Charity Day proceeds, the amount to be distributed to each and a brief statement about each recipient and the official CHRIMS Report of Handle for each race meet period upon which this distribution is based. Note that 100% of the distributions are to horse-related charities including United Pegasus Foundation which distribution will not be released until such time as their delinquent status for year 2016 has been resolved.

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 matter set forth herein, do not hesitate to contact the undersigned.

Very truly yours,

Frank De Marco, Jr.

FDM:ms


GOLDEN GATE FIELDS

Pacific Racing Association, Inc.

Pacific Racing Association – Golden Gate Fields
Distribution of Charity Days Proceeds
Live Race Dates from 12/20/2017 – 06/12/2018, 08/22/2018 – 10/02/2018, 10/17/2018 – 12/18/2018

I.	<u>Horse Related Charities – BP 19556(b) (30% minimum)</u>	<u>Amounts</u>	<u>Subtotals</u>
	California Thoroughbred Foundation	\$ 1,200.00	
	CARMA	\$ 5,400.00	
	Edwin Gregson Foundation	\$ 8,600.00	
	Neigh Sayers Foundation	\$ 1,200.00	
	Race Track Chaplaincy of America - No. California Council	\$ 2,400.00	
	United Pegasus Foundation	\$ 1,200.00	
			\$20,000.00
II.	<u>Welfare Fund for Backside Personnel – BP 19641(b) (5% minimum)</u>		
	California Thoroughbred Horsemen's Foundation	\$ 3,585.84	\$ 3,585.97
III.	<u>Fund for Substance or Alcohol Abuse – BP 19556(b) (5% minimum)</u>		
	Winners Foundation	\$ 6,500.00	\$ 6,500.00
IV.	<u>Disabled Jockeys Fund – BP 19556(b) (20 % minimum)</u>		
	Permanently Disables Jockeys' Fund	\$ 10,500.00	<u>\$10,500.00</u>
	Total Distribution		\$40,585.97

PACIFIC RACING ASSOCIATION
Golden Gate Fields

I. Horse Related Charities – California B&P Code Section 19556(b); 30% minimum distribution

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

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. CARMS 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 rehabilitation, retraining and/or retirement of Thoroughbred horses that have raced in California.

Edwin Gregson Foundation – A non-profit 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, Raging Waters, soccer games, baseball games and other excursions. The organization also maintains a recreational hall at Santa Anita Park for the benefit of the backside workers and their children.

Neigh Savers Foundation – Neigh Savers creates new beginnings for retired racing Thoroughbreds by building relationships, both on and off the track, to help as many horses as possible. Through rescue, rehabilitation and retraining the organization provides the foundation needed for racing Thoroughbreds to successfully transition into new careers. Whether the horse is an Off-Track Thoroughbred (OTTB) ready to end its racing career or one that has been injured on the track or has found itself standing at an auction or on a feedlot with no other options, Neigh Savers strives to make a difference, one OTTN at a time.

Racetrack Chaplaincy of America – 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.”

United Pegasus Foundation ENI# 95-4497611 – UPF is a 501(c) (3) charitable organization that has become one of the largest Thoroughbred retirement, rehabilitation and adoption organizations, saving hundreds of former racehorses from an uncertain destiny by giving them a humane and deserved retirement home and providing for their care at its 27 acre ranch in San Jacinto, California. 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.

II. Welfare Fund for Backside Personnel – California B&P Code Section 19641(b) (5% minimum)

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 California Horse Racing Board 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.

III. Fund for Substance or Alcohol Abuse – California B&P Code Section 19556(b) (5% minimum)

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, Golden Gate Fields, Santa Anita and the California Association of Racing Fairs.

IV. Disabled Jockeys Fund – B&P Code Section 19556(c) (20% minimum)

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.

STAFF ANALYSIS

February 21, 2019

Issue: RENEWAL APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY BY S&S VENUES CALIFORNIA, LLC DBA STRIDERS SPORTS BAR, GRILL AND RACE LOUNGE, IN SAN DIEGO, CALIFORNIA, FOR A PERIOD OF UP TO FIVE YEARS.

S&S Venues California, LLC dba Striders Sports Bar, Grill and Race Lounge (Striders) filed an application for renewal of its license to operate a minisatellite wagering facility at Striders in San Diego. Striders is a joint venture between Sportech Venues California, LLC and Silky Sullivan's Group, LLC. Striders is currently licensed through April 25, 2019.

- Striders is located in San Diego, California. The wagering site is in the southern zone.

Business and Professions Code section 19605.25(a)(1) provides that no minisatellite may be 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.

- Racetracks, satellite wagering facilities, or tribal casinos that have a satellite wagering facility located within 20 miles of applicant are Del Mar Thoroughbred Club (DMTC) Racetrack and Surfside Race Place. Striders has received consent from DMTC and the 22nd District Agricultural Association (Surfside Race Place).

Striders has contracts/agreements with the following racing associations:

- California Authority of Racing Fairs
- Del Mar Thoroughbred Club
- Los Angeles County Fair Association
- Los Angeles Turf Club
- Los Alamitos Quarter Horse Racing Association
- Los Alamitos Racing Association
- Pacific Racing Association
- Sonoma County Fair and Exposition
- WatchandWager.com, LLC

The simulcast organization engaged by the contracted associations to conduct simulcast wagering is Southern California Off Track Wagering Incorporated.

Applicant proposes to operate the minisatellite wagering site Wednesday through Sunday plus holidays—hours vary.

Estimated number of pari-mutuel terminal machines available is 17. Seating Capacity is 220; the wagering area has 50–65 tables. One hundred fifty HDTV monitors will be utilized; RCN/Dish Network provides the satellite reception service.

Staffing: The host track pari-mutuel manager will determine the number of mutuel employees based on projected handle and attendance. On most days, one mutuel employee will be assigned, with more as needed. At least one security officer will be present at all times.

Specific information/documentation still needed to complete this application include:

1. Wet signature from DMTC in Part II of application.

Specific information/documentation that will need updating during the proposed approval period:

1. Workers' compensation liability insurance expires June 30, 2019.
2. Agreement for the Operation of a Minisatellite Wagering Site between the 22nd District Agricultural Association and Striders expires December 31, 2020.

RECOMMENDATION:

If the application is considered for approval, staff recommends an approval contingent upon the submission of outstanding items.

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-228 (New 11/08)

Application is hereby made to the California Horse Racing Board (CHRB/Board) for a license to operate a minisatellite wagering facility in connection with a horseracing meeting and/or parimutuel wagering in accordance with the Business and Professions Code, Chapter 4, Division 8 (Horse Racing Law) and the California Code of Regulations, Title 4, Division 4 (Rules and Regulations of the California Horse Racing Board).

Part I: To be completed by applicant seeking to operate a minisatellite wagering facility pursuant to Business and Professions Code section 19605.25.

Part II: To be completed by association(s) that has/have reached an agreement with the applicant to conduct minisatellite wagering.

Part III: To be completed by simulcast organization that has reached an agreement to provide services necessary for the conduct of minisatellite wagering pursuant to Business and Professions Code sections 19605.25 & 19605.3.

**PART I
 MINISATELLITE WAGERING APPLICANT INFORMATION**

APPLICANT INFORMATION

Name of applicant: S&S Venues California, LLC			
The applicant is:		<input type="checkbox"/> Card Room/Gambling Establishment <input checked="" type="checkbox"/> Restaurant/Bar <input type="checkbox"/> Other Business Entity	
<input type="checkbox"/> Racing Association <input type="checkbox"/> Fair <input type="checkbox"/> Federally Recognized Indian Tribe			
Facility street address: 100 Harbor Dr.			
Mailing address (if different from above): 600 Long Wharf Dr., New Haven, CT 06511			
E-mail address: Ted.Taylor@Sportech.net			
City: San Diego	State: CA	Zip Code: 92101	
Phone: (203) 361-3427	Fax: N/A	Website: www.Striders.com	
County: San Diego	Zone Location: North <input type="checkbox"/> South <input type="checkbox"/> Central <input type="checkbox"/>		
(To be completed by CHRB staff)			

CONTACT PERSON
 (Authorized Representative)

Name and title of the contact person: Edward C. Taylor President of Member-Sportech Venues CA Holdco, LLC			
Business street address: 600 Long Wharf Dr., New Haven, CT 06511			
Mailing address (if different from above): Same			
City: New Haven	State: CT	Zip Code: 06511	
County: New Haven			
Phone: (203) 361-3427	E-mail: Ted.Taylor@Sportech.net	Fax: N/A	

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-228 (New 11/08)

Dates during which the applicant proposes to operate as a minisatellite wagering facility:

4/25/19 - 4/24/24 (Five-year Term)

NOTICE TO APPLICANT: If approved for license, the term of license shall not exceed two years pursuant to Business and Professions Code section 19605.25 (h).

Have you previously operated a licensed gaming operation in California or another state? Yes No

Do you currently operate a licensed gaming operation in California or another state? Yes No

If yes to either question above, provide the following:

Valid licensure period: Begin Date: 04/2014 Date: 04/24/2019

Facility name and address: Striders Sports Bar, Grill and Race Lounge, 100 Harbor Dr., San Diego, CA 92101

City: San Diego State: CA Zip Code: 92101

County: San Diego

Zone Location:

North South Central

(To be completed by CHRB staff)

Have you had a gaming operation license that has been revoked or suspended. Yes No

If yes, provide the following if different from above:

Facility name and address: Does not apply

City: State: Zip Code:

Racing Jurisdiction:

BUSINESS STRUCTURE

<input type="checkbox"/> Corporation <input type="checkbox"/> Public <input type="checkbox"/> Private <input type="checkbox"/> Sub-S <input type="checkbox"/> Sub-C <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Partnership & Joint Venture <input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other If you have listed your company as other please identify your company structure:
--	--	--

Registered Business Name: S&S Venues California, LLC

Fictitious Business Name: Striders Sports Bar, Grill & Race Lounge

Address: 100 Harbor Dr., San Diego, CA 92101

E-mail Address: Ted Taylor@Sportech.net

City: New Haven State: CT Zip Code: 06511

Phone: (203) 361-3427 Fax:

State where registered or Articles of Organization are filed: Delaware Registry or File number: 5393142 DE
201327410323 CA

State of California
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 CHRB-228 (New 11/08)

Name of all officers, directors, and managers. For officers, directors, and managers that have no ownership, enter "0%" in the ownership column. For members of a Limited Liability Company, list membership interest in ownership column. For partners, following the individual's name indicate whether general or limited partners. (true names)

Entity/Individual Name and Title	Entity's Business Address/ Individual's Address of Record	Ownership% (if any)	Compensation Agreement
Member Managed:			
Sportech Venues CA Holdco, LLC	600 Long Wharf Dr., New Haven, CT	50%	N/A
Silky Sullivan's Group, LLC	3691 Via Mercado #18, LaMesa, CA	50%	N/A

Are shares listed for public trade? Yes No If yes on what stock exchange? Does Not Apply

If more than 50 percent 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.

All entities that own 5 percent or more must fulfill the instructions for Full Disclosure Statement.

On file

Attach the most recent annual financial statement for the applicant, 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.

On file

MANAGEMENT AND STAFF
 (Minisatellite Wagering Facility)

Name and title of the managing officer(s) and/or general manager(s) of the business.

Name	Title
Edward C. Taylor	President of Manager-Sportech Venues CA Holdco, LLC
Tony Martinez	Restaurant Manager

ASSOCIATION CONTRACT/AGREEMENT

Name(s) of racing association(s) with whom you intend to have a contract or agreement:

Please see Exhibit A

Addresses of racing association(s):

Racing association(s) phone numbers:

Proposed contract dates: From: 2/25/14 To: 2/24/24 (inclusive).

Exhibit A
Striders Minisatellite Wagering Renewal Application

Part 1 – Minisatellite Wagering Applicant Information

Association Contract/Agreement:

Name(s) of racing associations(s) with a contract or agreement:

California Authority of Racing Fairs
1776 Tribute Road, Suite 205
Sacramento, CA 95812

Phone: (916) 927-7223

Fax: (916) 263-3341

Del Mar Thoroughbred Club
2260 Jimmy Durante Blvd
Del Mar, CA 92014

Phone: (858) 755-1141

Fax: (858) 794-1007

Los Angeles County Fair
c/o Los Alamitos Race Course
4961 Katella Avenue
Los Alamitos, CA 90720

Phone: (714) 820-2760

Fax: (714) 820-2813

Los Angeles Turf Club
285 W. Huntington Drive
Arcadia, CA 91007

Phone: (626) 574-7223

Fax: (626) 821-1514

Los Alamitos Racing Association (Thoroughbred) & Los Alamitos Quarter Horse Racing
Association
4961 Katella Avenue
Los Alamitos, CA 90720

Phone: (714) 820-2760

Fax: (714) 820-2813

Pacific Racing Association
1100 Eastshore Highway
Berkeley, CA 94710

Phone: (510) 559-7300

Fax: (510) 559-7464

Exhibit A
Striders Minisatellite Wagering Renewal Application

Page 2

Association Contract/Agreement:

Name(s) of racing associations(s) intended to have a contract or agreement:

Sonoma County Fair
1350 Bennett Valley Drive
Santa Rosa, CA 95404

Phone: (707) 545-4200

Fax: (707) 545-9342

Watch & Wager.com, LLC
1600 Exposition Road
Sacramento, CA 95815

Phone: (916) 263-3000

Fax: (916) 800-1395

Part III – Simulcast Organization Information**I Operation of the Minisatellite Wagering Facility:**

Parimutuel wagering will be offered on live race meetings conducted by:

Del Mar Thoroughbred Club, Los Angeles Turf Club, Los Angeles County Fair, Los Alamitos Racing Association, Los Alamitos Quarter Horse Racing Association, Watch and Wager.com, LLC, Pacific Racing Association, race meets conducted by CARF, and the Sonoma County Fair

Wagering will be offered on the same imports from out of state and international tracks as the California host tracks offer.

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Application for License to Operate a Minisatellite Wagering Facility
CHRB-228 (New 11/08)

Attach a certified check payable to the Treasurer of the State of California in the amount of \$500 for the nonrefundable minisatellite application fee.

CHRB CERTIFICATION

Application filed on: 1/25/19

30-day Notice Letter: 1/28/19

Fee received by: 1/25/19

Approved on:

Reviewed by: RP

License number issued:

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 contractor to attest to this application on its behalf.

Name Edward C. Taylor

Signature of Applicant Representative



Title President of Manager - Sportech Venues CA
Holdco, LLC

Date: 1/23/2019

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-228 (New 11/08)

**PART II
Striders**

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

California Authority of Racing Fairs
1776 Tribute Road, Sacramento, CA 95815

Telephone:

(916) 927-7223

Fax number:

(916) 263-3341

Racetrack name:

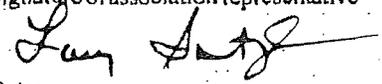
Ferndale, Fresno, Pleasanton, and Sacramento

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Larry Swartzlander

Signature of association representative



Title

Executive Director

Date:

12-20-18

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-228 (New 11/08)

PART II
Striders

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Del Mar Thoroughbred Club
2260 Jimmy Durante Blvd, Del Mar, CA 92014

Telephone:

(858) 755-1141

Fax number:

(858) 794-1007

Racetrack name:

Del Mar

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name
Josh Rubinstein

Title
President

Signature of association representative

Date: 1/2/19

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-228 (New 11/08)

PART II
Striders

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Angeles County Fair Association
1101 W. McKinley Avenue, Pomona, CA 91768

Telephone:

(909) 865-4203

Fax number:

(909) 865-2481

Racetrack name:

Los Angeles County Fair, racing at Los Alamitos Race Course

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Richard Encinas

Title

CO

Signature of association representative

[Handwritten Signature]

Date:

12/20/10

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-228 (New 11/08)

PART II
Striders

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Angeles Turf Club, Inc.
285 W. Huntington Drive, Arcadia, CA 91007

Telephone:
(626) 574-7223

Fax number:
(626) 821-1514

Racetrack name:
Santa Anita Park

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

FRANK DE MARCO, JR.

Title

Vice President

Signature of association representative

Frank De Marco, Jr.

Date:

1-16-19

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-228 (New 11/08)

PART II
Striders

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Alamitos Quarter Horse Racing Association
4961 Katella Avenue, Los Alamitos, CA 90720

Telephone:

(714) 820-2800

Fax number:

Racetrack name:

Los Alamitos

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Richard ENGLISH

Title

CFO

Signature of association representative

[Handwritten Signature]

Date:

12/10/18

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-228 (New 11/08)

**PART II
Striders**

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Alamitos Racing Association
4961 Katella Avenue, Los Alamitos, CA 90720

Telephone:
(714) 820-2800

Fax number:

Racetrack name:
Los Alamitos

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

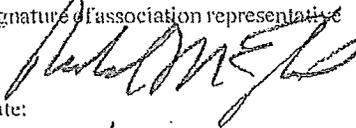
Name

Richard English

Title

CFO

Signature of association representative



Date:

12/20/14

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering
Facility C11RB-228 (New 11/08)

**PART II
Striders**

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Pacific Racing Association
1100 Eastshore Highway, Albany, CA 94706

Telephone:
(510) 559-7300

Fax number:
(510) 559-7465

Racetrack name:
Golden Gate Fields

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

FRANK DE MARCO, JR

Title

VP- Regulatory Affairs

Signature of association representative

Frank De Marco, Jr

Date:

1-16-19

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-228 (New 11/08)

**PART II
Striders**

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Sonoma County Fair & Exposition, Inc.
1350 Bennett Valley Road, Santa Rosa, CA 95404

Telephone:

(707) 545-4200

Fax number:

(707) 573-9342

Racetrack name:

Santa Rosa Racetrack - Sonoma County Fair

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Rebecca Bartling

Signature of association representative



Title

CEO

Date:

12/20/18

San Diego

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-228 (New 1/1/08)

**PART II
Striders**

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Watch and Wager.com LLC
20 California Street, 7th Floor, San Francisco, CA 94111

Telephone:

(916) 800-1390

Fax number

(916) 800-1395

Racetrack name:

California State Fair & Exposition - Cal Expo Harness

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Ben Kenney

Signature of association representative



Title

CFO

Date:

12-20-10

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-228 (New 11/08)

**PART III
 SIMULCAST ORGANIZATION INFORMATION**

To be completed by approved simulcast organization that has executed an agreement approved by the CHRB with the association conducting a racing meeting with the minisatellite wagering facility pursuant to Business and Professions Code sections 19605.25 and 19605.3.

I. OPERATION OF THE MINISATELLITE WAGERING FACILITY

Simulcast organization engaged by the association to conduct simulcast wagering: Scotwinc

Attach the agreement between the association and simulcast organization permitting the minisatellite wagering facility to use the association's live audiovisual signal for wagering purposes and providing access to it's totalizator for the purpose of combining on-track and off-track pari-mutuel pools. ON FILE

Submit a copy of each horsemen's written approvals. Please see Exhibit III-A

Hours for operation of the facility: 10 am to 5pm weekdays, 10 am to 10 pm Friday and Saturday

Hours for operation of the minisatellite wagering site: Wednesday through Sunday plus Holidays - hours vary

Time periods during the calendar year the facility **will not** be utilized as a minisatellite wagering facility (explain why): NONE

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

Please see Exhibit A		

List the host track from which the minisatellite wagering facility proposes to import out-of-state and/or out-of-country 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": Please see Exhibit A

Estimated number of pari-mutuel terminals machines available: Seventeen (17)

Attach a proposed staffing plan for the facility and/or minisatellite wagering site, to include the number of security personnel and the number of pari-mutuel clerks pursuant to Business and Professions Code section 19605.25 (5) (b). The host track pari-mutuel manager will determine the number of mutuel employees based on projected handle and attendance. On most days, one mutuel emplo yee will be assigned, with more as needed. At least one security officer will be present at all times.

II. SUPERVISION, SECURITY AND FIRE PREVENTION

Changes to management personnel and minisatellite manager(s)
 must be immediately reported to the Board.

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

Name and Title	CHRB License No. and Expiration Date
George Haines	068136-6/2020

Exhibit III-A

Date: 1/3/2019

Mr. Rick Pimentel
Associate Governmental Program Analyst
California Horse Racing Board
1010 Hurley Way, Suite #300
Sacramento, CA 95825

RE: Striders Minisatellite Facility Renewal

Dear Mr. Pimentel;

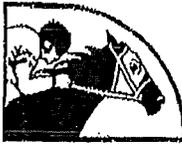
The California Harness Horsemen's Association approves the renewal of licensing by the California Horse Racing Board of the Striders Sports Bar, Grill and Race Lounge minisatellite.

Sincerely,



David Neumeister
President

xc: Rick Baedeker, CHRB Executive Director
George Haines, SCOTWINC General Manager



Pacific Coast Quarter Horse Racing Association

January 3, 2019

Mr. Rick Pimentel
Associate Governmental Program Analyst
California Horse Racing Board
1010 Hurley Way, Suite #300
Sacramento, CA 95825

RE: Striders Minisatellite Facility Renewal

Dear Mr. Pimentel,

The Pacific Coast Quarter Horse Racing Association approves the renewal of licensing by the California Horse Racing Board of Striders Sport Bar, Grill & Racing Lounge minisatellite.

Sincerely,

A handwritten signature in black ink, appearing to read "Dominic Alessio". The signature is fluid and cursive, written over a light background.

Dominic Alessio
President

xc: Rick Baedeker, CHRB Executive Director
George Haines, SCOTWINC General Manager



January 2, 2019

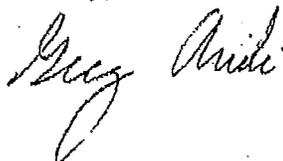
Mr. Rick Pimentel
Associate Governmental Program Analyst
California Horse Racing Board
1010 Hurley Way, Suite #300
Sacramento, CA 95825

RE: Striders Minisatellite Facility Renewal

Dear Mr. Pimentel,

The Thoroughbred Owners of California approves the renewal of licensing by the California Horse Racing Board of Striders Sport Bar, Grill & Race Lounge minisatellite.

Sincerely,



Greg Avioli
President & CEO

xc: Rick Baedeker, CHRB Executive Director
George Haines, SCOTWINC General Manager

State of California
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 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-228 (New I/08)

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):

Please see Exhibit III-C

Attach a fire clearance from the fire authority having jurisdiction. Please see Exhibit III-D

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. Tony Martineau, General Manager, has responsibility for security controls. He can be

reached at (619) 363-7166. The San Diego Police Department has jurisdiction for criminal law enforcement over the premises. A minimum of one security officer will ensure that the wagering area will be restricted to patrons 21 years and over.

Is there a backup emergency plan for power failure? Yes No

If yes, describe.

III. MINISATELLITE WAGERING SITE

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 minisatellite wagering site. Identify how the designated minisatellite wagering area will be restricted to patrons 21 years and over. Attach photos of the minisatellite wagering site. Photos and scale plan on file with CHRB. A security officer will ensure that the wagering area will be restricted to patrons 21 years and over.

NOTICE TO APPLICANT. Pursuant to Business and Professions Code section 19605.25(a)(4) wagers placed at a minisatellite site must be in an area that is restricted to those who are 21 years of age or older.

IV. FACILITY DESCRIPTION

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; or other description as appropriate): Full service bar and restaurant menu

The seating capacity in the minisatellite wagering facility is: 220	The number of tables in the minisatellite wagering area is: 50-65
---	---

Overall square footage in the minisatellite wagering area is: 3,581 square feet

Attach a photograph of the minisatellite wagering area. Photo on file.

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

None

The total number of parking spaces available in the parking areas can accommodate (number of standard sized automobiles): 30 Underground, 200 in the public parking lot

Describe any other activities to be scheduled on or near the facility premises that may have a negative impact on available parking: None

V. EQUIPMENT PROVIDED BY THE MINISATELLITE WAGERING FACILITY

Describe the television equipment (satellite receivers, decoders, controls, monitors, etc.) to be utilized at the facility: 150 HD TV monitors - RCN/Dish Network provide the satellite reception service.

