

CALIFORNIA HORSE RACING BOARD

1010 Hurley Way, Suite 300
Sacramento, CA 95825

www.chrb.ca.gov

(916) 263-6000

information@chrb.ca.gov



NOTICE OF MEETING

Notice is hereby given that a meeting of the **California Horse Racing Board (CHRB/Board)** will be held on **Thursday, December 15, 2022**, commencing at **9:30 a.m.** at the **California Exposition and State Fair Grandstand, 1600 Exposition Boulevard, Sacramento, California**. The audio portion only of the California Horse Racing Board regular meeting will be available online through a link at the CHRB website (www.chrb.ca.gov) under "Webcasts."

The agenda for the regular meeting will consist of the following matters:

AGENDA

Action Items:

1. **Approval of the minutes of November 22, 2022.**
2. **Presentation from People for the Ethical Treatment of Animals (PETA) regarding match racing in California.**
3. Report from the **Jockey and Driver Welfare Committee**.
Pursuant to Gov. Code § 11125.7(a), public comment will not be permitted on an agenda item when an opportunity has been given at a committee hearing for testimony on the item.
4. Discussion and action by the Board regarding the **Allocation of Northern California Thoroughbred Racing Dates for racing year 2023.**
5. Discussion and action by the Board regarding **California Thoroughbred Breeders Association's request for authorization of its upcoming horse sale at Fairplex in Pomona, California**, pursuant to CHRB Rule 1807, Authorized Horse Sales.
6. Discussion and action by the Board regarding the **request to continue the distribution of market access fees from Advanced Deposit Wagering for wagering conducted by Thoroughbred Associations in the Central and Southern zones for 2023** to include distributions to Southern California Off-Track Wagering, Inc.
7. Discussion and action by the Board regarding the **request to modify the distribution of market access fees from Advanced Deposit Wagering for wagering conducted by**

- the signatory racing associations for 2023** to include a distribution to be utilized to fund a California co-op marketing program.
8. Discussion and action by the Board regarding the **request to modify the distribution of market access fees from Advanced Deposit Wagering which otherwise would have funded purses and commissions to cover the assessments as allocated to each Signatory Racing Association pursuant to the Horse Racing Integrity and Safety Act of 2020 (“HISA”) for calendar year 2023.**
 9. Discussion and action by the Board regarding the **request to modify the distribution of market access fees from Advanced Deposit Wagering for wagering conducted by Thoroughbred Associations and Racing Fairs in the Central and Southern zones** to include a distribution to the Southern California Stabling and Vanning Fund of 1.02%, and to adjust the amount distributed to that Fund from brick and mortar wagering to 1.02% for 2023.
 10. Discussion and action by the Board on the **Application for Approval to Conduct Advance Deposit Wagering (ADW) of XpressBet, LLC**, for an out-of-state multi-jurisdictional wagering hub, for a period of up to two years.
 11. Reports
 - A. **Executive Director’s Report.**
 - B. **Equine Medical Director’s Report.**
 12. **Public Comment:** Communications, reports, requests for future actions of the Board. **Note:** During the public comment period, a total of thirty minutes will be allowed for public comments. After thirty minutes, no further comments will be accepted. Each person will be limited to two minutes.
 13. **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 pending administrative licensing or disciplinary matters 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).
 14. **Adjournment.**

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. This notice is located on the CHRB website at www.chrb.ca.gov. *Information for requesting disability related accommodation for persons with a disability who require aid or services in order to participate in this public meeting, should contact Zachary Voss at information@chrb.ca.gov. Requests will be swiftly resolved by CHRB staff.

CALIFORNIA HORSE RACING BOARD

Gregory L. Ferraro, DVM, Chairman
Oscar Gonzales, Vice Chair
Dennis Alfieri, Member
Damascus Castellanos, Member
Brenda Davis, Member
Thomas C. Hudnut, Member
Wendy Mitchell, Member
Scott Chaney, Executive Director
Cynthia Alameda, Deputy Executive Director

Date of Notice: December 2, 2022

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



PENDING LITIGATION
DECEMBER 2022

COURT LITIGATION

- A. Ruis Racing, LLC v. California Horse Racing Board**
Superior Court of California, County of Los Angeles
- B. Hollendorfer v. California Horse Racing Board**
Superior Court of California, County of San Diego
- C. Baltas v. California Horse Racing Board**
Superior Court of California, County of Los Angeles
- D. Baltas v. California Horse Racing Board (Et. al)**
Superior Court of California, County of Los Angeles
- E. Saldana v. California Horse Racing Board**
U.S. District Court, Southern District of California
- F. Jamgotchian v. California Horse Racing Board**
U.S. District Court, Central District of California

