

**CALIFORNIA HORSE RACING BOARD**

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



## REGULAR MEETING

of the **California Horse Racing Board** will be held on **Thursday, January 25, 2018**, 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](http://www.chrb.ca.gov)) under "Webcasts."

### AGENDA

#### Action Items:

1. **Approval of the minutes of December 14, 2017.**
2. **Executive Director's Report.**
3. **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.
4. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Los Angeles Turf Club II, Inc. dba Santa Anita Park, from its 2017 September 29 through October 29 autumn race meeting in the amount of \$27,397 to ten beneficiaries.**
5. Discussion by the Board regarding a **status report from the working committee responsible for the distribution of charitable funds to the victims of the Lilac Fire at San Luis Rey Downs.**
6. Discussion and action by the Board regarding a report from the **California Marketing Committee (CMC) regarding its 2018 marketing and promotion plans pursuant to Business and Professions Code section 19605.73(B).**
7. Discussion and action by the Board regarding the request from the **Jockey Defined Contribution Retirement Plan Pension Trustees, to amend the Plan to provide that retired participants who previously elected annual installment distributions may elect a lump sum distribution of their remaining plan account balance.**
8. Discussion and action by the Board regarding the **staff review of the photo finish technology in use at California racetracks.**

9. Discussion and action by the Board on the **renewal Application for License to Operate a Minisatellite Wagering Facility at Sammy's Operating Co. LLC dba Sammy's Original of Lake Forest**, for a period of up to five years.
10. Discussion and action by the Board on the **renewal Application for License to Operate a Minisatellite Wagering Facility at the OC Tavern Grill and Sports Bar, San Clemente**, for a period of up to five years.
11. Discussion and action by the Board regarding the **proposed amendment to CHRB Rule 2050, Beneficiaries, Welfare Programs and Activities**, to expand eligibility for healthcare services provided by the California Thoroughbred Horsemen's Foundation (CTHF), as provided for under Business and Professions code section 19641(b)(3).
12. Discussion and action by the Board regarding the **request from Northern California Off Track Wagering, Inc. (NCOTWINC) to modify 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 northern zone from February 1, 2018 through December 31, 2018.**
13. Discussion and action by the Board regarding the **request from Southern California Off Track Wagering, Inc. (SCOTWINC) to modify 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 from February 1, 2018 through December 31, 2018.**
14. **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](http://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  
Jesse H. Choper, 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 December 14, 2017.**

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

**APPROVAL OF THE MINUTES OF NOVEMBER 16, 2017**

Chairman Winner asked for approval of the minutes of the Regular Meeting of November 16, 2017. Commissioner Maas **motioned** to approve the minutes. Commissioner Solis **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Ruano, Choper, Auerbach, Winner, Solis, Maas. Nay: None. Motion carried.

**EXECUTIVE DIRECTOR'S REPORT.**

Chairman Winner stated a horrific tragedy where 46 horses perished and barns burned at the San Luis Rey Downs (SLRD) training center was caused by the Lilac Fire on December 7, 2017. There was an overwhelming response from hundreds of volunteers who rushed to help the horses that were saved and provided aid to people who lived and worked at the facility. Del Mar Thoroughbred Club (DMTC) opened its facility to the horses. Various funds were set up to aid the fire victims, including through the GoFundMe platform, which had raised \$650,000 from over 5,000 contributors. Chairman Winner stated there were many heroes that rushed to save the horses. He said the Board extended its sympathies to Martine Bellocq, Joe Herrick and Les Baker, two

## 1-2 Proceedings of the Regular Meeting of December 14, 2017

trainers and an outrider who were injured trying to save animals during the fire. He said the Board thanked everyone who helped and generously donated time and monies to those in need. Vice-Chairman Auerbach stated the horse racing community sometimes fought within itself, but she was moved beyond words by the response to the Lilac Fire tragedy; not only from Californians, but from the entire country. The GoFundMe account set up to aid the victims would be appropriated by a committee which included herself along with: Nate Newby from The Stronach Group (Stronach), Rick Hammerle from Stronach, David Jerkins from DMTC and Alan Balch from the California Thoroughbred Trainers (CTT). She said the Stronach and DMTC management and ownership was not involved with processing the money. The committee's main objective was to get the funds into the victims' hands. She said as its first disbursement of funds the committee planned to distribute money to every single SLRD groom on December 15, 2017 at DMTC. She said everyone would be treated equally to help get their lives back in order. Vice-Chairman Auerbach stated Northern California was affected by wildfires in October 2017. Those wildfires were declared an emergency and FEMA became involved. She said the emergency gave scammers an opportunity for fraudulent acts and people needed to be vigilant. Alan Balch, CTT, stated CTT was focused on the health and welfare of the backstretch community. He said there were many unnamed backstretch personnel who were negatively affected by the fire and CTT was concerned about their health going forward. Anyone who doubted how much the horse racing community cared only had to witness the bravery it took to save the horses that could be saved, and to evacuate and care for those horses since the tragedy. He said the California horse racing community worked day and night to make every donated dollar count. The racing community owed its gratitude to everyone worldwide who donated. Chairman Winner said he participated in an interview with BBC Worldwide who wanted its listeners to know how to help. He stated organization names

were provided where listeners could send contributions. He thanked the heroic trainers and backstretch workers. Commissioner Ruano said she wanted to thank Mr. Balch and Debbie Baltas, who did amazing work in response to the tragedy. Cliff Goodrich, California Thoroughbred Horsemen's Foundation, Inc. (CTHF), stated the CTHF collaborated with the GoFundMe committee to expedite distributions for the Lilac Fire victims through the CTHF. Mr. Goodrich said he contacted CHRB to confirm the CTHF acted properly as a nonprofit entity with 501(c)(3) status if it distributed the GoFundMe monies. He wanted to ensure the CTHF was not acting against the intended purposes of its charter, as it would be using voluntary funds to aid people other than the trainers and workers CTHF historically aided through statutory funding. Chairman Winner stated the Board was grateful for all the work the CTHF did for California's horse racing community. Vice-Chairman Auerbach said the CTHF stepped in to handle the GoFundMe money in order to expedite funding distribution. The ability to react quickly was appreciated. Mr. Goodrich stated the CTHF acted as a conduit of sorts, but had the responsibility to act within the bounds of its charter. Fire victim aid currently trumped any other matters. Chairman Winner stated Santa Anita Park, Los Alamitos Race Course and DMTC all helped however they could. Tim Ritvo, Stronach, said after witnessing the devastation firsthand, he hoped to never see anything like it again. He said after interviewing staff, the Stronach organization believed nothing more could have been done to handle this particular tragedy; however, Stronach planned to further review and update its protocols to better prepare itself for similar incidents, and he suggested other entities in the racing industry do the same. Mr. Ritvo said everyone at SLRD reacted instantaneously and risked their own lives trying to save the animals. Others drove in with vans to get the animals out, which was an amazing effort and showed how much they loved the animals. He said everyone in the racing community pulled together and the Stronach organization was

#### 1-4 Proceedings of the Regular Meeting of December 14, 2017

especially grateful to DMTC for accepting horses so quickly. Mr. Ritvo said Stronach would hold a memorial service December 26, 2017 at Santa Anita Park. He said Stronach wanted a tribute for the animals lost and the people that tried to save the animals. Executive Director Rick Baedeker stated the Del Mar fairgrounds CEO, Tim Fennel, deserved credit for accepting horses before the news broke regarding the fire at the SLRD facility. He said six veterinarians travelled to Southern California immediately after a request was made to help examine horses. Executive Director Baedeker reported that CHRB Staff Counsel, Philip Laird, accepted a position as Deputy General Counsel for the Business, Consumer Services and Housing Agency. He said CHRB appreciated all the work Mr. Laird performed. Chairman Winner said he wished to congratulate Mr. Laird as well. Executive Director Baedeker reported handle for the month of November 2017, compared to November 2016, was positively affected by two additional days of racing and the Breeders' Cup held at DMTC. He stated daytime racing handle increased nearly 11 percent, while nighttime racing declined 3.7 percent. Overall handle increased 9.89 percent. Year-to-date daytime handle increased 0.42 percent; nighttime handle decreased 1 percent, causing an overall increase of .28 percent.

#### PUBLIC COMMENT

---

Brian Griffin, stated he was licensed as a farrier in New York, New Jersey, Florida, Virginia, Maryland, and New Hampshire, and had been shoeing horses for over 30 years. When he came to California he was informed there were licensing requirements that included a Farriers Examination that was not required in other states. He said the licensing requirement for farriers was based on an outdated and antiquated test that was not relevant to the work performed. He stated it was hard to practice for the test because certain equipment was needed that was difficult to find. He said

the scheduled Farriers Examination dates fell after a race meet began, so it would be too late for incoming farriers to secure their customers. He had a few customers lined up for the Santa Anita meet, but the test would not be administered until January. He added he was not sure he could pass the test based on the requirements. He stated he believed the test was designed to limit fair competition. He asked if a temporary waiver could be granted for him, so he could practice his trade and practice for the test. He said farriers that came in from out-of-state for the Breeders' Cup were given provisional waivers and licenses to work on the horses; he did not know of other states that gave provisional waivers. Executive Director Rick Baedeker stated Rule 1504, Qualifications for License as Farrier, was specific; it required an original farrier's license in California. He said he did not believe the Board had to grant a waiver, but the Board would look at the issue and maybe it could be brought before the stewards. He said he consulted with CHRB attorneys and CHRB Chief Steward Darrell McHargue, and they came back to the letter of the rule. Chairman Winner said staff could review the rule and if it was determined the rule needed to be amended, the item could be placed on a future agenda. Executive Director Baedeker stated there were two issues. The first issue was the rule itself and the second issue was the farrier's test. He said he heard from Luis Jauregui, Safety Steward, and said the test was something that needed to be addressed. Vice-Chairman Auerbach stated she understood Mr. Griffin's predicament. She suggested that he get letters from the trainers, and have the letters notarized stating the trainers requested his services and provide them to the stewards so they could start talking about the issue. She said in her experience it was hard having enough farrier help, and she would hate to see someone that was overqualified not able to provide their services. She stated she did not want to circumvent the rule, but wanted to see if there was some flexibility towards addressing the issue. Executive Director Baedeker said based on the Board's comments, the current situation would be

1-6 Proceedings of the Regular Meeting of December 14, 2017

reviewed to determine if the Board had any options. In regards to the rule itself, staff would review it to see if it needed to be amended.

**PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1689, SAFETY HELMET REQUIRED, AND CHRB RULE 1689.1, SAFETY VEST REQUIRED, TO PROVIDE THAT NO PERSON MAY BE MOUNTED IN OR RIDING ON A JOG CART ON THE GROUNDS OF A FACILITY UNDER THE JURISDICTION OF THE BOARD UNLESS SUCH PERSON IS WEARING A BOARD APPROVED SAFETY HELMET AND SAFETY VEST.**

---

Philip Laird, CHRB Staff Counsel, stated there were no comments during the 45-day comment period regarding the proposed amendment to Rule 1689, Safety Helmet Required, and Rule 1689.1 Safety Vest Required. The proposed amendment to Rule 1689 and 1689.1 would provide that no person may be mounted in or riding on a jog cart on the grounds of a facility under the jurisdiction of the Board unless such person is wearing a Board approved safety helmet and vest. Commissioner Ruano **motioned** to approve the amendment to Rule 1689 and Rule 1689.1. Commissioner Choper **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Maas, Solis, Winner, Auerbach, Choper, Ruano. Nay: None. Motion carried.

**PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1865, ALTERING OF SEX OF HORSE, TO PROVIDE THAT IF THE TRUE SEX OF THE HORSE IS NOT REPORTED TO THE RACING OFFICE PRIOR TO THE OPENING OF WAGERING FOR THE RACE IN WHICH THE HORSE IS ENTERED, THE STEWARDS SHALL DECLARE THE HORSE FROM THE RACE.**

---

Chairman Winner asked for a motion to adopt the proposed amendment to Rule 1865, Altering of Sex of Horse, to provide that if the true sex of the horse is not reported to the racing office prior to the opening of wagering for the race in which the horse is entered, the stewards would declare the horse from the race. Commissioner Choper said in the proposed text it stated "prior to the opening

of wagering.” He asked what time wagering usually began. Executive Director Rick Baedeker stated wagering began at eight o’clock in the morning. Commissioner Choper **motioned** to adopt the proposed amendment to Rule 1865, Altering of Sex of Horse. Commissioner Maas **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Ruano, Choper, Auerbach, Winner, Solis, Maas. Nay: None. Motion Carried.

**PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED ADDITION OF CHRB RULE 2073.1, ENTITIES TO GEO-LOCATE CALIFORNIA RESIDENTS AT THE TIME OF WAGER, TO REQUIRE ADVANCE DEPOSIT WAGERING (ADW) PROVIDERS TO USE GEO-LOCATING WHEN CALIFORNIA RESIDENTS USE THEIR ADW ACCOUNTS TO PLACE WAGERS USING ANY ELECTRONIC DEVICES WHILE PHYSICALLY PRESENT WITHIN A LICENSED RACING FACILITY, SIMULCAST WAGERING FACILITY OR MINISATELLITE WAGERING FACILITY; AND THE PROPOSED AMENDMENT TO CHRB RULE 2071, LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING BY A CALIFORNIA APPLICANT, AND CHRB RULE 2072, LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING BY AN OUT-OF-STATE APPLICANT, TO REVISE THE APPLICATION PROCESS TO REQUIRE THAT ADW APPLICANTS SUBMIT TO THE BOARD INFORMATION, INCLUDING AN OVERVIEW OF THE PROCESSES AND TECHNOLOGY THEY WILL USE, TO SHOW COMPLIANCE WITH THE LOCATION TRACKING REQUIREMENT ESTABLISHED UNDER CHRB RULE 2073.1.**

---

This item was removed from the agenda.

**DISCUSSION 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. Darrell Haire, Jockey’s Guild, said the Jockey’s Guild was in favor of the proposed amendment; the jockeys were behind it and those

1-8 Proceedings of the Regular Meeting of December 14, 2017

jockeys who wanted to opt out would have the opportunity to do so. Commissioner Maas **motioned** to direct staff to initiate a 45-day public comment period regarding the proposed amendment to Rule 1467, Paymaster of Purses. Commissioner Solis **seconded** the motion, which carried five to zero with one abstention. Roll Call Vote: Aye: Ruano, Choper, Winner, Solis, Maas. Nay: None. Abstain: Auerbach. 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, 2018 THROUGH DECEMBER 31, 2018 AS PERMITTED UNDER BUSINESS AND PROFESSIONS CODE SECTION 19604(F)(5)(E).**

---

Executive Director Rick Baedeker stated the Thoroughbred Owners of California, Del Mar Thoroughbred Club, Los Angeles Turf Club, Los Alamitos Racing Association, Los Angeles County Fair and the California Thoroughbred Breeders Association requested approval to continue a 0.50 percent distribution to the Southern California Stabling and Vanning Fund. The distribution was from Advance Deposit Wagering hosted by thoroughbred racing associations and fairs conducting racing in the central and southern zones for the period commencing January 1, 2018 through December 31, 2018. He said the modified percentage required Board approval. Commissioner Choper **motioned** to approve the 0.50 percent distribution to the Southern California Stabling and Vanning Fund commencing January 1, 2018 through December 31, 2018. Vice-Chairman Auerbach **seconded** the motion, which was **unanimously carried**. Roll Call Vote: Aye: Ruano, Choper, Auerbach, Winner, Solis Maas. Nay: None. Motion carried.

**DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST FROM NORTHERN CALIFORNIA OFF TRACK WAGERING INC. (NCOTWINC) TO CONTINUE THE MODIFICATION OF THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCE DEPOSIT WAGERING (ADW) AT A RATE OF 2.9% AS PERMITTED UNDER BUSINESS AND PROFESSIONS CODE SECTION 19604(F)(5)(E) FOR WAGERING CONDUCTED BY THOROUGHbred ASSOCIATIONS IN THE NORTHERN ZONE DURING CALENDAR YEAR 2018.**

---

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) AT A RATE OF 2.9% 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 2018.**

---

This item was removed from the agenda.