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

Hand-held microphone input at the A/V rack, audio through TVs and ceiling speakers



CALIOFF-02

PRZEMIELEWSKIS

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/27/2019

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 have ADDITIONAL INSURED provisions or 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 License # 0E67768 IOA Insurance Services 3875 Hopyard Road Suite 200 Pleasanton, CA 94588	CONTACT NAME: Sara Przemielewski PHONE (A/C, No, Ext): (925) 680-3631 FAX (A/C, No): E-MAIL ADDRESS: Sara.Przemielewski@ioausa.com
	INSURER(S) AFFORDING COVERAGE INSURER A: California Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
INSURED California Off Track Wagering, Inc. C/O DMTC P.O. BOX 700 Del Mar, CA 92014	

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"/> PRO JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ex occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$ COMBINED SINGLE LIMIT (Ex accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> Hired AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						EACH OCCURRENCE \$ AGGREGATE \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						\$ \$ \$
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	020576870102	06/30/2018	06/30/2019	<input checked="" type="checkbox"/> PER STATE <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)
 Proof of coverage: Southern California Off Track Wagering
 Northern California Off Track Wagering

CERTIFICATE HOLDER

CANCELLATION

Striders 100 Harbor Drive San Diego, CA 92101	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
---	---

7-24 City of San Diego Fire-Rescue Department

1010 Second Ave
San Diego, CA 92101
619-533-4400

Exhibit III-D

The City of
SAN DIEGO

January 3, 2019

Attn: HENRY GOODWIN
HARBOR CLUB WEST
100 HARBOR DR #
SAN DIEGO, CA 92101-6757

Property Address:
HARBOR CLUB WEST
100 HARBOR DR
SAN DIEGO, CA 92101-6757

Re: Re-inspection - High Rise - Apts. / Condos on January 03 2019

The inspection has been completed and no Fire/Building Code violations were found. You will receive an invoice for this inspection within thirty days.

The City of San Diego Fire Department would like to thank you for making fire and life safety a priority in your place of business.

Inspection Notes:

.....
NEXT INSPECTION 12-19-18 AT 1:00
.....

Inspector:



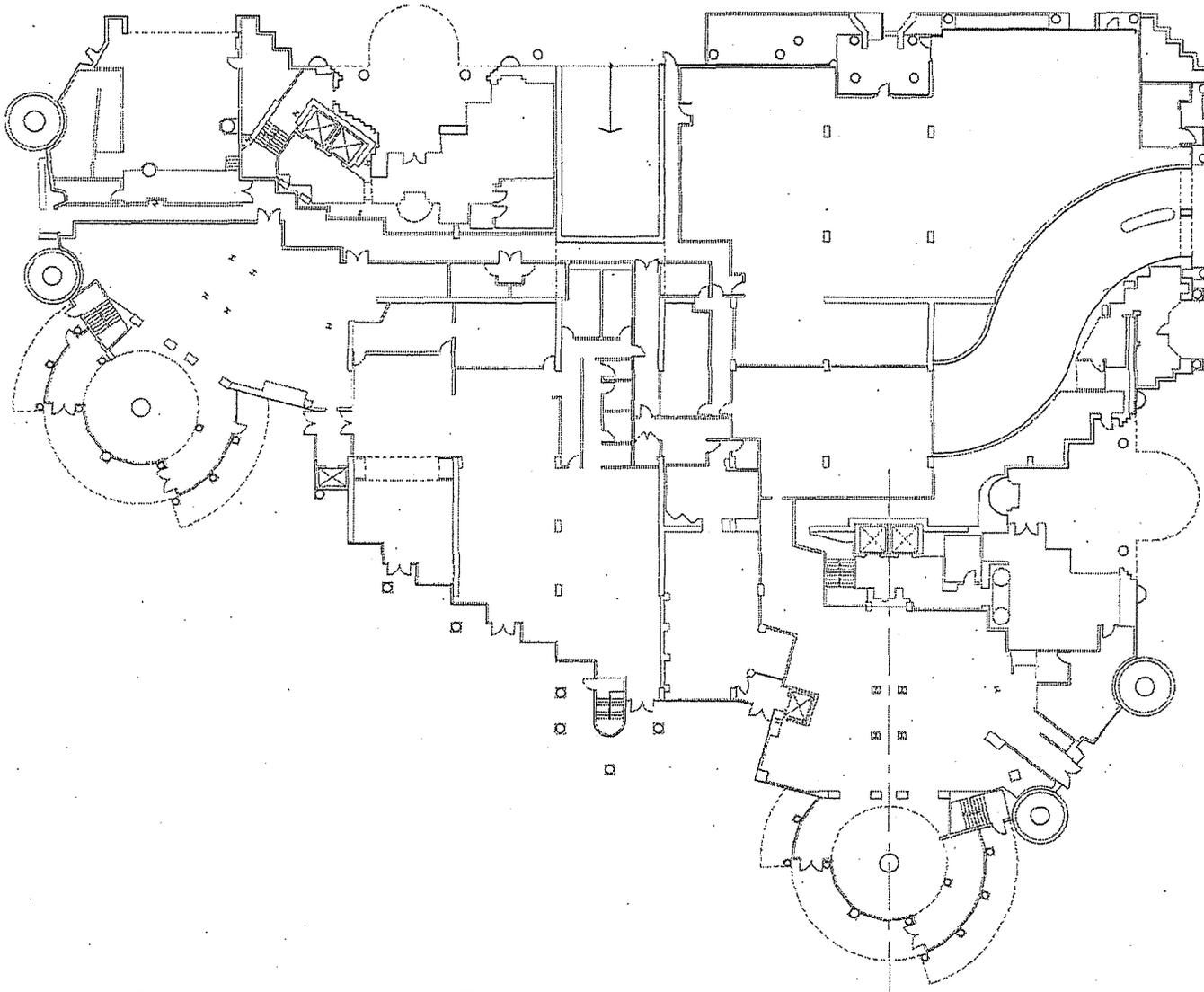
Nick Ramirez

ramirez@san-diego.gov

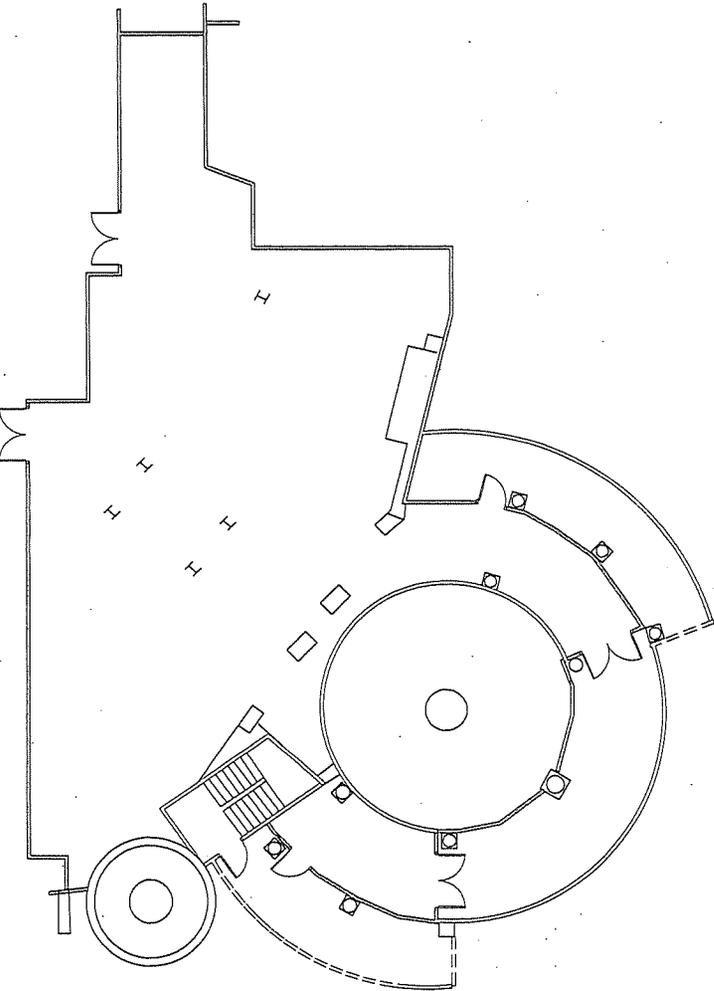
Property Representative:



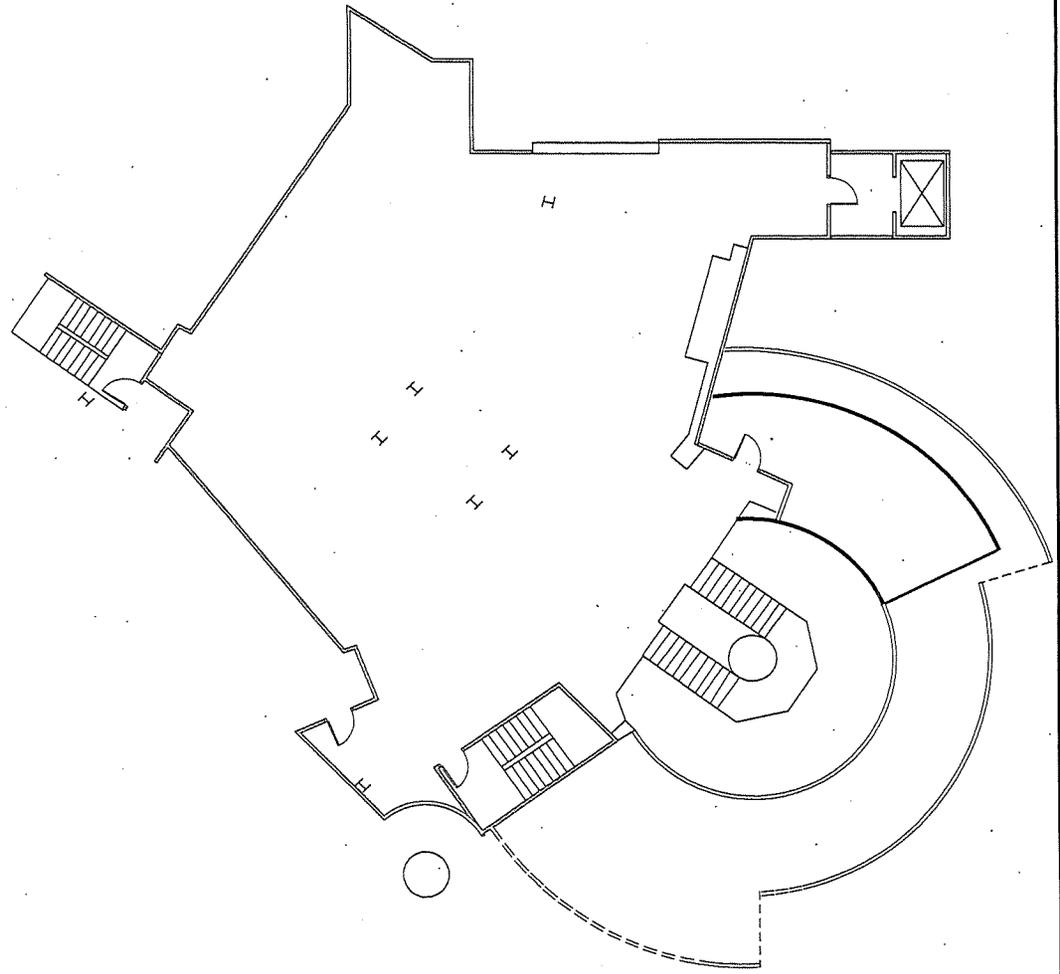
HENRY GOODWIN



Revision:	A	Project:	Harbor 100	Client:	Sportech	Drawn by:	Lance Ku	Changes:	Sheet:
Date:	Dec. 8, 2013	Project:	SVC_Harbor 100	Address:	4961 Katella Ave. Los Alamitos, CA 90270	Contact:	lance.ku@sportech.net Mobile: (310) 200-9666		1 of
Title:			OG FLOOR PLAN						

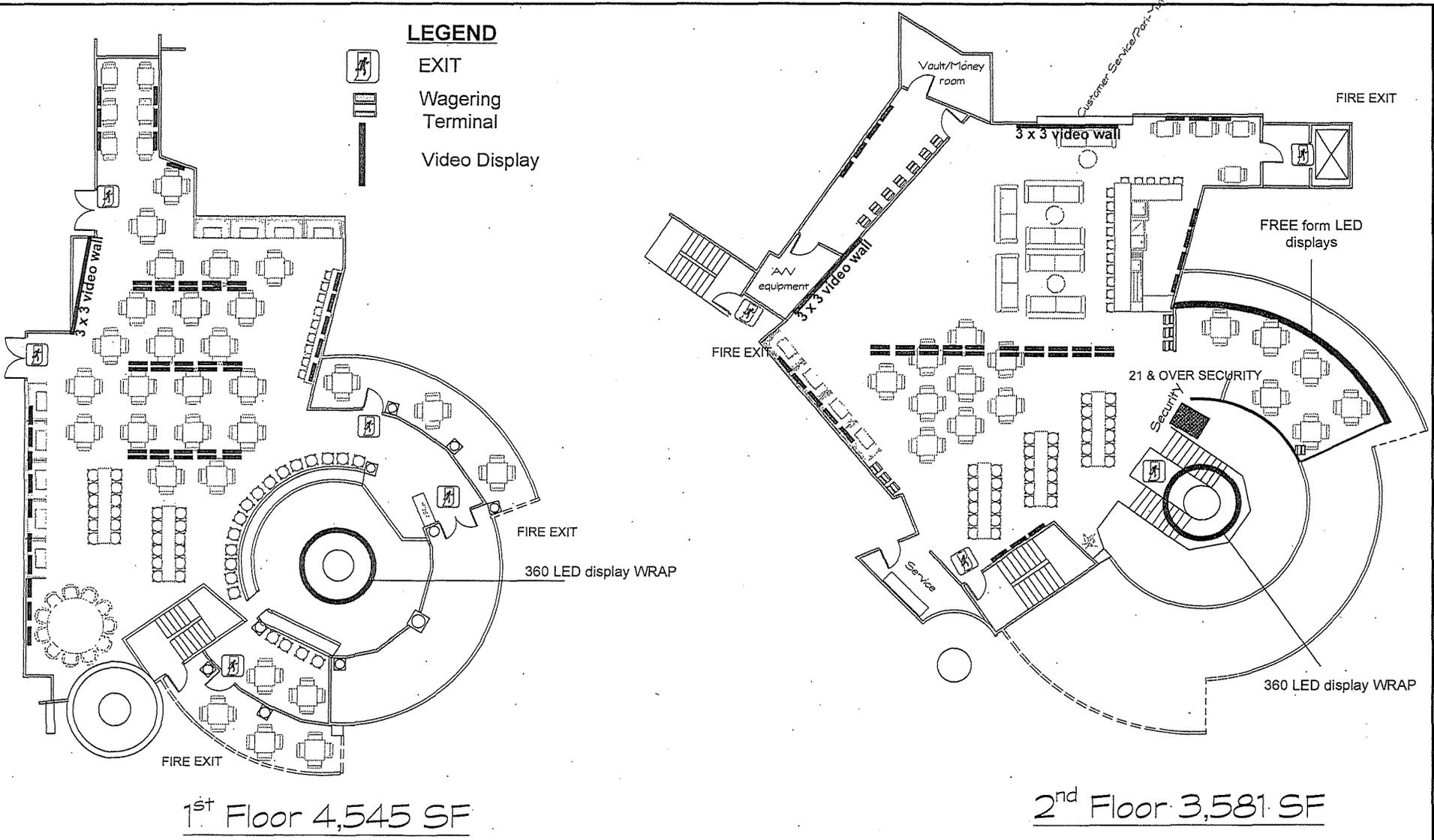


1st Floor 4,545 SF

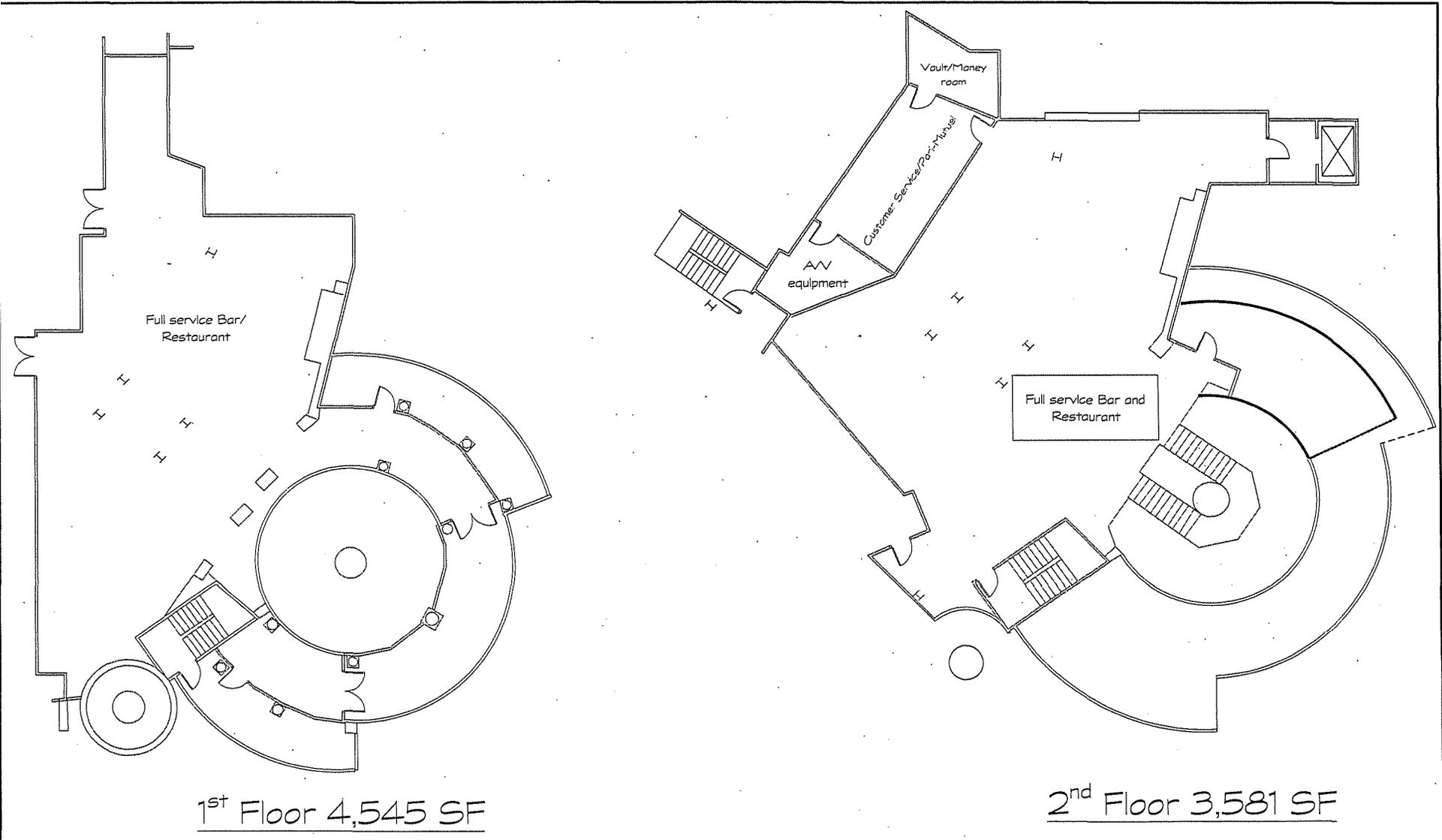


2nd Floor 3,581 SF

Revision:	A	Harbor 100	PROJECT	Sportech	Drawing by:	Lance Ku	Changes:	Sheet:
	Dec, 8, 2013	Working Structure	SVC_Harbor 100	4961 Katella Ave. Los Alamitos, CA 90270		lance.ku@sportech.net Mobile: (310) 200-9666		1 of
Scale:			<<address>>					



Revision: A	Harbor 100	PROJECT	Sportech 4961 Katella Ave. Los Alamitos, CA 90270	Drawing by: Lance Ku	Changes:	Sheet:
Dec. 8, 2013	Concept_v2	SVC_Harbor 100		lance.ku@sportech.net		



Revision:	A	PROJECT	SVC_Harbor 100	Drawing by:	Lance Ku	Changes:	Sheet:
Scale:	Dec. 8, 2013		<<address>>		lance.ku@sportech.net		2 of 2
	Harbor 100	Sportech	4961 Katella Ave. Los Alamitos, CA 90270		Mobile: (310) 200-9666		
	Building Division						



The frontage of our location from the trolley stop and convention center (outlined in red).



200 space car park behind our location (\$5 & \$8 all day parking)



Current interior of our Location (Ground floor – restaurant, bar and kitchen).



Current interior of our Location (1st Floor – bar and main floor to be converted into wagering area).

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB--228 (New 11/08)

VI. ADVERTISING AND PATRON DEVELOPMENT

Describe any advertising or promotional plans: Special sports-related specials and contests; promotions advertised via website and social media

Describe any improvements to the facility that will directly benefit minisatellite wagering:

None

NOTICE TO APPLICANT: Pursuant to Board Rule 2466 all advertisement shall contain a statement that persons under 21 are not allowed to participate in minisatellite wagering. All advertisement shall contain contact information for a recognized problem-gambling support organization.

VII. ADMISSIONS, CHARGES AND SERVICE FEES

Complete if applicable and note N/A if not

Admissions charges, if any, are:	None
Parking charges, if any, are:	Various nearby parking lots charge \$5 to \$8 for all day parking
Program charges, if any, are:	Retail price determined by host race track
Seating charges, if any, are:	None with minimum food & beverage purchase

VIII. RENEWAL

Complete this section only if renewing your license.

Is this a renewal application: Yes No

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

Have any changes occurred affecting ownership or controlling interest in your business structure or establishment since your last application? Yes No Please refer to Exhibit VIII-B

If you have answered, "Yes", to any of the questions above please attach a detailed statement describing the change. Sportech Venues CA Holdco LLC ownership change, refer to Exhibit VIII-B

How many years have you been an approved minisatellite wagering facility?
 Striders was approved by the CHRB on 4/25/14 and opened 10/30/15.

AGREEMENTS

Attach copies of all applicable county, city or agency agreements that may affect the minisatellite wagering facility.
 Please see Exhibit VIII

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 minisatellite wagering facility for a period of two years per Business and Professions Code section 19605.25(h).

Notice is 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 regulations of the Board.

Notice is 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, or approved contractor.

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-228 (New 11/08)

Notice is 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, or approved contractor.

DECLARATIONS

All labor agreements, concession contracts, service contracts, horsemen's agreements, lease agreements, agreements with the simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility, lease or rental agreement with the facility landlord and all applicable county, city or agency agreements that may affect the minisatellite wagering facility have been finalized except as follows (if there are no exceptions, so state): No exceptions

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

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): No exceptions.

By authority of Article 9.2, Chapter 4, of the Business and Professions Code; and the Federal Indian Gaming Act; to allow an evaluation of the competence, integrity, and character of potential simulcast facility operators, any person, corporation, trust, association, partnership, joint venture, or management firm who submits an application for such license 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 Business and Professions 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 of minisatellite facility applicant representative:

Edward Taylor

Date: 01/23/2019

Signature of minisatellite facility representative:



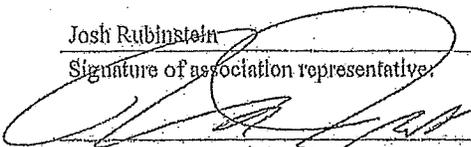
Date: 01/23/2019

Print name of association representative:

Josh Rubinstein

Date:

Signature of association representative:



Date: 1/22/19

Print name of simulcast organization representative:

George Haines

Date:

Signature of simulcast organization representative:



Date: 1/23/19

STAFF ANALYSIS

February 21, 2019

Issue: APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY BY CNR ENTERPRISES, INC. DBA FIREHOUSE BAR AND RESTAURANT, IN BAKERSFIELD, CALIFORNIA, FOR A PERIOD OF UP TO FIVE YEARS.

CNR Enterprises, Inc. dba Firehouse Bar and Restaurant (Firehouse) filed an application for renewal of its license to operate a minisatellite wagering site in its Firehouse Restaurant in Bakersfield. Southern California Off Track Wagering Incorporated (SCOTWINC) has acted as the coordinator during the application process. Firehouse is currently licensed through April 24, 2019.

- Firehouse is a restaurant located in Bakersfield, California. The wagering site is in the southern zone.

Business and Professions Code section 19605.25(a)(1) provides that no minisatellite may be 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.

- SCOTWINC has indicated there is no racetrack, satellite wagering facility, or tribal casino that has a satellite wagering facility located within 20 miles of the applicant.
- Firehouse has contracts/agreement with the following racing associations:

California Authority of Racing Fairs
 Del Mar Thoroughbred Club
 Los Angeles County Fair Association
 Los Angeles Turf Club
 Los Alamitos Racing Association
 Los Alamitos Quarter Horse Racing Association
 Pacific Racing Association
 Sonoma County Fair & Exposition, Inc.
 Watch and Wager.com LLC

- The simulcast organization engaged by the contracted association(s) to conduct simulcast wagering is SCOTWINC.
- Applicant proposes to operate the minisatellite wagering site Wednesday through Sunday plus Holidays, 10:00 a.m. to end of racing.
- Estimated number of pari-mutuel terminals machines available: 19. Seating capacity in the minisatellite wagering facility is 150. The number of tables in the minisatellite

wagering area is 45. The overall square footage is 2,900. There are 45 flat screen monitors. RCN/Dish Network provides the satellite reception service.

- Staffing: The host track pari-mutuel manager will determine the number of mutuel employees based upon projected handle and attendance. On most days, one mutuel employee will be assigned, with more as needed. At least one security officer will be present at all times.

