

CALIFORNIA HORSE RACING BOARD
1010 HURLEY WAY, SUITE 300
SACRAMENTO, CA 95825
(916) 263-6000
FAX (916) 263-6042



PARI-MUTUEL/ADW AND SIMULCAST COMMITTEE MEETING

of the **California Horse Racing Board Pari-Mutuel/ADW and Simulcast Committee** will be held on **Wednesday, February 27, 2008**, commencing at **11:30 a.m.**, in the **Baldwin Terrace Room** at the **Santa Anita Race Track, 285 West Huntington Drive, Arcadia, California**. Non-committee Board members attending the committee meeting may not participate in the public discussion, official committee vote, or committee closed session.

Agenda

Action Items

1. Discussion and action regarding the proposed addition of rules to implement AB 241, Statutes of 2007, **which allows the addition of 15 minisatellite wagering facilities in each California racing zone.**
2. Discussion and action **regarding Rule 1606, Coupling of Horses.**
3. Discussion and action **regarding the feasibility of adding a new wager sponsored by the World Poker Tour.**
4. Discussion and action **regarding a proposal for a future book wager for signature races held at each California race meeting.**

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

PARI-MUTUEL/ADW AND SIMULCAST COMMITTEE

Commissioner Jerry Moss, Chairman
Commissioner John Andreini, Member
Commissioner Jesse Choper, Member
Richard Bon Smith, Acting Executive Director

STAFF ANALYSIS
PROPOSED ADDITION OF
RULES TO IMPLEMENT
ASSEMBLY BILL 241, STATUTES OF 2007

Pari-Mutuel/ADW and Simulcast Committee Meeting
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BACKGROUND

Assembly Bill (AB) 241, Chapter 594, Statutes of 2007, provides that the Board may authorize up to 15 minisatellite wagering sites in each racing zone under specified conditions:

- No such minisatellite wagering site may be located within 20 miles of existing racetracks, satellite facilities or tribal casinos that have a satellite wagering facility, without the permission of the existing facility.
- Until January 2013, if the minisatellite wagering facility site is in the northern zone in a fair district where the fair has operated a satellite facility for the previous 5 years, approval of the fair must be obtained.
- An agreement between the parties must be executed and approved by the Board.
- The Board must approve the minisatellite wagering facility site.
- Wagers may be accepted only in areas not accessible to persons less than 21 years of age.
- The Board must approve the accommodation, and technology used in wagering and in transmitting odds.
- Pari-mutuel clerks must be available to service the tote machines and cash wagering vouchers on a regularly scheduled basis.

AB 241 calls for the Board to adopt emergency regulations to implement minisatellite wagering on or before April 1, 2008. However, the legislation did not declare an emergency, nor does the implementation of minisatellite wagering constitute an emergency as defined by the Administrative Procedures Act. Therefore, minisatellite wagering regulations must be implemented using the normal regulatory process. Staff is working to ensure the proposed regulations are completed in a timely manner.

The proposed addition of Article 27, Minisatellite Wagering will contain the following new regulations: Rule 2090, Minisatellite Wagering; Rule 2091, Definitions; Rule 2092 Application for License to Conduct Minisatellite Wagering. In addition a new Application for License to Operate A Minisatellite Wagering Facility has been developed, which will be used by applicants seeking approval for license to operate a minisatellite wagering facility. In developing the regulations staff worked with the industry and looked at other racing jurisdictions with similar off track wagering programs, particularly Arizona.

Minisatellite wagering regulations are the first step in implementing AB 241. The industry must also consider a rollout period for the technology required for such wagering. The Committee may wish to hear from representatives of Southern California Off-Track Wagering, Inc. regarding such a testing period.

RECOMMENDATION

This item is presented for Committee discussion and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
PROPOSED ADDITION OF
ARTICLE 27. MINISATELLITE WAGERING
AND
RULE 2090. MINISATELLITE WAGERING RULE

Pari-Mutuel/ADW and Simulcast Committee Meeting
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2090. Minisatellite Wagering Rule.

The minisatellite wagering rules in this article shall apply to minisatellite wagering in addition to other rules in this division.

Authority: Section 19440 and 19605.25
Business and Professions Code

Reference: Sections 19440 and 19605.25
Business and Professions Code

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
PROPOSED ADDITION OF
ARTICLE 27. MINISATELLITE WAGERING
AND
RULE 2091 DEFINITIONS

Pari-Mutuel/ ADW and Simulcast Committee Meeting
February 27, 2008

2091. Definitions.

For purposes of this Article, in addition to the definitions in Article 24 of this division:

(a) "Minisatellite wagering facility," means the physical premises or structure that houses or provides the location for the offering of totalizator services, audio visual display and telecommunications for the conduct of minisatellite wagering. Minisatellite wagering facilities may be operated by an entity which includes any individual, partnership, corporation, limited liability corporation, association, fair, joint powers authority or organization which is entered into an operating agreement with the simulcast organization pursuant to Business and Professions code 19605.3 and is authorized and licensed by the Board to receive a host association's simulcast signal to operate a minisatellite wagering facility where simulcast wagering is offered on the host association's racing card.