**MEETING ADJOURNED AT 10:29 A.M.**

**1-10 Proceedings of the Regular Meeting of December 14, 2017**

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**

**JANUARY 25, 2018**  
**REGULAR BOARD MEETING**

**There is no board package material for Item 2**

**CALIFORNIA HORSE RACING BOARD**

**JANUARY 25, 2018**  
**REGULAR BOARD MEETING**

**There is no board package material for Item 3**

STAFF ANALYSIS  
DISCUSSION AND ACTION BY THE BOARD REGARDING THE  
DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF  
THE LOS ANGELES TURF CLUB II IN THE  
AMOUNT OF \$27,397.20 TO 10 BENEFICIARIES

Regular Board Meeting  
January 25, 2018

#### ISSUE

Los Angeles Turf Club II (LATC II) is requesting approval to distribute race day charity proceeds generated at its 2017 autumn meet from September 29, 2017 through October 29, 2017. From the net race day charity proceeds LATC II is proposing a total distribution of \$27,397.20. The charitable organizations selected and amount to be distributed are listed on the attachment. Staff notes that 100 percent of the proceeds will be given to 10 horse racing related 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 there from 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 nonprofit corporation, the primary purpose of which is to assist horsemen and backstretch personnel who are being affected adversely as a result of alcohol or substance abuse. In addition to the above distributions, a separate 20 percent shall be made to a nonprofit corporation or trust, the directors or trustees of which shall serve without compensation except for reimbursement for reasonable expenses, and which has as its sole purpose the accumulation of endowment funds, the income on which shall be distributed to qualified disabled jockeys.

#### RECOMMENDATION

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

**CHRB ANALYSIS**  
**Los Angeles Turf Club II, Inc. 2017 Autumn Charity Day Proceeds**

#	Nonprofit Organization	Amount	Proposed Disbursement Percentage	Percentage Required By Horse Racing Law (from the 2/10 of 1%)	Notes
1	California Thoroughbred Foundation	851.00	3%		a
2	California Thoroughbred Horsemen's Foundation	2,550.00	9%	minimum of 5%	b
3	CARMA	2,500.00	9%		a
4	Edwin Gregson Foundation	5,405.00	20%		a
5	Holy Angels Church (Backside Permanent Deacon)	250.00	1%		a
6	Racetrack Chaplaincy of American (Southern California Council)	250.00	1%		a
7	Southern California Equine Foundation, Inc.	851.00	3%		a
8	United Pegasus Foundation	851.00	3%		a
9	Winners Foundation	7,560.00	28%	minimum of 5%	c
10	Permanently Disabled Jockeys' Fund	6,329.20	23%	minimum of 20%	d
	<b>Total Horse Related Charities</b>	<b>\$ 27,397.20</b>	<b>100%</b>	<b>minimum of 60%</b>	<b>a</b>
	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 50% of the charity distribution should go to horse racing industry related nonprofit organizations.			

Background information for each organization is attached.



Frank De Marco, Jr., Esq.  
Vice President, Regulatory Affairs &  
Secretary and General Counsel

December 22, 2017

California Horse Racing Board  
Attention Jacqueline Wagner  
1010 Hurley Way, Suite 300  
Sacramento, CA 925825

RE: Los Angeles Turf Club II, Inc.'s Charity Day Proceeds

Ladies/Gentlemen:

Los Angeles turf Club II, Inc., doing business as "Santa Anita Park," has determined the beneficiaries of proceeds from Charity Days races conducted at Santa Anita Park during its 2017 Autumn Meet from September 29 through October 29, 2017. The net the proceeds from "Charity Days" totaled \$27,397.20.

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

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

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

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

Very truly yours,

Frank De Marco, Jr.

FDM:ms

Enclosures

Los Angeles Turf Club II, Inc.Distribution of Charity Days Proceeds2017 Autumn Meet (September 29 – October 29, 2017)

I.	<u>Horse Related Charities – BP 19556(b) (20% minimum)</u>	<u>Amounts</u>	<u>Subtotals</u>
	California Thoroughbred Foundation	\$ 851.00	
	CARMA	\$ 2,500.00	
	Edwin Gregson Foundation	\$ 5,405.00	
	Holy Angels Church (Backside Permanent Deacon)	\$ 250.00	
	Race Track Chaplaincy of America (Southern California Council)	\$ 250.00	
	Southern California Equine Foundation, Inc.	\$ 851.00	
	United Pegasus Foundation	\$ 851.00	\$ 10,958.00
II.	<u>Welfare Fund for Backside Personnel – BP 19641(b) (5% minimum)</u>		
	California Thoroughbred Horsemen's Foundation	\$ 2,550.00	\$ 2,550.00
III.	<u>Fund for Substance or Alcohol Abuse – BP 19556(b) (5% minimum)</u>		
	Winners Foundation	\$ 7,560.00	\$ 7,560.00
IV.	<u>Disabled Jockeys Fund – BP 19556© (20 % minimum)</u>		
	Permanently Disables Jockeys' Fund	\$ 6,329.20	<u>\$ 6,329.20</u>
	<b>Total Distribution</b>		<b>\$ 27,397.20</b>

LOS ANGELES TURF CLUB II, INC.  
 ADDEMDUM TO REQUEST FOR AUTHORITY TO DISTRIBUTE  
 2016 CHARITY DAYS PROCEEDS

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

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

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

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

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

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

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

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

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

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

**CALIFORNIA HORSE RACING BOARD**

**JANUARY 25, 2018**  
**REGULAR BOARD MEETING**

**There is no board package material for Item 5**

STAFF ANALYSIS  
DISCUSSION AND ACTION BY THE BOARD REGARDING A REPORT FROM THE  
CALIFORNIA MARKETING COMMITTEE (CMC) REGARDING ITS 2018 MARKETING  
AND PROMOTION PLANS PURSUANT TO BUSINESS AND PROFESSIONS CODE  
SECTION 19605.73(B)

Regular Board Meeting  
January 25, 2018

ISSUE

The California Marketing Committee (CMC) is presenting to the Board its proposed 2018 Budget Summary, which discusses CMC's marketing and promotion plans for the year.

BACKGROUND

Business and Professions Code section 19605.73(a) states Thoroughbred racing associations, fairs, and the organization responsible for contracting with thoroughbred racing associations and fairs with respect to the conduct of racing meetings, may form a private, statewide marketing organization to market and promote thoroughbred and fair horse racing, including, but not limited to, the establishment and maintenance of an Internet Website featuring California thoroughbred and fair racing, the establishment and administration of players incentive programs for those who wager on thoroughbred association and fair races, and promotional activities at satellite wagering facilities to increase their attendance and handle. While the promotional activities at satellite wagering facilities shall be funded by the marketing organization, they shall be implemented and coordinated by representatives of the satellite wagering facilities and the thoroughbred racing associations or fairs then conducting a live race meet. The CMC is the private organization formed pursuant to the statute.

Business and Professions Code section 19605.73(b) requires the CMC to annually, by October 1, submit a written report to the Board on a statewide marketing and promotion plan for the upcoming calendar year. In addition, the organization shall annually present to the Board at the Board's November meeting a verbal report on the statewide marketing and promotion plan for the upcoming year. The plan shall be implemented as determined by the organization. Business and Professions Code section 19605.73(c) states that from the amount that would normally be available for commissions and purses, an amount not to exceed 0.25 percent of the total amount handled by each satellite wagering facility shall be distributed to the CMC. The amounts initially distributed to the CMC shall be 0.2 percent of the total amount handled by satellite wagering facilities for thoroughbred and fair meetings only. However, the adjusted amounts may not exceed an aggregate of 0.25 percent of the total amount handled by satellite wagering facilities for thoroughbred and fair meetings only. The promotion funds that are not expended in the year in which they are collected may be expended in the following year. If promotion funds expended in any one year exceed the amount collected for that year, the funds expended in the following year shall be reduced by the excess amount. In addition, Business and Professions Code section 19605.73(c) also requires the CMC on a quarterly basis, to submit to the Board a written report that accounts

for all receipts and expenditures of the promotion funds for the previous three months. Business and Professions Code section 19605.73(d) states this section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date. Any moneys held by the marketing organization shall, in the event this section is repealed, be distributed to the organization formed pursuant to Business and Professions Code section 19608.2, for the purposes of that section.

## ANALYSIS

Table 1. below displays the CMC's 2017-2018 budget years:

- There is an 18 percent decrease on the “total” allocation for the *Significant Player Programs*:
  - “*Significant Player Program (1% CMC)*” is a statewide incentive reward program for players who wager a minimum of \$20,000 per calendar month. Qualifying players receive 1% reward of their total monthly play. Players can participate at all California facilities.
  - “*Significant Player Program (Above 1%)*” is a program offered at Santa Anita and Del Mar, the program expands on “*Significant Player Program (1% CMC)*” by offering raised rewards that are tiered strategically and targeted specifically to their high volume on-track wagering patrons. CMC states “Rewarding high volume players at these raised levels allows our industry to stay competitive against rebate companies, including offshore groups.”
  - CMC has allocated \$45,000 to pay *CHRIMS* for the cost of processing the *Significant Player Coupons*.
- For 2018 the *Horse Recruitment* allocation is \$455,000, an increase of 39 percent. CMC states “A clear correlation exists between field size and handle. CMC-supported programs work collaboratively in an effort to stabilize and increase field sizes, while striving to deliver the best possible racing product to our fans.”
- Historically, except for year 2017, CMC has allocated funds towards *Satellite Marketing*. For 2018 the *Satellite Marketing* allocation is \$30,000.
- This year CMC has allocated \$25,000 for *CalRacing.com*, an increase of 150 percent. The website continues to offer free race replays on a next day basis. Live video streaming is offered through Roberts Television (RTN) via a link on *CalRacing.com*. Furthermore, the website offers a variety of streaming packages:
  - \$12 per year, standard definition live streaming of California thoroughbred races;
  - \$60 per year, high definition live streaming and immediate replays of all California thoroughbred races;
  - Other packages available.

- The allocation for the 2018 *Golden State Series* is \$250,000, same as last year. The Golden State Series was launched in 2012 as a long-term initiative to encourage California breeding by introducing new stakes and offering purse enhancements. Now in its sixth year, the Golden State Series has expanded to 40 stakes and over \$50 million in total purses.
- The allocation for the *We Care Horse Campaign* is \$150,000, a decrease of 25 percent. The “*We Care Horse Campaign*” was created in 2017 to raise awareness of the industry’s commitment to equine welfare and safety.
- Overall the 2018 CMC proposed budget has a two percent increase over the 2017 budget.

**Table 1. Comparison of 2017-2018 CMC’s Budget Years**

	2017	2018	Difference	Change
Significant Player Program (1% CMC)*	-	165,000	-	-
Significant Player Program (Above 1%)*	-	390,000	-	-
CHRIMS Database Management*	-	45,000	-	-
<b>Total Significant Player Programs*</b>	727,812	600,000	-127,812	-18%
Horse Recruitment	327,188	455,000	127,812	39%
Satellite Marketing	-	30,000	30,000	-
Cal Racing Website	10,000	25,000	15,000	150%
Golden State Series	250,000	250,000	-	-
We Care Horse Campaign	200,000	150,000	-50,000	-25%
Administration	60,000	91,000	31,000	52%
<b>TOTAL</b>	<b>1,575,000</b>	<b>1,601,000</b>	<b>26,000</b>	<b>2%</b>

\* Last year the Significant Player Program (1% CMC); Significant Player Program (Above 1%); and CHRIMS were combined.

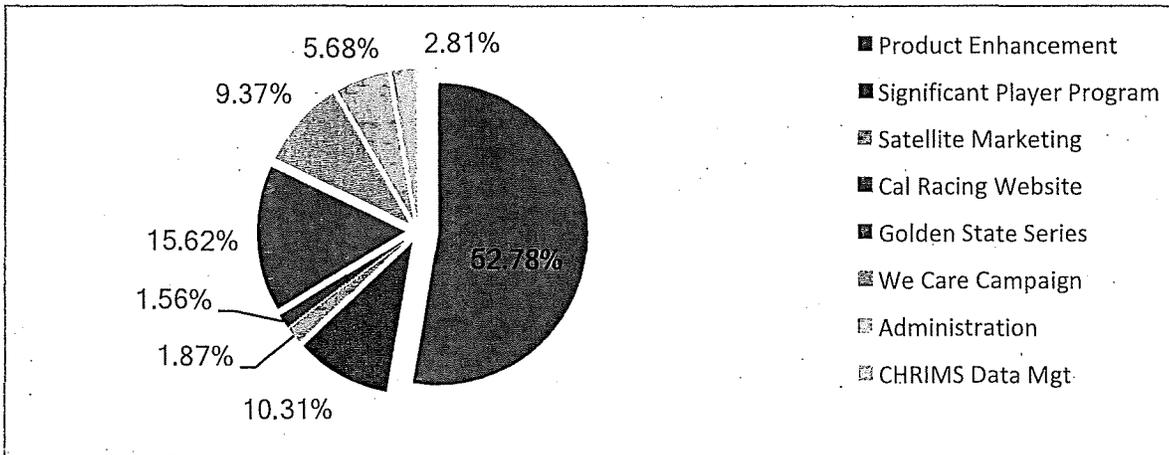
## RECOMMENDATION

Staff recommends the Board hear from the CMC representatives on its marketing and promotion, and its receipts and expenditures plans.

**California Marketing Committee**

	<u>2018 Budget</u>
Product & Handle Enhancement	845,000
Significant Player Program (1% CMC)	165,000
CHRIMS Database Management	45,000
Satellite Marketing	30,000
Cal Racing Website	25,000
Golden State Series	250,000
We Care Campaign	150,000
Administration	91,000
TOTAL	<u>1,601,000</u>
Projected Fund Generation	<u>1,600,000</u>
	(1,000)
Projected Accumulated Surplus	<u>17,840</u>
	16,840

**2018 Budget Allocation**





California Marketing Committee  
Overview  
December 1, 2017

The California Marketing Committee (CMC) is a statewide organization formed to market and promote Thoroughbred horse racing pursuant to Business and Professions Code Section 19605.73. The CMC is funded by 0.25 percent of the total amount handled by each satellite wagering facility. The statute governing the funding of CMC is currently set to sunset as of January 1, 2019.

Statute requires that CMC members include two representatives each from Thoroughbred racing associations, Thoroughbred horseman and from Fairs. The current board members of the CMC are as follows:

- Greg Avioli, Chairman and Thoroughbred Owners of California representative
- Terry Lovingier, Thoroughbred Owners of California representative
  
- Craig Dado, Thoroughbred track representative
- Eric Sindler, Thoroughbred track representative
  
- Heather Haviland, California Authority of Racing Fairs representative
- Richard Scheidt, California Authority of Racing Fairs representative

The CMC meets regularly and encourages industry participation. CMC works collaboratively with industry representatives to solicit ideas and concepts that will promote California Thoroughbred racing and enhance our product. These representatives include all Thoroughbred racing associations, California Authority of Racing Fairs (CARF), Thoroughbred Owners of California (TOC), California Thoroughbred Trainers (CTT), California Thoroughbred Breeders' Association (CTBA), racing executives and facility marketing personnel, CHRIMS, SCOTWinc, and NCOTWinc.

Since its inception in 1999, the CMC has served as an industry forum and funding source for a wide variety of statewide marketing initiatives and programs designed to promote and enhance Thoroughbred racing in California.

It is important to note that continued reduction in handle at California satellite facilities as well as changes in legislation have substantially reduced the funding available to CMC. For example, in 2004, the CMC received funding of over \$5.7 million; the 2018 budget reflects projected funding of approximately \$1.5 million. The reductions in funding have made it increasingly important that CMC use available funds for targeted programs designed to have specific impacts.

## 2018 PROGRAM SUMMARIES

### Significant Player Programs

The Significant Player Program is a statewide incentive reward program for players who wager a minimum of \$20,000 per calendar month. Qualifying players receive a 1% reward of their total monthly play. Players can participate at all California facilities.