Specific information **still needed** to complete this application include:

1. Fire clearance.
2. \$500 application fee.
3. Financials.
4. Wet signature of applicant in Part I of application.
5. Wet signature from DMTC in Part II of application.
6. Wet signature of minisatellite facility applicant in Part III of application.

Specific information that will need **updating** during the proposed approval period:

1. Workers' compensation insurance [expires June 30, 2019].

RECOMMENDATION:

Staff recommends that the application not be heard at the February 21, 2019 Regular Board meeting.

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-88 (New 11/08)

Application is hereby made to the California Horse Racing Board (CHRB/Board) for a license to operate a minisatellite wagering facility in connection with a horseracing meeting and/or parimutuel wagering in accordance with the Business and Professions Code, Chapter 4, Division 8 (Horse Racing Law) and the California Code of Regulations, Title 4, Division 4 (Rules and Regulations of the California Horse Racing Board).

Part I: To be completed by applicant seeking to operate a minisatellite wagering facility pursuant to Business and Professions Code section 19605.25.

Part II: To be completed by association(s) that has/have reached an agreement with the applicant to conduct minisatellite wagering.

Part III: To be completed by simulcast organization that has reached an agreement to provide services necessary for the conduct of minisatellite wagering pursuant to Business and Professions Code sections 19605.25 & 19605.3.

PART I
MINISATELLITE WAGERING APPLICANT INFORMATION

APPLICANT INFORMATION

Name of applicant:			
The applicant is:		<input type="checkbox"/> Card Room/Gambling Establishment <input checked="" type="checkbox"/> Restaurant/Bar <input type="checkbox"/> Other Business Entity	
<input type="checkbox"/> Racing Association <input type="checkbox"/> Fair <input type="checkbox"/> Federally Recognized Indian Tribe			
Facility street address: THE FIREHOUSE BAR & RESTAURANT, 7701 WHITE LANE			
Mailing address (if different from above):			
E-mail address: RUSS@FIREHOUSEEATS.COM			
City: BAKERSFIELD	State: CALIFORNIA	Zip Code: 93309	
Phone: 661-831-4688	Fax: 661-835-0805	Website:	
County: Kern		Zone Location: North <input checked="" type="checkbox"/> South <input type="checkbox"/> Central <input type="checkbox"/> (To be completed by CHRB staff)	

CONTACT PERSON
 (Authorized Representative)

Name and title of the contact person: RUSS JOHNSON		
Business street address: CNR ENTERPRISES INC., 7701 WHITE LANE		
Mailing address (if different from above):		
City: BAKERSFIELD	State: CA	Zip Code: 93309
County: Kern		
Phone: 661-831-4688	E-mail: AS ABOVE	Fax: 661-835-0805

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-88 (New 11/08)

Dates during which the applicant proposes to operate as a minisatellite wagering facility:

5 YEAR MINI-SATELLITE LICENSE.

NOTICE TO APPLICANT: If approved for license, the term of license shall not exceed two years pursuant to Business and Professions Code section 19605.25 (h).

Have you previously operated a licensed gaming operation in California or another state? Yes No.

Do you currently operate a licensed gaming operation in California or another state? Yes No.

If yes to either question above, provide the following:

Valid licensure period: Begin Date: **April 2014** End Date: **April 24th 2019**

Facility name and address: **The Firehouse, Restaurant and Bar**

City: **Bakersfield**

State: **California**

Zip Code: **93309**

County: **Kern**

Zone Location:

North South Central

(To be completed by CHRB staff)

Have you had a gaming operation license that has been revoked or suspended. Yes No.

If yes, provide the following if different from above:

Facility name and address:

City:

State:

Zip Code:

Racing Jurisdiction:

BUSINESS STRUCTURE

Corporation

Public

Private

Sub-S

Sub-C

Limited Partnership

Limited Liability Company

Partnership & Joint Venture

Sole Proprietorship

Other

If you have listed your company as other please identify your company structure:

Registered Business Name: **CNR ENTERPRISES INC**

Fictitious Business Name: **FIREHOUSE BAR & RESTAURANT**

Address: **7701 WHITE LANE**

E-mail Address: **Russ@firehouseeats.com**

City: **BAKERSFIELD**

State: **CA**

Zip Code: **93309**

Phone: **661-831-4688**

Fax: **N/A**

State where registered or
 Articles of Organization are filed: **CALIFORNIA**

Registry or File number: **77-0232541**

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-88 (New 11/08)

Name of all officers, directors, and managers. For officers, directors, and managers that have no ownership, enter "0%" in the ownership column. For members of a Limited Liability Company, list membership interest in ownership column. For partners, following the individual's name indicate whether general or limited partners. (true names)

Entity/Individual Name and Title	Entity's Business Address/ Individual's Address of Record	Ownership% (if any)	Compensation Agreement
RUSS JOHNSON, CEO	CNR ENTERPRISES IN	90%	
CYNTHIA BLANCHARD-WOLFE	CNR ENTERPRISES IN	10%	

Are shares listed for public trade?
 Yes No If yes on what stock exchange? N/A

If more than 50 percent 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.
All entities that own 5 percent or more must fulfill the instructions for Full Disclosure Statement.

Attach the most recent annual financial statement for the applicant, 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.

MANAGEMENT AND STAFF
 (Minisatellite Wagering Facility)

Name and title of the managing officer(s) and/or general manager(s) of the business.

Name	Title
RUSS JOHNSON	CEO
FRANK PEREZ	GENERAL MANAGER

ASSOCIATION CONTRACT/AGREEMENT

Name(s) of racing association(s) with whom you intend to have a contract or agreement:
FULL SIMULCAST SCHEDULE AS PERSUANT TO NCOTWINC (SEE PART II)

Addresses of racing association(s):

Racing association(s) phone numbers:

Proposed contract dates: From: To: (inclusive).

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

Attach a certified check payable to the Treasurer of the State of California in the amount of \$500 for the nonrefundable minisatellite application fee.

CHRB CERTIFICATION

Application filed on: 1/18/19	30-day Notice Letter: 1/28/19
Fee received by:	Approved on:
Reviewed by: <i>[Signature]</i>	License number issued:

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 contractor to attest to this application on its behalf.

Name: RUSS JOHNSON	Signature of Applicant Representative <i>[Signature]</i>
Title: CEO, CNR ENTERPRISES INC	Date: 12/17/18

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II

Firehouse Restaurant

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

California Authority of Racing Fairs
1776 Tribute Road, Sacramento, CA 95815

Telephone:

(916) 927-7223

Fax number:

(916) 263-3341

Racetrack name:

Ferndale, Fresno, Pleasanton, and Sacramento

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

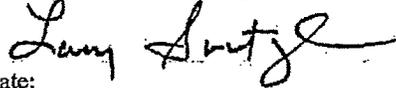
Name

Larry Swartzlander

Title

Executive Director

Signature of association representative



Date:

12-20-18

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II
Firehouse Restaurant
CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:
Del Mar Thoroughbred Club
2260 Jimmy Durante Blvd, Del Mar, CA 92014

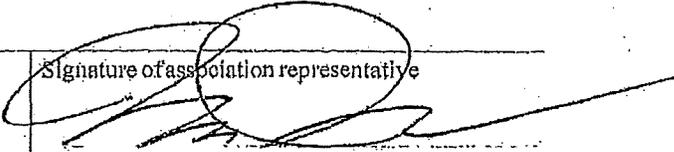
Telephone: (858) 755-1141 Fax number: (858) 794-1007

Racetrack name:
Del Mar

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name
Josh Rubinstein

Title
President

Signature of association representative

Date: 1/2/19

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II
Firehouse Restaurant
CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Angeles County Fair Association
1101 W. McKinley Avenue, Pomona, CA 91768

Telephone:
(909) 865-4203

Fax number:
(909) 865-2481

Racetrack name:

Los Angeles County Fair, racing at Los Alamitos Race Course

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Richard Encinas

Title

CFO

Signature of association representative

Richard Encinas

Date:

12/20/10

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II
Firehouse Restaurant
CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Angeles Turf Club, Inc.
285 W. Huntington Drive, Arcadia, CA 91007

Telephone:

(626) 574-7223

Fax number:

(626) 821-1514

Racetrack name:

Santa Anita Park

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

FRANK DE MARCO JR.

Name

Signature of association representative

Title

VP- Regulatory Affairs

Date:

1-16-19

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II
Firehouse Restaurant
CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Alamitos Racing Association
4961 Katella Avenue, Los Alamitos, CA 90720

Telephone:

(714) 820-2800

Fax number:

Racetrack name:

Los Alamitos

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Richard English

Signature of association representative



Title

CFO

Date:

12/20/10

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II
Firehouse Restaurant
CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Alamitos Quarter Horse Racing Association
4961 Katella Avenue, Los Alamitos, CA 90720

Telephone:

(714) 820-2800

Fax number:

Racetrack name:

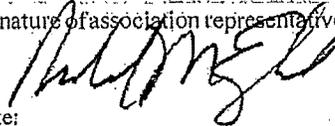
Los Alamitos

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Richard ENGLISH

Signature of association representative



Title

CFO

Date:

12/20/18

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II
Firehouse Restaurant
CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Pacific Racing Association
1100 Eastshore Highway, Albany, CA 94706

Telephone:
(510) 559-7300

Fax number:
(510) 559-7465

Racetrack name:
Golden Gate Fields

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

FRANK DEMARCO, JR.

Title

VP - Regulatory Affairs

Signature of association representative

Frank De Marco

Date:

1-16-19

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CIRB-88 (New 11/08)

PART II
Firehouse Restaurant
CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Sonoma County Fair & Exposition, Inc.
1350 Bennett Valley Road, Santa Rosa, CA 95404

Telephone:

(707) 545-4200

Fax number:

(707) 573-9342

Racetrack name:

Santa Rosa Racetrack - Sonoma County Fair

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Rebecca Barling

Title

CEO

Signature of association representative



Date:

12/20/18

Bakersfield

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II**Firehouse****CONTRACTED ASSOCIATION INFORMATION**

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Watch and Wager.com LLC
20 California Street, 7th Floor, San Francisco, CA 94111

Telephone:

(916) 800-1390

Fax number:

(916) 800-1395

Racetrack name:

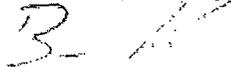
California State Fair & Exposition - Cal Expo Harness

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Ben Kenney

Signature of association representative



Title

CFO

Date:

12-28-13

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-228 (New 11/08)

**PART III
 SIMULCAST ORGANIZATION INFORMATION**

To be completed by approved simulcast organization that has executed an agreement approved by the CHRB with the association conducting a racing meeting with the minisatellite wagering facility pursuant to Business and Professions Code sections 19605.25 and 19605.3.

I. OPERATION OF THE MINISATELLITE WAGERING FACILITY

Simulcast organization engaged by the association to conduct simulcast wagering: SCOTWINC

Attach the agreement between the association and simulcast organization permitting the minisatellite wagering facility to use the association's live audiovisual signal for wagering purposes and providing access to it's totalizator for the purpose of combining on-track and off-track pari-mutuel pools. On file

Submit a copy of each horsemen's written approvals. Attached

Hours for operation of the facility: 10 am to 2 am daily

Hours for operation of the minisatellite wagering site: Wednesday through Sunday plus Holidays, 10 am to end of racing.

Time periods during the calendar year the facility will not be utilized as a minisatellite wagering facility (explain why): None

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

Exhibit A		
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List the host track from which the minisatellite wagering facility proposes to import out-of-state and/or out-of-country 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": Exhibit A

Estimated number of pari-mutuel terminals machines available: 19

Attach a proposed staffing plan for the facility and/or minisatellite wagering site, to include the number of security personnel and the number of pari-mutuel clerks pursuant to Business and Professions Code section 19605.25 (5)(b). The host track pari-mutuel manager will determine the number of mutuel employees based upon projected handle and attendance. On most days, one mutuel employee will be assigned, with more as needed. At least one security officer will be present at all times.

II. SUPERVISION, SECURITY AND FIRE PREVENTION

Changes to management personnel and minisatellite manager(s)
 must be immediately reported to the Board.

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

Name and Title	CHRB License No. and Expiration Date
George Haines	068136 - 6/2020



December 20, 2018

Ms. Mary Rosenbauer
Regulations Analyst
California Horse Racing Board
1010 Hurlley Way, Suite #300
Sacramento, CA 95825

RE: Firehouse Restaurant Minisatellite Facility Renewal

Dear Ms. Rosenbauer,

The Thoroughbred Owners of California approves the renewal of licensing by the California Horse Racing Board of the Firehouse Restaurant minisatellite.

Sincerely,

Greg Avioli
President

xc: Rick Baedeker, CHRB Executive Director
George Haines, SCOTWINC General Manager



Pacific Coast Quarter Horse Racing Association

December 21, 2018

Ms. Mary Rosenbauer
Regulations Analyst
California Horse Racing Board
1010 Hurley Way, Suite #300
Sacramento, CA 95825

RE: Firehouse Restaurant Minisatellite Facility Renewal

Dear Ms. Rosenbauer,

The Pacific Coast Quarter Horse Racing Association approves the renewal of licensing by the California Horse Racing Board of the Firehouse Restaurant minisatellite.

Sincerely,

Dominic Alessio
President

xc: Rick Baedeker, CHRB Executive Director
George Haines, SCOTWINC General Manager

Date: 1/3/2019

Mr. Rick Pimentel
Associate Governmental Program Analyst
California Horse Racing Board
1010 Hurley Way, Suite #300
Sacramento, CA 95825

RE: Firehouse Minisatellite Facility Renewal

Dear Mr. Pimentel;

The California Harness Horsemen's Association approves the renewal of licensing by the California Horse Racing Board of the Firehouse Restaurant minisatellite.

Sincerely,



David Neumeister
President

xc: Rick Baedeker, CHRB Executive Director
George Haines, SCOTWINC General Manager

Exhibit A
Firehouse Minisatellite Wagering Renewal Application

Part 1 – Minisatellite Wagering Applicant Information

Association Contract/Agreement:

Name(s) of racing associations(s) with a contract or agreement:

California Authority of Racing Fairs
1776 Tribute Road, Suite 205
Sacramento, CA 95812

Phone: (916) 927-7223

Fax: (916) 263-3341

Del Mar Thoroughbred Club
2260 Jimmy Durante Blvd
Del Mar, CA 92014

Phone: (858) 755-1141

Fax: (858) 794-1007

Los Angeles County Fair
c/o Los Alamitos Race Course
4961 Katella Avenue
Los Alamitos, CA 90720

Phone: (714) 820-2760

Fax: (714) 820-2813

Los Angeles Turf Club
285 W. Huntington Drive
Arcadia, CA 91007

Phone: (626) 574-7223

Fax: (626) 821-1514

Los Alamitos Racing Association (Thoroughbred) & Los Alamitos Quarter Horse Racing
Association
4961 Katella Avenue
Los Alamitos, CA 90720

Phone: (714) 820-2760

Fax: (714) 820-2813

Pacific Racing Association
1100 Eastshore Highway
Berkeley, CA 94710

Phone: (510) 559-7300

Fax: (510) 559-7464

Exhibit A
Firehouse Minisatellite Wagering Renewal Application

Page 2

Association Contract/Agreement:

Name(s) of racing associations(s) intended to have a contract or agreement:

Sonoma County Fair
1350 Bennett Valley Drive
Santa Rosa, CA 95404

Phone: (707) 545-4200

Fax: (707) 545-9342

Watch & Wager.com, LLC
1600 Exposition Road
Sacramento, CA 95815

Phone: (916) 263-3000

Fax: (916) 800-1395

Part III – Simulcast Organization Information

I Operation of the Minisatellite Wagering Facility:

Parimutuel wagering will be offered on live race meetings conducted by:

Del Mar Thoroughbred Club, Los Angeles Turf Club, Los Angeles County Fair, Los Alamitos Racing Association, Los Alamitos Quarter Horse Racing Association, Watch and Wager.com, LLC, Pacific Racing Association, race meets conducted by CARF, and the Sonoma County Fair

Wagering will be offered on the same imports from out of state and international tracks as the California host tracks offer.

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-228 (New 11/08)

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):

Attached

Attach a fire clearance from the fire authority having jurisdiction. Attached

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. Russ Johnson, CEO, has responsibility for security controls. He can be reached at (661) 213-6286. The Bakersfield Police Department has jurisdiction for criminal law enforcement over the premises of the facility. A minimum of one security guard will be present on days when the minisatellite wagering facility is open.

Is there a backup emergency plan for power failure? Yes No

If yes, describe.

III. MINISATELLITE WAGERING SITE

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 minisatellite wagering site. Identify how the designated minisatellite wagering area will be restricted to patrons 21 years and over. Attach photos of the minisatellite wagering site. Scale plan on file with CHRB. A security guard ensures that attendance in the wagering area is restricted to patrons 21 years and over.

NOTICE TO APPLICANT. Pursuant to Business and Professions Code section 19605.25(a) (4) wagers placed at a minisatellite site must be in an area that is restricted to those who are 21 years of age or older.

IV. FACILITY DESCRIPTION

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; or other description as appropriate): Full service bar and restaurant menu

The seating capacity in the minisatellite wagering facility is: 150

The number of tables in the minisatellite wagering area is: 45

Overall square footage in the minisatellite wagering area is: 2,900 square feet

Attach a photograph of the minisatellite wagering area. On file

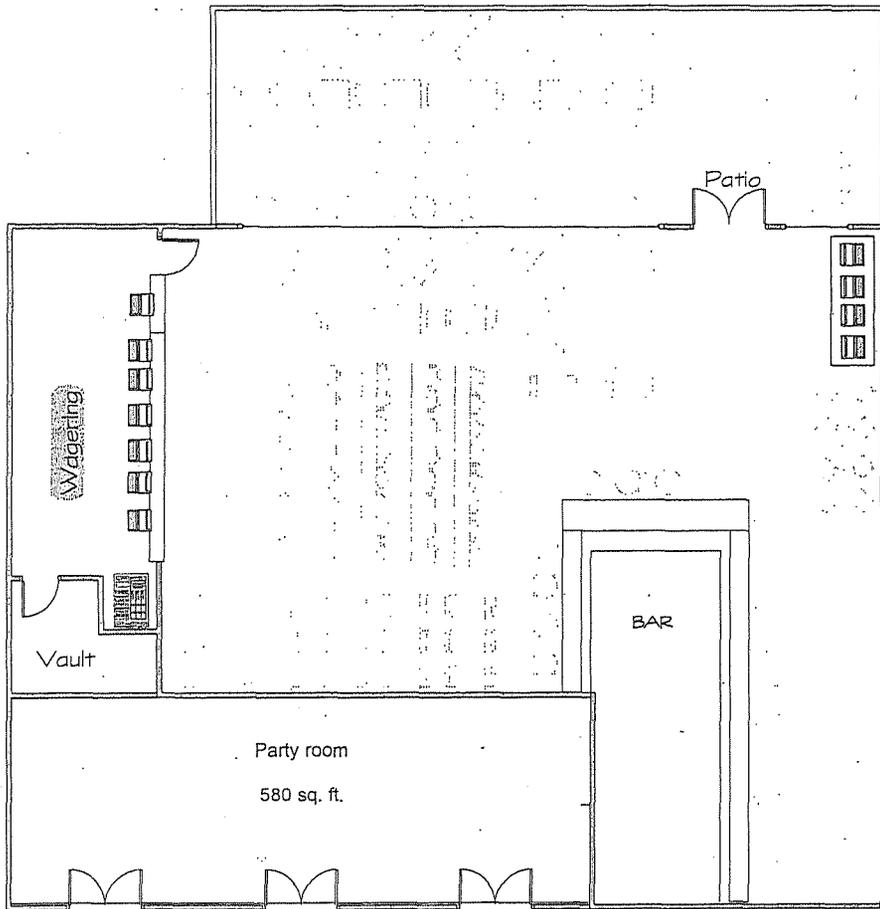
Describe occupancy restrictions, if any, imposed by the fire authority having jurisdiction:

The total number of parking spaces available in the parking areas can accommodate (number of standard sized automobiles): 300 on site plus 100 on-street parking spaces are available

Describe any other activities to be scheduled on or near the facility premises that may have a negative impact on available parking: None

V. EQUIPMENT PROVIDED BY THE MINISATELLITE WAGERING FACILITY

Describe the television equipment (satellite receivers, decoders, controls, monitors, etc.) to be utilized at the facility: 45 flat screen monitors. RCN/Dish Network provide the satellite reception service.



Fire Exit via patio

The wagering area will be restricted
to only allow patrons 21 years and over

Fire Exit via main bar area



PROJECT

Firehouse
restaurant
7701 White
Bakersfield, CA 93313

General
Concept

Drawing by:

Lance Ku
lance.ku@sportech.net
Mobile: (310) 200-9666

Client:

Sportech

4961 Katella Ave.
Los Alamitos, CA 90270

Project:

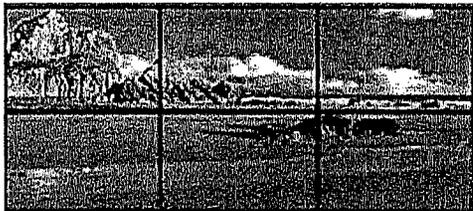
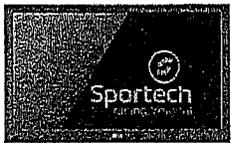
A - Mar 10 2014

Rev:

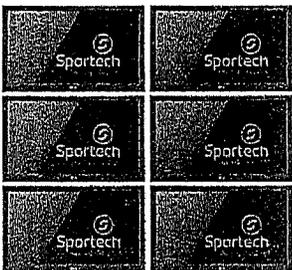
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1 of 6

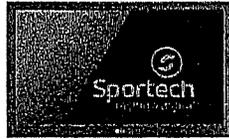
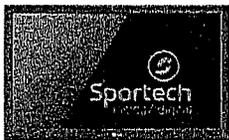
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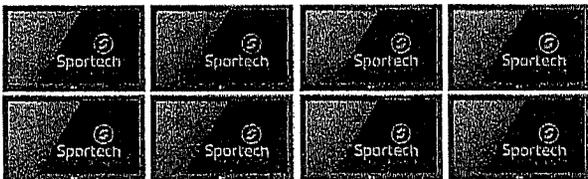


3



Displays will be double sided for patio displays

4



Sportech

PROJECT

Firehouse
restaurant
7701 White
Bakersfield, CA 93313

Display
elevation

Drawing by:

Lance Ku
lance.ku@sportech.net
Mobile: (310) 200-9666

Changes:

Sportech

4861 Katella Ave.
Los Alamitos, CA 90270

Revision:

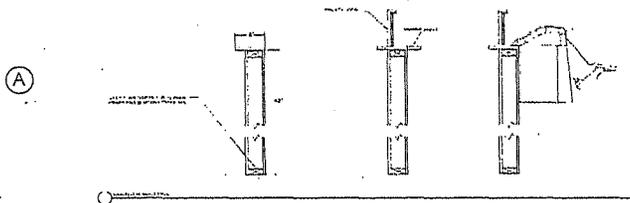
A - Feb 28 2014

Scale:

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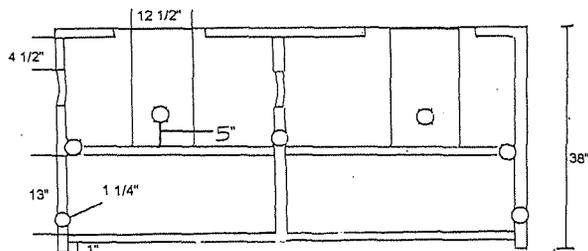
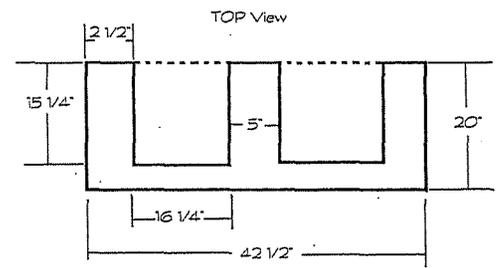
3 of 6

Privacy hood goes in between each terminal
Change shelf goes on left of term. Aprx. 4" wide and deep

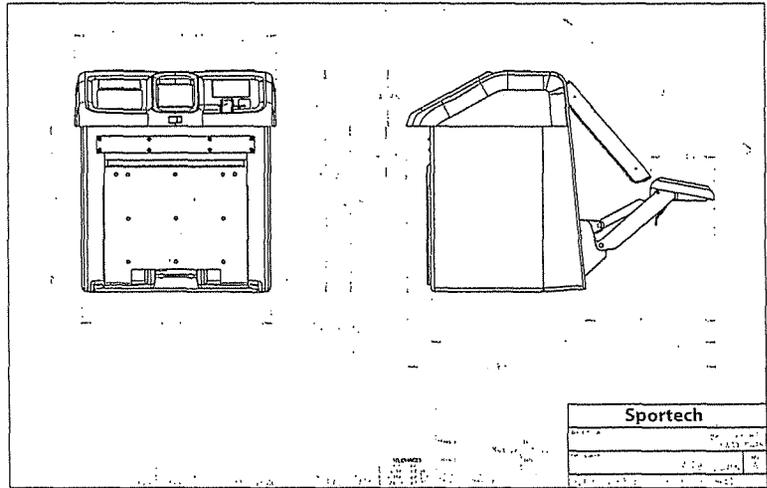


Counter 42" Tall, 6-8" w MAX
Backside must be flush

Standard portable cart



Front: 42.5 x 37 1/4
Sides: 37 1/4 x 19 1/4
Bottom: 41 x 19 1/4
Wheels: 1/2" from sides
Center Hole: 2 1/2 from front & shelf.
Bottom Holes: centered 4" from bottom and back.