(b) "Minisatellite wagering site" means a location within the minisatellite wagering facility where pari-mutuel wagering may be conducted, with the approval of the board, provided that the wagering occurs in a restricted area.

(1) For purposes of this regulation restricted area means an area assessable to those who are 21 years of age or older as defined in section 19410.7 of the Business and Profession Code. This area may be delineated by signage, roped off, or any other means as approved by the Board.

(c) "Minisatellite facility manager" means a person licensed by the Board who is in charge of the day to day operations of the minisatellite wagering facility.

(d) "Simulcast Organization" means an organization formed pursuant to Business and Professions Code section 19608.2.

Authority: Section 19420 and 19440
Business and Professions Code.

Reference: Section 19410.7 and 19605.25
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4 CALIFORNIA HORSE RACING BOARD
PROPOSED ADDITION OF
ARTICLE 27, MINISATELLITE WAGERING
AND
RULE 2092 APPLICATION FOR LICENSE
TO CONDUCT MINISATELLITE WAGERING

Pari-Mutuel/ADW and Simulcast Committee Meeting
February 27, 2008

2092 Application for License to Conduct Minisatellite Wagering.

No person, which includes any individual, partnership, corporation, limited liability corporation, association, fair, joint powers authority or organization, shall operate a minisatellite wagering facility unless authorized and permitted to do so by the Board as follows:

(a) An applicant for a minisatellite wagering facility shall complete an Application for License to Operate a Minisatellite Wagering Facility (Form CHRB-xxx, New 3/08) which is hereby incorporated by reference. Form CHRB-xxx shall be available at the Board's administrative office. The application shall be filed with the Board at least ninety (90) days prior to the first proposed date of operation.

(1) In order to allow an evaluation of the competence, integrity, and character of the applicant to operate a minisatellite wagering facility, any person, corporation, trust association, partnership or joint venture shall submit with the application, a Personal History Record (Form CHRB-25A, Rev 3/08), which is hereby incorporated by reference, for the following:

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

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

(C) If the applicant for a minisatellite wagering facility is an, association, fair, or joint powers authority, the members, officers and directors.

(D) If the applicant for a minisatellite wagering facility is a subchapter S card club/gambling establishment licensed by the Gambling Control Commission the Board shall license the owner or chief executive officer. If the gambling establishment is a corporation, partnership, or limited liability company; however the Board reserves the right to call forward for purposes of suitability anyone who has financial interest in the establishment.

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

(F) If the applicant for a minisatellite wagering facility is a partnership, limited liability company, or joint venture, all of the general partners, limited partners, officers, owners, or joint ventures.

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

(H) If the minisatellite wagering facility applicant employs a management company, disclosure shall apply to the management as set forth in subsections A through F as appropriate. The Board shall be notified of any changes in key personal as identified in subsection A through F.

(2) The minisatellite wagering facility applicant has executed an agreement with a simulcast organization for the conduct of simulcast wagering at its minisatellite wagering facility, the horsemen's organization responsibility for negotiating purse agreements with the host association or fair of which horse ace will be simulcast. A copy of each signed contract must accompany the application (Form CHRB-xxx, Rev. 4/08).

(3) The minisatellite facility shall provide a minisatellite wagering site or sites for pari-mutuel wagering and the observation of the satellite or streaming video signal as received from the host association. The wagering site area shall be designated on the application by the applicant and shall be located in an area that is restricted to those who are 21 years or older, as defined in Business and Professions Code section 19410.7. All odds data made available to the guest facility by the host association shall be displayed at all times.

(4) All owners or management personnel, persons employed at any minisatellite wagering facility by any association, fair, joint powers of authority or host association, anyone who assists in facilitating the placement of a minisatellite wager, owners or management personnel of a minisatellite wagering facility who own 5% or more in a minisatellite facility, any individual employed by the applicant (minisatellite wagering facility) who has responsibility as manager of the facility during operation (racing) hours and any other person designated by the Board are required to be licensed pursuant to Rules 1440 and 1481 in this Division.

(5) Every guest facility shall provide security personnel to protect the public and maintain the peace within the minisatellite wagering facility. Additionally, the minisatellite wagering facility shall

maintain such security controls in the areas where uplink and downlink equipment is located, fencing, access gates, cables, wires and power lines and warning notifications where uplink and exterior equipment is located and the equipment room where inside downlink receiving components are located as the Board's Executive Director or his/her designee shall direct. Minisatellite wagering facilities shall also remove, deny access to, eject or exclude persons as provided by Rules 1980 and 1989 in this Division.

(6) No minisatellite facility shall conduct wagering on any race or races other than those authorized by agreement for simulcast by the simulcast organization and approved by the Board.

(7) Applications for minisatellite wagering facilities will be considered by the Board for approval at the next regularly scheduled meeting of the Board held within 45 working days of receipt of the unless the applicant requests and is granted additional time to supply information.

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

(b) The approval of the mini-satellite facility application by the Board shall constitute a license to operate as a mini-satellite wagering facility subject to the compliance provisions of Section 19605.25 of the Business and Professions Code. The length of the license shall not exceed two years.