Santa Anita and Del Mar expand upon the 1% reward by offering raised rewards that are tiered strategically and targeted specifically to their high volume on-track wagering patrons. Rewarding high volume players at these raised levels allows our industry to stay competitive against rebate companies, including offshore groups.

Both programs allow us to identify and stay connected with our most valuable players as well as attract new players to our pools who may be wagering elsewhere. These programs also have the added merit of having the most direct return benefit to the industry per dollar wagered. For example, Santa Anita's on-track handle by their high volume players who wagered \$50,000 and above per month registered \$8.6 million in 2016 on a Santa Anita rewards card, which was an increase of 14% from prior year. This figure accounted for 6% of Santa Anita's total on-track handle in 2016. This same group of high volume players at Santa Anita generated \$698,300 in purses in 2016. It should be further noted that in 2016 Santa Anita was able to attract 12 new high volume players previously unknown to them as a direct result of this program.

In 2016, 859 players participated statewide in the programs with over \$22.1 million in participating wagers. This correlates to approximately \$971,000 generated in track commissions and \$955,000 generated in purses. In addition, approximately \$915,000 is generated for other industry programs such as stabling and vanning, workers' compensation support, and CHRB support.

### Horse Recruitment

A clear correlation exists between field size and handle. CMC-supported programs work collaboratively in an effort to stabilize and increase field sizes, while striving to deliver the best possible racing product to our fans.

For 2018, the board agreed that individual associations could tailor their recruitment programs based on their unique market environment and racing product needs. Proposals have been requested on how each association will achieve their individual recruitment goals and measure their results. It is expected that several components will be established in the forthcoming proposals and will include stakes and stable recruitment and starter and retention bonuses.

### **Golden State Series**

The Golden State Series was launched in 2012 as a long-term initiative to encourage California breeding by introducing new stakes and offering purse enhancements. Now in its sixth year, the Golden State Series has expanded to 40 stakes and over \$5 million in total purses. Roughly \$750,000 of the purses are supplemented by breeder nomination fees, stallion nomination fees and a contribution by the CMC. As a result of the Golden State Series and other programs recently implemented by CTBA, TOC and the tracks, the breeding industry is trending upward. The number of mares bred has stabilized the past few years which will produce a foal crop next year expected to approach 2,000. This would equal the largest California foal crop since 2009. With California-breds making up 50% of the field sizes, north and south, it is vital that these positive trends continue.

A total of 945 two-year-olds were nominated in 2016, up from 2015. This figure represents nearly 60% of the 2014 registered foal crop.

The CMC continues to work closely with the CTBA to provide input on the program year-to-year and track the results.

### **We Care Campaign**

A need was recognized to raise public awareness of our industry's firm commitment to equine welfare and safety, both on- and off-track and in retirement. In collaboration with industry leaders and groups, a campaign and website were developed and launched in October, 2017 to increase awareness of the industry's comprehensive equine health and safety initiatives.

Cal Racing Cares includes a website (Calracingcares.com), video and digital content that detail extensive equine safety and welfare measures, thoroughbred aftercare, training and veterinary policies. An introductory video was produced featuring interviews with regulators (including CHRB Chairman Winner and Commissioner Auerbach), veterinarians, grooms and others who work behind the scenes and are responsible for the daily care and monitoring of horses in training.

Cal Racing Cares will release an additional video this year including an in-depth look at thoroughbred retirement and aftercare in the state.

### **CalRacing Website**

CalRacing.com is considered one of the most useful websites in racing. Highlights of the site include a statewide carryover alert status; an interactive statewide facility map with direct links to California tracks, satellites, mini satellites and casinos; a California trainer database; and a statewide searchable stakes schedule. The site continues to receive positive feedback as the centralized source for California racing. The board is currently in discussion to embark on an overall upgrade to the existing site. Funding would come from CMC reserves in 2018.

Free race replays continue to be offered on CalRacing on a next day basis, while live video streaming is now being offered through Roberts Television Network (RTN) via a link on CalRacing.

A variety of streaming packages are available to customers including a base package for \$12 per year for standard definition live streaming of California thoroughbred races. For \$60 per year a customer receives high definition live streaming of California thoroughbred races and immediate replays of all California thoroughbred races. Other packages are available.

### **Administration**

Administrative expenses include Directors and Officers insurance, Accounting services and Auditing, Operating expenses, Legal expenses, and Management Fees.

DISCUSSION AND ACTION BY THE BOARD  
REGARDING THE REQUEST FROM THE JOCKEY DEFINED CONTRIBUTION  
RETIREMENT PLAN PENSION TRUSTEES,  
TO AMEND THE PLAN TO PROVIDE THAT RETIRED PARTICIPANTS WHO  
PREVIOUSLY ELECTED ANNUAL INSTALLMENT DISTRIBUTIONS MAY ELECT A  
LUMP SUM DISTRIBUTION OF THEIR REMAINING PLAN ACCOUNT BALANCE

Regular Board Meeting  
January 25, 2018

#### ISSUE

Barry Broad, Chairman of the Board of Trustees for the defined contribution jockeys retirement plan (Plan), has requested that the CHRB, consider amending the Plan. The current Plan was last amended in August 2017, to allow participants to elect lump sum withdrawal without placing limits on the withdrawal amount, so that retirees with smaller pensions can take a lump sum distribution. However, no allowance was made for retired participants who initially elected to receive annual installments for a period equal to life expectancy; the only method of benefit distribution available at the time of participants retirement. The Plan's Trustees would like to amend the Plan, effective March 1, 2018 to provide that retired participants who previously elected annual installment distributions may elect a lump sum distribution of their remaining Plan account balance.

#### ANALYSIS

California is one of a few states that has established a Defined Contribution Plan for Jockeys. The fund was established in 2010 and currently has an approximate operating balance of \$1.2 million, which comprises the funds earned in 2016 and 2017 to date. Jockeys licensed to ride in California and retired on or after January 1, 2009 are Plan eligible. Pursuant to Business and Professions Code section 19604(i) the Plan is funded through half, or fifty percent (50%), of a percentage (.00295) deduction of all ADW bets that originate in California.

Jockeys are automatically Plan eligible upon becoming licensed as a jockey with the CHRB. The amount of each jockey retirement account is determined solely by the number of mounts ridden in California during a career. Jockeys can apply for account disbursement when they reach the age of 50 and retire from racing, or in some limited circumstances after filing a hardship request. When the Plan was originally created, participants were limited to receiving a monthly payment. In 2017, the plan was amended to allow participants to receive a lump sum retirement. However, no provisions were made to allow participants who were receiving monthly payments under the initial plan, to request a lump sum payment of the balance of their accounts.

The Plan Trustees have requested that the Plan be amended to allow participants receiving annual installment distributions, to request and receive lump sum distributions of their remaining Plan account balances.

## BACKGROUND

Business and Professions Code section 19604(i) provides that advance deposit wagering (ADW) distributions shall be proportionally reduced, and 50 percent of the amount deducted shall be distributed to the California Horse Racing Board (CHRB) to establish and administer jointly with the organization certified as the majority representative of California licensed jockeys, a defined contribution retirement plan for California licensed jockeys who retired from racing on or after January 1, 2009.

In November 2010 the Board approved the adoption of a defined contribution jockeys retirement plan. To implement the Plan, a competitive bidding process was initiated to name a third party Plan Administrator. The process was overseen by the CHRB staff. The Pentegra Retirement Services Group, a financial planning firm based in White Plains, New York, was selected to serve as Plan Administrator. The selection was made jointly by representatives of the Jockey's Guild (Guild) and the CHRB, and was based upon cost of services, investment track record, and ability to serve a diverse retiree community. Representatives of the CHRB and the Guild were named as Plan Trustees. After a thorough review of investment options, the Trustees selected a fifty percent equity/fifty percent fixed income asset allocation portfolio to be shared by each participating jockey. To serve as the Plan Auditor, the Los Angeles accounting firm of Miller, Kaplan and Arase was selected by the Guild.

## RECOMMENDATION

This item is presented for Board discussion and action.  
Staff recommends the Board hear from the Plan representatives.

**FOURTH AMENDMENT TO THE  
CALIFORNIA HORSE RACING BOARD  
DEFINED CONTRIBUTION RETIREMENT PLAN  
FOR CALIFORNIA LICENSED JOCKEYS**

This Fourth Amendment (Amendment) to the California Horse Racing Board Defined Contribution Retirement Plan For California Licensed Jockeys (Plan) is adopted by the California Horse Racing Board (Board) to be effective on and as of the date(s) set forth below.

RECITALS

- A. Effective January 1, 2011, the Board adopted the Plan.
- B. Effective May 1, 2012, the Plan was amended to clarify the definition of 415 compensation in situations involving non-highly compensated employees and disabilities.
- C. Effective May 1, 2012, the Plan was amended to allow Participants who retire and elect distributions of their benefit under the Plan to be excluded from future participation in the Plan as active participants and not to accrue any additional benefits under the Plan.
- D. Effective May 1, 2012, the Plan was amended to allow retired Participants to elect a lump sum distribution of their Plan account balance if that account balance is \$5,000 or less.
- E. The Board amended the Plan as follows:
  - 1. Effective October 1, 2012, in the event the Plan adopts a new Life Expectancy Table, any Participants who have previously commenced benefit distributions shall have their benefits redetermined as of the first day of the Plan Year following the adoption of the new Life Expectancy Table.
  - 2. Effective October 1, 2012, update the Life Expectancy Table of the Plan to the table from the required minimum distribution regulations found at Treas. Reg. section 1.401(a)(9)-9 Q & A 1 as permitted under Rev. Rul. 2002-62, in order to more accurately reflect the expected life span of the Plan Participants.
- F. The Board amended the Plan effective October 1, 2017 to add single-sum distributions to the forms of distribution allowed under the Plan.
- G. The Board new wishes to amend the Plan effective March 1, 2018 to provide that retired Participants who previously elected annual installment

distributions may elect a lump sum distribution of their remaining Plan account balance.

### OPERATIVE PROVISIONS

Effective as of March 1, 2018, and in accordance with the foregoing recitals, the Board hereby amends the Plan as follows:

Plan section 10.02 is hereby amended in its entirety to read as follows:

*10.02. Method Of Payment Of Benefits.*

*The Administrator shall determine the amount of the Participant's Account and the time when benefit payments commence. The Administrator shall distribute the Participant's Account in accordance with the method of payment of benefits selected by the Participant (or the Beneficiary of a deceased Participant) in accordance with the provisions of the Plan from among the following:*

*A. Form Of Distribution.*

- 1. Except as provided in the Cash Outs subsection, below, or the Hardship Distributions section, below, a Participant shall receive the Participant's Account in the form of:
 
  - a. substantially equal annual installments over a period equal to the Participant's life expectancy for the Participant's attained age as of the commencement of such distributions. A Participant's life expectancy shall not be redetermined after the commencement of such distributions unless the Plan adopts a new life expectancy table. For this purpose, a Participant's life expectancy shall be determined using the table set forth in Appendix A to this Plan. Each such annual installment shall be in an amount equal to the quotient derived by dividing the value of the Participant's Account as of the Valuation Date immediately preceding the payment by the number of installments remaining to be paid as of the Valuation Date; or*
  - b. a single-sum distribution.**
- 2. In the event the Plan adopts a new life expectancy table, any Participant who has previously elected to receive their benefit in the form of annual installment payments shall have their payments redetermined based on the new life*

expectancy table on the first day of the Plan Year after the new life expectancy table is adopted.

3. *In the event that a Participant has previously selected to receive payment of their benefit in the form of substantially equal annual installments over a period equal to the Participant's life expectancy for the Participant's attained age as of the commencement of such distributions, such a Participant may elect at a future date to receive the remaining amount in their Participant Account in the form of a single-sum distribution.*

**B. Cash Outs.**

1. *If the value of the Participant's Account does not exceed one thousand dollars (\$1,000), the Administrator may distribute such benefit as soon as is administratively feasible after either the later of (i) the Participant's Severance From Employment or (ii) the Participant's attainment of Normal Retirement Age, or, if applicable the Administrator's determination of the Participant's death or Disability. If the value of the Participant's Account exceeds one thousand dollars (\$1,000), the Administrator shall not distribute such benefit without the written consent of the Participant; provided, however, that if the value of a Participant's Account exceeds one thousand dollars (\$1,000) and the Participant has a Severance From Employment and has attained the later of (i) age sixty-two (62) or (ii) Normal Retirement Age, the Administrator may distribute such benefit without the Participant's consent.*
2. *If the value of the Participant's Account does not exceed five thousand dollars (\$5,000) the Participant may elect to receive a single sum distribution of such benefit after either the later of (i) the Participant's Severance From Employment or (ii) the Participant's attainment of Normal Retirement Age, or, if applicable the Administrator's determination of the Participant's Disability.*
3. *If a Participant's consent is required before a distribution commences, the consent of the Participant must be obtained in writing during the one hundred eighty (180) day period ending on the date the distribution commences. The Participant's consent will be valid only if the Administrator provides the Participant with a written notice no less than thirty (30) and no more than one hundred eighty (180) days*

before the date the distribution commences, which notice must include:

- a. A general description of the material features of the benefit available under the Plan;
- b. The Participant's right to defer receipt of a Plan distribution; and
- c. The Participant's right to have the distribution transferred to an eligible retirement plan as defined in Code section 402(c)(8)(B).

Notwithstanding the foregoing, distribution may commence less than thirty (30) days after the notice described in the preceding sentence is given, provided the distribution is one to which Code sections 401(a)(11) and 417 do not apply, if (i) the Administrator clearly informs the Participant that the Participant has a right for at least thirty (30) days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and (ii) the Participant, after receiving the notice, affirmatively elects a distribution.

C. Incidental Benefits.

Death and other nonretirement benefits payable under the Plan shall be incidental to the primary purpose of the Plan. Thus, distributions to the Participant under the Plan shall be in sufficient amounts so that the relationship of a Participant's total benefits under the Plan to the deferred compensation payable to the Participant under the Plan is such that the primary purpose of the Plan is to provide deferred compensation to the Participant, all as required by Code section 401(a)(9)(G) and the Treasury regulations promulgated thereunder.

D. Eligible Rollover Distributions.

1. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Method Of Payment Of Benefits section, a Distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

2. *Notwithstanding the foregoing, in the event that the Participant or the Participant's Beneficiary elects, in the manner set forth above, a distribution that constitutes an Eligible Rollover Distribution, and if the Distributee of the Eligible Rollover Distribution (i) elects to have such distribution paid directly to an Eligible Retirement Plan and (ii) specifies the Eligible Retirement Plan to which such distribution is to be paid, in such form and at such time as the Administrator may prescribe, then such distribution shall be made in the form of a direct trustee-to-trustee transfer to the Eligible Retirement Plan so specified.*

Approved by the California Horse Racing Board at a regular meeting of the California Horse Racing Board, at Santa Anita Park, in Arcadia, California, on February 22, 2018.

STAFF ANALYSIS  
DISCUSSION AND ACTION REGARDING THE  
STAFF REVIEW OF PHOTO FINISH TECHNOLOGY IN USE AT  
CALIFORNIA RACETRACKS

Regular Board Meeting  
January 25, 2018

ISSUE

In the third race at Del Mar on November 11, 2017, two horses reached the finish at the same time. The stewards required approximately 10 minutes to determine that the horses finished in a dead heat (tie). Although there was little or no comment on the stewards' decision, there was significant criticism over the delay in reaching their decision. This occurred 15 months after another dead-heat decision by the stewards at Del Mar during the 2016 summer meet. The two incidents have called into question the procedures and equipment used in the photo finish process, which has resulted in a CHRB review of all aspects of the photo-finish process.

ANALYSIS

The CHRB review states, "It has been common practice, for very tight finishes, to produce a paper print of the photo finish monitor picture to provide the stewards a hand-held copy. Sometimes the image is enlarged (zoom in) to allow the stewards to discern fine differences at the finish. For the November race at Del Mar, the printer did not initially operate correctly. The relatively long delay drew criticism from the media and from the public."

Beyond the delay, however, it was determined in the days following the November 11 race that the monitors used by stewards at Del Mar and at other racetracks in California were not high-definition (HD) monitors consistent with the HD images being provided to them. Therefore, Santa Anita Park, working through its vendors, has since had an HD monitor installed in the stewards' stand; plans are in place for the installation of HD monitors at other racetracks, including Del Mar.