PROJECT
Firehouse
restaurant
7701 White
Bakersfield, CA 93313

Detail

Drawing by:
Lance Ku
lance.ku@sportech.net
Mobile: (310) 200-9666

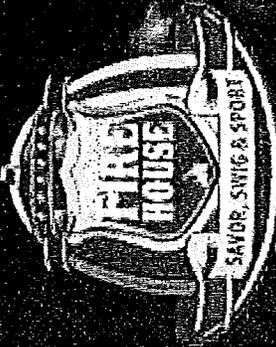
Changes:

Sportech
4961 Katella Ave.
Los Alamitos, CA 90270

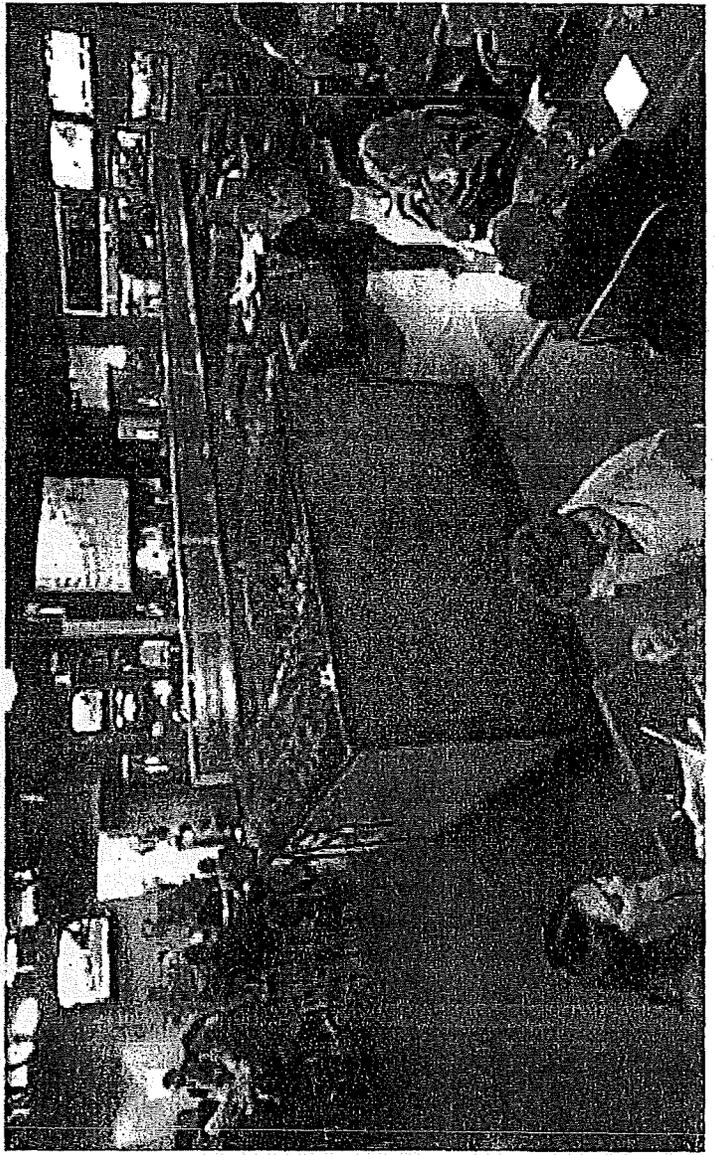
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A - Feb 28 2014

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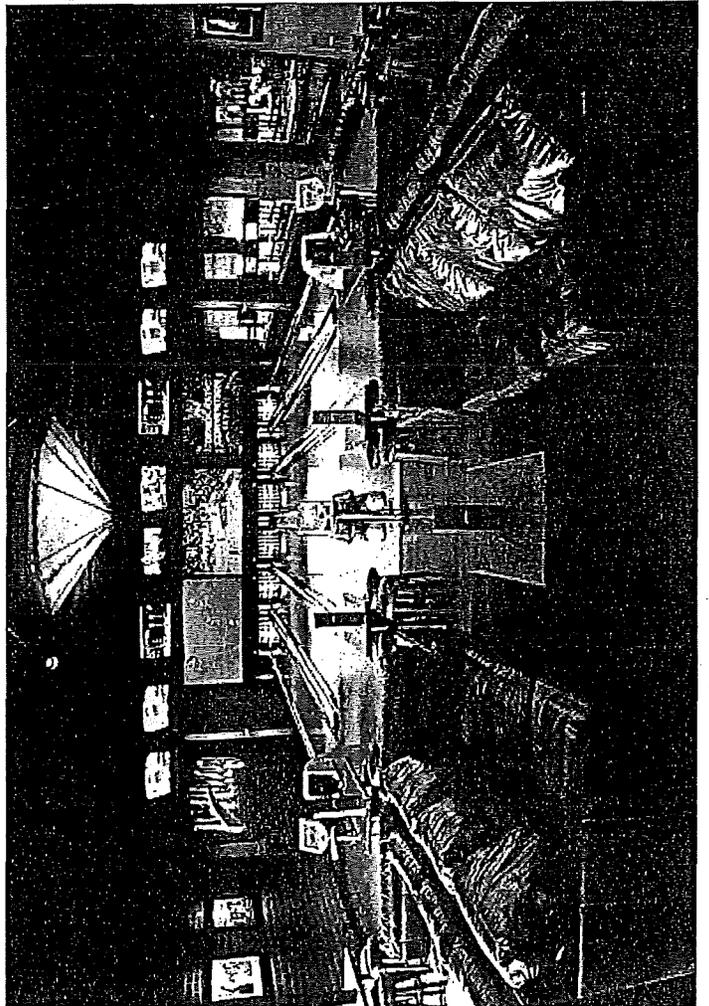
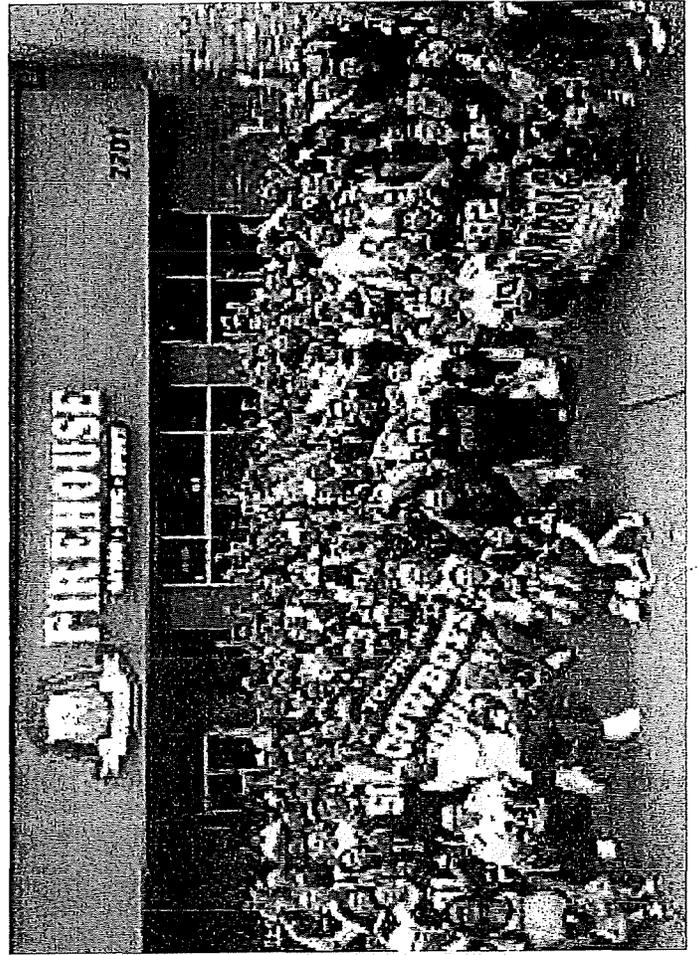
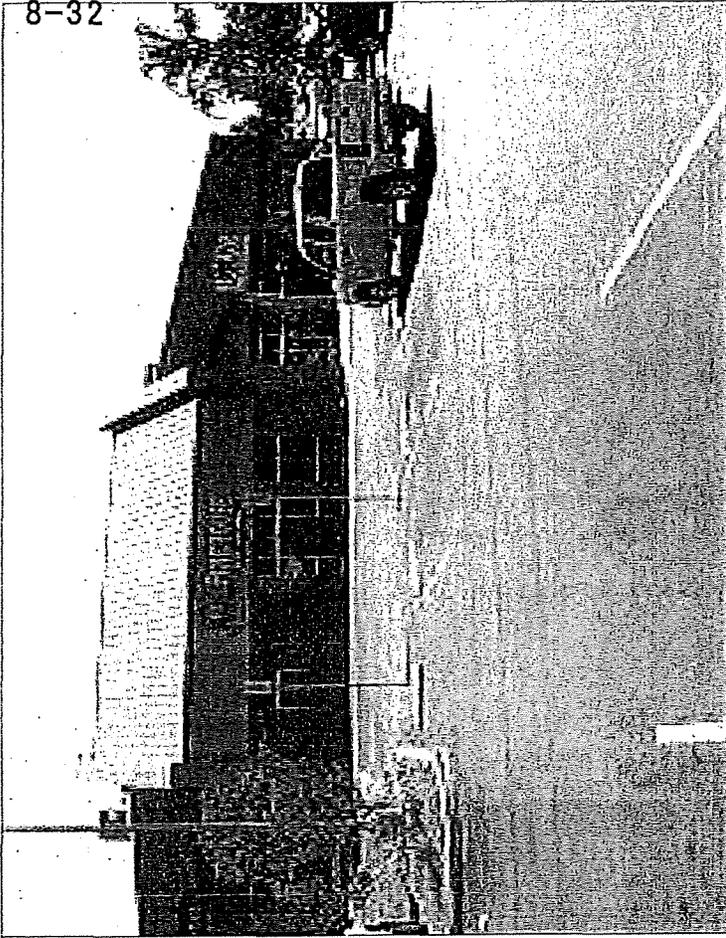
6 of 6



The Fun Place to Eat
 1701 White Lane



8-32



IGNITERS

FLASH POINT FRIES

Crispy fries smothered with cheese, smoked bacon bits & jalapenos 5.99

FIRE LANE CHEESY GARLIC BREAD

Hot & cheesy three cheese garlic blend, spread over a French loaf and baked to perfection 6.99

CROSS ROADS CHICKEN STRIPS

Crispy chicken tenders served with ranch 7.99
For some Firehouse flair ask to have your strips tossed in one of our wing sauces for an additional .99

STATION COMMANDER NACHOS

A full load of chips topped with our homemade Firehouse chili, nacho cheese sauce, freshly made pico de gallo, and jalapenos, finished with guacamole and sour cream.

Full Order - 8.99

Half Order - 6.99

Add steak or chicken for 1.99

BATTALION POTATO SKINS

Potato shells topped with cheese and crispy smoked bacon bits. Served with sour cream and green onions 6.99

SMOKY QUESADILLA

Grilled tortilla filled with jack and cheddar cheese, pico de gallo, and your choice of chicken for 7.99 or steak for 8.49

ROAD FLARE MOZZARELLA STICKS

Mozzarella cheese breaded with Italian crumbs and served with marinara or ranch 7.99

STRIKE TEAM SAMPLER

A combo of our best offerings including road flares, flash point fries, battalion potato skins, and wings tossed in your choice of sauce 12.99

STATION HOUSE SOUP & SALADS

HOT SHOT SOUP & SALAD

A side house salad and a cup of soup 6.99

WATER HAMMER WEDGE

A wedge of crisp iceberg lettuce topped with bleu cheese dressing and topped with smoked bacon, red onions and diced tomatoes 5.99

SMOKE EATER SESAME CHICKEN

Fresh greens mixed with cucumber, celery, carrots, red bell peppers, and cabbage, all tossed in a creamy sesame peanut dressing and topped with marinated chicken skewers, chopped peanuts, and crispy noodles 9.99

BACK DRAFT BUFFALO BLEU

Fresh greens, diced tomatoes, bleu cheese dressing and crumbles. Topped with our hotspot chicken strips 9.99

SEARCH AND RESCUE POTATO SOUP

Our chef creates our potato soup each day to keep our offering fresh. Topped with cheese, bacon, and chives - Not available on Splash Cafe Fridays

Cup - 3.99

Bowl - 5.99

CLASS A CAESAR

Crisp romaine lettuce tossed with Caesar dressing and topped with croutons and parmesan cheese 6.99
Add chicken - 1.99
Add grilled salmon - 3.99

STATION HOUSE SANTA FE

Fresh greens tossed in our chipotle ranch dressing and topped with Cajun chicken, Ortega chili, crispy tortilla chips, diced tomatoes, and jack and cheddar cheeses 8.99

PILOT PARADISE

Fresh greens, carrots, cucumber, apples, mandarin oranges, pico de gallo, diced chicken, and candied walnuts tossed in balsamic vinegar 9.99

CHAINSAW CHILI

Our family recipe is made with fresh ingredients and prepared in our kitchen daily

Cup - 3.99

Bowl - 5.99

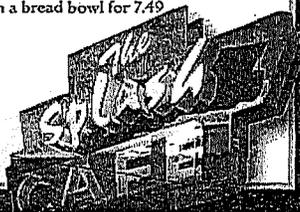
SPLASH CAFE CLAM CHOWDER

(Served On Friday's Only)

THE FAMOUS CHOWDER from the coast in our kitchen and on your table

Cup - 4.99 - in a bread bowl for 7.49

Bowl - 6.99



TOKENS

No reason to leave without enjoying the entire Firehouse experience. With the purchase of a regular price entree you can add the following bonus game features to your check:

- 50 tokens - \$10 (\$12.50 Value)
- 100 tokens - \$20 (\$25 Value)

No refunds on tokens purchase

SECTOR SANDWICHES & TACOS

Sandwiches served with fries or substitute fries for a Fire Side 1.49

SMOKED TURKEY CLUB

Cold Smoked turkey topped with avocado, lettuce, tomato, herb mayo and served on thick sliced whole wheat 8.99

CHARGED CAJUN CHICKEN

Grilled blackened chicken breast seasoned with our special Cajun spice, topped with pepper jack cheese, lettuce, tomato, and mayo. Served on a hoagie roll 8.99

HOOKE AND LADDER

Grilled ham, turkey, and smoked bacon with Swiss and cheddar cheese, lettuce, tomato, and mayo on thick sliced whole wheat toast 8.99

FISH TACOS

Our beer battered Cod, deep fried to a golden brown and topped with cabbage, crème fresh, and homemade salsa in a crispy corn tortilla, and served with fries 9.99

FLASHOVER SHRIMP TACOS

Two shrimp tacos with cabbage, chipotle ranch, pico de gallo, and avocado. Served with fries 8.99

CODE 2 FAJITA STYLE CHICKEN TACOS

Two fajita chicken tacos with sautéed peppers and onion, topped with guacamole and crème fresh. Served with fries 7.99

FULLY INVOLVED CHICKEN MELTDOWN

Grilled marinated chicken breast topped with smoked bacon, sautéed onion and mushrooms, avocado, lettuce, tomato, mozzarella cheese, mayo, and served on thick sliced white bread 9.99

FAST ATTACK FRENCH DIP

Slow roasted, thinly sliced roast beef served on a hoagie roll and served with au jus 8.99

Add sautéed onions - .99

Add cheese - .99

TYPE III CHEESY BREAD TRI-TIP SANDWICH

Tri-Tip, thinly sliced and served on top of our cheesy garlic bread and topped with pico de gallo 10.99

MAYDAY MINI CARNE ASADA TACOS

Three carne asada mini tacos, topped with diced onion and chopped cilantro, and served with a side of homemade salsa 5.99

SQUAD 1 WRAP

Crossroads chicken strips, cheddar and Monterey jack cheeses, romaine lettuce, tomatoes, and mayo wrapped in a flour tortilla. Served with fries 8.99

FIREHOUSE PIZZAS

Indulge yourself with our traditional 12" crust, brushed with garlic butter and served hot from our ovens

FIREMAN'S MEAT LOVER

This meat lover's delight features our homemade marinara sauce topped with mozzarella cheese, smoked bacon, ham, sausage, and pepperoni 14.99

BUMPER LINE BBQ CHICKEN

Delightfully sweet and smokey BBQ sauce topped with mozzarella cheese, grilled chicken breast, cilantro, and red onions 13.99

DRY BARREL MARGHERITA

Don't like marinara sauce? We offer the Margherita! Olive oil, fresh garlic, tomatoes, mozzarella and fresh basil. Yum! 12.99

HIGH PRESSURE HAWAIIAN

A perfectly baked pizza dough topped with our traditional homemade marinara sauce, mozzarella cheese, ham, and pineapple, and finished with a sprinkle of parmesan cheese 11.99

PLATOON PEPPERONI PIZZA

Traditional homemade marinara sauce, topped with mozzarella cheese, and finished off with a generous amount of pepperoni 10.99

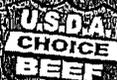


Firehouse Favorites



Firehouse Favorites

BACKDRAFT BURGERS



Our burgers are handmade half-pound, USDA Choice ground chuck patties. Served with fries or substitute a Fire Side for 1.49

RESCUE TURKEY BURGER

A healthier choice for our Firehouse fans. Served with Swiss cheese, lettuce, tomato, avocado, and herb mayo 7.99

SMOKEHOUSE BBQ BURGER

Cheddar cheese, lettuce, fried onion strings, tomato, pickles, smoked bacon strips and our Firehouse BBQ sauce 9.99

CHAINSAW CHILI CHEESE BURGER

Served open faced and smothered with our Chainsaw chili, topped with our cheese mix 8.99

ON CALL ORTEGA CHORIZO BURGER

This zesty burger combines the subtle Ortega chili with our handmade choice ground chuck and chorizo patty for a perfect combination. Topped with lettuce, tomato, onion, pepper jack cheese, and chipotle mayo 9.99

FIRE DRILL GUACAMOLE BURGER

Swiss cheese, lettuce, red onion, tomato, mayo, smoked bacon and topped with our homemade fresh guacamole 9.99



CROSS LAY CLASSIC BURGER

Cheddar cheese, lettuce, onion, pickles, and tomato, and our special homemade sauce 7.99

TASK FORCE TERIYAKI BURGER

With a taste of Hawaii we marinate our burger with a rich teriyaki sauce, topped with lettuce, tomato, onion, mayo, cheddar cheese, and a grilled pineapple ring 8.99

EN FUEGO BURGER

Topped with lettuce, tomato, onion ring, smoked bacon, chipotle mayo, jalapenos and fresh avocado slices for a perfect balance of savory spice 9.99

CAPTAIN'S 5 ALARM BURGER

Our handmade combination of USDA choice ground chuck and chorizo patty topped with hot link sausage for added heat. Finished with pepper jack cheese, lettuce, tomato, onion, mayo, and our signature 5-alarm sauce 9.99

LIFE LINE MUSHROOM AND BLEU BURGER

Bleu cheese crumbles, sautéed mushrooms, onions, smoked bacon, lettuce, tomato, and herb mayo 10.59

ENTREES

MAYDAY BBQ CHICKEN

Grilled chicken, brushed with our Firehouse BBQ sauce and served with your choice of two Fire Sides 10.99

CADET SIRLOIN STEAK

Juicy char grilled 6 oz cut of USDA Choice sirloin steak served with your choice of two Fire Sides 11.99

MASTER STREAM FISH & CHIPS

Beer battered Cod strips deep fried to perfection and served with fries and coleslaw 10.99

BACK BURN BLACKENED SALMON

Pan seared blackened Atlantic salmon filet, brushed with garlic butter, and served with your choice of two Fire Sides 16.99



TRUCKIE TERIYAKI CHICKEN

Grilled chicken, glazed with teriyaki sauce and served with your choice of two Fire Sides 11.99

SPOT FIRE BLACKENED PASTA

Blackened chicken breast served atop Linguini pasta, with mushrooms, shredded Parmesan in a homemade creamy Alfredo sauce. Served with garlic toast 10.99

SOS RIBS

Pork ribs seasoned with our homemade dry rub and smothered with our Firehouse BBQ sauce. Served with coleslaw and fries
Half rack - 13.99 Full rack - 18.99

CHIEF RIBEYE

A boneless, USDA Choice, 12 oz cut Ribeye, rich with marbling for the perfect taste, and served with your choice of two Fire Sides 17.99

FIRE SIDE CHOICES

Add an additional FIRE SIDE to your entree for 1.99

- BAKED POTATO
- GARLIC MASHED POTATOES
- SEASONAL VEGETABLES
- STEAMED BROCCOLI
- FRENCH FRIES
- COLESLAW
- SIDE SALAD
- SWEET POTATO FRIES



Firehouse Favorites

DINNER FOR TWO

Enjoy two entrees and an appetizer to share for \$20

APPETIZERS

- Fire Lane Cheesy Garlic Bread
- Half-Order Station Commander Nachos
- Flash Point Fries
- Smoky Quesadilla
- Battalion Potato Skins

ENTREES

- Cross Lay Classic Burger
- Truckie Teriyaki Chicken
- Mayday BBQ Chicken
- Hook And Ladder
- Spot Fire Blackened Pasta
- Class A Chicken Caesar Salad
- Type III Cheesy Bread Steak Sandwich

FIREHOUSE WINGS

Your choice of sauce:

- FALSE ALARM - Mild
- HOTSPOT - Hot
- 5-ALARM - Very Hot
- GARLIC PARMESAN
- SWEET and SOUR
- STATION 1 - BBQ
- TERIYAKI

- 8 PIECE - 7.99 - BONELESS - 8.99
- 16 PIECE - 14.99 - BONELESS - 16.99
- 40 PIECE - 32.99 - BONELESS - 36.99

BOMBER DESSERTS

PROBIE VANILLA ICE CREAM

For those of you who want it simple and delicious we serve two scoops of our vanilla ice cream, plain, for you to enjoy 3.99
Make it a sundae for an additional 1.99

COMMISSIONER'S CHEESE CAKE WITH STRAWBERRIES

A traditional New York cheesecake topped with a fresh strawberry and strawberry puree 5.99



SEASONAL FRUIT COBBLER

Our warm homemade cobbler topped with crumbled brown sugar and vanilla ice cream 4.99

MASTER PLAN CARROT CAKE

Three delicious layers of moist cake loaded with shredded carrots, pecan pieces and crushed pineapple, finished with real cream cheese icing 5.99

CHIEF OFFICER BROWNIE SUNDAE

Fresh baked Ghiradelli chocolate brownie wedges, served warm, with a scoop of vanilla ice cream and drizzled with caramel sauce 6.99



Firehouse Favorites

FAST LANE LUNCH SPECIALS

Our goal is to get you these Fast Lane entrees in 15 minutes so you can get on your way. Offered Monday through Friday from 11am to 3pm

CLASS A CHICKEN CAESAR

Crisp romaine lettuce tossed with Caesar dressing and topped with grilled chicken, croutons, and parmesan cheese. 8.98

FISH TACOS

Our beer battered Cod fried to a golden brown and topped with cabbage, creme fresh, and homemade salsa in a crispy corn tortilla. Served with fries. 9.99

HOT SHOT SOUP & SALAD

A side house salad and a cup of soup. 6.99

FAST ATTACK FRENCH DIP

Slow roasted beef served on a hoagie roll and served with au jus. 8.99

MASTER STREAM FISH & CHIPS

Beer battered Cod strips deep fried to perfection and served with French fries and coleslaw. 10.99

CODE 2 FAJITA STYLE CHICKEN TACOS

Two fajita chicken tacos with sauteed peppers and onion, topped with guacamole and creme fresh. Served with fries. 7.99



FIREHOUSE

SAVOR • SWIG • SPORT

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-228 (New 11/08)

Describe the public address equipment (controls, microphones, speakers, etc.) to be utilized at the facility:
 Hand-held microphone input at the A/V rack, audio through TVs and ceiling speakers

VI. ADVERTISING AND PATRON DEVELOPMENT

Describe any advertising or promotional plans:
 Sports related specials and contests

Describe any improvements to the facility that will directly benefit minisatellite wagering:

NOTICE TO APPLICANT: Pursuant to Board Rule 2066 all advertisement shall contain a statement that persons under 21 are not allowed to participate in minisatellite wagering. All advertisement shall contain contact information for a recognized problem-gambling support organization.