CALIFORNIA HORSE RACING BOARD

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Sacramento, CA 95825

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(916) 263-6000 Fax (916) 263-6042

**REGULAR BOARD MEETING MINUTES****Date and Time:** November 22, 2022 at 10:00 a.m.**Location:** California Exposition and State Fair Grandstand, Clubhouse
1600 Exposition Boulevard
Sacramento, CA**Board Members Present:** Gregory Ferraro, Chairman
Oscar Gonzales, Vice-Chairman
Damascus Castellanos, Member
Brenda Washington Davis, Member**Staff Members Present:** Cynthia Alameda, Deputy Executive Director
Robert Brodник, General Counsel
Amanda Brown, Staff Counsel**1. APPROVAL OF THE MINUTES OF OCTOBER 20, 2022.****Motion:** To approve the minutes of October 20, 2022.**Motioned/Seconded:** Davis/Castellanos.**Roll call vote:** **Aye:** Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**

Pages 3-4 in the Board transcript.

2. PRESENTATION FROM THE THOROUGHBRED OWNERS OF CALIFORNIA REGARDING THE CALIFORNIA HORSE POWER COALITION INITIATIVE.

Pages 4-15 in the Board transcript.

3. DISCUSSION AND ACTION BY THE BOARD REGARDING APPROVAL OF AN AGREEMENT, PURSUANT TO CHRB RULE 1581, RACING SECRETARY TO ESTABLISH CONDITIONS, BETWEEN THE PACIFIC RACING ASSOCIATION (PRA), THE LOS ANGELES TURF CLUB (LATC), AND THE THOROUGHBRED OWNERS OF CALIFORNIA (TOC), REGARDING ENTRY CONDITIONS AND SPECIFIED DRUG SUBSTANCES OR MEDICATIONS TO BE IMPLEMENTED BY PRA AND LATC AT THEIR DECEMBER 21, 2022 THROUGH JUNE 13, 2023 AND DECEMBER 21, 2022 THROUGH JUNE 20, 2023 RACE MEETINGS AT GOLDEN GATE FIELDS AND SANTA ANITA RACE COURSE.**Motion:** To approve the agreement, pursuant to CHRB Rule 1581, Racing Secretary to Establish Conditions, between the Pacific Racing Association (PRA), the Los Angeles Turf Club (LATC), and the Thoroughbred Owners of California (TOC), regarding entry conditions and specified drug substances or medications to be implemented by PRA and LATC at their

Proceedings of the Regular Meeting of November 22, 2022

December 21, 2022 through June 13, 2023 and December 21, 2022 through June 20, 2023 race meetings at Golden Gate Fields and Santa Anita Race Course.

Motioned/Seconded: Castellanos/Davis.

Roll call vote: **Aye:** Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**

Pages 15-16 in the Board transcript.

4. DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION (PRA), AT GOLDEN GATE FIELDS**, COMMENCING DECEMBER 21, 2022, CONTINUING THROUGH JUNE 13, 2023, INCLUSIVE.

Motion: To approve the application for license to conduct a horse racing meeting of the Pacific Racing Association, at Golden Gate Fields, commencing December 21, 2022, through June 13, 2023, inclusive.

Motioned/Seconded: Gonzales/Davis.

Roll call vote: **Aye:** Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**

Pages 16-19 in the Board transcript.

5. DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE PACIFIC RACING ASSOCIATION, DBA GOLDEN GATE FIELDS, 2021-2022 WINTER-SPRING RACE MEETING.**

Motion: To approve the distribution of race day charity proceeds of the Pacific Racing Association, dba Golden Gate Fields, 2021-2022 Winter-Spring race meeting.

Motioned/Seconded: Castellanos/Gonzales.

Roll call vote: **Aye:** Davis, Gonzales, Castellanos, Ferraro. **Nay:** None. **Motion carried.**

Pages 19-20 in the Board transcript.

6. DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES TURF CLUB (LATC), AT SANTA ANITA**, COMMENCING DECEMBER 21, 2022, THROUGH JUNE 20, 2023, INCLUSIVE.