The staff review included other photo-finish technology in use at Del Mar and other racetracks. The conclusion: "The photo finish cameras used in California are state-of-the-art."

RECOMMENDATION

This item is presented for Board discussion and action.

STAFF ANALYSIS  
January 25, 2018

Issue: APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY AT THE SAMMY'S ORIGINAL, LAKE FOREST, CALIFORNIA, FOR A PERIOD OF UP TO FIVE YEARS

Sammy's Operating Co., LLC (Sammy's Original), filed an application for renewal of its license to operate a minisatellite wagering site in its Sammy's Original restaurant in Lake Forest, California. Sammy's Original minisatellite application proposes to operate February 21, 2018 through February 20, 2023, for a period of up to five years. Southern California Off Track Wagering, Inc. (SCOTWINC) has acted as the coordinator during the application process. Sammy's Original is currently licensed through February 20, 2018, as a minisatellite wagering facility.

- Sammy's Original is a restaurant located in Lake Forest, California. The wagering site is located in the Southern zone.

Business and Professions Code section 19605.25 (a) (1) provides 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 provided there is no racetrack(s), satellite wagering facility or tribal casino that has a satellite wagering facility located within a 20 radius miles of the applicant.
- Sammy's Original has contracts/agreement with the following racing associations:

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

- The simulcast organization engaged by the contracted association(s) to conduct simulcast wagering is Southern California Off Track Wagering, Inc. (SCOTWINC).
- Applicant proposes to operate minisatellite wagering site 10:30 a.m. until 2:00 a.m. Hours may be adjusted to open earlier for special race events such as the Triple Crown and Breeders' Cup cards.

- Estimated number of pari-mutuel terminals machines available: 6 terminals which can be operated by a teller or in self-service mode and 18 self-service only terminals. Seating Capacity is 222; the number of tables inside in the minisatellite wagering area is 85 plus cushioned benches and tables in the outdoor covered patio.
- Staffing: The host track pari-mutuel manager will determine the number of mutual tellers based upon the projected handle and attendance for the day or night card. On most days, one teller will be assigned, with more as needed. A least one security officer will be present at all times.

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

1. Workers Compensation [expires June 30, 2018].

RECOMMENDATION:

Staff recommends the Board approve the application

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: <i>Sammy's Operating Co., LLC</i>		<input type="checkbox"/> Card Room/Gambling Establishment <input checked="" 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: <i>23221 Lake Center Drive</i>			
Mailing address (if different from above): <i>23151 MOULTON PKWY, LAGUNA HILLS Ca 92653</i>			
E-mail address: <i>petegenovese@cox.net</i>			
City: <i>Lake Forest</i>	State: <i>Ca</i>	Zip Code: <i>92630</i>	
Phone: <i>949-859-8511</i>	Fax: <i>949-859-0269</i>	Website: <i>sammysoriginal.com</i>	
County: <i>Orange</i>		Zone Location: North <input type="checkbox"/> South <input type="checkbox"/> Central <input type="checkbox"/> (To be completed by CHRB staff)	

CONTACT PERSON <small>(Authorized Representative)</small>			
Name and title of the contact person: <i>Peter Genovese</i> <i>Managing General Partner/CEO</i>			
Business street address: <i>23151 MOULTON PKWY</i>			
Mailing address (if different from above): <i>same</i>			
City: <i>LAGUNA HILLS</i>	State: <i>Ca</i>	Zip Code: <i>92653</i>	
County: <i>Orange</i>			
Phone: <i>949-859-8511</i>	E-mail: <i>petegenovese@cox.net</i>	Fax: <i>949-859-0269</i>	

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

February 21, 2018 - February 20, 2023

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: 2/13 End Date: 2/18

Facility name and address: Sammy's Original, 23221 Lake Center Drive

City: Lake Forest State: Ca Zip Code: 92630

County: Orange

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**

<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: Sammy's Operating Co., LLC

Fictitious Business Name: Sammy's Original

Address: 23151 MOULTON PKWY

E-mail Address: detegendvese@cox.net

City: Laguna Hills State: Ca Zip Code: 92653

Phone: 949-859-8511 Fax: 949-859-0269

State where registered or Articles of Organization are filed: Delaware Registry or File number: 5278402

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
Lake center Dr GP, LLC Peter + Kathleen Gendvese	MOULTON PRWY, L.H. 2351 MOULTON PRWY LAGUNA HILLS, Ca 92653	100% 34%	# invested see attache
Bruce Lehman	812 Aleppo, Newport Beach, Ca	21.8%	
Lawrence O'Brien	37161 Doral LAG NISUEL Ca 92677	4.4%	
Albert Clerc	23931 ANTONIO PKWY R.S.M., Ca 92688	8.7%	
Matthew Martha	18 Edge/Weiss R.S.M., Ca 92688	21.5%	
Brad McKinzie Trust	P.O. BOX 15067 Newport Bch, Ca 92688	8.7%	

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
Peter Gendvese	Partner
Scott Terheggen	General Manager

**ASSOCIATION CONTRACT/AGREEMENT**

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

See SCOTWINC

Addresses of racing association(s):

Racing association(s) phone numbers:

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

SAMMY'S OPERATING COMPANY, LLC  
CASH INVESTED

Lake Center Drive, GP LLC	1.00 %	\$ 32,700.00
Peter and Kathleen Genovese	34.00 %	\$ 1,275,000.00
Bruce Lehman	21.80 %	\$ 817,500.00
Lawrence O'Brien	4.40 %	\$ 163,500.00
Albert Clerc	8.70 %	\$ 327,000.00
Matthew Martha	21.50 %	\$ 807,300.00
Bradley McKinzie Trust	8.70 %	\$ 327,000.00

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: 12/11/17  
Fee received by: 12/11/17  
Reviewed by: *nsb*

30-day Notice Letter:  
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	Signature of Applicant Representative
<i>Peter Genovese</i>	<i>[Signature]</i>
Title	Date:
<i>Partner / CEO</i>	<i>12/8/17</i>

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

**PART II**

**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:

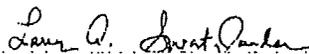
Ferndale, Fresno, Pleasanton, and Sacramento

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: 12/9/2017

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

**PART II**

**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

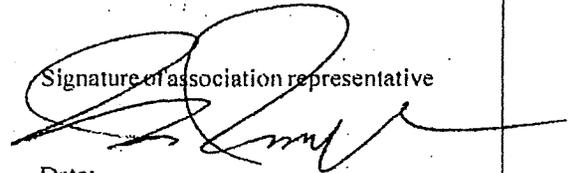
Fax number:  
(858) 794-1007

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  
COO

Signature of association representative  


Date:  
12/5/17

9-10

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

**PART II**

**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:

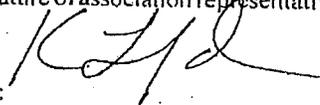
Name  
Kim Lloyd

Title

*C M Barrettts*

Signature of association representative

Date:



*12-6-17*

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

**PART II**

**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

F. JACK LIEBAU

Title

Vice-President

Signature of association representative

*F. Jack Liebau*

Date:

12/10/17

**PART II**

**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 MARCA, JR.

Signature of association representative

*Frank De Marca Jr.*

Title

VP Regulatory Affairs  
Los Angeles Turf Club, Inc.

Date:

12-22-17

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

**PART II**

**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:

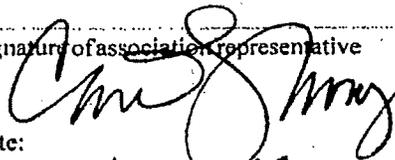
Name

Cathleen J. Morigi

Title

President

Signature of association representative



Date:

12-10-17

**PART II**

**CONTRACTED ASSOCIATION INFORMATION**

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

Name and mailing address of association:

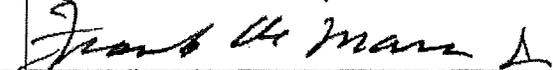
Pacific Racing Association  
1100 Eastshore Highway, Albany, CA 94706

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.	Signature of association representative	
Title	VP - Regulatory Affairs Pacific Racing Association	Date:	12-21-17

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

**PART II**

**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:

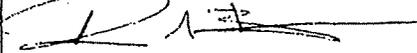
Santa Rosa Racetrack - Sonoma County Fair

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 / 9 / 17

9-16

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

**PART II**

**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, 7<sup>th</sup> Floor, San Francisco, CA 94111

Telephone:

(916) 800-1390

Fax number:

(916) 800-1395

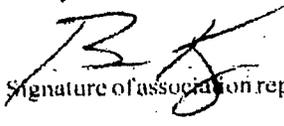
Racetrack name:

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:

12/18/17

**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: Southern California Off-Track Wagering, Inc.

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 with CHRB

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

Hours for operation of the facility: Normally open 10:30 am to 2:00 am; open earlier for special race events such as Triple Crown and Breeders Cup cards.

Hours for operation of the minisatellite wagering site: Concurrent with racing schedule as determined by the applicable California host meet.

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): 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": See Exhibit A

Estimated number of pari-mutuel terminals machines available: Six terminals which can be operated by a teller or in self-service mode plus eighteen self-service only terminals.

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). See Exhibit A

**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, SCOTWINC	068136 - 6/2020



December 5, 2017

Ms. Nicole Lopes-Gravely  
Regulations Analyst  
California Horse Racing Board  
1010 Hurley Way, Suite #300  
Sacramento, CA 95825

RE: Sammy's Minisatellite Facility Renewal

Dear Ms. Lopes-Gravely,

The Thoroughbred Owners of California approves the renewal of licensing by the California Horse Racing Board of Sammy's minisatellite.

Sincerely,

Greg Avioli  
President

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



# Pacific Coast Quarter Horse Racing Association

December 5, 2017

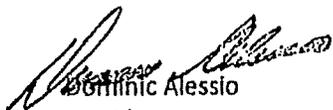
Ms. Nicole Lopes-Gravely  
Regulations Analyst  
California Horse Racing Board  
1010 Hurley Way, Suite #300  
Sacramento, CA 95825

RE: Sammy's Minisatellite Facility Renewal

Dear Ms. Lopes-Gravely,

The Pacific Coast Quarter Horse Racing Association approves the renewal of licensing by the California Horse Racing Board of Sammy's minisatellite.

Sincerely,

  
Dominic Alessio  
President

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

December 5, 2017

Ms. Nicole Lopes-Gravely  
Regulations Analyst  
California Horse Racing Board  
1010 Hurley Way, Suite #300  
Sacramento, CA 95825

RE: Sammy's Minisatellite Facility Renewal

Dear Ms. Lopes-Gravely,

The California Harness Horsemen's Association approves the renewal of licensing by the California Horse Racing Board of Sammy's 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

---

Attach a fire clearance from the fire authority having jurisdiction. To be submitted.

---

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.

Peter Genovese, operating manager, supervises the security operations at Sammy's in cooperation with the Orange County Sheriff's department. His phone number is (949) 859-8511. At least one security staff member is present on-site during business hours with additional staff added based upon crowd size. Patrons entering the facility are screened by a greeter to insure that no one under the age of 21 is admitted.

---

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.

Sammy's is operated as a facility limited to patrons 21 years of age and older, which eliminates the need for security personnel to keep minors from entering the wagering area. At least one security staff member will be present on-site during business hours with additional staff added based upon crowd size. Patrons entering the facility are screened by a greeter to insure that no one under the age of 21 is admitted.

Scale plan on file with CHRB. Photos attached.

**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 food and beverage services with a menu described as "American Grille".

The seating capacity in the minisatellite wagering facility is: 222 inside the building

The number of tables in the minisatellite wagering area is: 85 inside plus cushioned benches and tables in the outdoor covered patio

---

Overall square footage in the minisatellite wagering area is: 6,500 sf indoors plus the covered outdoor patio with 620 sf.

Attach a photograph of the minisatellite wagering area. Attached

---

Describe occupancy restrictions, if any, imposed by the fire authority having jurisdiction: None



**ORANGE COUNTY FIRE AUTHORITY**

BUSINESS RECORDS AT: 23221 LAKE CENTER  
LAKE FOREST

Bus Id: 116711      DBA: SAMMYS ORIGINAL      Status:  
23221 LAKE CENTER      DR      Bldg#      Ste#  
LAKE FOREST

Last Insp Date: 12 MAY 2017      Bus Type: RESTAURANT OR CAFETERIA

Insp Type: ROUTINE INSPECTION      Insp Category: CATEGORY 5, NO HAZARDOUS MATERI

Alarm Type:

Sprinkler Type: 1      Wet Pipe, Supervised      Sprinkler Due Date: 061

**VIOLATIONS**

Identify Date: 12 MAY 2017

House Keeping:      Fire Protect:      High Piled:      Elect  
Exiting:      Permit Related:      Hazmat Related:

Notice Issued Dt:

Self Clr Issued Dt:

1st Reinsp clear: Y      Date: 12 MAY 2017      2nd Reinsp clear:      Date:  
3rd Reinsp clear:      Date:      4th Reinsp clear:      Date:  
5th Reinsp clear:      Date:

**PERMITS**

<u>Permit No</u>	<u>Permit description</u>	<u>Issued Date</u>	<u>Expiration Date</u>
AP23R	Assembly, >300 Occupants - Reissuance	12 MAY 2017	12 MAY 2018
M150	Administrative Drive Time	12 MAY 2017	

**CHEMICALS : NO CHEMICALS FOUND**

\*\*\*\*\* END OF REPORT \*\*\*\*\*



# ORANGE COUNTY FIRE AUTHORITY

Report run on: Deceml

BUSINESS RECORDS AT: 23221 LAKE CENTER  
LAKE FOREST

Bus Id: 2061      DBA: **BLACK ANGUS #1075**  
23221 LAKE CENTER      DR      Status:  
LAKE FOREST      Bldg#      Ste#

Last Insp Date: 26 SEP 2011      Bus Type: VACANT PROPERTY

Insp Type: ROUTINE INSPECTION      Insp Category: CATEGORY 5, NO HAZARDOUS MATERI

Alarm Type:

Sprinkler Type: 1      Wet Pipe, Supervised      Sprinkler Due Date: 06 1

## VIOLATIONS

Identify Date: 26 SEP 2011

House Keeping: 0      Fire Protect: 0      High Piled: 0      Elect

Exiting: 0      Permit Related: 0      Hazmat Related: 0      1

Notice Issued Dt:

Self Clr Issued Dt:

1st Reinsp clear: Y      Date: 26 SEP 2011      2nd Reinsp clear:      Date:  
3rd Reinsp clear:      Date:      4th Reinsp clear:      Date:  
5th Reinsp clear:      Date:

## PERMITS

<u>Permit No</u>	<u>Permit description</u>	<u>Issued Date</u>	<u>Expiration Date</u>
AP22R	Assembly, <300 Occupants - Reissuance	15 APR 2008	15 APR 2009
M150	Administrative Drive Time	19 MAY 2008	19 MAY 2009