Authority: Section 19440 and 19605.25
Business and Professions Code

Reference: Sections 19440 and 19605.25
Business and Professions Code

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD
APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY
 CHRB-XXXXXX (New. 3/08)

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

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

All attachments should be clearly titled including the section name and question in which you are responding.

FACILITY INFORMATION (Section 1)

Name of applicant:

The applicant is:

Racing Association

Fair

Tribal Gaming Agency

Card Room/Gambling Establishment

Restaurant/Bar

Other Business Entity

Facility address:

Mailing address (if different from above):

E-mail address:

City:

State:

Zip Code:

Phone:

Fax:

Website:

County:

Zone Location:

North

South

Central

If proposed location is in a northern zone fair district that has operated a satellite wagering facility for the previous five years, attach written consent of the approval for the minisatellite wagering facility.

NOTICE TO APPLICANT: Until January 1, 2013, if the proposed minisatellite wagering site is in the northern zone in a fair district where the fair has operated a satellite wagering facility for the previous five years, the approval of the fair must be obtained even if the proposed location is more than 20 miles from the existing satellite wagering facility pursuant to Business and Professions Code Section 19605.25 (c).

Minisatellite Facility is: Owned Rented Leased

If rented or leased provide terms of lease, name of landlord and whether or not they have a financial interest in the gaming revenue.

Provide the name and address of the closest racetrack, satellite wagering facility or tribal casino that has a satellite wagering facility to the proposed minisatellite facility location.

CHRB CERTIFICATION

Application filed on:

Approved On:

Reviewed by:

License number issued:

Date of Hearing:

Date tribal compact approved:

Is the racetrack, satellite wagering facility or tribal casino with a satellite wagering facility located within 20 miles of the proposed facility location? Yes No

How far is the nearest racetrack, satellite wagering facility or tribal casino that has a satellite wagering facility to proposed facility? Provide distance and methods used to determine the distance.

If the nearest satellite wagering facility or tribal casino with satellite wagering facility is located within 20 miles of proposed facility, include a copy of the written consent from each facility within the 20 mile radius.

NOTICE TO APPLICANT: No minisatellite wagering site may be located within 20 miles of a racetrack, satellite wagering facility, or a tribal casino that has a satellite wagering facility without the consent of such facility located within the 20-mile radius. pursuant to Business and Professions Code Section 19605.25 (a)(1).

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

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 operated a licensed gaming operation before in California or any other state? Yes No

If yes, provide the following:

Facility name and address:

City: State: Zip Code:

County:

Timeframe operated:

Begin Date:

End Date:

Zone Location:

North

South

Central

Have you had a license gaming operation license that has been revoked or suspended.

CONTACT PERSON (Section 2)
(Authorized Representative)

Name and title of the contact person:

Business address:

Mailing address (if different from above):

City: State: Zip Code:

County:

Phone:

E-mail:

Fax:

BUSINESS STRUCTURE (Section 3)

<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 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:
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D

Registered Business Name:

Fictitious Business Name:

Address:

R

E-mail Address:

City:

State:

Zip Code:

Phone:

Fax:

State where registered or
Articles of Organization are filed:

Registry or File number:

A

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, please note following the individual's name whether general or limited partners. (true names)

F

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

T

Are shares listed for public trade?

Yes No

If yes on what stock exchange?

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

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 (Section 4)

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

Name and Title	CHRB License No. and Expiration Date

REVENUE (Section 5)

Projected Handle for Minisatellite Wagering Facility
(current year)
\$

Prior Actual Handle for Minisatellite Wagering
Facility (prior year)
\$

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

D **NOTICE TO APPLICANT:** For purposes of commissions, deductions, and distribution of handle, wagers placed at minisatellite sites shall be treated as if they were placed at satellite wagering facilities authorized under Business and Professions Code Section 19605, 19605.1, or 19605.2. Business and Profession Code Section 19608.4 shall apply to minisatellite wagering facilities pursuant to Business and Professions Code Section 19605.25(d) Pursuant to Business and Professions Code Section 19605.25 (f) minisatellite wagering facilities created pursuant to this section are not eligible for satellite wagering commission distributions pursuant to Section 19604 of the Business and Professions Code.

ADVERTISING AND PATRON DEVELOPMENT (Section 6)

R Describe any advertising or promotional plans:

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

A **NOTICE TO APPLICANT:** Pursuant to Rule xxx 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.

MINISATELLITE WAGERING SITE (Section 7)

F 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 mini satellite wagering area will be restricted for 21 years and over patrons. Attach photos of the minisatellite wagering site.

T **NOTICE TO APPLICANT.** Pursuant to Business and Professions Code Section 19605.25 (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.

OPERATION OF THE MINISATELLITE WAGERING FACILITY (Section 8)

Hours for operation of the facility:

Hours for operation of the minisatellite wagering site:

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):

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List the host track from which the minisatellite wagering facility proposes to import out-of-state and/or out-of-country races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

Estimated number of pari-mutuel terminals machines available?