Motion: To approve the application for license to conduct a horse racing meeting of the Los Angeles Turf Club (LATC), at Santa Anita, commencing December 21, 2022, through June 20, 2023, inclusive, with a race day change from December 27, 2022, to January 2, 2023.

Motioned/Seconded: Gonzales/Davis.

Roll call vote: **Aye:** Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**

Pages 20-23 in the Board transcript.

7. DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE LOS ANGELES TURF CLUB, INC., DBA SANTA ANITA PARK, 2021-2022 WINTER-SPRING RACE MEETING.**

Motion: To approve the distribution of race day charity proceeds of the Los Angeles Turf Club, Inc., dba Santa Anita Park, 2021-2022 Winter-Spring race meeting.

Motioned/Seconded: Castellanos/Davis.

Proceedings of the Regular Meeting of November 22, 2022

Roll call vote: Aye: Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**
Pages 23-24 in the Board transcript.

8. DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ALAMITOS RACING ASSOCIATION (LARA) AT LOS ALAMITOS RACE COURSE**, COMMENCING DECEMBER 7, 2022 THROUGH DECEMBER 20, 2022, INCLUSIVE.

Motion: To approve the application for license to conduct a horse racing meeting of the Los Alamitos Racing Association (LARA) at Los Alamitos Race Course, commencing December 7, 2022 through December 20, 2022, inclusive.

Motioned/Seconded: Gonzales/Castellanos.

Roll call vote: Aye: Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**
Pages 24-26 in the Board transcript.

9. DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF LOS ALAMITOS RACING ASSOCIATION, COMBINED 2021 RACE MEETINGS**, IN THE AMOUNT OF \$4,584, TO FOUR BENEFICIARIES.

Motion: To approve the distribution of race day charity proceeds of Los Alamitos Racing Association, combined 2021 race meetings, in the amount of \$4,584, to four beneficiaries.

Motioned/Seconded: Castellanos/Davis.

Roll call vote: Aye: Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**
Pages 26-27 in the Board transcript.

10. DISCUSSION AND ACTION BY THE BOARD REGARDING **APPROVAL OF AN AGREEMENT, PURSUANT TO CHRB RULE 1581, RACING SECRETARY TO ESTABLISH CONDITIONS, BETWEEN LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION (LAQHRA) AND THE PACIFIC COAST QUARTER HORSE RACING ASSOCIATION (PCQHRA)**, REGARDING ENTRY CONDITIONS AND SPECIFIED DRUG SUBSTANCES OR MEDICATIONS TO BE IMPLEMENTED BY LAQHRA AT ITS DECEMBER 21, 2022, THROUGH DECEMBER 19, 2023 RACE MEETING AT THE LOS ALAMITOS RACE COURSE.

Motion: To approve the agreement, pursuant to CHRB Rule 1581, Racing Secretary to Establish Conditions, between Los Alamitos Quarter Horse Racing Association (LAQHRA) and the Pacific Coast Quarter Horse Racing Association (PCQHRA), regarding entry conditions and specified drug substances or medications to be implemented by LAQHRA at its December 21, 2022, through December 19, 2023, race meeting at the Los Alamitos Race Course.

Motioned/Seconded: Gonzales/Castellanos.

Roll call vote: Aye: Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**
Pages 27-29 in the Board transcript.

11. DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ALAMITOS QUARTER HORSE**

Proceedings of the Regular Meeting of November 22, 2022

RACING ASSOCIATION (LAQHRA) AT LOS ALAMITOS RACE COURSE, COMMENCING DECEMBER 21, 2022 THROUGH DECEMBER 19, 2023.

Motion: To approve the Application for License to Conduct a Horse Racing Meeting of the Los Alamitos Quarter Horse Racing Association (LAQHRA) at Los Alamitos Race Course, commencing December 21, 2022 through December 19, 2023.

Motioned/Seconded: Castellanos/Gonzales.

Roll call vote: **Aye:** Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**
Pages 29-30 in the Board transcript.

- 12. DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION, FROM ITS 2021 RACE MEETING, IN THE AMOUNT OF \$15,083, TO FOUR BENEFICIARIES.**

Motion: To approve the distribution of race day charity proceeds of Los Alamitos Quarter Horse Racing Association, from its 2021 race meeting, in the amount of \$15,083, to four beneficiaries.