VII. ADMISSIONS, CHARGES AND SERVICE FEES

Complete if applicable and note N/A if not

Admissions charges, if any, are:	None
Parking charges, if any, are:	None
Program charges, if any, are:	Retail price as determined by host race track
Seating charges, if any, are:	None; minimum food & beverage purchase may apply on special days

VIII. RENEWAL

Complete this section only if renewing your license.

Is this a renewal application: Yes No

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

Have any changes occurred affecting ownership or controlling interest in your business structure or establishment since your last application? Yes No

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

How many years have you been an approved minisatellite wagering facility? Firehouse was approved by the CHRB on 4/24/14 and opened on 8/6/14.

AGREEMENTS

Attach copies of all applicable county, city or agency agreements that may affect the minisatellite wagering 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 minisatellite wagering facility for a period of two years per Business and Professions Code section 19605.25(h).

Notice is 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 regulations of the Board.

Notice is 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, or approved contractor.

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 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-228 (New 11/08)

Notice is 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, or approved contractor.

DECLARATIONS

All labor agreements, concession contracts, service contracts, horsemen's agreements, lease agreements, agreements with the simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility, lease or rental agreement with the facility landlord and all applicable county, city or agency agreements that may affect the minisatellite wagering facility have been finalized except as follows (if there are no exceptions, so state): No exceptions

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

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): No exceptions.

By authority of Article 9.2, Chapter 4, of the Business and Professions Code; and the Federal Indian Gaming Act; to allow an evaluation of the competence, integrity, and character of potential simulcast facility operators, any person, corporation, trust, association, partnership, joint venture, or management firm who submits an application for such license 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 Business and Professions 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 of minisatellite facility applicant representative:	Date:
Signature of minisatellite facility representative:	Date:
Print name of association representative:	Date:
Josh Rubinstein Signature of association representative:	Date: 1/22/19
Print name of simulcast organization representative:	Date:
George Haines Signature of simulcast organization representative:	Date: 1/22/19

STAFF ANALYSIS

February 21, 2019

Issue: APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY BY CALIFORNIA COMMERCE CLUB, INC. DBA THE COMMERCE CASINO AND HOTEL, IN COMMERCE, CALIFORNIA, FOR A PERIOD OF UP TO FIVE YEARS.

California Commerce Club, Inc. dba The Commerce Casino and Hotel, filed an application for renewal of its license to operate a minisatellite wagering site at The Commerce Casino and Hotel, a card club, in Commerce, California, for a period of up to five years. Southern California Off-Track Wagering, Inc. (SCOTWINC) has acted as the coordinator during the renewal process.

- The Commerce Casino and Hotel is a card club located in the southern zone. The minisatellite wagering site is located within The Commerce Casino and Hotel (facility).

Business and Professions Code section 19605.25(a)(1) provides that no minisatellite may be within 20 miles of a racetrack, satellite wagering facility, or 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.

- Racetracks, satellite wagering facilities, or tribal casinos that have a satellite wagering facility located within 20 miles of applicant are Santa Anita Park (SA) and Los Alamitos Race Course (LARA). The Commerce Casino and Hotel has received consent from SA and LARA.
- The Commerce Casino and Hotel has contracts/agreements with the following racing associations:

California Authority of Racing Fairs
 Del Mar Thoroughbred Club
 Los Angeles County Fair Association
 Los Angeles Turf Club
 Los Alamitos Racing Association
 Los Alamitos Quarter Horse Racing Association
 Pacific Racing Association
 Sonoma County Fair & Exposition, Inc.
 Watch and Wager.com LLC

- The simulcast organization engaged by the contracted association(s) to conduct simulcast wagering is SCOTWINC.
- Applicant proposes to operate minisatellite wagering site in the main and arena areas 10:00 a.m. to 5:00 p.m. Monday, Wednesday, Thursday; 10:00 a.m. to 11:00 p.m. Friday,

Saturday, and Sunday. Closed Tuesdays.

- Estimated number of pari-mutuel terminal machines available: 27. Seating capacity in minisatellite wagering facility: 27 in the main area and 120 in the arena area. Number of tables in minisatellite wagering area: 11 in the main area and 22 in the arena area. The overall square footage is 1,914 (main) and 2,754 (arena). Reception equipment provided by RCN/Dish network. Races are displayed on 63 monitors.
- Staffing: The host track pari-mutuel manager will determine the number of mutuel employees based upon projected handle and attendance. On most days, two mutuel employees will be assigned, with more on weekends and holidays. At least one security officer will be present at all times.

Specific information **still needed** to complete this application include:

1. Wet signatures from DMTC and Sonoma County Fair in Part II of application.

Specific information that will need **updating** during the proposed approval period:

1. Gaming license [expires March 31, 2019].
2. Workers' compensation insurance [expires June 30, 2019].
3. Fire clearance [expires October 31, 2019].

RECOMMENDATION:

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

Application is hereby made to the California Horse Racing Board (CHRB/Board) for a license to operate a minisatellite wagering facility in connection with a horseracing meeting and/or parimutuel wagering in accordance with the Business and Professions Code, Chapter 4, Division 8 (Horse Racing Law) and the California Code of Regulations, Title 4, Division 4 (Rules and Regulations of the California Horse Racing Board).

Part I: To be completed by applicant seeking to operate a minisatellite wagering facility pursuant to Business and Professions Code section 19605.25.

Part II: To be completed by association(s) that has/have reached an agreement with the applicant to conduct minisatellite wagering.

Part III: To be completed by simulcast organization that has reached an agreement to provide services necessary for the conduct of minisatellite wagering pursuant to Business and Professions Code sections 19605.25 & 19605.3.

**PART I
 MINISATELLITE WAGERING APPLICANT INFORMATION**

APPLICANT INFORMATION

Name of applicant: Commerce Casino		<input checked="" type="checkbox"/> Card Room/Gambling Establishment <input type="checkbox"/> Restaurant/Bar <input type="checkbox"/> Other Business Entity
The applicant is:		
<input type="checkbox"/> Racing Association	<input type="checkbox"/> Fair	
<input type="checkbox"/> Federally Recognized Indian Tribe		
Facility street address: 6121 & 6131 East Telegraph Road, Commerce, CA 90040		
Mailing address (if different from above): 6131 East Telegraph Road, Commerce, CA 90040		
E-mail address: n.warren@commercecasino.net		
City: Commerce	State: CA	Zip Code: 90040
Phone: (323) 721-2100	Fax: (323) 838-3478	Website: comercecasino.com
County: Los Angeles	Zone Location: North <input type="checkbox"/> South <input type="checkbox"/> Central <input type="checkbox"/> (To be completed by CHRB staff)	

**CONTACT PERSON
 (Authorized Representative)**

Name and title of the contact person: Nedy Warren, General Counsel		
Business street address: 6131 East Telegraph Road		
Mailing address (if different from above):		
City: Commerce County: Los Angeles	State: CA	Zip Code: 90040
Phone: (323) 838-3257	E-mail: n.warren@commercecasino.net	Fax: (323) 838-3478

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Dates during which the applicant proposes to operate as a minisatellite wagering facility:
 Renewal term

NOTICE TO APPLICANT: If approved for license, the term of license shall not exceed two years pursuant to Business and Professions Code section 19605.25 (h).

Have you previously operated a licensed gaming operation in California or another state? Yes No

Do you currently operate a licensed gaming operation in California or another state? Yes No

If yes to either question above, provide the following:

Valid licensure period: Begin Date: 4/1/15 End Date: 3/31/19

Facility name and address: Commerce Casino, 6131 East Telegraph Road

City: Commerce

State: CA

Zip Code: 90040

County: Los Angeles

Zone Location:

North South Central

(To be completed by CHRB staff)

Have you had a gaming operation license that has been revoked or suspended. Yes No

If yes, provide the following if different from above:

Facility name and address:

City:

State:

Zip Code:

Racing Jurisdiction:

BUSINESS STRUCTURE

Corporation

Public

Private

Sub-S

Sub-C

Limited Partnership

Limited Liability Company

Partnership & Joint Venture

Sole Proprietorship

Other

If you have listed your company as other please identify your company structure:

Registered Business Name: California Commerce Club, Inc.

Fictitious Business Name: Commerce Casino, The Commerce Casino & Hotel

Address: 6131 East. Telegraph Road

E-mail Address: n.warren@commercescasino.net

City: Commerce

State: CA

Zip Code: 90040

Phone: (323) 838-3257

Fax: (323) 838-3478

State where registered or

Articles of Organization are filed: California

Registry or File number: C1153506

Name of all officers, directors, and managers. For officers, directors, and managers that have no ownership, enter "0%" in the ownership column. For members of a Limited Liability Company, list membership interest in ownership column. For partners, following the individual's name indicate whether general or limited partners. (true names)

Entity/Individual Name and Title	Entity's Business Address/ Individual's Address of Record	Ownership% (if any)	Compensation Agreement
See attached Exhibit A			

Are shares listed for public trade?
 Yes No

If yes on what stock exchange?

If more than 50 percent 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.
All entities that own 5 percent or more must fulfill the instructions for Full Disclosure Statement.

Attach the most recent annual financial statement for the applicant, 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.

MANAGEMENT AND STAFF
 (Minisatellite Wagering Facility)

Name and title of the managing officer(s) and/or general manager(s) of the business.

Name	Title
Haig Papaian	President, CEO
Mary Schott	Secretary, CFO
Jeffrey Harris	Vice President, Casino Manager

ASSOCIATION CONTRACT/AGREEMENT

Name(s) of racing association(s) with whom you intend to have a contract or agreement:
 See Exhibit B

Addresses of racing association(s):

Racing association(s) phone numbers:

Proposed contract dates: From: To: (inclusive).
 Renewal term

SCHEDULE A

EXHIBIT "A"

CALIFORNIA COMMERCE CLUB, INC.
 SHAREHOLDER/DIRECTORS/OFFICERS LIST
 UPDATED: DEC 2018

Page 1 of 2

SHAREHOLDERS/DIRECTORS/OFFICER	TITLE	TRUST	OWNERSHIP INTEREST %
RUDY ADELSHIAN Deceased	SHAREHOLDER		0.68%
SONIA ADELSHIAN Deceased	SHAREHOLDER		0.68%
SUSAN AVDALIAN	SHAREHOLDER		0.68%
MARY LOUISA BODNAR TRUST DTD 2/29/09	SHAREHOLDER	TRUST	1.37%
CONTRUCCI IRREVOCABLE TRUST DTD 3/6/09	SHAREHOLDER	TRUST	2.05%
KATHLEEN DUTCHESS	SHAREHOLDER		0.68%
DARRELL J. FEDERICO	SHAREHOLDER		0.34%
JOSEPH D. FEDERICO	SHAREHOLDER		3.75%
MARSHA GOLD	SHAREHOLDER		0.68%
ANDREW B. GRIBSKOV COMMERCE CLUB TRUST DTD 6/1/15	SHAREHOLDER	TRUST	1.37%
KATE M. GRIBSKOV COMMERCE CLUB TRUST DTD 6/1/15	SHAREHOLDER	TRUST	1.37%
PATRICIA GRIBSKOV COMMERCE CLUB TRUST DTD 5/28/15	SHAREHOLDER	TRUST	4.10%
LYSA GRIGORIAN	SHAREHOLDER/DIRECTOR		1.37%
FRANKLIN AND FRANCINE HANDLER 1975 TRUST	SHAREHOLDER	TRUST	0.68%
COMMERCE CLUB TRUST, DTD 3/6/97	SHAREHOLDER	TRUST	1.37%
HARRIS REVOCABLE TRUST OF 1988	SHAREHOLDER	TRUST	1.37%
VICTOR HOVSEPIAN	SHAREHOLDER		2.05%
HOLLY IBOSH	SHAREHOLDER		0.34%
MARY IBOSH	SHAREHOLDER		0.34%
REVOCABLE LIVING TRUST OF RICHARD J. IBOSH & LUCIA J. IBOSH	SHAREHOLDER	TRUST	4.10%
HAIG KELEGIAN SR. AND ARGINE KELEGIAN	SHAREHOLDER		1.37%
LORI KLEIN	SHAREHOLDER		0.34%
ARSEN MALKASIAN	SHAREHOLDER		0.68%
TOM Z. MALKASIAN	SHAREHOLDER/DIRECTOR		0.68%
ROBERT AND CHRISTINE MASSMAN FAMILY TRUST	SHAREHOLDER	TRUST	0.68%
MASSMAN FAMILY TRUST DTD 8/30/89	SHAREHOLDER	TRUST	0.68%
JHM CHARITABLE FOUNDATION	SHAREHOLDER		21.16%
KAIZAK MOSIKIAN	SHAREHOLDER		0.34%
DAVID MOSIKIAN	SHAREHOLDER		0.34%
L.T. MURRAY, JR. DECEASED	SHAREHOLDER		4.10%
MAUREEN ORBUS	SHAREHOLDER		4.10%
RYAN ORBUS	SHAREHOLDER		0.68%
TODD ORBUS	SHAREHOLDER		0.68%
PANKEY TRUST	SHAREHOLDER	TRUST	1.37%
JANICE PANKEY	SHAREHOLDER		1.37%
PETER AND MONA PANKEY TRUST	SHAREHOLDER	TRUST	1.37%
VICTOR S. PANKEY LIVING TRUST DTD 10/19/06	SHAREHOLDER	TRUST	1.37%
HAIG PAPAIAN, JR. TRUST	SHAREHOLDER/DIRECTOR PRESIDENT - CEO	TRUST	5.80%
THIRD AMENDMENT & RESTATEMENT OF THE SUZANNE PAPAIAN DECLARATION OF TRUST DTD 12/30/03	SHAREHOLDER	TRUST	5.80%
MICHAEL Y. ROOS	SHAREHOLDER		0.68%
JODIE LEE ROSS	SHAREHOLDER		1.37%
HARVEY AND LINDA ROSS FAMILY TRUST	SHAREHOLDER	TRUST	3.07%
ARAM SAATCHIAN TRUST AGREEMENT	SHAREHOLDER	TRUST	1.37%
MICHAEL SCHWARTZ	SHAREHOLDER		0.34%
KENNETH L. SLATER	SHAREHOLDER		1.37%
ROBIN VEST SEPARATE PROPERTY TRUST	SHAREHOLDER	TRUST	1.37%
HARRY TUMANJAN	SHAREHOLDER		2.05%
JEANNE TUMANJAN	SHAREHOLDER		2.05%
MICHAEL TUMANJAN	SHAREHOLDER/DIRECTOR		4.10%
MELISSA WALKER	SHAREHOLDER		0.68%

CALIFORNIA COMMERCE CLUB, INC.
SHAREHOLDER/DIRECTORS/OFFICERS LIST
UPDATED: DEC 2018

Page 2 of 2

ESTABLISHMENT DIRECTORS AND OFFICERS	
CALIFORNIA COMMERCE CLUB, INC. DBA: COMMERCE CASINO	
HAIG PAPAIA	SHAREHOLDER/DIRECTOR CEO/PRESIDENT
RICK CONTRUCCI	SHAREHOLDER/DIRECTOR
LYSA GRIGORIAN	SHAREHOLDER/DIRECTOR
MICHAEL TUMANJAN	SHAREHOLDER/DIRECTOR
TOM MALKASIAN	SHAREHOLDER/DIRECTOR
JEFF HARRIS	V.P./CASINO MANAGER
MARY SCHOTT	CFO/ CORPORATE SECRETARY
NEDY WARREN	GENERAL COUNSEL

EXHIBIT B

9-10 **Exhibit B**
Commerce Casino Minisatellite Wagering Application

Part 1 – Minisatellite Wagering Applicant Information

Association Contract/Agreement:

Name(s) of racing associations(s) with a contract or agreement:

California Authority of Racing Fairs
1776 Tribute Road, Suite 205
Sacramento, CA 95812

Phone: (916) 927-7223
Fax: (916) 263-3341

Del Mar Thoroughbred Club
2260 Jimmy Durante Blvd
Del Mar, CA 92014

Phone: (858) 755-1141
Fax: (858) 794-1007

Los Angeles County Fair
c/o Los Alamitos Racing Association
4961 Katella Avenue
Los Alamitos, CA 90720

Phone: (714) 820-2760
Fax: (714) 820-2813

Los Angeles Turf Club
285 W. Huntington Drive
Arcadia, CA 91007

Phone: (626) 574-7223
Fax: (626) 821-1514

Los Alamitos Racing Association (Thoroughbred) & Los Alamitos Quarter Horse Racing
Association
4961 Katella Avenue
Los Alamitos, CA 90720

Phone: (714) 820-2760
Fax: (714) 820-2813

Pacific Racing Association
1100 Eastshore Highway
Berkeley, CA 94710

Phone: (510) 559-7300
Fax: (510) 559-7464

Exhibit B
Commerce Casino Minisatellite Wagering Application

Page 2

Association Contract/Agreement:

Name(s) of racing associations(s) intended to have a contract or agreement:

Sonoma County Fair
1350 Bennett Valley Drive
Santa Rosa, CA 95404

Phone: (707) 545-4200
Fax: (707) 545-9342

Watch & Wager.com, LLC
1600 Exposition Road
Sacramento, CA 95815

Phone: (916) 263-3000
Fax: (916) 800-1395

Part III – Simulcast Organization Information

I Operation of the Minisatellite Wagering Facility:

Parimutuel wagering will be offered on live race meetings conducted by:

Del Mar Thoroughbred Club, Los Angeles Turf Club, Los Angeles County Fair, Los Alamitos Racing Association, Los Alamitos Quarter Horse Racing Association, Watch and Wager.com, LLC, Pacific Racing Association, race meets conducted by CARF, and the Sonoma County Fair

Wagering will be offered on the same imports from out of state and international tracks as the California host tracks offer.

Attach a certified check payable to the Treasurer of the State of California in the amount of \$500 for the nonrefundable minisatellite application fee.

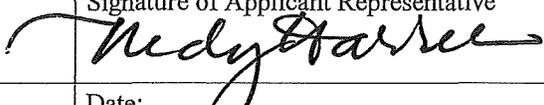
CHRB CERTIFICATION

Application filed on: 1/22/19
Fee received by: 1/22/19
Reviewed by: 

30-day Notice Letter: 1/28/19
Approved on:
License number issued:

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 contractor to attest to this application on its behalf.

Name Nedy Warren	Signature of Applicant Representative 
Title General Counsel	Date: 01/18/19

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II
Commerce Casino

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association: California Authority of Racing Fairs 1776 Tribute Road, Sacramento, CA 95815	
Telephone: (916) 927-7223	Fax number: (916) 263-3341
Racetrack name: Ferndale, Fresno, Pleasanton, and Sacramento	
Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:	
Name Larry Swartzlander	Signature of association representative <i>Larry Swartzlander</i>
Title Executive Director	Date: 1-14-19

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II
Commerce Casino
CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Del Mar Thoroughbred Club
2260 Jimmy Durante Blvd, Del Mar, CA 92014

Telephone:

(858) 755-1141

Fax number:

(858) 794-1007

Racetrack name:

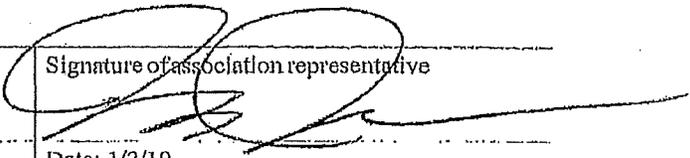
Del Mar

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Josh Rubinstein

Signature of association representative



Title

President

Date: 1/2/19

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II
Commerce Casino

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Angeles County Fair Association
1101 W. McKinley Avenue, Pomona, CA 91768

Telephone:

(909) 865-4203

Fax number:

(909) 865-2481

Racetrack name:

Los Angeles County Fair, racing at Los Alamitos Race Course

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Richard English

Title

CFO

Signature of association representative

Richard English

Date:

12/27/18

State of California
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CHRB-88 (New 11/08)

PART II
Commerce Casino

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Angeles Turf Club, Inc.
285 W. Huntington Drive, Arcadia, CA 91007

Telephone:

(626) 574-7223

Fax number:

(626) 821-1514

Racetrack name:

Santa Anita Park

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

FRANK DEMARCO, JR.

Title

VP. Regulatory Affairs

Signature of association representative

Frank DeMarco, Jr.

Date:

1-16-19.

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II

Commerce Casino

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Alamitos Racing Association
4961 Katella Avenue, Los Alamitos, CA 90720

Telephone:

(714) 820-2800

Fax number:

Racetrack name:

Los Alamitos

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Richard English

Title

CFO

Signature of association representative



Date:

12/27/14

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II
Commerce Casino

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Alamitos Quarter Horse Racing Association
4961 Katella Avenue, Los Alamitos, CA 90720

Telephone:

(714) 820-2800

Fax number:

Racetrack name:

Los Alamitos

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

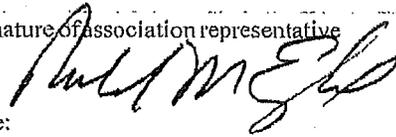
Name

Richard English

Title

CFO

Signature of Association representative



Date:

12/27/11

State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHR8-88 (New 11/08)

PART II
Commerce Casino
CONTRACTED ASSOCIATION INFORMATION
 One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Pacific Racing Association
 1100 Eastshore Highway, Albany, CA 94706

Telephone:
 (510) 559-7300

Fax number:
 (510) 559-7465

Racetrack name:
 Golden Gate Fields

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

FRANK DE MARCO, JR.

Title

VP - Regulatory Affairs

Signature of association representative

Frank De Marco, Jr.

Date:

1-16-19

State of California.
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II

Commerce Casino

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Sonoma County Fair & Exposition, Inc.
1350 Bennett Valley Road, Santa Rosa, CA 95404

Telephone:
(707) 545-4200

Fax number:
(707) 573-9342

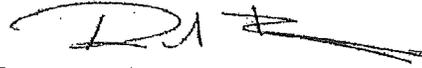
Racetrack name:
Santa Rosa Racetrack - Sonoma County Fair

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name
Rebecca Bartling

Title
CEO

Signature of association representative



Date:

1/15/18

State of California
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88 (New 11/08)

PART II
Commerce Casino

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association Name

and mailing address of association:

Watch and Wager.com LLC
20 California Street, 7th Floor, San Francisco, CA 94111

Telephone:
(916) 800-1390

Fax number:
(916) 800-1395

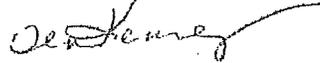
Racetrack name:
California State Fair & Exposition - Cal Expo Harness

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name
Ben Kenney

Title
CFO

Signature of association representative



Date:
12-29-18

**PART III
 SIMULCAST ORGANIZATION INFORMATION**

To be completed by approved simulcast organization that has executed an agreement approved by the CHRB with the association conducting a racing meeting with the minisatellite wagering facility pursuant to Business and Professions Code sections 19605.25 and 19605.3.

I. OPERATION OF THE MINISATELLITE WAGERING FACILITY

Simulcast organization engaged by the association to conduct simulcast wagering: SCOTWINC

Attach the agreement between the association and simulcast organization permitting the minisatellite wagering facility 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 with CHRB

Submit a copy of each horsemen's written approvals. Attached

Hours for operation of the facility: 24/7

Hours for operation of the minisatellite wagering site: Closed Tuesdays. Main area open 10 am to 5 pm, Arena open 10 am to 5 pm Monday, Wednesday, Thursday, 10 am to 11 pm Friday, Saturday & Sunday.

Time periods during the calendar year the facility will not be utilized as a minisatellite wagering facility (explain why): Non anticipated

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

--	--	--

List the host track from which the minisatellite wagering facility proposes to import out-of-state and/or out-of-country 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": Exhibit B

Estimated number of pari-mutuel terminals machines available: 27

Attach a proposed staffing plan for the facility and/or minisatellite wagering site, to include the number of security personnel and the number of pari-mutuel clerks pursuant to Business and Professions Code section 19605.25 (5)(b). The host track pari-mutuel manager will determine the number of mutuel employees based upon projected handle and attendance. On most days, two mutuel employees will be assigned, with more on weekends and holidays. At least one security officer will be present at all times.

II. SUPERVISION, SECURITY AND FIRE PREVENTION

Changes to management personnel and minisatellite manager(s)
 must be immediately reported to the Board.

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

Name and Title	CHRB License No. and Expiration Date
George Haines, General Manager	068136 , expiration date 6/2020



January 2, 2019

Mr. Rick Pimentel
Associate Governmental Program Analyst
California Horse Racing Board
1010 Hurley Way, Suite #300
Sacramento, CA 95825

RE: Commerce Casino Minisatellite Facility Renewal

Dear Mr. Pimentel,

The Thoroughbred Owners of California approves the renewal of licensing by the California Horse Racing Board of the Commerce Casino minisatellite.