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

Attach a fire clearance from the fire authority having jurisdiction.

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.

D Does the applicant propose to have emergency medical care available at the facility:
 Yes No If yes, describe:

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

If yes, describe.

EQUIPMENT PROVIDED BY THE MINISATILLITE WAGERING FACILITY (Section 12)

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

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

RENEWAL (Section 13)

Complete this section only if renewing your license.

T Is this a renewal application: Yes No

Have there been any changes since the submission of your last application for Authorization to Operate a Mini Satellite 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 please attach a detailed statement describing the change.

How many years have you been an approved Minisatellite Wagering Facility?

AGREEMENTS

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

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

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 until notified otherwise.

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

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

DECLARATIONS

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

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

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

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

CERTIFICATION BY APPLICANT (Section 14)

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 applicant:

Date:

Signature of applicant:

Date:

**Mail your completed application and bond to the California Horse Racing Board,
1010 Hurley Way, Suite 300, Sacramento, CA 95825.**

**PERSONAL HISTORY RECORD
Form CHRB-25A**

GENERAL INSTRUCTIONS

This form is to be completed in conjunction with California Horse Racing Board (CHRB) forms, Application For License to Conduct a Horse Racing Meeting, (CHRB-17), Application for Authorization to Operate a Simulcast Wagering Facility, (CHRB-25), Application for License to Operate A Minisatellite Wagering Facility (CHRB XXX) and Application for License/Contractor or Sub-contractor; Application for Approval/Concessionaire, (CHRB-87). If a CHRB-25A has been filed previously, submit only that information which has changed.

Print or type an answer to every question. If a question does not apply to you, so state with N/A. If more space is required, continue on page 5 or use a separate sheet and precede the answer with appropriate title. Do not misstate or omit any material fact(s) as each statement made herein is subject to verification. Applicant must initial each page, as provided in the lower right hand corner. By placing his/her initials on each page, the applicant is attesting to the accuracy and completeness of the information contained on that page.

All applicants are advised that this personal history record is an official document and misrepresentation or failure to reveal information requested may be deemed to be sufficient cause for the refusal or revocation of a license or Board approval.

All applicants are further advised that forms CHRB-17, CHRB-25, CHRB-87, and CHRB-25A may not be withdrawn without the permission of the CHRB.

1. PERSONAL INFORMATION:

The information contained in this section may be disclosed pursuant to the Public Records Act.

Last Name	First Name	Middle Name
Alias, Nicknames, Maiden Name, Other Name Changes Legal or Otherwise		
Business Address-Street or RFD	City	State/Zip
Date of Birth	Place of Birth (City, County, State)	
Business Phone ()		

A. Are you a citizen of the United States? Yes () No ()

If no, what is your current immigration status?

Explain _____

Registration/Document Number _____

Applicant Initials _____

2. **MARITAL INFORMATION: (Circle One)**

Single Married Separated Divorced Widowed

A. Current Marriage

Spouse's full name (Maiden) _____

Date of Birth _____ Place of Birth _____ (City and State)

Telephone: Business () _____

Spouse's employer _____ Occupation _____

Address of employer _____

3. **EMPLOYMENT:**

Beginning with your current employment, list your work history, all businesses with which you have been involved, and/or all periods of unemployment for the past twenty years, or since your eighteenth birthday, whichever is less. Use page 5 if more space is required.

Month and Year (From-To)	Name/Mailing Address of Employer/Business	Reason for Leaving
Title	Description of Duties	Was Racing or Gaming Present? Yes () No ()
Month and Year (From-To)	Name/Mailing Address of Employer/Business	Reason for Leaving
Title	Description of Duties	Was Racing or Gaming Present? Yes () No ()
Month and Year (From-To)	Name/Mailing Address of Employer/Business	Reason for Leaving
Title	Description of Duties	Was Racing or Gaming Present? Yes () No ()

Applicant Initials _____

4. CONVICTIONS OR PENDING CHARGES:

A. Have you ever been convicted of any criminal offense, or are there now any criminal charges pending against you. (Exclude MINOR traffic offenses.) Yes No (Circle One)

If yes, give details in space provided below. List all cases without exception.

Date of Conviction or Filing of Charges	Charge	Location/City & State	Arresting or Filing Agency	Location of Court

5. LICENSING/AUTHORIZATION TO OPERATE:

A. Have you ever held or been approved to hold a privileged or professional license in any state including but not limited to the following:

- | | | |
|--------------------|-------------------------|------------------------------|
| Real Estate Broker | Real Estate Salesperson | Racetrack Owner/Operator |
| Horse Trainer | Boxing Promoter | Jockey |
| Securities Dealer | Harness Driver | Liquor |
| Doctor | Lawyer | Gaming-Ownership/Work permit |

Yes No (Circle One) If yes, state where, years held, and the nature of any disciplinary actions taken against you.

B. Have you ever held a financial interest in a gambling venture, including a horse race track, dog track, race horse or dog, lottery, bingo, casino, sports book operation, card room, or pari-mutuel operation, OUTSIDE the State of California?