**CHEMICALS : NO CHEMICALS FOUND**

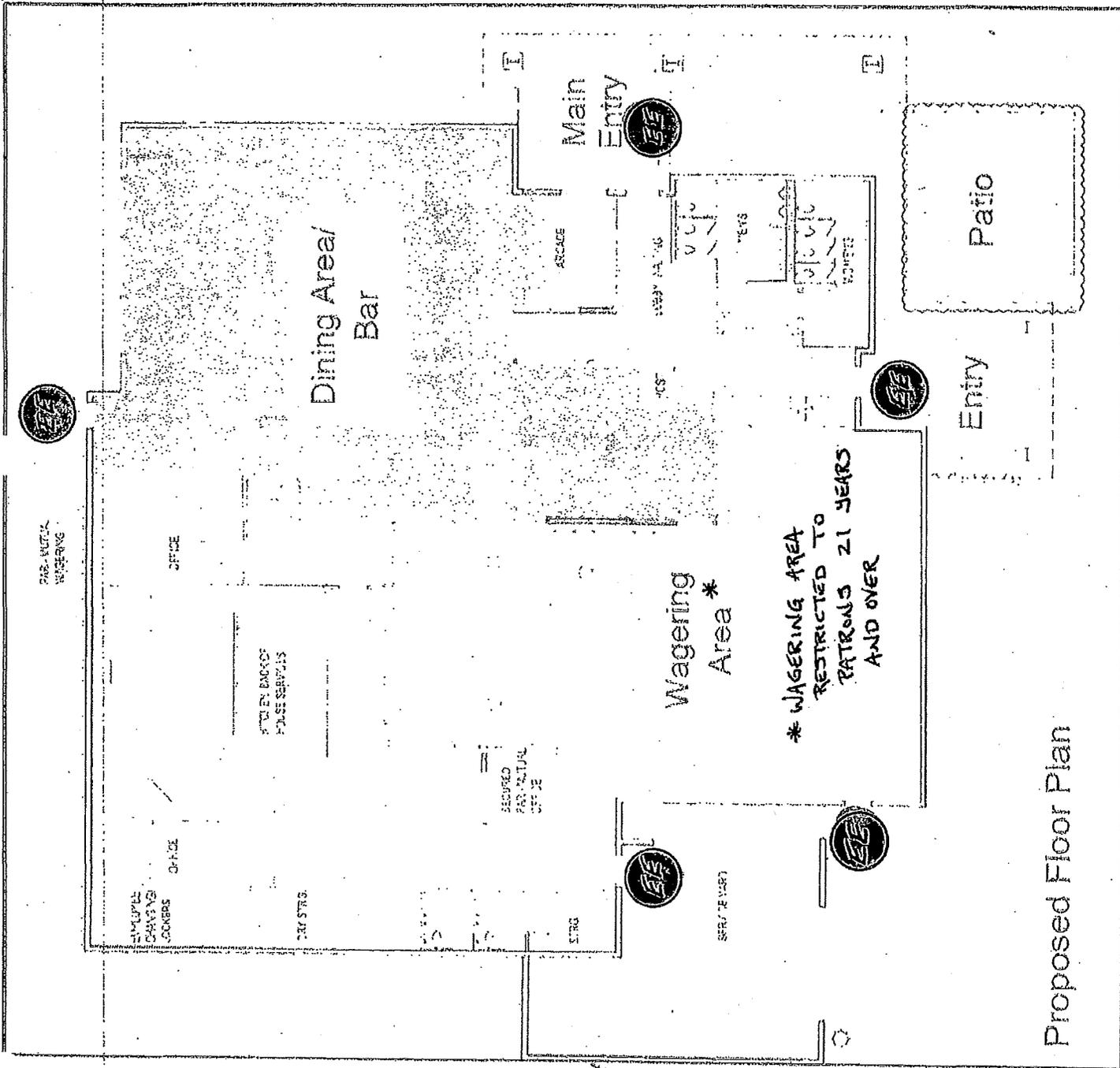
\*\*\*\*\* END OF REPORT \*\*\*\*\*

EMERGENCY EXITS

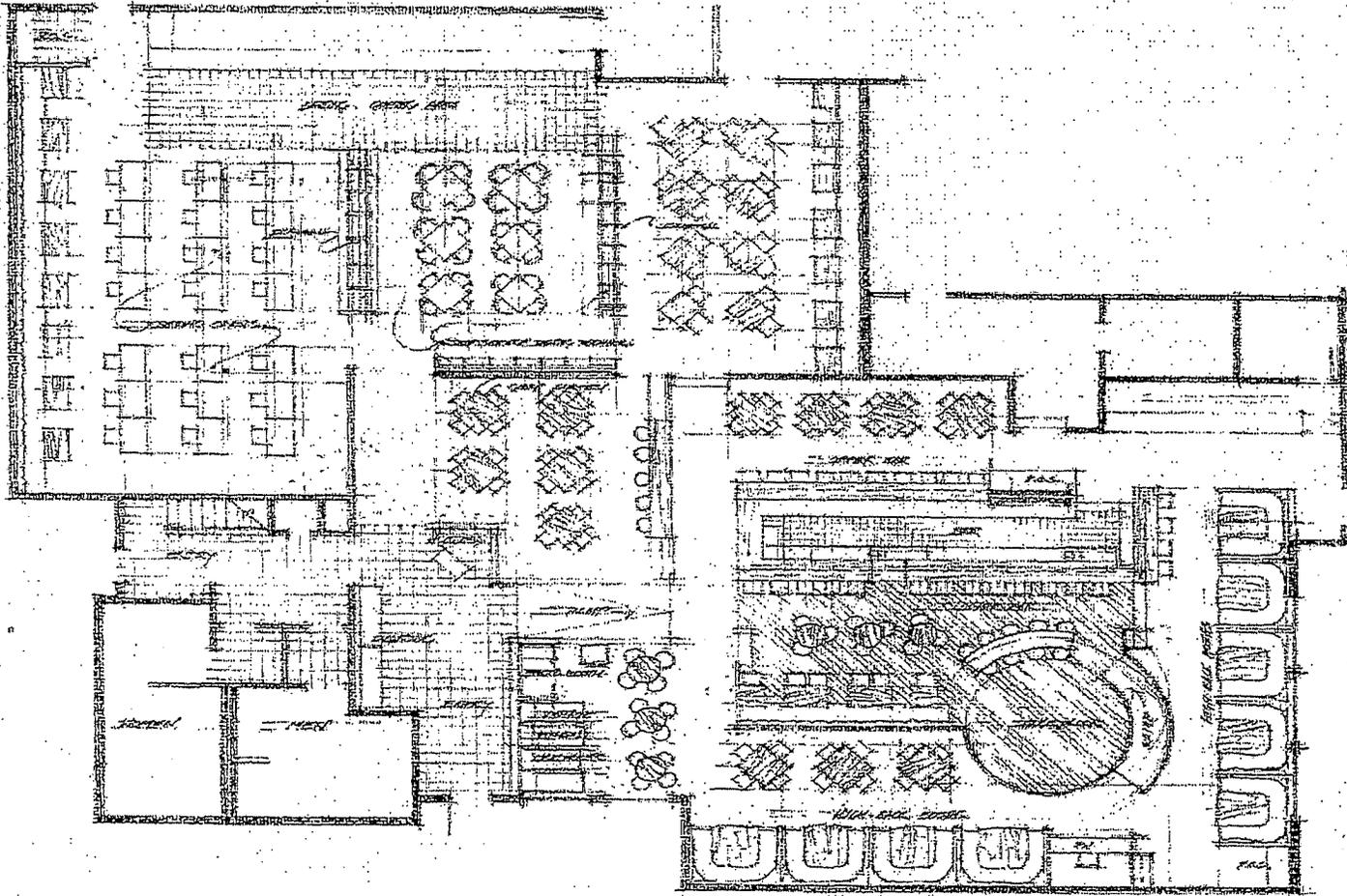


Lake Center Drive

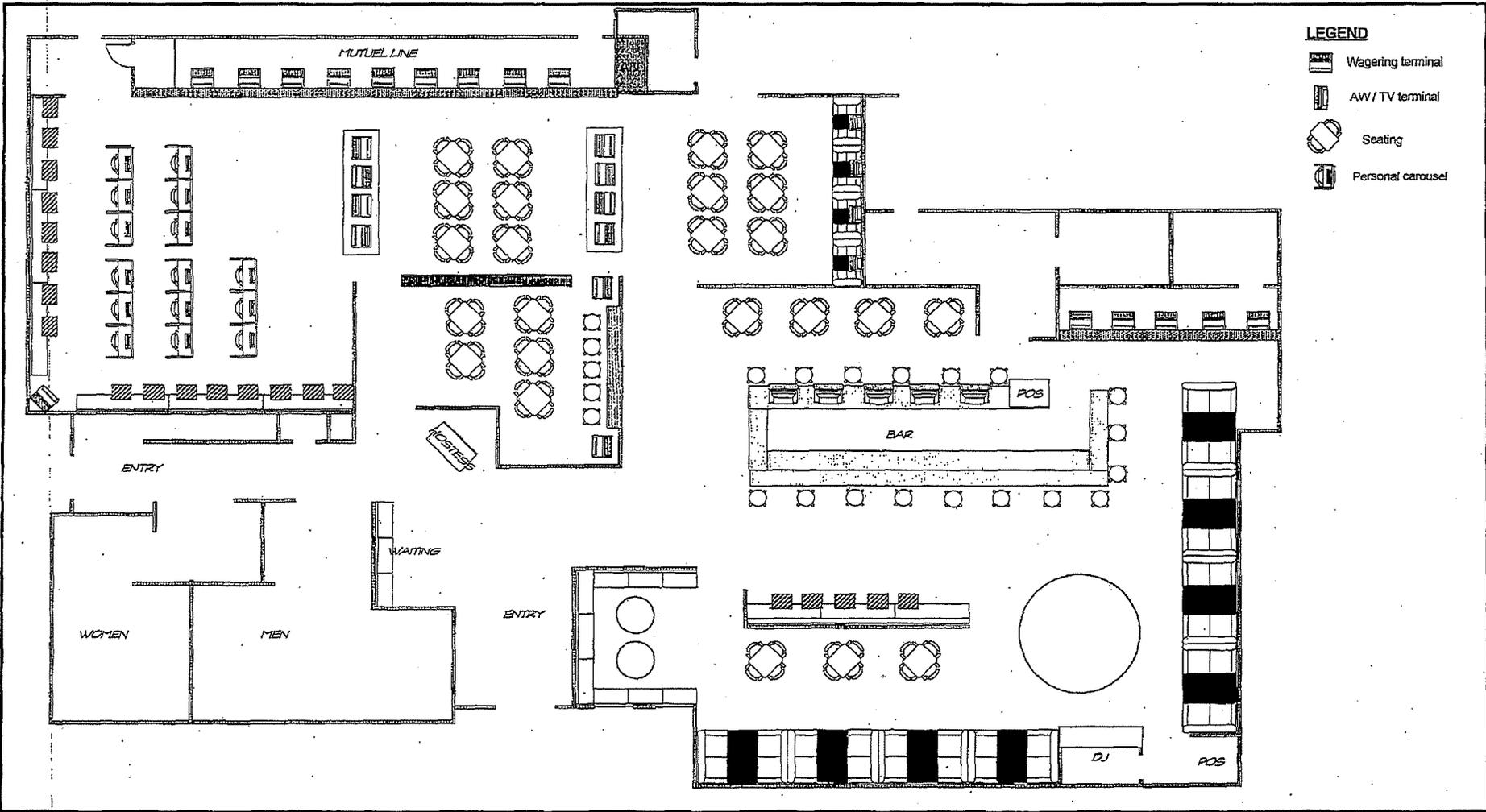
I-5 Freeway



Proposed Floor Plan

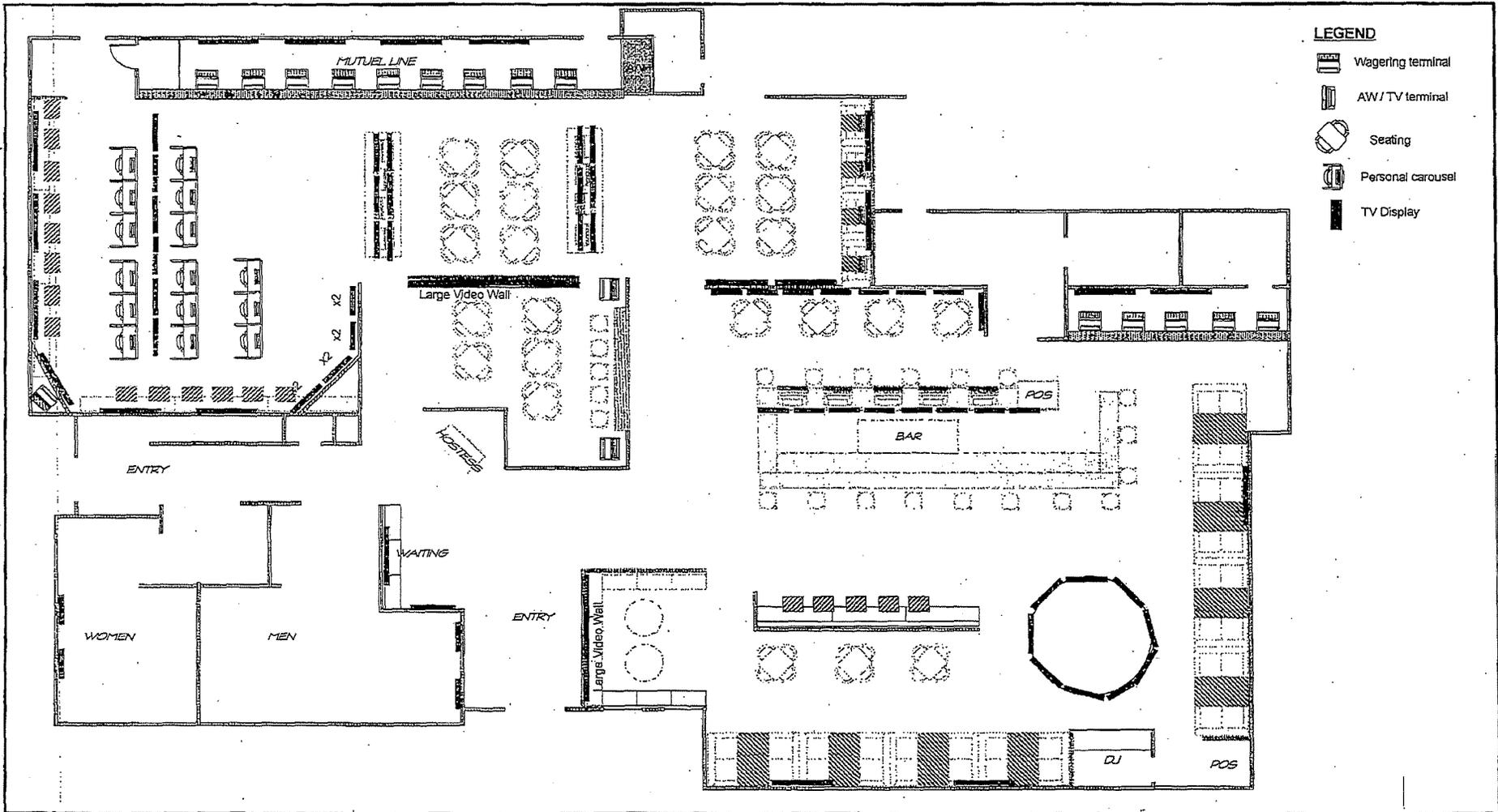


Revision:	A	PROJECT	Sammy's	Drawing by:		Sheet	1 of 9
	Dec 12, 2012	Sammy's Lake Forest_sketch	23221 Lake center Drive Lake Forest, CA.	Sportech	4961 Katella Ave. Los Alamitos, CA 90270		
		Original sketch					



- LEGEND**
-  Wagering terminal
  -  AW/TV terminal
  -  Seating
  -  Personal carousel