Sincerely,

Greg Avioli
President & CEO

xc: Rick Baedeker, CHRB Executive Director
George Haines, SCOTWINC General Manager

285 W. HUNTINGTON DR., ARCADIA, CA 91007 (626) 574-6620

CHAIRMAN: NICK ALEXANDER
PRESIDENT & CEO: GREG AVIOLI
EXECUTIVE DIRECTOR: MARY FORNEY
DIRECTOR OF RACING & NO. CALIF. OPERATIONS: ELIZABETH MOREY
ADMINISTRATIVE ASSISTANT: ELSA PERON



Pacific Coast Quarter Horse Racing Association

January 2, 2019

Mr. Rick Pimentel
Associate Governmental Program Analyst
California Horse Racing Board
1010 Hurley Way, Suite #300
Sacramento, CA 95825

RE: Commerce Casino Minisatellite Facility Renewal

Dear Mr. Pimentel,

The Pacific Coast Quarter Horse Racing Association approves the renewal of licensing by the California Horse Racing Board of the Commerce Casino minisatellite.

Sincerely,

A handwritten signature in black ink, appearing to read "Dominic Alessio". The signature is fluid and cursive.

Dominic Alessio
President

xc: Rick Baedeker, CHRB Executive Director
George Haines, SCOTWINC General Manager

Date: 1/3/2019

Mr. Rick Pimentel
Associate Governmental Program Analyst
California Horse Racing Board
1010 Hurley Way, Suite #300
Sacramento, CA 95825

RE: Commerce Casino Minisatellite Facility Renewal

Dear Mr. Pimentel,

The California Harness Horsemen's Association approves the renewal of licensing by the California Horse Racing Board of the Commerce Casino minisatellite.

Sincerely,



David Neumeister
President

xc: Rick Baedeker, CHRB Executive Director
George Haines, SCOTWINC General Manager

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):
Attached C

Attach a fire clearance from the fire authority having jurisdiction. Attached D

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. Mike Sana, Director of Security, has responsibility for security controls. His phone number is (323) 721-3201. The facility has a fulltime 24/7 security staff which includes supervisors and security officers. The Los Angeles County Sheriffs department has jurisdiction over the premises of the facility.

Is there a backup emergency plan for power failure? Yes No
If yes, describe. Two emergency back-up generators, 1000 KVA and 250 KVA

III. MINISATELLITE WAGERING SITE

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 minisatellite wagering site. Identify how the designated minisatellite wagering area will be restricted to patrons 21 years and over. Attach photos of the minisatellite wagering site. Scale plan and photos are on file with CHRB. Security guards insure that the minisatellite area is restricted to patrons 21 years and over.

NOTICE TO APPLICANT. Pursuant to Business and Professions Code section 19605.25(a) (4) wagers placed at a minisatellite site must be in an area that is restricted to those who are 21 years of age or older.

IV. FACILITY DESCRIPTION

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; or other description as appropriate): Full meal and bar service

The seating capacity in the minisatellite wagering facility is: Main area 77, Arena 120

The number of tables in the minisatellite wagering area is: Main area 11, Arena 22

Overall square footage in the minisatellite wagering area is: Main area 1,914, Arena 2,754

Attach a photograph of the minisatellite wagering area. On file with CHRB

Describe occupancy restrictions, if any, imposed by the fire authority having jurisdiction: Casino card room operations.

The total number of parking spaces available in the parking areas can accommodate (number of standard sized automobiles): 3,855

Describe any other activities to be scheduled on or near the facility premises that may have a negative impact on available parking: Operations of the Commerce Casino, Crowne Plaza Hotel and related business activities.

EXHIBIT C

EXHIBIT D

LOS ANGELES COUNTY CERTIFIED UNIFIED PROGRAM AGENCY
ADMINISTERED BY LOS ANGELES COUNTY FIRE DEPARTMENT

ANNUAL UNIFIED PROGRAM FACILITY PERMIT

Fiscal Year 2018-2019

July 1, 2018 - June 30, 2019

ISSUED TO: COMMERCE CASINO & CROWN PLAZA HOTEL
6131 E TELEGRAPH RD
COMMERCE, CA 90040

LA Co. CUPA NO. AR: AR0028098

FACILITY OWNER: CALIFORNIA COMMERCE CLUB INC
FACILITY SITE ADDRESS: 6131 TELEGRAPH RD, COMMERCE, CA 90040

THIS PERMIT IS ISSUED FOR THE FOLLOWING PROGRAMS:

Administering Agency:

LA COUNTY FIRE DEPARTMENT
LA COUNTY FIRE DEPARTMENT
LA COUNTY FIRE DEPARTMENT

Program Description:

ABOVEGROUND PETROLEUM STORAGE TANK PROGRAM
HAZARDOUS MATERIALS DISCLOSURE PROGRAM
HAZARDOUS WASTE GENERATOR PROGRAM



**THIS PERMIT MUST BE CONSPICUOUSLY DISPLAYED
AT THE FACILITY AT ALL TIMES.**

ISSUED BY: Daryl L. Osby
County of Los Angeles Fire Chief

ISSUED ON: Dec 3, 2018

EXPIRES ON: October 31, 2019

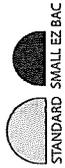
This permit is valid only for the above location and is subject to ALL REQUIREMENTS of State and local laws and regulations.
This permit is non-transferrable and is void upon change in ownership or location.

you are in operation on or after July 1, 2019, your business will be responsible for payment of permit fees for the next annual billing cycle. You must contact this Department prior to this date and arrange for an inspection to verify non-operational status to cancel permit fees for the next annual billing cycle. You may continue to operate under this permit until the payment for the next billing cycle is made to this Department by the established invoice due date. Invoice due date for permit fees may vary from year to year.

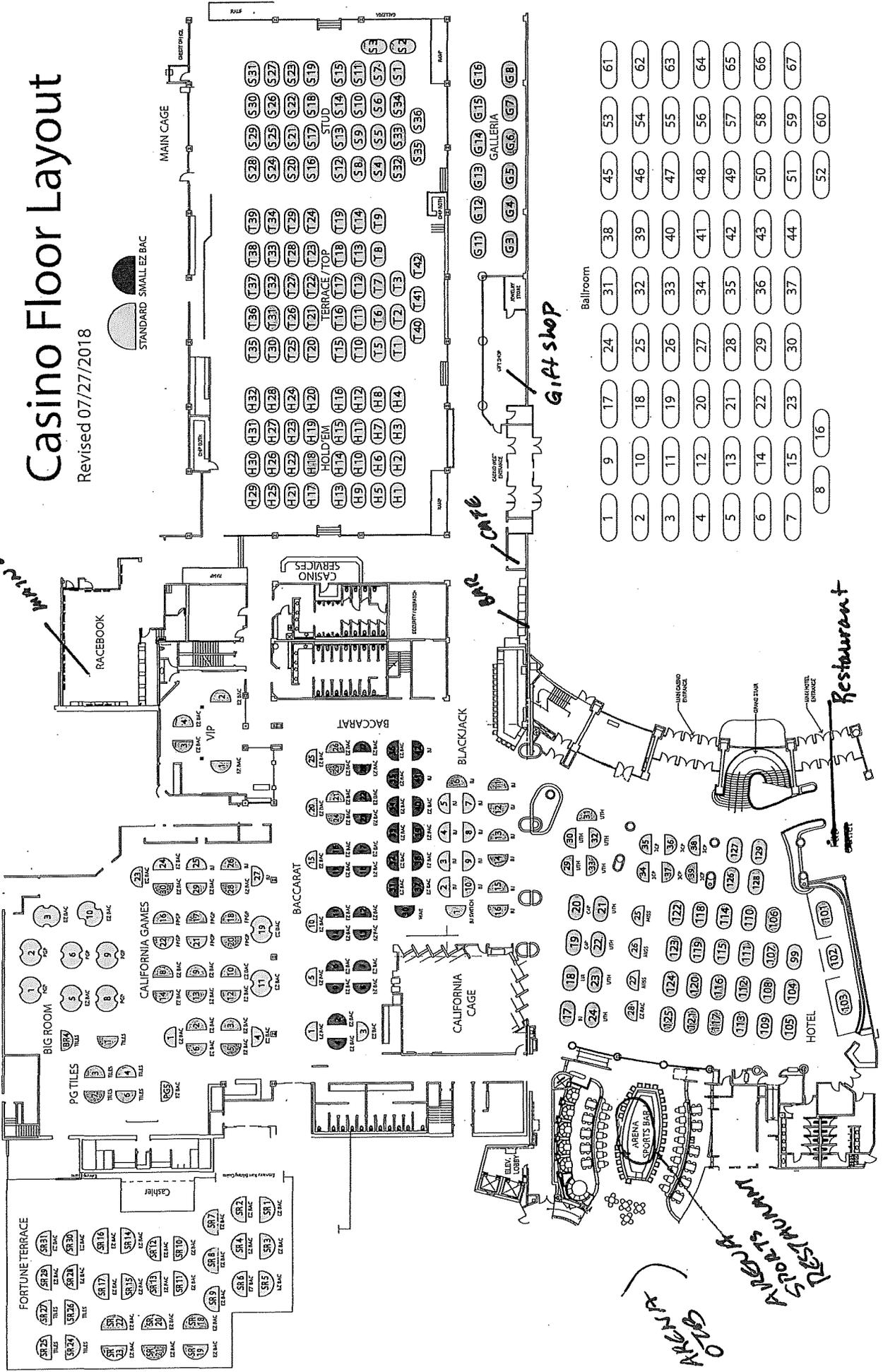
EXHIBIT E

Casino Floor Layout

Revised 07/27/2018



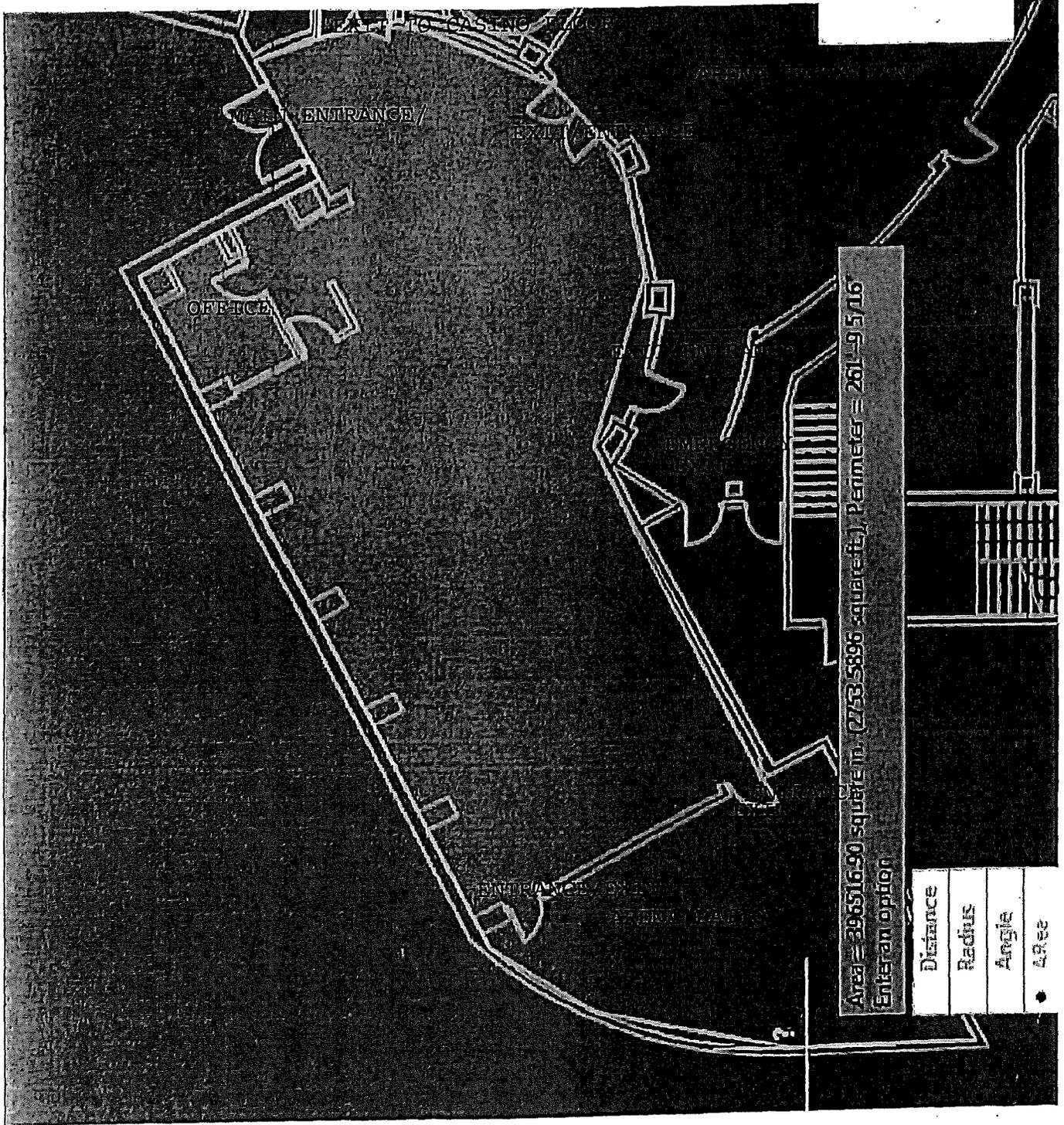
WALKWAY



1	9	17	24	31	38	45	53	61
2	10	18	25	32	39	46	54	62
3	11	19	26	33	40	47	55	63
4	12	20	27	34	41	48	56	64
5	13	21	28	35	42	49	57	65
6	14	22	29	36	43	50	58	66
7	15	23	30	37	44	51	59	67
8	16					52	60	

GRAND OPENING
SPORTS
RESTAURANT

ARENA ARENA
Sq ft-- 2,754
Tables-- 22
Seats-- 120
TV Monitors-37

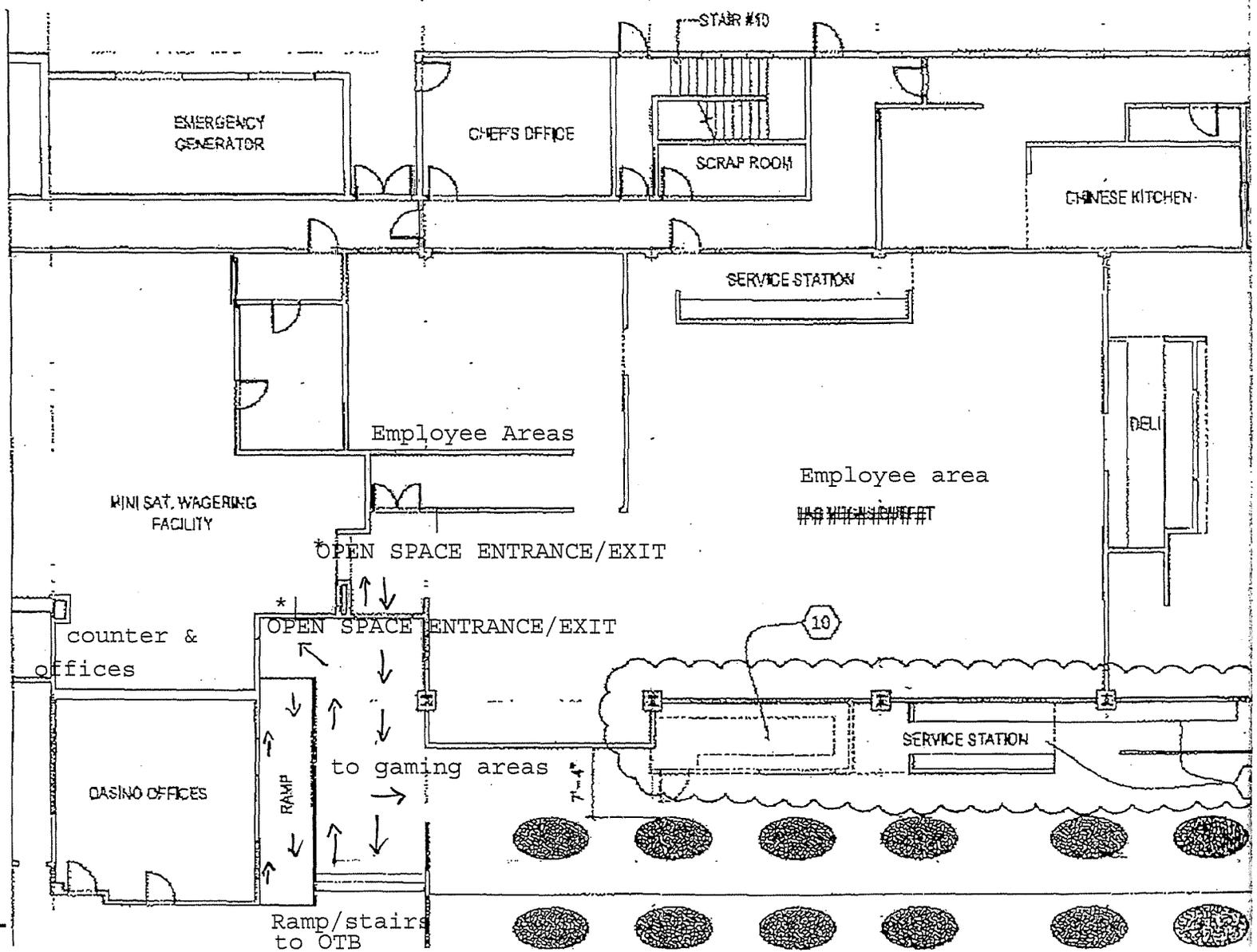


DIAGRAM

9-84

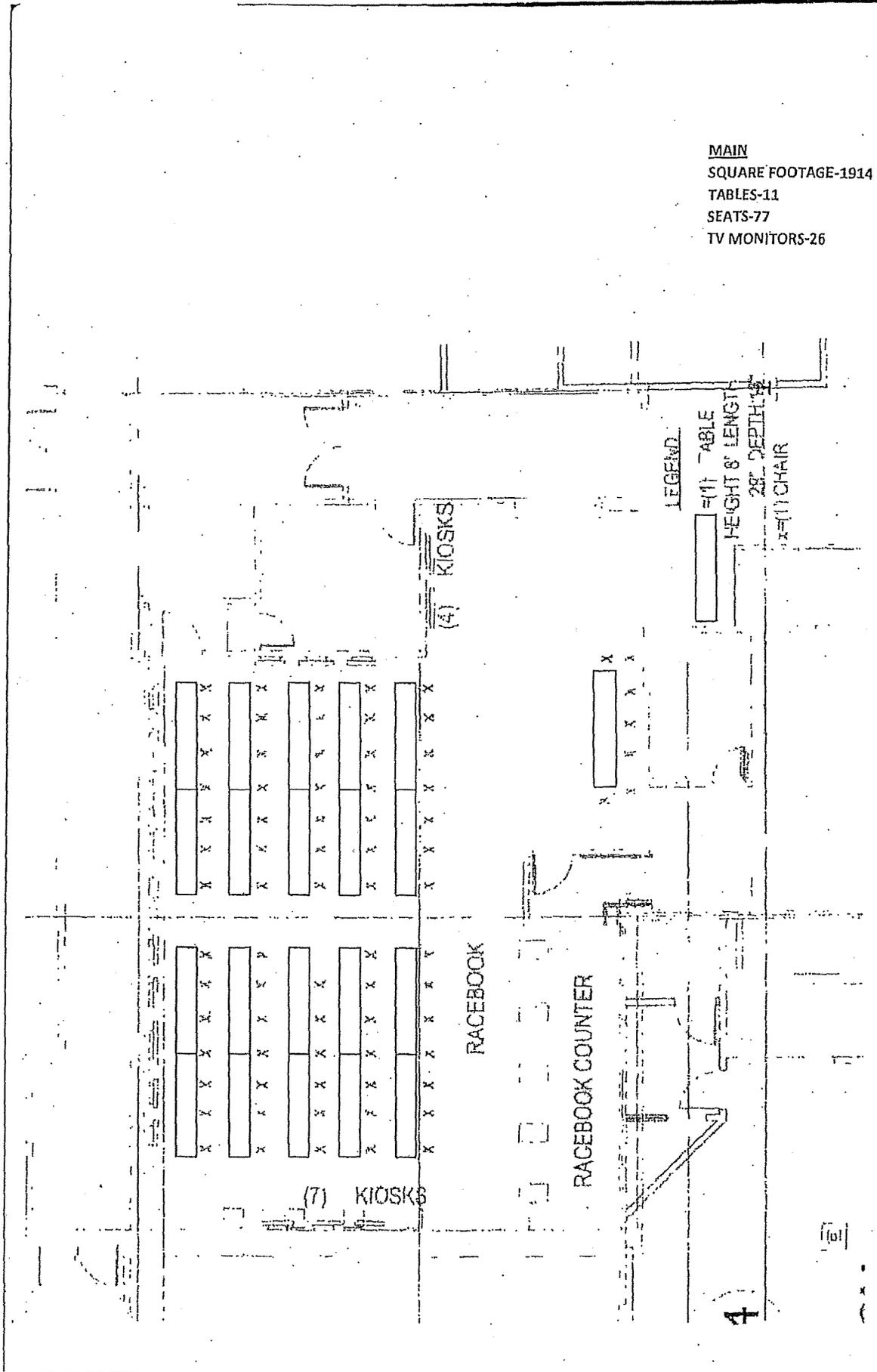
270ft

MAIN
SQUARE FOOTAGE=1914
TABLE- 11
SEATS- 77
TV MONITORS-26



200ft

MAIN
SQUARE FOOTAGE-1914 SQUARE FEET
TABLES-11
SEATS-77
TV MONITORS-26



LEGEND

(1) TABLE
HEIGHT 8' LENGTH
28' DEPTH
(1) CHAIR

(4) KIOSKS

(7) KIOSKS

FACEBOOK

FACEBOOK COUNTER

4





State of California
 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-228 (New 11/08)

V. EQUIPMENT PROVIDED BY THE MINISATELLITE WAGERING FACILITY

Describe the television equipment (satellite receivers, decoders, controls, monitors, etc.) to be utilized at the facility: Reception equipment provided by RCN/Dish network. Races are displayed on 63 monitors.

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

VI. ADVERTISING AND PATRON DEVELOPMENT

Describe any advertising or promotional plans:
 General advertising

Describe any improvements to the facility that will directly benefit minisatellite wagering: N/A

NOTICE TO APPLICANT: Pursuant to Board Rule 2066 all advertisement shall contain a statement that persons under 21 are not allowed to participate in minisatellite wagering. All advertisement shall contain contact information for a recognized problem-gambling support organization.

VII. ADMISSIONS, CHARGES AND SERVICE FEES

Complete if applicable and note N/A if not

Admissions charges, if any, are:	None
Parking charges, if any, are:	None for self-parking, \$3.00 for valet parking
Program charges, if any, are:	Retail price set by host track
Seating charges, if any, are:	None

VIII. RENEWAL

Complete this section only if renewing your license.

Is this a renewal application: Yes No

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

Have any changes occurred affecting ownership or controlling interest in your business structure or establishment since your last application? Yes No

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

How many years have you been an approved minisatellite wagering facility?
 Commerce Casino was California's first minisatellite wagering facility. It was first approved for licensure on April 24, 2009 and opened on July 17, 2009.

AGREEMENTS

Attach copies of all applicable county, city or agency agreements that may affect the minisatellite wagering 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 minisatellite wagering facility for a period of two years per Business and Professions Code section 19605.25(h).

Notice is 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-

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

DECLARATIONS

All labor agreements, concession contracts, service contracts, horsemen's agreements, lease agreements, agreements with the simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility, lease or rental agreement with the facility landlord and all applicable county, city or agency agreements that may affect the minisatellite wagering 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 license 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, Chapter 4, of the Business and Professions Code; and the Federal Indian Gaming Act; to allow an evaluation of the competence, integrity, and character of potential simulcast facility operators, any person, corporation, trust association, partnership, joint venture, or management firm who submits an application for such license 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 Business and Professions Code shall be required to complete and submit a full disclosure statement.

CERTIFICATION BY APPLICANT

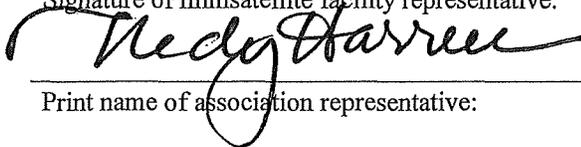
I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the applicant to attest to this application on its behalf.