Motioned/Seconded: Castellanos/Gonzales.

Roll call vote: **Aye:** Davis, Gonzales, Castellanos, Ferraro. **Nay:** None. **Motion carried.**
Pages 30-31 in the Board transcript.

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

Motion: To approve the Application for Approval to Conduct Advance Deposit Wagering (ADW) of Lien Games Racing, LLC, dba OffTrackBetting.com, for an out-of-state multi-jurisdictional wagering hub, for a period of up to two years.

Motioned/Seconded: Castellanos/Davis.

Roll call vote: **Aye:** Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**
Pages 31-33 in the Board transcript.

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

Motion: To approve the Application for Approval to Conduct Advance Deposit Wagering (ADW) of Game Play Network, Inc., for an out-of-state multijurisdictional wagering hub, for a period of up to two years.

Motioned/Seconded: Gonzales/Davis.

Roll call vote: **Aye:** Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**
Pages 33-34 in the Board transcript.

Proceedings of the Regular Meeting of November 22, 2022

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

Motion: To approve the Application for Approval to Conduct Advance Deposit Wagering (ADW) of NYRABets, LLC, for an out-of-state multi-jurisdictional wagering hub, for a period of up to two years.

Motioned/Seconded: Gonzales/Castellanos.

Roll call vote: Aye: Davis, Gonzales, Castellanos, Ferraro. **Nay:** None. **Motion carried.**
Pages 37-39 in the Board transcript.

16. DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF WATCH AND WAGER.COM, LLC**, FOR AN OUT-OF-STATE MULTIJURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

Motion: To approve the Application for Approval to Conduct Advance Deposit Wagering (ADW) of Watch and Wager.Com, LLC, for an out-of-state multijurisdictional wagering hub, for a period of up to two years.

Motioned/Seconded: Castellanos/Gonzales.

Roll call vote: Aye: Castellanos, Davis, Gonzales, Ferraro. **Nay:** None. **Motion carried.**
Pages 34-37 in the Board transcript.

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

Motion: To approve the Application for Approval to Conduct Advance Deposit Wagering (ADW) of ODS Technologies, L.P., dba TVG Network, for an out-of-state multi-jurisdictional wagering hub, for a period of up to two years.

Motioned/Seconded: Castellanos/Davis.

Roll call vote: Aye: Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**
Pages 39-40 in the Board transcript.

18. DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF CHURCHILL DOWNS TECHNOLOGY INITIATIVES COMPANY, DBA TWINSPIRES AND BETAMERICA**, FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO TWO YEARS.

Motion: To approve the Application for Approval to Conduct Advance Deposit Wagering (ADW) of Churchill Downs Technology Initiatives Company, dba Twinpires and BetAmerica, for an out-of-state multi-jurisdictional wagering hub, for a period of up to two years.

Motioned/Seconded: Gonzales/Castellanos.

Proceedings of the Regular Meeting of November 22, 2022

Roll call vote: Aye: Davis, Castellanos, Gonzales, Ferraro. **Nay:** None. **Motion carried.**
Pages 40-42 in the Board transcript.

19. DISCUSSION AND ACTION BY THE BOARD REGARDING ENTERING INTO A VOLUNTARY IMPLEMENTATION AGREEMENT WITH THE HORSERACING INTEGRITY AND SAFETY AUTHORITY, INC.

Motion: To approve entering into a Voluntary Implementation Agreement with the Horseracing Integrity and Safety Authority, Inc.

Motioned/Seconded: Davis/Castellanos.

Roll call vote: Aye: Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**
Pages 43-46 in the Board transcript.

20. DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1867, PROHIBITED VETERINARY PRACTICES, TO CLARIFY SUBSECTION (B) REGARDING FEDERAL DRUG ADMINISTRATION APPROVED MEDICATIONS.

Motion: To approve the proposed amendment to CHRB Rule 1867, Prohibited Veterinary Practices, to clarify subsection (b) regarding Federal Drug Administration approved medications.

Motioned/Seconded: Castellanos/Davis.

Roll call vote: Aye: Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**
Pages 46-48 in the Board transcript.

21. REPORTS.

A. Executive Director's Report.

B. Equine Medical Director's Report.

Pages 48-60 in the Board transcript.

22. PUBLIC COMMENT.

Pages 60-66 in the Board transcript.

MEETING ADJOURNED AT 11:16 A.M.