Yes No (Circle One)

C. Have you ever been refused or withdrawn an application for a racing or gaming license or an Authorization to Operate a Simulcast Wagering Facility for any reason or been a participant in any group which has had a racing or gaming license or an Authorization to Operate a Simulcast Wagering Facility denied, revoked, or suspended for any reason?

Yes No (Circle One) If yes to the above, state type of license, where, when, and for what reason.

D. Have you ever been granted a racing or gaming license or an Authorization to Operate a Simulcast Wagering Facility or been a participant in any group, which has been issued a racing or gaming license or Authorization to Operate a Simulcast Wagering Facility by the State of California?

Yes No (Circle One) If yes, state type of license or Authorization to Operate a Simulcast Wagering Facility, name of establishment, location, and period held.

Applicant Initials _____

E. Do you, to the best of your knowledge, have any relatives associated with or employed in the racing or gaming industry? (Include blood relatives of yourself or your spouse, to the first cousin family extension.)

Yes No (Circle One)

If yes, state the name, relation, and association or employment.

F. If currently or previously employed or engaged in California racing or Simulcasting give years of issuance and types of licenses.

6. FINANCIAL

A. Have you made or do you intend to make any monetary investment into this business: Yes No (Circle one)

State the percentage of ownership: _____ %.

B. Are you to receive any form of consideration, i.e. monetary, for the services you or your company are to provide? Yes No (Circle One)

If yes, explain fully on page 5.

C. Are you to receive or do you expect to receive a percentage of ownership of this operation or business for the services you or your company are providing? Yes No (Circle One)

If yes, explain fully on page 5.

D. List those person(s) who share a financial interest with you in the operation of this facility, live race meet contract or concession:

1. _____ 2. _____ 3. _____

4. _____ 5. _____ 6. _____

E. Has your interest in this facility or operation been assigned, pledged, or hypothecated to any person, firm, or corporation, or has any agreement been entered into whereby your interest is to be assigned, pledged, or sold either in part or in whole?

Yes No (Circle One) If yes, please explain on Page 5.

F. Have you ever filed bankruptcy? Yes No (Circle One)

If yes, please explain below. If more space is needed, use page 5.

Applicant Initials _____

7. CONFIDENTIAL INFORMATION

The following information is considered **confidential** in accordance with the California Public Records Act, and will be used only by the Board or its authorized agents in evaluating suitability for license.

* Applicants are advised that furnishing their Social Security Number is mandatory. The Social Security Number will be used to identify personal records which may be required during the background investigation. (Authority: Business and Professions Code Section 19440, Public Law 93-579, Section 7).

Last Name		First Name		Middle Name
Present Residence Address-Street or RFD		City	State/Zip	Since
Residence Telephone ()				
Social Security Number		Driver's License No. & State		
Spouse's Social Security Number		Driver's License No. & State		
Spouse's Residential Address if different than above				
Residence Telephone if different than above ()				

Applicant Initials _____

AFFIDAVIT OF APPLICANT

I, _____, certify under penalty of perjury that the above statements are true and correct to the
Print Name

of my knowledge and belief, and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for denial of the application applied for, and that later discovery of an omission or misrepresentation made in the above statements may be grounds for denial or revocation of a license or Board approval; further, that I am voluntarily submitting this application under oath with full knowledge that the California Business and Professions Code, Section 19439, provides that any person who willfully makes and subscribes any certification made under penalty of perjury which is materially false in any particular, is guilty of a felony and shall be punished in the manner prescribed by the Penal Code for the punishment of perjury; and further, that I understand and agree that I must accept any risk of adverse public notice, embarrassment, criticism or other action arising from the application processes, or financial loss which may result from action with respect to my application, and I expressly waive any claim for damages as a result of such risk and action, provided that any disclosure occurs in the normal course of business by Board staff acting in a reasonable manner when using due care to protect my privacy.

APPLICANT _____
Signature

DATE _____

Applicant Initials _____

APPLICANT'S REQUEST TO RELEASE INFORMATION

TO: _____

FROM: _____
Applicant's Full Name (Please Print)

1. **This authorization is not valid for bank, investment or tax records.**
2. I hereby authorize and request all persons to whom this request is presented having information relating to or concerning me to furnish such information to a duly appointed representative of the California Horse Racing Board.
3. I hereby authorize and request all persons to whom this request is presented having documents relating to or concerning me to permit a duly appointed representative of the California Horse Racing Board to review and copy any such documents.
4. I have filed with the California Horse Racing Board an "application" as that term is defined in Section 19480 of the California Business and Professions Code. I understand that I am seeking the granting of a privilege and acknowledge that the burden of proving my qualifications for a favorable determination is at all times on me.
5. I do, for myself, my heirs, executors, administrators, successors and assigns, hereby release, remise, and forever discharge the person to whom this request is presented, and his representatives and employees from all and all manner of actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which I ever had, now have, may have, or claim to have against the person to whom this request is presented or his representative or employees arising out of or by reason of complying with this request.
6. I agree to indemnify and hold harmless the person to whom this request is presented and his representatives and employees from and against all claims, damages, losses, and expenses, including reasonable attorneys' fees arising out of or by reason of complying with this request, provided that Board staff act in a reasonable manner using due care to protect the privacy of this material.
7. A reproduction of this request by the Xerox or similar process shall be for all intents and purposes as valid as the original.