Print name of minisatellite facility applicant representative:

NEDY WARREN, GENERAL COUNSEL

Date: 01/18/19

Signature of minisatellite facility representative:



Date: 01/18/19

Print name of association representative:

Date:

Signature of association representative:

Date:

Print name of simulcast organization representative:

Date:

Signature of simulcast organization representative:

Date:

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-228 (New 11/08)

DECLARATIONS

All labor agreements, concession contracts, service contracts, horsemen's agreements, lease agreements, agreements with the simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility, lease or rental agreement with the facility landlord and all applicable county, city or agency agreements that may affect the minisatellite wagering facility have been finalized except as follows (if there are no exceptions, so state): No exceptions

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

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): No exceptions

By authority of Article 9.2, Chapter 4, of the Business and Professions Code; and the Federal Indian Gaming Act; to allow an evaluation of the competence, integrity, and character of potential simulcast facility operators, any person, corporation, trust association, partnership, joint venture, or management firm who submits an application for such license 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 Business and Professions 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 of minisatellite facility applicant representative:
Nedy Warren

Date:

Signature of minisatellite facility representative:

Date:

Print name of association representative:
Josh Rubinstein

Date:

Signature of association representative:

Date:

11/31/19

Print name of simulcast organization representative:
George Haines

Date:

Signature of simulcast organization representative:

Date:

Notice is 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, or approved contractor.

DECLARATIONS

All labor agreements, concession contracts, service contracts, horsemen's agreements, lease agreements, agreements with the simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility, lease or rental agreement with the facility landlord and all applicable county, city or agency agreements that may affect the minisatellite wagering facility have been finalized except as follows (if there are no exceptions, so state): No exceptions

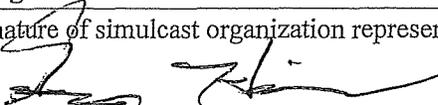
All service contractors and concessionaires have valid State, County or City licenses authorizing each to engage in the type of service to be provided and have valid labor agreements (when applicable) which remain in effect for the entire term of the license except as follows (if there are no exceptions, so state): No exceptions

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): No exceptions.

By authority of Article 9.2, Chapter 4, of the Business and Professions Code; and the Federal Indian Gaming Act; to allow an evaluation of the competence, integrity, and character of potential simulcast facility operators, any person, corporation, trust association, partnership, joint venture, or management firm who submits an application for such license 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 Business and Professions 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 of minisatellite facility applicant representative:	Date:
Signature of minisatellite facility representative:	Date:
Print name of association representative: Josh Rubinstein	Date:
Signature of association representative:	Date:
Print name of simulcast organization representative: George Haines	Date:
Signature of simulcast organization representative: 	Date: 1/23/17

STAFF ANALYSIS
February 21, 2019

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

At its November 29, 2018 Regular Meeting, the Board extended the existing Advance Deposit Wagering (ADW) license for NYRABets, LLC (NYRA Bets) through February 28, 2019, to provide staff with additional time to evaluate documents specific to NYRA Bets' California operations.

NYRA Bets, formerly known as NewCo Ventures North America, LLC, filed its application as an out-of-state multi-jurisdictional wagering hub to provide ADW. NYRA Bets is currently licensed through February 28, 2019, 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. NYRA Bets, as a current ADW provider, has a \$500,000 bond on file that became effective June 10, 2016, and is continuous until cancelled.

This application provides for the following:

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 Professions Code Section 19604 includes specific provisions that must be met before an ADW provider can accept wagers. These include the following:

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” is 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 that provides all of the following:

- (i) The labor organization has historically represented employees who accept or process any form of wagering at the nearest horse racing meeting located in California.
- (ii) The agreement establishes the method by which the ADW provider will agree to recognize and bargain in good faith with a labor organization that has demonstrated majority status by submitting authorization cards signed by those employees who accept or process any form of wagering for which a California ADW license is required.
- (iii) The agreement requires the ADW provider to maintain its neutrality concerning the choice of those employees who accept or process any form of wagering for which a California ADW license is required whether or not to authorize the labor organization to represent them with regard to wages, hours, and other terms and conditions of employment.
- (iv) The agreement applies to those classifications of employees who accept or process wagers for which a California ADW license is required whether the facility is located within or outside of California.

19604(d)(1)(C)

- (i) The agreement required by subparagraph (B) shall not be conditioned by either party upon the other party agreeing to matters outside the requirements of subparagraph (B).
- (ii) The requirement in subparagraph (B) shall not apply to an ADW provider that has entered into a collective bargaining agreement with a bona fide labor organization that is the exclusive bargaining representative of employees who accept or process parimutuel wagers on races for which an ADW license is required whether the facility is located within or outside of California.

Labor Correspondence

NYRA Bets submitted statements dated September 26, 2018, and October 26, 2018 that provided it was unable to come to terms with Local 280 on multiple occasions over the past year.

NYRA Bets has provided the Board with copies of the following agreements in compliance with Business and Professions Code Section 19604:

- Account wagering agreement between NYRA Bets and Monarch Content Management, LLC (MCM), effective July 1, 2018 through November 30, 2019.
- 2019 agreement between NYRA Bets and WatchandWager.com, LLC, effective June 1, 2018 through June 1, 2019.
- Horsemen's authorization for Golden Gate Fields (GGF) to transmit the audiovisual signal of GGF Thoroughbred races to, and accept wagers on those races placed through, the out-of-state ADW providers from December 26, 2018 through June 9, 2019.
- Horsemen's authorization for Los Angeles Turf Club (LATC) to transmit the audiovisual signal of LATC Thoroughbred races to, and accept wagers on those races placed through, the out-of-state ADW providers from December 26, 2018 through June 25, 2019.
- Horsemen's approval of 2019 agreement with WatchandWager.com, LLC.
- Horsemen's approval for Los Alamitos Quarter Horse Racing Association (LAQHRA) to export the satellite signal for its 2019 Quarter Horse race meeting to NYRA Bets.
- Hub agreement between NYRA Bets and LATC, effective January 1, 2019 through December 31, 2019.
- Hub agreement between NYRA Bets and LAQHRA, effective August 1, 2018, and expiring July 31, 2020.
- Hub agreement between NYRA Bets and WatchandWager.com, LLC, effective July 6, 2016 and amended to extend through May 31, 2021.

MCM has previously been the negotiating party for the simulcast wagering agreements between NYRA Bets, the California thoroughbred racing associations, California Authority of Racing Fairs (CARF), Los Angeles County Fair at Los Alamitos, and the Sonoma County Fair. MCM has shared that "MCM will not be representing CARF in 2019." To date, MCM has provided the 2019 contracts for NYRA Bets, TVG Network, Xpressbet, and Churchill Downs Technology Initiatives Company dba TwinSpires and BetAmerica.

NYRA Bets is listed as an ADW provider on the December 19, 2018 through June 11, 2019 Pacific Racing Association; December 19, 2018 through June 25, 2019 LATC; and December 26, 2018 through May 6, 2019 WatchandWager.com, LLC race meeting applications.

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

1. Labor Agreement.

RECOMMENDATION:

If the application is considered for approval, staff recommends approval of a two-year license contingent upon receipt 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:

NYRAbets, LLC
110-00 Rockaway Boulevard
S. Ozone Park, New York 11420
Tel: (718) 659-2237
Fax: (718) 659-3574

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

See Exhibit 1

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

National Registered Agents, Inc.
2875 Michelle Drive, Suite 100
Irvine, California 92606-1024

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.

See Exhibit 2; specifically,

Tab A: Hub Agreements

Tab B: California Quarter Horse Import Agreement and Approvals

Tab C: California Standardbred Import Agreement and Approvals

Tab D: California Thoroughbred Import Agreement and Approvals

CHRB CERTIFICATION

Application received: 9/27/18
Reviewed: RP

Hearing date: 2/21/19
Approval date:

2. DATES OF OPERATION

A. Dates Advance Deposit Wagering will be conducted:

See Exhibit 7, Section 2.2 ("Location & Hours of Operation")

B. Hours Advance Deposit Wagering will be conducted:

See Exhibit 7, Section 2.2 ("Location & Hours of Operation")

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: **NYRAbets, LLC**
(f/k/a NewCo Ventures North America, LLC)
2. State where articles of organization are filed: **Delaware**
3. Registry or file number for the LLC: **5972318**
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:

See Exhibit 1

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:

See Exhibit 3

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.

See Exhibit 3

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.

**See Exhibit 4 (2017 Audited Financial Statements);
See also Exhibit 5 (California-Specific Profit & Loss Statement)**

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.

See Exhibit 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:

See Exhibit 7, Section 3 (“Establishing an Account”)

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

See Exhibit 8

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

See Exhibit 7, Section 3.3 (“Verification”)

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

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

See Exhibit 7

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

See Exhibit 7, Section 4.2.1 (“Deposits”).

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

See Exhibit 7, Section 4.4 (“Transaction Fees”).

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:

See Exhibit 7, Section 3.3 (“Verification”)

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

See Exhibit 7, Section 6.1 (“Security & Confidentiality of Accounts”)

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

See Exhibit 7, Section 4.2.2 (“Withdrawals”)

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:

See Exhibit 7, Section 4.3.2 ("Recordation of Wagering Transactions")

7. PARI-MUTUEL

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

KPMG LLP
 Frank Albarella
 1305 Walt Whitman Road
 Melville, NY 11747
 Tel: (631) 425-6510

- 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:

See Exhibit 7, Section 2.2 ("Wagering System & Totalizator")

AmTote International Inc.
 11200 Pepper Road
 Hunt Valley, MD 21031
 (410) 771-8700
 Contract expires: September 30, 2019

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

See Exhibit 9

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:

See Exhibit 10

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

See Exhibit 10, footnote 1.

10-9 ADVERTISING

Name and address of the advertising agency you will use:

Ed Lewi Associates
6 Chelsea Place
Clifton Park, NY 12065

Allied Marketing
233 Broadway
NY, NY 10279

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.

Joseph J. Lambert
Print Name

Joseph J. Lambert
Signature

Corporate Secretary
Print Title

9.25.2018
Date

CHRB CERTIFICATION	
Application received:	Hearing date:
Reviewed:	Approval date:

STAFF ANALYSIS
February 21, 2019

APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING OF
GAME PLAY NETWORK, INC. FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL
WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

At its November 29, 2018 Regular Meeting, the Board extended the existing Advance Deposit Wagering (ADW) license for Game Play Network, Inc. (GPN) through February 28, 2019, to provide staff with additional time to evaluate documents specific to GPN's California operations.

GPN filed its application as an out-of-state multi-jurisdictional wagering hub to provide ADW. It is currently licensed through February 28, 2019 as an out-of-state multi-jurisdictional wagering hub, accepting ADW wagers on races conducted outside of California.

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. GPN has submitted a \$500,000 irrevocable standby letter of credit from East West Bank, which expires December 31, 2019.

This application provides for:

Dates of operation will be conducted February 1, 2019 through January 31, 2021. Schedule varies based on availability of racing content. Call center hours 7:00 a.m. to 6:00 p.m.

- 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 that provides all of the following:

- (i) The labor organization has historically represented employees who accept or process any form of wagering at the nearest horse racing meeting located in California.
- (ii) The agreement establishes the method by which the ADW provider will agree to recognize and bargain in good faith with a labor organization that has demonstrated majority status by submitting authorization cards signed by those employees who accept or process any form of wagering for which a California ADW license is required.
- (iii) The agreement requires the ADW provider to maintain its neutrality concerning the choice of those employees who accept or process any form of wagering for which a California ADW license is required whether or not to authorize the labor organization to represent them with regard to wages, hours, and other terms and conditions of employment.

(iv) The agreement applies to those classifications of employees who accept or process wagers for which a California ADW license is required whether the facility is located within or outside of California.

19604 (d)(1)(C)

(i) The agreement required by subparagraph (B) shall not be conditioned by either party upon the other party agreeing to matters outside the requirements of subparagraph (B).

(ii) The requirement in subparagraph (B) shall not apply to an ADW provider that has entered into a collective bargaining agreement with a bona fide labor organization that is the exclusive bargaining representative of employees who accept or process parimutuel wagers on races for which an ADW license is required whether the facility is located within or outside of California.”

Labor Correspondence

GPN submitted a statement dated October 25, 2018 that provided it was unable to come to terms with Local 280.

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

- Hub agreement between Game Play Network, Inc. and Watch and Wager, Inc., effective January 1, 2018 through December 31, 2019.
- Hub agreement between Game Play Network, Inc. and Thoroughbred Owners of California (TOC) effective January 1, 2019 through December 31, 2019.

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

1. Labor Agreement.
2. Verification that written notice of the host and hub fees applicable to the hub agreement with TOC was provided to the appropriate racing associations and fairs pursuant to Business and Professions Code section 19604(b)(2)(E).

Outstanding items required before wagers can be accepted on **races conducted in California** from a resident of California:

1. 2019 contract and/or agreements required pursuant to Business and Professions Code section 19604 that allows GPN to accept wagers.
2. Horsemen approval of ADW agreement.

The following information will need **updating** during the proposed licensing period:

1. Letter of Credit [expires December 31, 2019].

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:

Name: Game Play Network, Inc.
Address: 10866 Wilshire Blvd., Suite 700, Los Angeles CA 90024
Phone: (503) 350-0231
Fax: (503) 214-8101

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

Please refer to Exhibit 1B – Attached for license schedules by individual and jurisdiction.

David Marshall – Chief Executive Officer
Russell Fine – President
Joseph Hasson – SVP Racing & Regulatory Affairs
Gary Jacobs – Director
Gary McAdams – Director
Kurt Brendlinger – Director

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

Russell Fine
President
Game Play Network, Inc.
10866 Wilshire Blvd., Suite 700
Los Angeles, CA 90024

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.

Included refer to Exhibit 1D – Hub Agreements - Attached

CHRB CERTIFICATION

Application received: 10/12/18
Reviewed: *MS*

Hearing date: 2/21/19
Approval date:

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted: **February 1, 2019 through January 31, 2021.**
- B. Hours Advance Deposit Wagering will be conducted: **Schedule varies based on availability of racing content. Call center hours are 7:00 AM to 6:00 PM.**

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: **Game Play Network, Inc.**
- 2. State where incorporated: **Delaware**
- 3. Registry or file number for the corporation: **0001560325**
- 4. Name of all officers and directors, titles, and number of shares of the corporation held by each: **Please refer to Exhibit 3B4 – Attached**
- 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:
Joseph Hasson has voting power which represents 1,903,514 shares of common stock or 5.33% of voting power. Joseph Hasson has a voting agreement with David Marshall.
- 6. Number of outstanding shares in the corporation:
27,834,348 Common Shares
200,000 Series A Common (each series a has 20 common voting rights)
287 Series A Preferred (each preferred has 13,514 common voting rights)
- 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:
Russell Fine - President
- 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: **N/A**
- 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.

Please refer to Exhibit 3B10 - Attached

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.

Please refer to Exhibit 3B11 - Attached

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: **Please refer to Exhibit 5A, Supplement 1, Sections 1.10 & 1.11 – Attached.**
- B. If an application form is used to establish an Account attach a copy of the form.
Please refer to Exhibit 5A, Supplement 1a from the Operating Plan, “GPN Application” –

Attached.

- C. Name and address of the third party you will use to verify identity, residence and age verification:
Transunion – 555 W Adams, Chicago, Illinois 60661
CAMS – 8391 Beverly Blvd., #310, Los Angeles, CA 90048

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

- A. Submit a copy of your plan for operation.
Please refer to Exhibit 5A “Operating Plan” - Attached
- B. List the type of deposits you will accept:
Please refer to Exhibit 5A, Supplement 2, Section 1.2.1 for our list of Accepted Deposit Types
- C. Identify any fees or transaction-related charges and the amount that will be assessed:
Currently no fees are charged.

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 Exhibit 5A, Section 2.3; &
Please refer to Exhibit 5A, Supplement 1, Section 1.11
 - 2. Description of the technology to ensure confidentiality of the Means of Personal Identification:
Please refer to Exhibit 5A, Section 2.3
 - 3. Methods and locations available for Account Holders to withdraw funds from their Account:
Please refer to Exhibit 5A, Supplement 2, Section 1.4.1 for our list of Accepted Withdrawal Types
 - 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:
All records will be maintained at our Oregon Operations Office located at, 14725 SW Millikan Way, Beaverton, OR 97006. The customer service toll free number is 844-462-7768. The customer service fax number is (503) 350-0232. The call center office number is (503) 350-0231. Call Center hours are Monday through Sunday 9:00 AM PT to 6:00 PM PT. Holiday hours will apply based on available racing content.

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm:
Marcum LLP
2049 Century Park East, Suite 300, Los Angeles, CA 90067
(310) 432-7468
- 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 Equipment: Amtote International, Inc, Initial term expires on February 28, 2021.

ADW Website: Amtote International, Inc, Initial term expires on February 28, 2021.

- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted:
Please refer to Exhibit 7B

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:
Please refer to Exhibit 8A – Attached
- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed:
Please refer to Exhibit 8B – Attached

9. ADVERTISING

Name and address of the advertising agency you will use:

Game Play Network, Inc. staff is responsible for marketing & advertising.

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.

Joe Hasson

Print Name

SVP Racing & Regulatory Affairs

Print Title

Joe Hasson

Signature

10/23/2018

Date

STAFF ANALYSIS
February 21, 2019

APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING OF LIEN GAMES RACING LLC DBA OFFTRACK BETTING.COM, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

At its December 13, 2018 Regular Meeting, the Board extended the existing Advance Deposit Wagering (ADW) license for Lien Games Racing, LLC dba Offtrackbetting.com through February 28, 2019, to coincide with the terms approved for the other ADW applicants heard at the November 29, 2018 Regular Meeting.

Lien Games Racing, LLC (Lien Games) filed its application as an out-of-state multi-jurisdictional wagering hub to provide ADW. It is currently licensed through February 28, 2019 as an out-of-state multi-jurisdictional wagering hub, accepting ADW wagers on races conducted outside of California.

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 expired January 1, 2019.

This application provides for:

Dates of operation will be 365 days a year, with wagering each day beginning prior to the first race offered for the day and concluding with the start of the last race offered for the 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 . . .”

(i) The labor organization has historically represented employees who accept or process any form of wagering at the nearest horse racing meeting located in California.

(ii) The agreement establishes the method by which the ADW provider will agree to recognize and bargain in good faith with a labor organization that has demonstrated majority status by submitting authorization cards signed by those employees who accept or process any form of wagering for which a California ADW license is required.

(iii) The agreement requires the ADW provider to maintain its neutrality concerning the choice of those employees who accept or process any form of wagering for which a California ADW license

is required whether or not to authorize the labor organization to represent them with regard to wages, hours, and other terms and conditions of employment.

(iv) The agreement applies to those classifications of employees who accept or process wagers for which a California ADW license is required whether the facility is located within or outside of California.

19604 (d)(1)(C)

(i) The agreement required by subparagraph (B) shall not be conditioned by either party upon the other party agreeing to matters outside the requirements of subparagraph (B).

(ii) The requirement in subparagraph (B) shall not apply to an ADW provider that has entered into a collective bargaining agreement with a bona fide labor organization that is the exclusive bargaining representative of employees who accept or process parimutuel wagers on races for which an ADW license is required whether the facility is located within or outside of California.”

Labor Correspondence

Lien Games submitted a statement dated October 31, 2018 that provided it was unable to come to terms with Local 280.

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

- Hub agreement between Lien Games Racing, LLC and Watch and Wager, LLC effective December 11, 2018 through December 31, 2019.

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

1. Bond [expired January 1, 2019].
2. Labor Agreement.

Outstanding items required before wagers can be accepted on **races conducted in California** from a resident of California:

1. 2019 contract and/or agreements required pursuant to Business and Professions Code section 19604 that allows Lien Games to accept wagers.
2. Horsemen approval of ADW 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:

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

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

Lien Games Racing LLC, North Dakota Service Provider License No. 2018-014, 2019-012
 Kevin Hall, President
 North Dakota Racing Commission
 Jack Schulz, 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:

Adam Humphrey, Senior Accountant
 BAM Software and Services LLC
 625 Shrader Street, Suite 1
 San Francisco, California 94117

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.

Thoroughbred Hub Agreements have expired without being renewed. Re-establishing Thoroughbred Hub Agreement is being pursued. Updates will be provided to the Board.
 Harness Hub Agreement is provided under Tab 3.

CHRB CERTIFICATION

Application received: 11/25/18
 Reviewed: *WJ*

Hearing date: 2/21/19
 Approval date:

See Tab 4 for Simulcast Agreements with California tracks.

2. DATES OF OPERATION

A. Dates Advance Deposit Wagering will be conducted:

Advance Deposit Wagering will be offered when Hub Agreements are obtained for the respective breeds.

B. Hours Advance Deposit Wagering will be conducted:

When wagering commences upon obtaining Hub Agreements, wagering will be offered every day of the year, with wagering each day beginning prior to the first race offered for the day and concluding with the start of the last race offered for the 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:

Kevin Hall, President (owns .01% of Lien Games Racing LLC and 100% of K2 Investments, which owns 99.99% of Lien Games Racing LLC)
Kathy Mawicke, Secretary/Treasurer (no ownership interest)
- 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 – owns 99.99% of Lien Games Racing LLC
- 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 owns 99.99% of Lien Games Racing LLC. Kevin Hall owns 100% of K2 Investments LLC
- 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 2017 Financials and copies of reports to North Dakota Racing Commission for 2018, 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 2019 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 IDology. 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:

IDology, headquartered at 2018 Powers Ferry Road, Suite 720, Atlanta, Georgia 30339 (www.idology.com) 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.

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

B. List the type of deposits you will accept:

Credit Cards: Visa and Mastercard

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

PayNearMe and Green Dot MoneyPak: Customers can visit a variety of retailers throughout California, including CVS, Family Dollar 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.

Neteller: Customers can transfer funds from their Neteller ewallet account to their wagering account.

Dwolla: Customers can utilize Dwolla to transfer funds from their checking accounts to their wagering account.

Walk-Up Deposits: Customers can make deposits at Bank of America and Wells Fargo, which are then 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 or charges imposed by Lien Games Racing LLC in connection with submitting wagers, or when making a deposit using PayNearMe, Green Dot MoneyPak, Dwolla, walk-up bank deposit, paper check, or electronic check (fees are charged by PayNearMe, Green Dot and Dwolla). There is a 4.5% fee charged by Lien Games, with a minimum fee of \$5.00, when making a deposit using a credit card. There is a 2.9% fee, with a minimum fee of \$1.00, when making a deposit using a Neteller transfer (in addition to fees charged to the consumer by Neteller). There is a \$20.00 fee for processing wire transfer deposits of less than \$1,000.00.

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:

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- 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, 2017. In addition, Sportech/eBet, under contract with an expiration date of December 19, 2019, provides technology which interfaces between the consumer and Amtote's wagering hub.

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

Racing venues upon which wagers are currently accepted for non-California residents are attached at Tab 10. This same list of tracks would be offered to California residents, with the exception of Monarch tracks, whose contract currently precludes Lien Games from accepting wagers on Monarch tracks from residents of California. 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: Trackside, Inc.
 Communications and Video Streaming: Roberts Communications
 Identity Verification: IDology
 ACH Processing: Dwolla, Starion Bank
 Credit Card Processing: Starion Bank, Authorize.net
 Cash deposits at land-based retailers: PayNearMe

- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed: Local 280 Neutrality Agreement

9. ADVERTISING

Name and address of the marketing firm you will use:

Trackside, Inc.
 404 4th Avenue North, Suite 200
 Fargo, North Dakota 58102

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

Pres.
Print Title

[Handwritten Signature]
Signature

10/31/10
Date

STAFF ANALYSIS

February 21, 2019

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

At its November 29, 2018 Regular Meeting, the Board extended the existing Advance Deposit Wagering (ADW) license for Churchill Downs Technology Initiatives Company (CDTIC) dba Twinspires and BetAmerica through February 28, 2019, to provide staff with additional time to evaluate documents specific to CDTIC's California operations.

CDTIC filed its application as an out-of-state multi-jurisdictional wagering hub to provide ADW. It is currently licensed through February 28, 2019 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. CDTIC, as a current ADW provider, has a \$500,000 bond continuation certificate on file that will expire August 1, 2019.

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 that provides all of the following:

- (i) The labor organization has historically represented employees who accept or process any form of wagering at the nearest horse racing meeting located in California.
- (ii) The agreement establishes the method by which the ADW provider will agree to recognize and bargain in good faith with a labor organization that has demonstrated majority status by submitting authorization cards signed by those employees who accept or process any form of wagering for which a California ADW license is required.
- (iii) The agreement requires the ADW provider to maintain its neutrality concerning the choice of those employees who accept or process any form of wagering for which a California ADW license is required whether or not to authorize the labor organization to represent them with regard to wages, hours, and other terms and conditions of employment.

(iv) The agreement applies to those classifications of employees who accept or process wagers for which a California ADW license is required whether the facility is located within or outside of California.

19604 (d)(1)(C)

(i) The agreement required by subparagraph (B) shall not be conditioned by either party upon the other party agreeing to matters outside the requirements of subparagraph (B).

(ii) The requirement in subparagraph (B) shall not apply to an ADW provider that has entered into a collective bargaining agreement with a bona fide labor organization that is the exclusive bargaining representative of employees who accept or process parimutuel wagers on races for which an ADW license is required whether the facility is located within or outside of California.”