Proceedings of the Regular Meeting of November 22, 2022

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

December 15, 2022

REGULAR BOARD MEETING

There is no board package material for Item 2

CALIFORNIA HORSE RACING BOARD

December 15, 2022

REGULAR BOARD MEETING

There is no board package material for Item 3

Agenda Item 4

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE
ALLOCATION OF NORTHERN CALIFORNIA THOROUGHBRED RACING
DATES FOR RACING YEAR 2023

Regular Board Meeting
December 15, 2022

ISSUE:

Every year, the California Horse Racing Board (Board) hears from industry stakeholders regarding the allocation of race dates for the following year. This discussion is initially held at the Race Dates Committee (Committee) meeting, prior to being presented to the Board at a regular meeting for final approval of the allocated race dates. In the past, there has been discussion of adopting a multi-year allocated race dates calendar, but to date one has not been established.

The Board discussed the allocation of 2023 race dates at the September 2022 Race Dates Committee meeting and the September 2022 Board meeting. At the September 2022 Board meeting, the Board adopted the 2023 Southern California race dates and the 2023 Harness racing dates. The Board deferred the 2023 Northern California race date discussion until the October meeting to allow time for additional considerations. At the October 2022 Board meeting, the Board heard from industry stakeholders regarding the 2023 proposed Calendar for fair and thoroughbred racing but held off finalizing all dates to provide further time for additional considerations.

RECOMMENDATION:

This item is presented for discussion.

CALIFORNIA HORSE RACING BOARD
2023 ALLOCATED RACE DATES CALENDAR

*Note: The allocation begins on the Wednesday prior to opening day
and concludes on the Tuesday following closing day.*

THOROUGHBRED MEETINGS - CENTRAL & SOUTHERN ZONES

<u>Location</u>	<u>Allocated Dates *</u>
Santa Anita	12/21/22 – 06/20/23
Del Mar	07/12/23 – 09/12/23
Los Alamitos	09/13/23 – 09/26/23
Santa Anita	09/27/23 – 11/07/23
Del Mar	11/08/23 – 12/05/23
Los Alamitos	12/06/23 – 12/19/23

THOROUGHBRED MEETINGS - NORTHERN ZONE

Golden Gate Fields (PRAI)	12/21/22 – 06/13/23
Golden Gate Fields (PRAII)	08/30/23 – 10/03/23
Golden Gate Fields (PRAI)	10/18/23 – 12/19/23

QUARTER HORSE MEETINGS - STATEWIDE

Los Alamitos	12/21/22 – 12/19/23
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HARNESS MEETINGS – STATEWIDE

Cal Expo	12/21/22 – 05/09/23
Cal Expo	11/01/23 – 12/19/23

FAIR MEETINGS - STATEWIDE

Alameda Fair at Pleasanton	06/14/23 – 07/11/23
L.A. County Fair at Los Alamitos	06/21/23 – 07/11/23
State Fair at Cal Expo	07/12/23 – 08/01/23
Sonoma Fair at Santa Rosa	08/02/23 – 08/15/23
Humboldt Fair at Ferndale	08/16/23 – 08/22/23
TBD	08/23/23 – 08/29/23
Big Fresno Fair at Fresno	10/04/23 – 10/17/23

* Date Block Allocation. Actual days of live racing are determined at the time applications are approved by the Board.

The 2023 Race Dates for Southern California and Harness Racing were allocated at the 09/15/2022 regular meeting of the Board. The remaining 2023 Race Dates for Northern California will be allocated at a later date TBD.

2023 Northern California Race Dates

December 2022						
Su	Mo	Tu	We	Th	Fr	Sa
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
						2

GG (PRAI) - Dec 21, 2021 - Jun 13; Oct 18 - Dec 19
 Pleasanton - June 14 through July 11, 2023
 Sacramento - July 12 through August 1, 2023
 Sonoma - August 2 through August 15, 2023
 Humboldt - August 16 through August 29, 2023
 GG (PRAII) August 23 through October 3, 2023
 Fresno - October 4 through October 17, 2023