In witness whereof, I have executed this request at _____ ,
City

_____ on the _____ day of
State

_____, 19_____.

Applicant's Signature

Notary Public in and for the County of _____ , (If not signed in the presence of a CHRB Representative)

State of _____

Signature of California Horse Racing Board Representative witnessing the applicant's signature.

Representative (Please Print)

Signature

Date

Applicant Initials _____

Assembly Bill No. 241

CHAPTER 594

An act to amend Sections 19410 and 19605.51 of, and to add Sections 19410.7, 19605.25, and 19605.54 to, the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

[Approved by Governor October 13, 2007. Filed with
Secretary of State October 13, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AB 241, Price. Horse racing: satellite wagering.

Existing law generally regulates horse racing, including satellite wagering on horse races. Existing law authorizes the California Horse Racing Board to authorize certain fairs and racing associations to operate satellite wagering facilities.

This bill would authorize an additional 15 minisatellite wagering sites, as defined, in each zone under certain conditions. The bill would apply a specified provision requiring, as a condition of operating a minisatellite facility, the entity operating the facility must enter into a written contractual agreement with a bona fide labor organization, as defined. The bill would also require the board to adopt emergency regulations to implement the new facilities by April 1, 2008. The bill would authorize satellite wagering to continue to be conducted at certain racetracks that have closed, under certain conditions.

Existing law generally regulates horse racing and defines "inclosure" for purposes of wagering as all areas of the racing association's or fair's grounds and locations, as designated by the racing association or fair licensed to conduct a live racing meeting and approved by the board, excluding the public parking lot.

This bill would delete the parking lot exclusion from that definition.

Existing law authorizes any fair in San Joaquin, San Bernardino, Humboldt, or Fresno Counties, subject to certain conditions, to operate a satellite wagering facility, as specified.

This bill would remove the specified counties listed in that provision, so as to authorize any county to operate a satellite wagering facility under those conditions.

By expanding wagering on horse racing by authorizing additional satellite wagering facilities, this bill would increase the amount of continuously appropriated license fees, thereby making an appropriation.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares the following:

(a) Although there are over 18,000 lottery outlets, more than 90 gambling establishments, and more than 60 tribal casinos, there are only 33 places to make a wager on a horse race in the State of California. Yet horse racing employs over 45,000 people in the state.

(b) With a population of over 35,000,000 people, the horse racing industry needs many more wagering sites to adequately serve the people of the state.

(c) It is the intent of the Legislature, in enacting this measure, to make the sport of horse racing more accessible to the citizens of this state.

SEC. 2. Section 19410 of the Business and Professions Code is amended to read:

19410. "Inclosure" means all areas of the racing association's or fair's grounds and locations, as designated by the racing association or fair licensed to conduct a live racing meeting and approved by the board.

SEC. 3. Section 19410.7 is added to the Business and Professions Code, to read:

19410.7. "Minisatellite wagering site" means a location where satellite wagering may be conducted, with the approval of the board, provided that the wagering occurs in an area that is restricted to those who are 21 years of age or older.

SEC. 4. Section 19605.25 is added to the Business and Professions Code, to read:

19605.25. (a) The California Horse Racing Board may approve an additional 15 minisatellite wagering sites in each zone, if all of the following conditions are met:

(1) No site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. If the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the board.

(2) An agreement in accordance with subdivision (a) of Section 19605.3 has been executed and approved by the board. In addition to the requirements set forth in that provision, the agreement shall specify which components of its racing program, including live, out-of-zone, out-of-state, and out-of-country races, an association or fair will make available to the site. The terms and condition of the agreement, including all fees payable pursuant to paragraph (3) of that provision, a portion of which may be paid to horsemen in the form of purses, shall be subject to the approval of the horsemen's organization responsible for negotiating purse agreements with the association or fair.

(3) The site is approved by the board.

(4) The wagers are accepted in an area that is accessible only to those who are at least 21 years of age.

(5) The board has approved the accommodation, equipment used in conducting wagering at the site, communications system, technology, and

method used by the site to accept wagers and transmit odds, results, and other data related to wagering.

(b) Parimutuel clerks shall be available to service the self-service tote machines at these locations, and to cash wagering vouchers on a regularly scheduled basis.

(c) Until January 1, 2013, if the proposed minisatellite wagering site is in the northern zone in a fair district where the fair has operated a satellite wagering facility for the previous five years, the approval of the fair must be obtained even if the proposed location is more than 20 miles from the existing satellite wagering facility operated by the fair.

(d) For purposes of commissions, deductions, and distribution of handle, wagers placed at minisatellite sites shall be treated as if they were placed at satellite wagering facilities authorized under Section 19605, 19605.1, or 19605.2. Section 19608.4 shall apply to minisatellite wagering facilities.