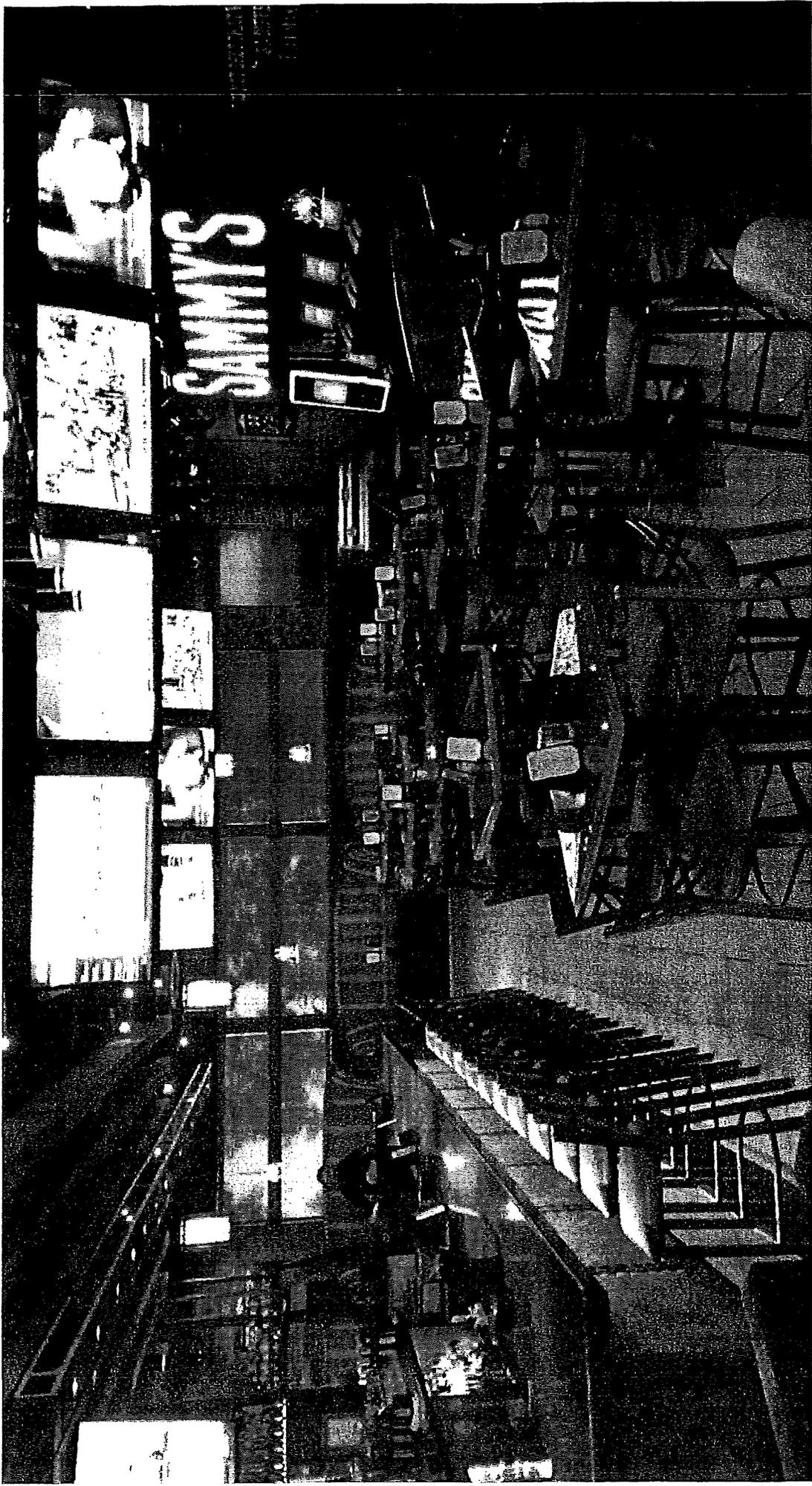
Revised: A	Sammy's Lake Forest_Concept 1	PROJECT	<b>Sportech</b> 4961 Katella Ave. Los Alamitos, CA 90270	Drawn by:	Lance Ku	Sheet:	1 of 9
Date: Dec 12, 2012	PARTIAL FLOOR PLAN	<b>Sammy's</b> 23221 Lake center Drive Lake Forest, CA.					
Scale: 3/32" = 1'-0"							



- LEGEND**
-  Wagering terminal
  -  AW/TV terminal
  -  Seating
  -  Personal carousel
  -  TV Display

Revision: A	Sammy's Lake Forest_AV Concept	PROJECT	<b>Sportech</b> 4961 Katella Ave. Los Alamitos, CA 90270	Drawing by:	Lance Ku	Sheet 1 of 9
Date: Dec 12, 2012	PARTIAL FLOOR PLAN	Sammy's 23221 Lake center Drive Lake Forest, CA.				
Scale: 3/32" = 1'-0"						

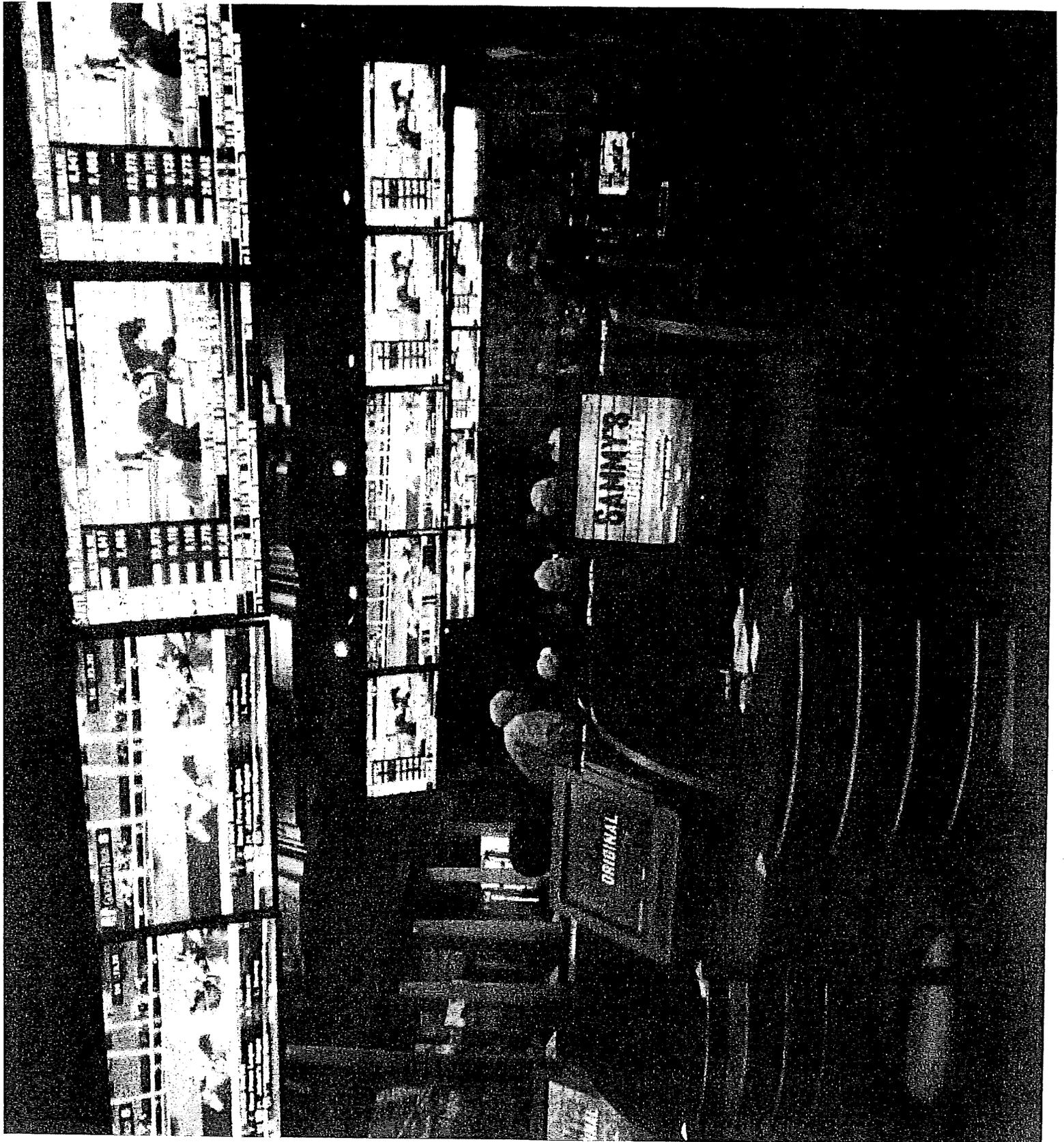












State of California  
California Horse Racing Board  
Application for License to Operate a Minisatellite Wagering Facility  
CHRB-228 (New 11/08)

The total number of parking spaces available in the parking areas can accommodate (number of standard sized automobiles): There are 105 on-site parking spaces. On days with unusual events a reciprocal agreement with an adjoining retail center accommodates the excess parking demand.

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 MINISATILLITE WAGERING FACILITY**

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

One 84" large screen TV, forty-two 60" flat screens, twenty-seven 55" flat screens, twenty-five 42" flat screens, twelve 36" flat screens, plus two video walls, each with nine screens. Each private carousel is equipped with a monitor. The facility utilizes Roberts Communication Network signal receiving equipment.

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

Public address announcements are made via microphone to the TV monitors. Equipment includes an enhanced sound system that is capable of switching the audio signal throughout the building to whatever major track is conducting racing.

**VI. ADVERTISING AND PATRON DEVELOPMENT**

Describe any advertising or promotional plans:  
See Exhibit A

Describe any improvements to the facility that will directly benefit minisatellite wagering:  
A covered outdoor patio area was added which accommodates fans wishing to smoke.

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:	Program charges are determined by the applicable racing meet
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  Covered outdoor patio area was added

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. Former general partner Brad McKinzie passed away in August of 2017.

9-306 of California  
California Horse Racing Board  
Application for License to Operate a Minisatellite Wagering Facility  
CHRB-228 (New 11/08)

How many years have you been an approved minisatellite wagering facility? The minisatellite facility was approved in February of 2013 and opened in February of 2014.

**AGREEMENTS**

Attach copies of all applicable county, city or agency agreements that may affect the minisatellite wagering facility. On file with CHRB.

**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.

**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:

Peter Genovese

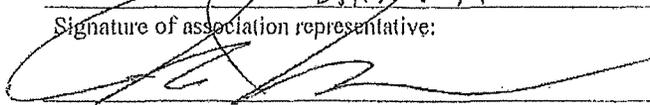
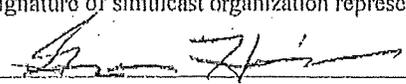
Date:

12/13/17

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

Signature of minisatellite facility representative: <i>Peter Genovese</i>	Date: 12/13/17
Print name of association representative:	Date:
Signature of association representative:	Date:
Print name of simulcast organization representative: George Haines	Date:
Signature of simulcast organization representative: <i>George Haines</i>	Date: 12/13/17

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

Signature of minisatellite facility representative:	Date:
Print name of association representative: Jasi Robinstein	Date:
Signature of association representative: 	Date: 12/13/17
Print name of simulcast organization representative: George Haines	Date:
Signature of simulcast organization representative: 	Date: 12/13/17

**Exhibit A**  
**Sammy's 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  
1101 W. McKinley Avenue  
Pomona, CA 91768

Phone: (909) 865-4093  
Fax: (909) 622-5652

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  
Sammy's Wagering Renewal Application**

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:

Sammy's plans to offer parimutuel wagering on all days during which a California racing association offers either live races or races import from out of state and out of country tracks.

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, CARE, 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.

The host track pari-mutuel manager will determine the number of mutuel tellers based upon the projected handle and attendance for the day or night card. On most days, one teller will be assigned, with more as needed. At least one security officer will be present at all times.

II Supervision, Security and Fire Prevention

Peter Genovese is responsible for security operations. His phone number is (949) 859-8511. Criminal law enforcement services are provided by the Orange County Sheriff's Department.

The facility will be staffed according to needs of the property. At least one security person will be present during hours of operation.

**Exhibit A****Sammy's Minisatellite Wagering Renewal Application**VI Advertising and Patron Development

The partners are committed to marketing efforts designed to increase racing hour attendance and pari-mutuel handle. Our fan base is made up in large part by new or very casual horse players. Thus, Sammy's endeavors to help new fans learn the basics of playing the horses. A racing concierge coaches new fans in order to maximize their enjoyment of a visit to Sammy's. The concierge also caters to our biggest players. We work with local racetracks to organize field trips in an effort to expose new fans to the thrills of live racing.

The formation of the Sammy's club is designed to reward players with incentives such as reduced food prices, giveaway items, free programs and monthly drawings for prizes.

Local cable TV and newspaper advertising highlights the fun of playing the horses to prospective new fans.

## STAFF ANALYSIS

January 25, 2018

Issue: APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY AT THE OC TAVERN GRILL AND SPORTS BAR, SAN CLEMENTE, CALIFORNIA, FOR A PERIOD OF UP TO FIVE YEARS

OC Tavern Grill and Sports Bar (OC Tavern) has been sold to Christopher Dalgaard. Due to the change in its ownership, OC Tavern has filed a new application for a license to operate a minisatellite wagering site. The OC Tavern proposes to begin operations with new ownership February 1, 2018 through January 31, 2023, for a period of up to five years. The prior OC Tavern owner Michael Merrigan has stayed on with OC Tavern to assist with the minisatellite wagering site through the transition.

- OC Tavern is a restaurant, bar and concert hall facility located in San Clemente, California. The proposed wagering site will be located in the Southern zone.

Business and Professions Code section 19605.25 (a) (1) provides 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.

- Southern California Off Track Wagering, Inc. (SCOTWINC) has provided there is no racetrack(s), satellite wagering facility or tribal casino that has a satellite wagering facility located within a 20 radius miles of the applicant.
- OC Tavern has contracts/agreement with the following racing associations:

California Authority of Racing Fairs  
 Del Mar Thoroughbred Club  
 Los Angeles County Fair  
 Los Alamitos Racing Association  
 Los Angeles Turf Club  
 Los Alamitos Quarter Horse Racing Association  
 Pacific Racing Association  
 Sonoma County Fair  
 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 Wednesday through Sunday and holidays. Opening 10:30 a.m. – closing after the last Thoroughbred race of the day, with the following exceptions:
  - Opening 7:30 a.m. for the Kentucky Derby.

- Opening 9:00 a.m. for the Preakness, Belmont and Breeders' Cup.
  
- Estimated number of pari-mutuel terminals machines available: Five convertible teller/self-service; 4 dedicated self-service. Seating Capacity is 75 inside and 30 patio; the number of tables in the ministatellite wagering area is 15; 8 patio. Flat screen televisions, dish and receivers for racing; and Direct TV for sports.
  
- Staffing: Mutuel Supervisor or clerks to be determined by attendance.

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

1. Financials.
2. Workers' Compensation.

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: OC Tavern The applicant is: Racing Association Fair Federally Recognized Indian Tribe		Card Room/Gambling Establishment <input checked="" type="checkbox"/> Restaurant/Bar Other Business Entity
Facility street address: 2369 S. El Camino Real		
Mailing address (if different from above): PO Box 3062 Dana Point, CA 92629		
E-mail address: <a href="mailto:octavern@gmail.com">octavern@gmail.com</a>		
City: San Clemente	State: CA	Zip Code: 92672
Phone: 949-542-8877	Fax: N/A	Website: <a href="http://www.octavern.com">www.octavern.com</a>
County: Orange County	Zone Location: North <input checked="" type="checkbox"/> South   Central  (To be completed by CHRB staff)	

**CONTACT PERSON  
 (Authorized Representative)**

Name and title of the contact person: Chris Dalgaard, Owner		
Business street address: 2369 S. El Camino Real		
Mailing address (if different from above): PO Box 3062 Dana Point, CA 92629		
City: San Clemente County: Orange	State: CA	Zip Code: 92672

Phone: 949-275-2453

E-mail: [octavern@gmail.com](mailto:octavern@gmail.com)

Fax: n/a

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

February 1st, 2018 until expiration.

**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  X

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

If yes to either question above, provide the following:

Valid licensure period: Begin Date: \_\_\_\_\_ End Date: \_\_\_\_\_

Facility name and address:

City:

State:

Zip Code:

County:

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  X

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: OC Tavern, Inc.

Fictitious Business Name: OC Tavern Grill & Sports Bar

Address: 2369 S. El Camino Real		
E-mail Address: <u>octavern@gmail.com</u>		
City: San Clemente	State: CA	Zip Code: 92672
Phone: 949-542-8877		Fax: n/a
State where registered or Articles of Organization are filed: CA		Registry or File number: 4054065
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
Christopher Dalgaard	2369 S. El Camino Real, San Clemente, CA 92672	100%	

Are shares listed for public trade? Yes No X	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
Christopher Dalgaard	Owner/President
Michael Merrigan	Consultant/Manager of Operations

Addresses of racing association(s):  
See Exhibit A

Racing association(s) phone numbers:  
See Exhibit A

Proposed contract dates: From: 2/1/2018 To: Expiration (inclusive).