Labor Correspondence

CDTIC submitted a statement dated October 26, 2018 that provided it was unable to come to terms with Local 280.

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

- Hub agreement between CDTIC and Los Angeles Turf Club effective January 1, 2019 through December 31, 2019.
- Simulcast Wagering Agreement between CDTIC and Watch and Wager, LLC effective October 22, 2018 through October 21, 2019.
- Account Wagering Agreement between CDTIC and Monarch Content Management, LLC dated as of December 21, 2018 through all races conducted through December 31, 2020.
- Agreement between Thoroughbred Owners of California and Los Angeles Turf Club (LATC) on the use of the race signal; providing LATC shall be permitted to transmit race signal to Twinspires and BetAmerica during the 2018-2019 LATC race meeting, December 19, 2018 through June 25, 2019.
- Agreement between Thoroughbred Owners of California and Pacific Racing Association (PRA) on the use of the race signal; providing PRA shall be permitted to transmit race signal to Twinspires and BetAmerica during the 2018-2019 PRA race meeting, December 19, 2018 through June 11, 2019.
- Approval from the California Harness Horsemen’s Association of the out-of-state simulcasting of the nightly California harness races at Cal Expo to Board approved in-state and out-of-state simulcast venues beginning November 10, 2018 through the final day of racing in April 2019.

Monarch Content Management, LLC (MCM), has previously been the negotiating party for the simulcast wagering agreements between CDTIC, the California thoroughbred racing associations, California Authority of Racing Fairs (CARF), Los Angeles County Fair at Los Alamitos, and the Sonoma County Fair. MCM has shared that “MCM will not be representing CARF in 2019.” To date, MCM has provided the 2019 contracts for CDTIC, Xpressbet, NYRAbets, and TVG.

CDTIC is listed as an ADW provider on the December 19, 2018 through June 25, 2019 Los Angeles Turf Club (LATC); the December 26, 2018 through May 6, 2019 Watch and Wager.com, LLC and

the December 19, 2018 through June 11, 2019 Pacific Racing Association (PRA) race meeting applications.

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

1. Labor Agreement.

The following information will need **updating** during the proposed licensing period:

1. Bond [expires August 1, 2019].

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. **SEE TAB 1**

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 (d/b/a Twinpires and BetAmerica); 600 North Hurstbourne Parkway, Suite 400, Louisville, KY 40222; Phone (502) 636-4400; Fax: (502) 394-1180**
- B. Name, title, license number and racing jurisdiction where licensed for all management personnel:
Ian Williams, President, California License – Ian Williams is currently applying for license in California
Justin Hurt, Senior Director of Finance for Churchill Downs Incorporated, Kentucky License (1941342)
Carter Vance, Secretary; Vice President, Associate General counsel for Churchill Downs Incorporated, New York License (1517726 Thoroughbred, 1517725 Harness)
- C. Name, title and mailing address of the California agent for receipt of service of process:
CT Corporation System
818 West Seventh Street, Suite 930
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. **SEE TAB 2.**

2. DATES OF OPERATION

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

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)

CHRB CERTIFICATION	
Application received: 10/5/18	Hearing date: 2/21/19
Reviewed: <i>[Signature]</i>	Approval date:

- LLC (complete subsection C)
- 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:
 - Ian Williams, President**
 - Carter Vance, Secretary**
 - Marcia Dall, Treasurer**

 - William Carstanjen, Director**
 - William Mudd, Director**
 - Marcia Dall, Director**

No officer or director directly holds any shares of Applicant as Applicant is a 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: **Carter Vance**
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. **SEE TAB 3**

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. **SEE 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 as 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 betamerica.com.**
- C. Name and address of the third party you will use to verify identity, residence and age verification:
Equifax Secure, Inc., 1550 Peachtree Street, NW, Atlanta, GA 30309
IDology, 280 Interstate North Circle SE, Suite 160, Atlanta, GA 30339

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

- A. Submit a copy of your plan for operation. **SEE TAB 6**
- B. List the type of deposits you will accept: **ACH, PayPal, credit card, debit card, Green Dot, MoneyGram, online bill pay, bank wire transfer, 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: **\$25 fee for returned transaction items.**

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: **801 Corporate Drive, Lexington, KY (Phone: (877) 774-7371 with hours of operation of 9:00 a.m. to 1:00 a.m. (EST).**

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm: **PricewaterhouseCoopers LLP, 500 W. Main Street, Suite 1800, Louisville, KY 40202; (502) 589-6100**
- 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 United Tote. The contract expires on December 31, 2018, however it auto-renews.**
- 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 Road, Suite 120, Las Vegas, NV 89120
Green Dot Corporation, 605 E. Huntington Drive, Suite 205, Monrovia, CA 91016
Roberts Communications Network, Inc., 4175 Cameron Street, Suite B-10, Las Vegas, NV 89103
NeuLion, Inc., 1600 Old Country Road, Suite 101, Plainview, New York 11803
PayNearMe, Inc., 100 View Street, #203, Mountain View, California 94041
PayPal, Inc., eBay Park North, 2211 North First Street, San Jose, California 95131
- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed: **N/A**

9. ADVERTISING

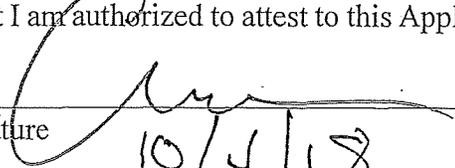
Name and address of the advertising agency you will use: **None.**

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.

CARTER VANCE
 Print Name
SECRETARY
 Print Title


 Signature
10/4/18
 Date

STAFF ANALYSIS
February 21, 2019

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

At its November 29, 2018 Regular Meeting, the Board extended the existing Advance Deposit Wagering (ADW) license for WatchandWager.com, LLC (Watch and Wager) through February 28, 2019, to provide staff with additional time to evaluate documents specific to Watch and Wager's California operations.

Watch and Wager filed its application as an out-of-state multi-jurisdictional wagering hub to provide ADW. It is currently licensed through February 28, 2019, 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. Watch and Wager, as a current ADW provider, has a \$500,000 bond on file that will expire July 18, 2019.

This application provides for the following:

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 Professions Code Section 19604 includes specific provisions that must be met before an ADW provider can accept wagers. These include the following:

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” is 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 that provides all of the following:

- (i) The labor organization has historically represented employees who accept or process any form of wagering at the nearest horse racing meeting located in California.
- (ii) The agreement establishes the method by which the ADW provider will agree to recognize and bargain in good faith with a labor organization that has demonstrated majority status by submitting authorization cards signed by those employees who accept or process any form of wagering for which a California ADW license is required.
- (iii) The agreement requires the ADW provider to maintain its neutrality concerning the choice of those employees who accept or process any form of wagering for which a California ADW license is required whether or not to authorize the labor organization to represent them with regard to wages, hours, and other terms and conditions of employment.
- (iv) The agreement applies to those classifications of employees who accept or process wagers for which a California ADW license is required whether the facility is located within or outside of California.

19604(d)(1)(C)

(i) The agreement required by subparagraph (B) shall not be conditioned by either party upon the other party agreeing to matters outside the requirements of subparagraph (B).

(ii) The requirement in subparagraph (B) shall not apply to an ADW provider that has entered into a collective bargaining agreement with a bona fide labor organization that is the exclusive bargaining representative of employees who accept or process parimutuel wagers on races for which an ADW license is required whether the facility is located within or outside of California.

Labor Correspondence

Watch and Wager submitted a statement on October 17, 2018, that provided it was unable to come to terms with Local 280.

Watch and Wager has provided the Board with a copy of the following agreements in compliance with Business and Professions Code Section 19604:

- Hub agreement between Watch and Wager, and Thoroughbred Owners of California (TOC), effective December 26, 2018 through December 24, 2019.

Monarch Content Management, LLC (MCM) has previously been the negotiating party for the simulcast wagering agreements between Watch and Wager, the California thoroughbred racing associations, California Authority of Racing Fairs (CARF), Los Angeles County Fair at Los Alamitos, and the Sonoma County Fair. MCM has shared that "MCM will not be representing CARF in 2019." To date, MCM has provided the 2019 contracts for TVG Network, NYRA Bets, Xpressbet, and Churchill Downs Technology Initiatives Company dba TwinSpires and BetAmerica.

Watch and Wager is listed as an ADW provider on the December 26, 2018 through May 6, 2019 WatchandWager.com, LLC race meeting application.

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

1. 2019 contracts and/or agreements required pursuant to Business and Professions Code Section 19604 that allow Watch and Wager to accept ADW wagers on races conducted in California.
2. Horsemen's Approval.
3. Verification that written notice of the host and hub fees applicable to the hub agreement with TOC was provided to the appropriate racing associations and fairs pursuant to Business and Professions Code section 19604(b)(2)(E).
4. Hub agreement submitted between Watch and Wager, and WatchandWager Harness Racing requires signatures from both parties.
5. Labor Agreement.

The following information will need **updating** during the proposed licensing period:

1. Bond (expires July 18, 2019).

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:

Edward Comins – President
WatchandWager.com LLC
700 Larkspur Landing Circle, Suite 199, Larkspur, CA 94939
415-464-4882

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

Edward Comins – President
WatchandWager.com LLC
WatchandWager.com is licensed by the California Horse Racing Board
WatchandWager is also licensed by the following racing commissions:
Colorado, Kentucky, Maryland, Minnesota, New York, North Dakota and Washington

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

Edward Comins – President
WatchandWager.com LLC
700 Larkspur Landing Circle, Suite 199, Larkspur, CA 94939

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 1 – Hub agreements and Horseman's agreements

Application received: 9/27/18	CHRB CERTIFICATION	Hearing date: 2/21/19
Reviewed: RP		Approval date:

2. DATES OF OPERATION

A. Dates Advance Deposit Wagering will be conducted:

Advanced Deposit Wagering is conducted 365 days per year

B. Hours Advance Deposit Wagering will be conducted:

Advanced Deposit Wagering is available 24/7

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:

WatchandWager.com LLC

2. State where articles of organization are filed:

Nevada

3. Registry or file number for the LLC:

Articles – Nevada, Certificate Number: C20100804-2888
 North Dakota Certificate of Authority ID#: 2-855-000
 California Certificate of Registration, May 2nd, 2012
 Kentucky Certificate of Authorization, October 21, 2014
 See Appendix 2 for the corporate documents

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
 Directors of WatchandWager.com Ltd:
 Edward Comins - President
 Denham Eke – Chairman

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 owns shares in either WatchandWager.com Ltd or WatchandWager.com LLC

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

Neither WatchandWager.com Ltd nor WatchandWager.com LLC is listed for public trading. Note: The parent company is Webis Holdings PLC, a listed company of the London Stock Exchange (AIM). Further details on Webis Holdings PLC 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:

The ultimate parent company is Webis Holdings PLC, a listed company of the London Stock Exchange (AIM), which owns 100% of WatchandWager.com Ltd

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.

Attached (Appendix 3 – Financial Statements):
WatchandWager.com LLC Financials 2017
Webis Holdings PLC Annual Report 2017

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 4 – Business 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:

Appendix 5 – New Account Procedures

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

Appendix 6 – Online Application Form

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

GBGroup PLC (ID3 Global Verification)
The Foundation, Herons Way, Chester Business Park,
Chester, CH4 9GB (UK Headquarters)

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

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

Appendix 7 – Plan of Operation

B. List the type of deposits you will accept:

Credit / Debit Card; ACH Bank Transfers, Cash (PayNearMe); E-wallets (Play+ and Neteller);
Check / Money Order; Bank Wire

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

WatchandWager does not charge any fees for processing payments. Some payment providers assess fees for their transactions. Please see appendix 8 for a detailed list of payment providers.

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:

Appendix 9 – ID3 Verification Contract

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

Appendix 7, Page 1-2, Section 4500.1. – System Security

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

Customers may withdraw funds online using the following options:

ACH Bank Transfer
Check
E-Wallet (Play+ and Neteller)

See also appendix 8 for detail on withdrawal methods

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
Maryland Mid-Atlantic Hub, 1200 Pepper Rd, Hunt Valley, MD 21031
Phone 410-785-5134

See also appendix 1 for fully executed hub agreement

7. PARI-MUTUEL

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

Thurman and Thurman – US Auditor
1220 Jepson Ave
Corcoran, CA 93212
Phone: 559 992 4118

KPMG – Group Auditor
Heritage Court, 41 Athol Street
Douglas, Isle of Man IM1 1LA
Phone +44 1624 681 000

CHRIMS – US Settlements
5758 W. Las Positas Blvd, Suite 200
Pleasanton, CA 94588
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, Hunt Valley MD. AmTote International
Contract Expires on 8.28.22

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

Appendix 10 – Track Locations

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:

Software: i-Neda Ltd, The Hub
IQ Farnborough, Hampshire GU14 7JP (UK)
Phone +44 1252 701010

Appendix 11 - contract

- 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 does not use a specific advertising agency, but does have a contract with the below individual for advertising creatives:

Amy McLean
3880 Spurr Rd,
Lexington, KY 40511

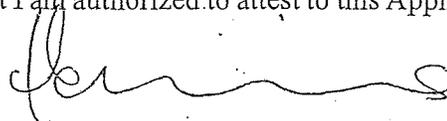
NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section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

EDWARD CONNORS

Print Name



Signature

President

Print Title

9/24/2018

Date

STAFF ANALYSIS
February 21, 2019

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

At its November 29, 2018 Regular Meeting, the Board extended the existing Advance Deposit Wagering (ADW) license for Xpressbet, LLC through February 28, 2019, to provide staff with additional time to evaluate documents specific to Xpressbet's California operations.

On February 4, 2019 Xpressbet notified the CHRB of a change to its current Plan of Operation. The Stronach Group, parent company of Xpressbet and BetMix LLC, is proposing to launch a new wagering application, 1/ST. Xpressbet has provided that 1/ST is managed by Xpressbet, in conjunction with BetMix. The 1/ST application will offer a new web and mobile app wagering experience supplemental to the Xpressbet app. The key feature of the new 1/ST app is to provide users with proprietary handicapping algorithms that will help users increase both their win rate and handle churn. All account wagering functions, including account setup, maintenance, customer service and wager processing will be performed by Xpressbet. All customers that sign up through the 1/ST application will be considered customers of Xpressbet, and users will be able to login to 1/ST as well as Xpressbet using their Xpressbet credentials.

Xpressbet, LLC filed its application as an out-of-state multi-jurisdictional wagering hub to provide ADW. It is currently licensed through February 28, 2019 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. Xpressbet, LLC, as a current ADW provider, has a \$500,000 bond on file that will expire January 1, 2020.

This application provides for:

Dates of operation will be while races are run, up to twenty-four hours per 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 that provides all of the following:

- (i) The labor organization has historically represented employees who accept or process any form of wagering at the nearest horse racing meeting located in California.

(ii) The agreement establishes the method by which the ADW provider will agree to recognize and bargain in good faith with a labor organization that has demonstrated majority status by submitting authorization cards signed by those employees who accept or process any form of wagering for which a California ADW license is required.

(iii) The agreement requires the ADW provider to maintain its neutrality concerning the choice of those employees who accept or process any form of wagering for which a California ADW license is required whether or not to authorize the labor organization to represent them with regard to wages, hours, and other terms and conditions of employment.

(iv) The agreement applies to those classifications of employees who accept or process wagers for which a California ADW license is required whether the facility is located within or outside of California.

19604 (d)(1)(C)

(i) The agreement required by subparagraph (B) shall not be conditioned by either party upon the other party agreeing to matters outside the requirements of subparagraph (B).

(ii) The requirement in subparagraph (B) shall not apply to an ADW provider that has entered into a collective bargaining agreement with a bona fide labor organization that is the exclusive bargaining representative of employees who accept or process parimutuel wagers on races for which an ADW license is required whether the facility is located within or outside of California.”

Labor Correspondence

Xpressbet, LLC submitted a statement dated October 17, 2018 that provided it was unable to come to terms with Local 280.

Xpressbet, LLC 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 dated as of November 15, 2017, with a term of January 1, 2018 through December 31, 2019.
- Hub agreement between Xpressbet, LLC and Watch and Wager.com LLC d/b/a Cal Expo effective June 1, 2017 through May 31, 2019.
- Account Wagering Agreement between Xpressbet, LLC and Monarch Content Management, LLC dated as of November 1, 2018 for race meets commencing between December 1, 2018 and November 15, 2019.
- Agreement between Thoroughbred Owners of California and Los Angeles Turf Club (LATC) on the use of the race signal; providing LATC shall be permitted to transmit race signal to Xpressbet during the 2018-2019 LATC race meeting, December 19, 2018 through June 25, 2019.
- Agreement between Thoroughbred Owners of California and Pacific Racing Association (PRA) on the use of the race signal; providing PRA shall be permitted to transmit race signal to Xpressbet during the 2018-2019 PRA race meeting, December 19, 2018 through June 11, 2019.

Monarch Content Management, LLC (MCM), has previously been the negotiating party for the simulcast wagering agreements between Xpressbet, the California thoroughbred racing associations, California Authority of Racing Fairs (CARF), Los Angeles County Fair at Los Alamitos, and the Sonoma County Fair. MCM has shared that "MCM will not be representing CARF in 2019." To date, MCM has provided the 2019 contracts for CDTIC, Xpressbet, NYRabets, and TVG.

Xpressbet, LLC is listed as an ADW provider on the December 19, 2018 through June 25, 2019 Los Angeles Turf Club (LATC); the December 26, 2018 through May 6, 2019 Watch and Wager.com, LLC and the December 19, 2018 through June 11, 2019 Pacific Racing Association (PRA) race meeting applications.

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

1. Labor Agreement.

The following information will need **updating** during the proposed licensing period:

1. Bond [expires January 1, 2020].

RECOMMENDATION:

If the application is considered for approval, staff recommends approval of a two-year license contingent upon the submission of outstanding items. The Board may wish to hear from an Xpressbet representative.

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>
Richard Peden	Co President	Pending
Dan Newman	Co President	305020
Edward Hannah	Secretary	277099
Michael M. Rogers	Vice President	306749

C. 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

Application received: 9/20/18	CHRB CERTIFICATION	Hearing date: 2/21/19
Reviewed: <i>[Signature]</i>		Approval date:

- 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.

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
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 February 1, 2019 up to and including January 31, 2021
- 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)
 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:

Name	Title	Number of Shares Owned
Richard Peden	Co President	None
Dan Newman	Co President	None
Edward Hannah	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 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, 2017, 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 2016-2020 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 and /or EVS, LLC to provide identity, residence and age verification services. The addresses of TransUnion, LLC and EVS, LLC are set forth below:

Electronic Verification Systems, LLC
2500 Technology Drive,
Louisville, KY 40299

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, PayPal 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 the term date is currently open ended. 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:

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

Red Circle Agency
Redcircleagency.com
420 North 5th Street, Suite 650
Minneapolis, MN 55401

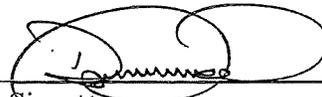
NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section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

Dan Newman
Print Name:


Signature:

Co-President
Print Title:

9/17/18
Date:

STAFF ANALYSIS

February 21, 2019

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

At its November 29, 2018 Regular Meeting, the Board extended the existing Advance Deposit Wagering (ADW) license for ODS Technologies, L.P. dba TVG Network through February 28, 2019, to provide staff with additional time to evaluate documents specific to TVG Network's California operations.

TVG Network filed its application as an out-of-state multi-jurisdictional wagering hub to provide ADW. It is currently licensed through February 28, 2019, 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. TVG Network, as a current ADW provider, has a \$500,000 bond on file that will expire December 31, 2019.

This application provides for the following:

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 Professions Code Section 19604 includes specific provisions that must be met before an ADW provider can accept wagers. These include the following:

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” is 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 that provides all of the following:

- (i) The labor organization has historically represented employees who accept or process any form of wagering at the nearest horse racing meeting located in California.
- (ii) The agreement establishes the method by which the ADW provider will agree to recognize and bargain in good faith with a labor organization that has demonstrated majority status by submitting authorization cards signed by those employees who accept or process any form of wagering for which a California ADW license is required.
- (iii) The agreement requires the ADW provider to maintain its neutrality concerning the choice of those employees who accept or process any form of wagering for which a California ADW license is required whether or not to authorize the labor organization to represent them with regard to wages, hours, and other terms and conditions of employment.
- (iv) The agreement applies to those classifications of employees who accept or process wagers for which a California ADW license is required whether the facility is located within or outside of California.

19604(d)(1)(C)

- (i) The agreement required by subparagraph (B) shall not be conditioned by either party upon the other party agreeing to matters outside the requirements of subparagraph (B).
- (ii) The requirement in subparagraph (B) shall not apply to an ADW provider that has entered into a collective bargaining agreement with a bona fide labor organization that is the exclusive bargaining representative of employees who accept or process parimutuel wagers on races for which an ADW license is required whether the facility is located within or outside of California.

Labor Correspondence

TVG Network submitted a statement dated October 26, 2018, that provided it was unable to come to terms with Local 280.

TVG Network has provided the Board with copies of the following agreements in compliance with Business and Professions Code Section 19604:

- License agreement between TVG Network and California Authority of Racing Fairs (CARF), effective May 30, 2018, and ending April 30, 2019.
- Account wagering agreement between TVG Network and Monarch Content Management, LLC (MCM), effective November 1, 2018, through December 31, 2019.
- Simulcast wagering agreement between TVG Network and MCM, effective November 1, 2018, through December 31, 2019.
- License agreement between TVG Network and WatchandWager.com, LLC, term commencing November 10, 2018 and ending November 9, 2019.
- Horsemen's ADW approval of Pacific Racing Association's (PRA) 2018-19 winter-spring race meeting allowing PRA to transmit its signal to TVG Network from December 19, 2018 through June 11, 2019.
- Horsemen's ADW approval of Los Angeles Turf Club's (LATC) 2018-19 winter-spring race meeting allowing LATC to transmit its signal to TVG Network from December 19, 2018 through June 25, 2019.
- Horsemen's ADW approval of WatchandWager.com, LLC's race meetings allowing the use of live harness racing for wagering by Board-approved ADW providers from November 10, 2018 through April 27, 2019.
- Hub agreement between TVG Network and LATC, effective January 1, 2018 through December 31, 2019.

MCM has previously been the negotiating party for the simulcast wagering agreements between TVG Network, the California thoroughbred racing associations, CARF, Los Angeles County Fair at Los Alamitos, and the Sonoma County Fair. MCM has shared that "MCM will not be representing CARF in 2019." To date, MCM has provided the 2019 contracts for TVG Network, NYRA Bets, Xpressbet, and Churchill Downs Technology Initiatives Company dba TwinSpires and BetAmerica.

TVG Network is listed as an ADW provider on the December 19, 2018 through June 11, 2019 PRA; December 19, 2018 through June 25, 2019 LATC; and December 26, 2018 through May 6, 2019 WatchandWager.com, LLC race meeting applications.

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

1. Labor Agreement.

The following information will need **updating** during the proposed licensing period:

1. Bond (expires December 31, 2019).

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
9845 NE Eckert Dr., Suite 210
Hillsboro, OR 97006
Tel: (503) 748-3800 Fax: (503) 748-3838

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

Trent Striplin, Director of Customer Finance, Oregon License # 28073
Grace Kenworthy, Senior Director, Customer Relations, Oregon License # 14605
Matt Schmidlkofer, Director Production IT & Operations, Oregon License #21801

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

John Hindman
EVP & 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 B** please find the following documents: 1) an abstract of valid and binding contracts with the following licensed California racing associations: Los Alamitos, Santa Anita Park, WatchandWager.com, California Authority of Racing Fairs, and Monarch Content Management 2) copies of the current License Agreements and amendments between i) Los Alamitos; ii) Santa Anita Park; iii) WatchandWager.com; iv) California Authority of Racing Fairs; and Monarch Content Management.

CHRB CERTIFICATION

Application received: 9/28/18
Reviewed: RP

Hearing date: 2/21/19
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 **TABC**, 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 C, 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 D**.

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 18 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 E** 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

CHRB-133 (New 9/01)

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 F**.

- 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 F**.

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 F**.

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 F**.

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 F**.

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 Amtote International Inc.. The contract expires December 31, 2022. Please refer to Section 2.4.2 of the Plan of Operation behind **TAB F** for more details.

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

SEE TAB G

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:

Amtote International Inc.
11200 Pepper Road
Hunt Valley, MD 21031
(410) 771-8700
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

CHRB-133 (New 9/01)

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:

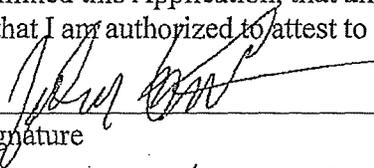
TVG no longer uses an outside agency for advertising. All advertising takes place internally.

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


Signature

EVP & General Counsel
Print Title

9/26/15
Date