(e) The written consent of the San Mateo County Fair shall be obtained prior to the approval of any minisatellite wagering site located within a 20-mile radius of its fairground.

(f) Minisatellite wagering facilities created pursuant to this section are not eligible for satellite wagering commission distributions pursuant to Section 19604.

(g) The board shall adopt emergency regulations to implement these new facilities on or before April 1, 2008. The board, in adopting these regulations, shall minimize the expense to both the operator of the minisatellite facility and the host racetrack.

(h) If there are more than 15 applications for minisatellite wagering facilities in any zone, the board shall determine which facilities will generate the largest handle, and give priority to the approval of those facilities. The board shall license a minisatellite facility for two years, and then review the operation and the size of the handle, and determine if it is in the best interest of horse racing to relicense the facility or, in the alternative, license another minisatellite facility that might generate a greater handle.

(i) Except as may be provided in the agreement required pursuant to paragraph (2) of subdivision (a), no association or fair shall be required to make all or part of its racing program available to a minisatellite wagering facility. Notwithstanding subdivision (e) of Section 19608.2, all costs incurred by the organization executing that agreement in excess of the amounts distributable to the organization from wagers placed at the site on that racing program, shall be borne by the minisatellite wagering facility.

SEC. 5. Section 19605.51 of the Business and Professions Code is amended to read:

19605.51. Notwithstanding subdivision (a) of Section 19605, and Section 19605.1, any fair that operated a satellite wagering facility on July 1, 2007, may, with the approval of the Department of Food and Agriculture and the authorization of the board, subject to the conditions specified in Section 19605.3, operate a satellite wagering facility on leased premises within the boundaries of that fair. Any fair that did not operate a satellite wagering facility on July 1, 2007, may, subject to Sections 19605 and 19605.1, operate

one satellite wagering facility either on the property of the fairgrounds, or on leased premises.

SEC. 6. Section 19605.54 is added to the Business and Professions Code, to read:

19605.54. Any racetrack in the central zone that conducted racing in 2007 but that has since closed may continue to conduct satellite wagering. If the racetrack site is no longer available for use as a satellite wagering facility, then the owner of the racetrack may conduct satellite racing at another location within that city, subject to approval by the board. If the owners of the racetrack which last conducted racing at that facility determine that they do not wish to operate a satellite wagering facility, then any other racetrack conducting racing in that zone may instead be authorized to open a satellite wagering facility. If there is no other racing association that wishes to operate a satellite wagering facility in that city, then any other person or entity may seek the approval of the board to operate a satellite wagering facility in that city. The board, prior to granting its approval, shall conduct a hearing on the issue, and afford parties the opportunity to be heard.

STAFF ANALYSIS
DISCUSSION REGARDING
RULE 1606, COUPLING OF HORSES

Pari-Mutuel/ADW and Simulcast Committee
February 27, 2008

BACKGROUND

Business and Professions Code section 19420 provides that the Board shall have jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 provides the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be conducted in this State. Business and Professions Code section 19703 states the Board shall adopt rules governing, permitting and regulating mule racing and wagering on the races under the pari-mutuel system.

Board Rule 1606, Coupling of Horses, currently provides that two or more horses shall be coupled as a single wagering interest and as an entry when the same person or persons own such horses in whole or in part.

Various proposals to either amend or repeal CHRB Rule 1606 (Coupling of Horses) were discussed during several meetings of the Pari-Mutuel Operations Committee in 2005 and 2006. Ultimately, the Committee recommended repealing the rule, and the full Board agreed to put out for 45-day public comment the proposed repeal of Rule 1606. During a public hearing, representatives of the various racing associations spoke in favor of repealing the rule, discounting speculation that the uncoupling of same-owner entries might compromise the integrity of races. They predicted that uncoupling horses would result in larger fields with more wagering interests and would make racing programs more interesting, while also eliminating unintended consequences when one part of an entry is a late scratch.

The Board opted to temporarily waive Rule 1606 to allow for an uncoupling experiment at Bay Meadows, Hollywood Park, and Los Alamitos. The results of this experiment were discussed during the August 2006 Regular Board Meeting, at which representatives of the Thoroughbred Owners of California (TOC) and California Thoroughbred Trainers (CTT) and others argued against repealing the rule, based largely on the integrity issue. Representatives of racetracks continued to support repealing the rule. After a thorough discussion, the Board voted against uncoupling

repealing the rule. After a thorough discussion, the Board voted against uncoupling horses with common ownership, though in subsequent actions the Board exempted quarter-horse races from the coupling requirement.

The Board reconsidered the coupling issue at its January 2008 Regular Meeting. Vice-Chairman Harris spoke in favor of amending the rule to allow for the uncoupling of horses in thoroughbred races when the ownership of horses is not an exact match. One owner could have partial interest in two horses, but the horses would not be coupled if there were different partners involved in each horse, provided the horses had different trainers. During this discussion, TOC President Drew Couto announced that the TOC board now supported the uncoupling of horses with common ownership. Jack Liebau, president of Bay Meadows and Hollywood Park, continued to endorse repealing the rule, indicating the uncoupling experiment in 2006 had resulted in larger fields without any adverse consequences. Ron Charles, representing Santa Anita Park and Golden Gate Fields, said there was considerable fan opposition to repealing the rule, as it would allow horses with the same owner and trainer to race uncoupled.