---

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: 12/4/17

30-day Notice Letter: 12/13/17

Fee received by: LH

Approved on:

Reviewed by: LH

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 Christopher Dalgaard

Signature of Applicant Representative

Title Owner/President

Date: 1/3/18

**PART II**

**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:

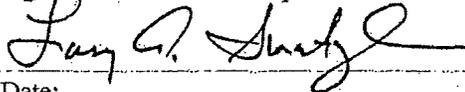
Ferndale, Fresno, Pleasanton, and Sacramento

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 A. Swartzlander

Signature of association representative



Title

Executive Director

Date:

12-26-17

10-8

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

**PART II**

**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:

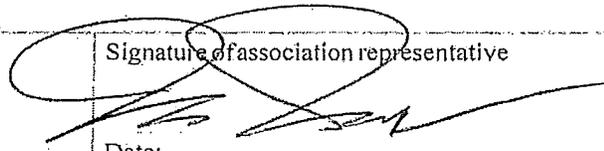
Del Mar

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

EEO  
COO

Date:

11/2/17

**PART II**

**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

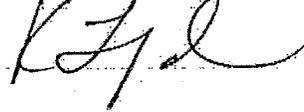
Racetrack name:

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  
Kim Lloyd

Signature of association representative



Title  
GM / Barretts

Date:

12-30-17

**PART II**

**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:

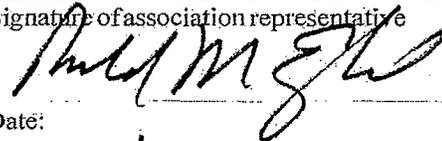
Los Alamitos

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 M. ENGLISH

Signature of association representative



Title

CEO

Date:

1/19/18

**PART II**

**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. PO Box 60014, Arcadia, CA 91066-6014

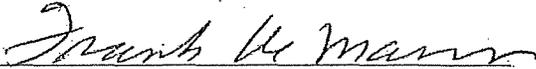
Telephone:  
626 574-7223

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	Signature of association representative. 
Title Vice President Regulatory Affairs	Date: 1-2-18

**PART II**

**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:

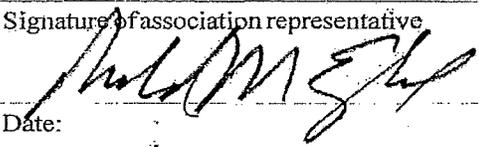
(714) 820-2800

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	Signature of association representative
<i>Richard M English</i>	
Title	Date:
<i>CFO</i>	<i>1/17/15</i>

**PART II**

**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:

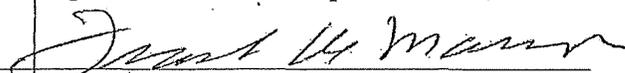
Golden Gate Fields

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

Signature of association representative



Title

Vice President Regulatory Affairs-PRA

Date:

1-2-18

10-14

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

**PART II**

**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

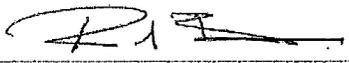
Fax number:

(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 / 27 / 17

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

## PART II

### 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, 7<sup>th</sup> 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: 12/29/17

**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:  
 SOUTHERN CALIFORNIA OFF-TRACK WAGERING, INC.

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.

Submit a copy of each horsemen's written approvals.

Hours for operation of the facility: 10:30 a.m. - 2 a.m Monday thru Sunday

Hours for operation of the minisatellite wagering site:  
 SEE EXHIBIT A, 10:30 a.m. – close of thoroughbred horse racing tracks

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

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

Estimated number of pari-mutuel terminals machines available: 5 convertible teller/self-service; 4 dedicated self-service

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).

SEE EXHIBIT A

**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:  
 Christopher Dalgaard, Michael Merrigan

Name and Title	CHRB License No. and Expiration Date
George Haines	068 136 June/2020



December 31, 2017

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

RE: OC Tavern, Minisatellite Facility

Dear Ms. Houle,

The Thoroughbred Owners of California approves the licensing by the California Horse Racing Board of OC Tavern as a minisatellite.

Sincerely,

Greg Avioli  
President & CEO

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



# Pacific Coast Quarter Horse Racing Association

---

December 27, 2017

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

RE: OC Tavern, Minisatellite Facility

Dear Ms. Houle,

The Pacific Coast Quarter Horse Racing Association approves the licensing by the California Horse Racing Board of OC Tavern as a 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

December 27, 2017

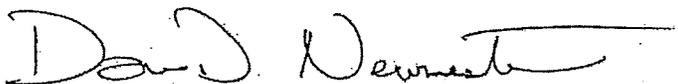
Ms. Laurel Houle  
Regulations Analyst  
California Horse Racing Board  
1010 Hurley Way, Suite #300  
Sacramento, CA 95825

RE: OC Tavern, Minisatellite Wagering Facility

Dear Ms. Houle,

The California Harness Horsemen's Association approves the licensing by the California Horse Racing Board of the OC Tavern minisatellite wagering facility.

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):  
To be submitted under separate cover.

---

Attach a fire clearance from the fire authority having jurisdiction. To be submitted under separate cover.

---

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.  
See Exhibit A

---

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

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.

**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 menu (breakfast, lunch, and dinner)

---

The seating capacity in the minisatellite wagering facility is: 75 inside; 30 patio
---

---

The number of tables in the minisatellite wagering area is: 15 inside; 8 patio
--

---

Overall square footage in the minisatellite wagering area is: 900 sq. feet inside; 400 sq. feet patio

---

Attach a photograph of the minisatellite wagering area.  
To be submitted under separate cover.

---

Describe occupancy restrictions, if any, imposed by the fire authority having jurisdiction:  
169 standing room capacity in mini-satellite inside; 50 standing room on patio

---

The total number of parking spaces available in the parking areas can accommodate (number of standard sized automobiles): 38 in primary lot; over 100 in nearby city parking

---

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

---

Print Date: 5/10/2017

# FIRE AUTHORITY PERMIT

Business Name:  
**OC TAVERN**

Inspection No:98754

Mailing Address:  
2369 EL CAMINO REAL  
SAN CLEMENTE CA 92672

Site Address:  
2369 S EL CAMINO REAL  
SAN CLEMENTE CA 92672

THIS PERMIT IS ISSUED BY THE ORANGE COUNTY FIRE AUTHORITY AND IS ACCEPTED ON CONDITION THAT THE APPLICANT, HIS AGENTS AND EMPLOYEES CARRY OUT THE PROPOSED ACTIVITY IN COMPLIANCE WITH ALL THE APPLICABLE CODES, LAWS, REGULATIONS OR CONDITIONS/LIMITATIONS LISTED ON THE PERMIT APPLICATION. ANY VIOLATION OF THESE PROVISIONS MAY BE GROUNDS FOR REVOCATION OF THIS PERMIT.

**PERMIT GRANTED FOR:**

Permit Code:

Permit Description

Permit Issued Date:

**AP21R**

Assembly, &lt;300 Occupants - Reissuance

04/20/2017

**THIS PERMIT SHALL AT ALL TIMES BE POSTED IN THE PREMISES DESCRIBED ABOVE**

This permit(s) does not take the place of any license required by law and is not transferrable. Any change in the use or occupancy of the premises shall require a new permit. This supercedes all other permits issued by the Orange County Fire Authority.




---

 FIRE MARSHAL

- Main Entrance
- Exit from music hall/mini-satellite
- Exit from Bar Area
- Exit from Dining Area
- Indoor Area

Back Parking Area

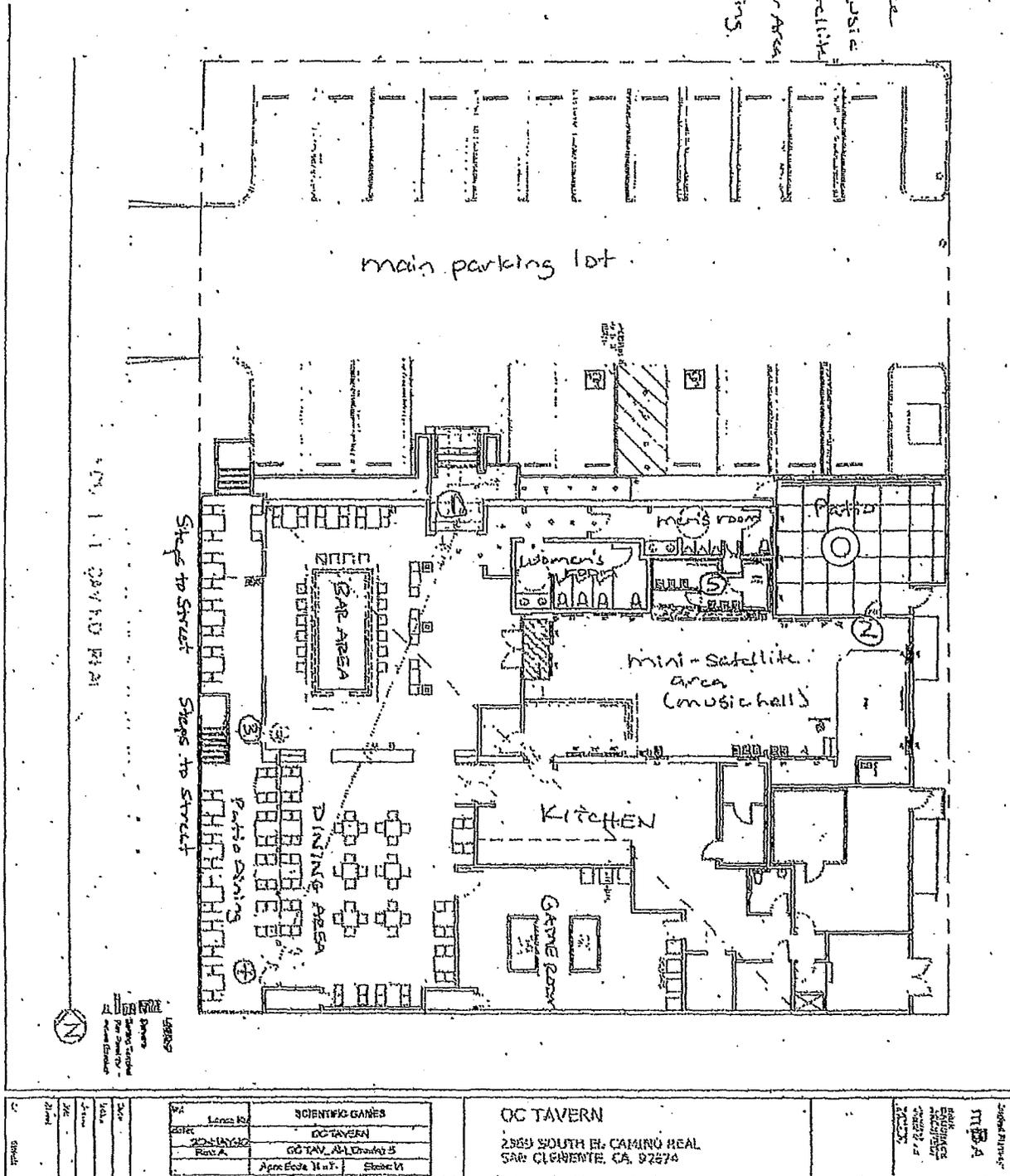
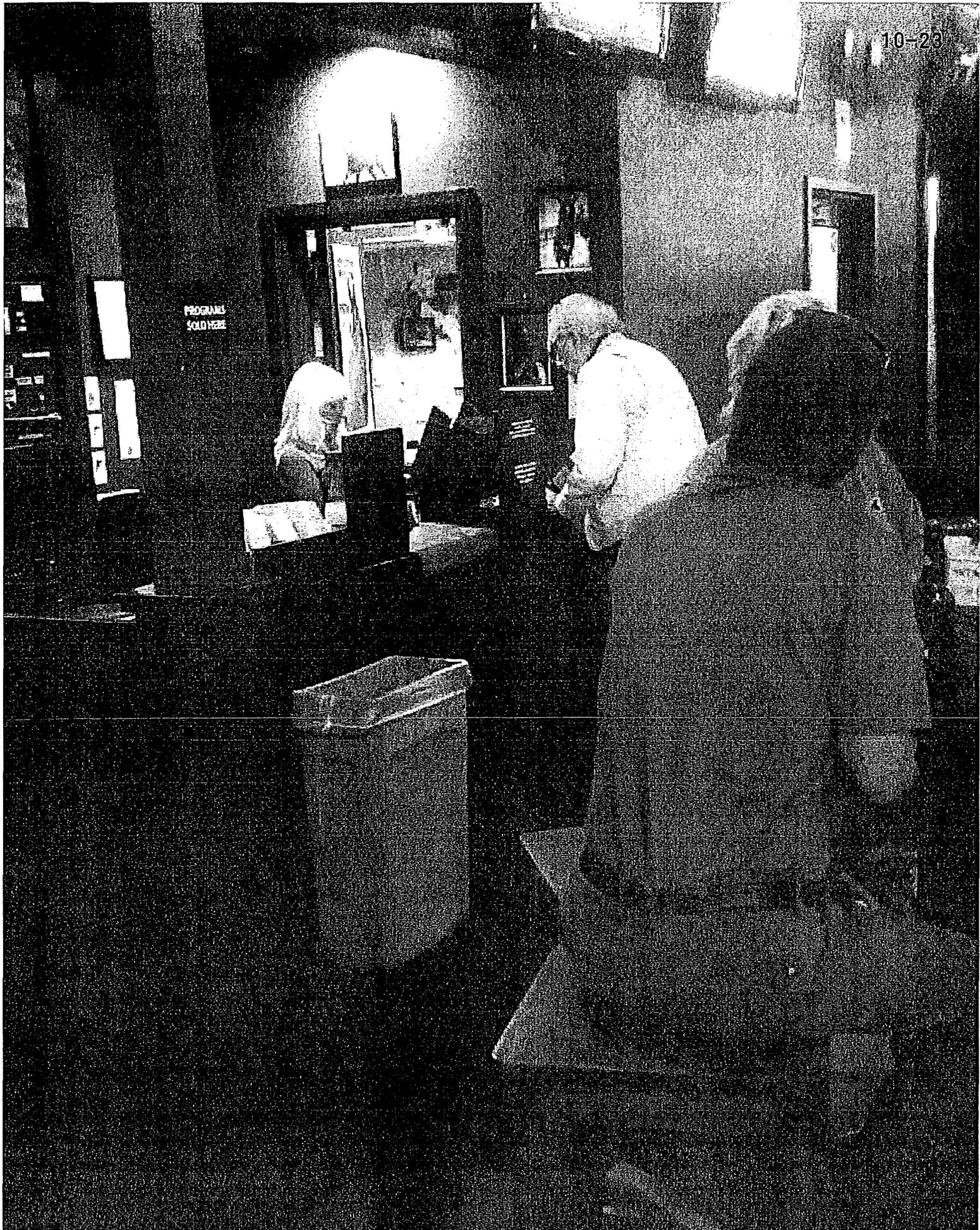
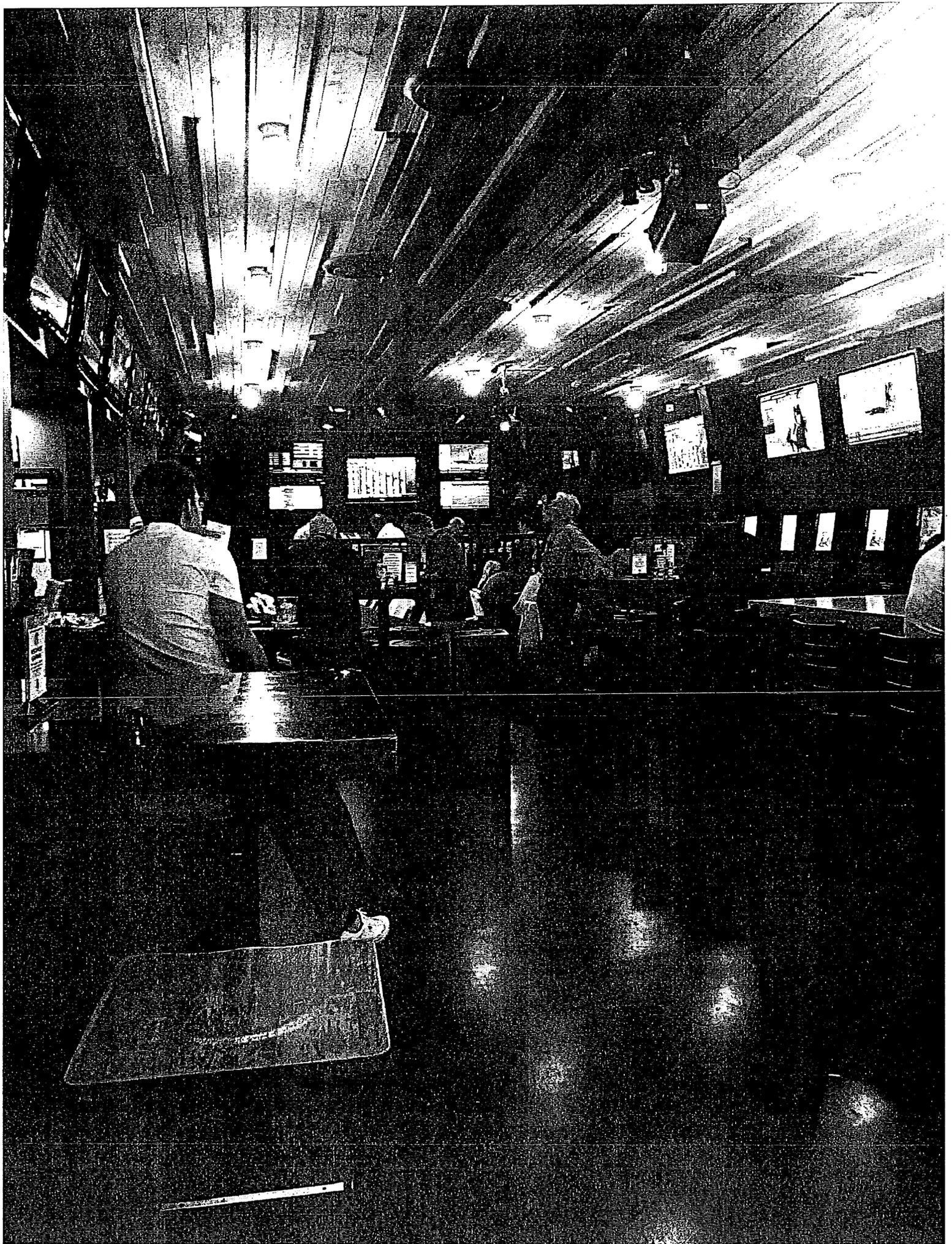


Exhibit D

PROGRAMS  
SOLD HERE





**V. EQUIPMENT PROVIDED BY THE MINISATILLITE WAGERING FACILITY**

Describe the television equipment (satellite receivers, decoders, controls, monitors, etc.) to be utilized at the facility: Flat screen televisions, dish and receivers for racing; DirecTV for sports

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

**VI. ADVERTISING AND PATRON DEVELOPMENT**

Describe any advertising or promotional plans: Website, e-mail alerts, local press, etc.

Describe any improvements to the facility that will directly benefit minisatellite wagering: Bench seating, additional tables and chairs

**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:	N/A
Parking charges, if any, are:	N/A
Program charges, if any, are:	Price determined by host track
Seating charges, if any, are:	N/A

**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?

**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.

**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

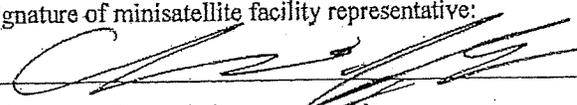
All service contractors and concessionaires have valid State, County or City licenses authorizing each to engage in the type of service to be provided and have valid labor agreements (when applicable) which remain in effect for the entire term of the license except as follows (if there are no exceptions, 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: CHRISTOPHER DALGAARD	Date: 1-17-18
Signature of minisatellite facility representative: 	Date: 1-17-18
Print name of association representative:	Date:

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

10-27

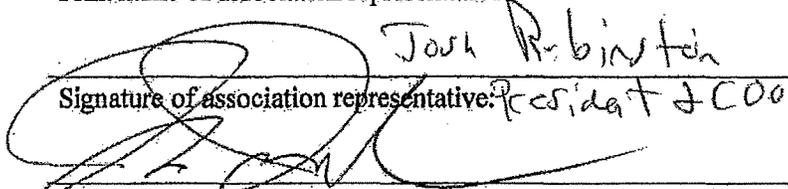
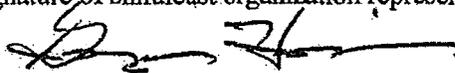
Print name of minisatellite facility applicant representative:	Date:
Signature of minisatellite facility representative:	Date:
Print name of association representative: Josh Robinson	Date: 1/16/18
Signature of association representative: President & COO 	Date: 1/16/18
Print name of simulcast organization representative: George Haines	Date:
Signature of simulcast organization representative: 	Date: 1/12/18

Exhibit A

OCT Grill & Sports Bar Inc. 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 1101 W. McKinley Avenue Pomona, CA  
91768

Phone: (909) 865-4093 Fax: (909) 622-5652

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  
OCT Grill & Sports Bar, Inc. Minisatellite Wagering  
Application

**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

**Operation of the Minisatellite Wagering Facility**

Page 2

Parimutuel wagering will be offered Wednesday through Sundays, plus Holidays, on all California cards plus races imported by all California racing associations from out of state and out of country tracks.

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, 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.

The host track pari-mutuel manager will determine the number of mutuel tellers based upon the projected handle and attendance for the day or night card. On most days, one teller will be assigned, with more as needed. At least one security officer will be present at all times.

### **II Supervision, Security and Fire Prevention**

Chris Dalgaard is responsible for security operations. His phone number is (949) 275-2453. Criminal law enforcement services are provided by the San Clemente Police Department.

The facility will be staffed according to needs of the property. At least one security person will be present during hours of operation.

### **Exhibit A**

OCT Grill & Sports Bar, Inc., Minisatellite Wagering

Application Page 3

### **VI Advertising and Patron Development**

Web site, email and local press, Daily Racing Form and track programs, horse racing affiliations and partnerships, co-branded marketing.

STAFF ANALYSIS  
DISCUSSION AND ACTION BY THE BOARD REGARDING THE  
PROPOSED AMENDMENT TO  
CHRB RULE 2050, BENEFICIARIES, WELFARE PROGRAMS AND ACTIVITIES,  
TO EXPAND ELIGIBILITY FOR HEALTHCARE SERVICES PROVIDED BY THE  
CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION (CTHF),  
AS PROVIDED FOR UNDER  
BUSINESS AND PROFESSIONS CODE SECTION 196041(B)(3)

Regular Board Meeting  
January 25, 2018

ISSUE

Assembly Bill (AB) 1723, which was signed by Governor Brown on October 2, 2017, amended Business and Professions Code section 19641 to provide that monies in the welfare fund may be used to provide treatment for, and support the health care needs of, CHRB licensees, employees of racing associations, and members of horsemen's organizations and other racing related charitable organizations representing or assisting backstretch personnel. The legislation will allow the welfare fund, which is administered by the California Thoroughbred Horsemen's Foundation, Inc. (CTHF), to expand its patient base to include persons who work at California's race tracks in varying capacities. The proposed amendment to Rule 2050, Beneficiaries, Welfare Programs and Activities, will modify the regulation to implement the provisions of AB 1723.

ANALYSIS

Rule 2050 currently provides that the welfare fund shall limit the eligibility for benefits to natural persons who engage in occupations directly relating to the physical care of horses at California race tracks or approved auxiliary stable areas and to the spouse or dependent children of such persons. Eligible beneficiaries include CHRB licensed hot walkers, grooms, exercise riders, night watchmen, assistant trainers and trainers. Assembly Bill 1723 significantly expands the pool of eligible beneficiaries to include CHRB licensees, employees of racing associations, and members of horsemen's organizations and other racing related charitable organizations representing or assisting backstretch personnel. The proposed amendment to Rule 2050 will implement the provisions of AB 1723. The amendment adds a new subsection 2050(6) to provide that persons eligible for health care services include CHRB licensees, employees of racing associations, and members of horsemen's organizations and other racing related charitable organizations representing or assisting backstretch personnel. In addition, the proposed amendment stipulates that such services shall occur solely at clinics operated by the entity (CTHF). Limiting services to clinics only will help lower any increased costs, and allow the service to be self-sustaining. The new subsection 2050(6) also provides that the health care services shall be administered so as to not displace current beneficiaries. This will ensure that the core mission of the welfare fund remains intact. A new subsection 2050(6)(a) states that employees of horsemen's organizations and racing related charities are considered members of such entities. The subparagraph was added for purposes of clarity.

## BACKGROUND

Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper for it to carry out the purposes of the Horse Racing Law.

Business and Professions Code section 19641 provides that one-half of the redistributable money resulting from the thoroughbred, harness, or quarter horse meetings, but excluding the meetings of the California Exposition and State Fair or county, district agricultural association, or citrus fruit fair meetings, shall be distributed to a welfare fund established for the benefit of horsemen and horsewomen and backstretch personnel. Upon approval of the board, moneys under this subdivision may be used to provide treatment for, and support the health care needs of, licensees under this chapter, employees of racing associations, and members of horsemen's and horsewomen's organizations and other racing-related charitable organizations representing or assisting backstretch personnel, if the need for the treatment and support is related to the person's participation in the horse racing industry.

Board Rule 2050 establishes the appropriate uses for funds paid to the California Thoroughbred Horsemen's Foundation (CTHF) under Business and Professions Code section 19641. Rule 2050 also defines who is eligible to receive benefits.

## RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 23. CHARITY FOUNDATIONS AND WELFARE FUNDS  
PROPOSED AMENDMENT OF  
RULE 2050. BENEFICIARIES, WELFARE PROGRAMS AND ACTIVITIES

Regular Board Meeting  
January 25, 2018

2050. Beneficiaries, Welfare Programs and Activities.

(1) These regulations establish the appropriate uses for funds paid to the designated charitable corporations under the provisions of ~~Section~~ section 19641(b)(1) of the Business and Professions Code. The directors or trustees of the welfare fund shall limit the eligibility for benefits to natural persons who engage in occupations directly relating to the physical care of horses at California racetracks or approved auxiliary stable areas and to the spouse or dependent children of such persons. Natural persons who have engaged in occupations directly relating to the physical care of horses at California racetracks or approved auxiliary stable areas, and their spouse or dependent children, may be eligible for benefits for not more than one year after the termination of such employment. Welfare funds may be expended for:

(12) Health care services including costs associated with the contracting for physicians' or dentists' professional services, hospitalization of an eligible beneficiary or dependent, outpatient, rehabilitative or preventative medical programs, restorative dental services, alcohol and drug abuse treatments, and capital outlay for medical or dental clinics and necessary equipment.

(23) Extended medical and health assurance including supplemental medical and hospitalization insurance coverage premiums, support or residential board and care facilities including capital outlay expenditures and reimbursements for beneficiaries confined to convalescent facilities or to facilities or institutions providing geriatric care.

(34) Emergency financial assistance including temporary family assistance financial aid, food or subsidized meal tickets or food vouchers, temporary housing expenses, emergency transportation expenses, burial expenses for an eligible beneficiary or immediate family member, and legal expenses of an eligible beneficiary.

(45) Educational and recreational activities including counseling and chaplaincy programs, Alcoholics Anonymous or similar programs, intra-mural sports activities and sports equipment, tickets and transportation to sports events, health and hygiene education classes, legal/immigration clinics, classes in spoken English, and expenditures for counselors, chaplains, and instructors for such activities.

(6) Notwithstanding any other provision of this regulation, CHR licensees, employees of racing associations, and members of horsemen's organizations and racing related charitable organizations that represent or assist backstretch personnel, are eligible to receive health care services. Such services shall occur solely at clinic locations that are operated by the entity that administers the welfare fund established by the horsemen's organization described in Business and Professions Code section 19641(b)(1). The health care services shall be administered so as to not displace beneficiaries who are eligible under subsection (1) of this regulation.

(a) For the purposes of this regulation, employees of horsemen's organizations and racing related charitable organizations are considered members of such entities.

(57) Administration costs necessary to administer, supervise and audit the operations of the charitable corporation provided that the expenditures for such administration purposes not exceed 15% percent of the total expenditures for any fiscal year.

Authority: Section 19440,  
Business and Professions Code.

Reference: Section 19641,  
Business and Professions Code; and Section 9.00, Chapter 324, Statutes of 1983  
(Budget Act of 1983).

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST FROM  
NORTHERN CALIFORNIA OFF TRACK WAGERING, INC. (NCOTWINC) TO MODIFY  
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 NORTHERN ZONE FROM  
FEBRUARY 1, 2018 THROUGH DECEMBER 31, 2018

Regular Board Meeting  
January 25, 2018

#### ISSUE

Northern California Off Track Wagering, Inc. (NCOTWINC) is seeking an approval of an agreement under Business and Professions Code section 19604(f)(5)(E) for the period February 1, 2018 through December 31, 2018, which will modify market access fee distributions for advance deposit wagering (ADW) wagers placed in the Northern zone on races hosted by the signatory host tracks. The parties to the agreement include Pacific Racing Association (PRA) and Thoroughbred Owners of California (TOC).

#### ANALYSIS

In December 2016, the Board approved a request from NCOTWINC for an agreement between PRA and TOC for the calendar year 2017. The agreement provided for a distribution of market access fees from ADW at a rate of 2.9 % as permitted under Business and Professions Code section 19604(f)(5)(E) for wagering conducted by thoroughbred associations in the Northern Zone. NCOTWINC is seeking an approval of a modified agreement between PRA and TOC for the period February 1, 2018 through December 31, 2018. The agreement provides for a distribution of market access fees from ADW as permitted under Business and Professions Code section 19604(f)(5)(E) for wagering conducted by thoroughbred associations in the Northern Zone.

#### BACKGROUND

Business and Professions Code section 19604(f)(5)(E) provides that notwithstanding any provision of this section to the contrary, the distribution of market access fees pursuant to this subparagraph may be altered upon the approval of the Board, in accordance with an agreement signed by all parties whose distributions would be affected.

#### RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board hear from a NCOTWINC representative.

STAFF ANALYSIS  
DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST  
FROM SOUTHERN CALIFORNIA OFF TRACK WAGERING, INC. (SCOTWINC) TO  
MODIFY 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 FROM  
FEBRUARY 1, 2018 THROUGH DECEMBER 31, 2018

Regular Board Meeting  
January 25, 2018

ISSUE

Southern California Off Track Wagering, Inc. (SCOTWINC) is requesting approval of an agreement under Business and Professions Code section 19604(f)(5)(E) for calendar year 2018 which will modify market access fee distributions for advance deposit wagering (ADW) wagers placed in the Central and Southern zones on races hosted by the signatory host tracks. The parties to the agreement include Thoroughbred Owners of California (TOC), California Thoroughbred Breeders Association (CTBA) and all Southern California thoroughbred host tracks scheduled to conduct racing in 2018. SCOTWINC provides that any funding in excess of simulcast costs would be split between track and purse commissions.

ANALYSIS

In December 2016, the Board approved an ADW Expense Fund Agreement covering calendar year 2017 which provided for a distribution to SCOTWINC from market access fees in the amount of 2.9% of Southern California ADW wagering hosted by Southern California thoroughbred racing associations. The parties to that agreement, which included the TOC, CTBA and all Southern California thoroughbred host tracks, now seek approval for a 2018 calendar year agreement. SCOTWINC provides that the additional funding is needed to cover simulcast costs, such as totalizator, uplink, and decoder services, pari-mutuel labor, etc. incurred in operating the brick and mortar satellite network. Any funding provided by the agreement in excess of simulcast costs will be split between track and purse commissions.

BACKGROUND

Business and Professions Code section 19604(f)(5)(E) provides that notwithstanding any provision of this section to the contrary, the distribution of market access fees pursuant to this subparagraph may be altered upon the approval of the Board, in accordance with an agreement signed by all parties whose distributions would be affected.

RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board hear from a SCOTWINC representative.