The Board referred the issue to the Pari-Mutuel/ADW and Simulcast Committee to reconsider in its entirety.

RECOMMENDATION

This item is presented for Committee discussion and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 6. ENTRIES AND DECLARATIONS
RULE 1606. COUPLING OF HORSES

Pari-Mutuel/ADW and Simulcast Committee
February 27, 2008

1606. Coupling of Horses.

(a) Two or more horses shall be coupled as a single wagering interest and as an entry when such horses are owned in whole or in part by the same person or persons.

(b) Quarter horse races are exempt from subsection (a) of this regulation.

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

Reference: Section 19401,
Business and Professions Code.

STAFF ANALYSIS
DISCUSSION REGARDING FEASIBILITY
OF
ADDING A NEW WAGER SPONSORED
BY
THE WORLD POKER TOUR

Pari-Mutuel/ADW and Simulcast Committee
February 27, 2008

The Thoroughbred Owners of California has requested that the Board consider the feasibility of adding a new wager sponsored by the World Poker Tour (WPT) that would involve a tournament style pari-mutuel wager. The proposed wager essentially requires:

- The host association determines the number of races in the tournament.
- For a designated fee/wager, each player receives a starting fantasy bankroll and is issued a data card.
- Players place win, place, and show wagers on horses in the events.
- Each player's wins or losses are reflected in their cumulative fantasy bankroll and recorded on the data card.
- Tournament-style "cuts" are made based on cumulative bankrolls to identify finalists.
- The net pari-mutuel pool is distributed pursuant to regulation, with 45 percent going to the ticket with the highest point total after all rounds.
- 1 percent of the pool goes towards a national tournament, sponsored, broadcast, and publicized by the World Poker Tour,

RECOMMENDATION

This item is presented for Committee discussion and action. The Committee may wish to hear from representatives of WPT.

STAFF ANALYSIS
DISCUSSION REGARDING A PROPOSAL
FOR A
FUTURE BOOK WAGER
FOR
SIGNATURE RACES HELD AT
EACH CALIFORNIA RACE MEETING

Pari-Mutuel/ADW and Simulcast Committee
February 27, 2008

BACKGROUND

The Thoroughbred Owners of California has proposed that the CHRB consider adopting a regulation allowing for Future Wagers on the signature races of California race meets. For example, the Santa Anita Handicap and the Pacific Classic would be considered the signature races for Santa Anita Park and Del Mar, respectively. The purpose of the new wager would be twofold. It would provide a new wagering opportunity and it would provide a means for racing associations to promote their signature race well in advance of the actual event.

The Association of Racing Commissioners International adopted a Model Rule for Future Wagers, which is attached.

Recommendation

This item is presented for Committee discussion and action.

ASSOCIATION OF RACING COMMISSIONERS INTERNATIONAL

MODEL RULE FOR
FUTURE WAGER POOL

Pari-Mutuel/ADW and Simulcast Committee
February 27, 2008

The Future Wager requires selection of the first-place finisher in a specified contest.

The association shall apply in writing to the commission for approval to offer the Future Wager on the specified contest and shall not offer the wager until the commission approval has been granted. The written application shall include the date and time for the pool to be opened and closed, a description of the system for compiling the pool and calculating odds and payout prices, and the time interval for displaying the odds.

The association, or in the case of interjurisdiction common pool wagering the Host track, shall name the contestants included in each betting interest on which future wagers may be made and shall assign a program number to each betting interest.

The amount wagered on the betting interest which finishes first in the specified race is deducted from the net pool, the balance remaining being the profit; the profit is divided by the amount wagered on the betting interest finishing first, such quotient being the profit per dollar wagered in the Future Pool on that betting interest.

The net Future Pool shall be distributed as a single price pool to winning wagers in the following precedence, based upon the official order of finish:

- To those whose selection finished first; but if there are no such wagers, then
- To those whose selection finished second; but if there are no such wagers, then
- To those whose selection finished third; but if there are no such wagers, then
- The entire pool shall be refunded on Future Pool wagers for that contest.

If there is a dead heat for first involving:

- contestants representing the same betting interest, the Future Pool shall be distributed as if no dead heat occurred.
- contestants representing two or more betting interests, the Future Pool shall be distributed as a profit split.

No refund shall be issued for Future Wager pool wagers on betting interests that do not start or finish the race. If the association becomes aware or is notified that a betting interest is ineligible or unable to start the race and the pool is still open, the association shall immediately close betting on that betting interest.

The entire Future Wager pool shall be refunded if:

- the situation described at subsection 5 d) occurs; or

- the specified race is declared no contest by the judges/stewards having jurisdiction over the specified race; or
- the specified race does not occur; or
- for whatever reason, the Future Wager pool can not be determined and the payout price can not be calculated.