	Wks
PRAI	34
Pleasanton	4
Sacramento	3
Sonoma	2
Humboldt	2
PRAII	6
Fresno	2

Total Weeks: 53

January						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
						4

February						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				
						4

March						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	
						5

April						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						4

May						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
						5

June						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	
				1		3

July						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31				1	3

August						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		
				2	2	2

September						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
						4

October						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
					2	2

November						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		
						5

December						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						2



October 5, 2022

California Horse Racing Board [CHRB]
1010 Hurley Way
Sacramento, California

PRESIDENT

EOIN G. HARTY

NO CAL VICE PRESIDENT

GLORIA HALEY

SO CAL VICE PRESIDENT

DAVID E. HOFMANS

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Attention: Scott Chaney, Executive Director, & Commissioners

Subject: Dates, 2023

Mr. Chaney and Commissioners:

On behalf of California Thoroughbred Trainers [CTT], please review the following and attached commentary and exhibits as to factors bearing on CHRB's allocation of Thoroughbred dates for 2023.

History of Racing Dates

With perhaps one exception (the opening of Santa Anita occurring each year of racing since 1934 during the Christmas holidays), California's history of assigned racing dates is one of evolution and change. If only for reference, it's instructive to contemplate and debate the nearly infinite number of criteria that CHRB has taken into consideration over the years, including past history, all the while observing its statutory duty to provide for "maximum expansion of horse racing opportunities in the public interest." [Business and Professions Code Section 19401 (c)]

This is a thankless task for the regulator, balancing any number of both rational and sentimental pleas from your licensees, including CTT, but all of us must rely on your objectivity and careful consideration of data in making decisions in the public interest.

You have heard any number of statements in various meetings and correspondence about "history," much of which has been somewhat emotional or misleading, rather than entirely objective and factual. We believe you should continually and explicitly consider that no racing association, or fair, owns any particular dates, especially inasmuch as the economic, competitive, sporting, and regulatory landscapes have all changed so dramatically, and at increasing speed, over the decades. [In this connection, please see the facts and commentary in our Exhibits, attached.]

Relying on the objectivity of the regulator to keep up with actual and anticipated changes as much as possible, we must all realize that there is one and only one fundamental constant: there are only 52 weeks in a year. And, due to the Christmas calendar, practically speaking one less as far as racing is concerned.

In Northern California, contention over racing dates is now concentrated in the summer period, as you know. Our exhibits and commentary therefore concentrate on that period, and factors relating to it.

CTT's Interests

By statute, one of CTT's principal duties is to advocate for the welfare of the backstretch community, including all licensed employees and trainers. In addition, the overwhelming majority of trainers in Northern California are also themselves owners and, therefore, also members of Thoroughbred Owners of California (TOC). This backstretch community, as a whole, is a vibrant, living, year-around economic engine, which relies on racing for its very fuel, for the livelihoods of thousands of people. Their living and working conditions, and economic stability, are essential considerations for CHRB, as well as CTT, CARF, all racing associations, fairs, and TOC.

In late 2021 and early 2022, with the valuable encouragement of CHRB, all industry stakeholders came together on a plan to have Golden Gate Fields closed for stabling and training in the summer of 2022 for mandatory deferred maintenance. CTT also advocated for a replacement of its aging Tapeta track during that period; the industry has learned that such synthetic surfaces are subject to ongoing deterioration over time. We were advised by Stronach management, however, that that project would be delayed until 2023. This upgrade is a critical matter for equine safety, we believe, in that the Tapeta track currently installed and maintained at Golden Gate is by far the oldest one in the world. We understand that there is a six-months lead time required for acquiring the specialized cushion material needed.

Therefore, in our opinion, the first decisive factor in determining the racing dates for summer 2023 is to understand the length of time for Golden Gate Fields to be closed for stabling and training, and what projects will be undertaken this coming summer. We are advised that the specialized base underlying the Tapeta racing/training cushion has been continually maintained properly, and was inspected and confirmed to be in good condition this past summer. So, only the cushion surface would need replacement; if that is so, then we should plan for a scheduled 2023 closure which may be two weeks (or more?) shorter than this year, thus alleviating the expensive and difficult proposition of having three stable areas open for a week or more (Pleasanton, Sacramento, Santa Rosa). We understand that a commitment for new cushion material must be made to Tapeta before the end of this year, in order to assure that proper materials are available for efficient installation. We would appreciate CHRB's confirmation of these plans, in the interest of continuing equine safety.

Moreover, this decision drives all others: the dates when Golden Gate Fields must be vacated, the duration for its closure, and the locations to be open for racing and training elsewhere. The logistics and costs – financial as well as the health and welfare of humans and horses – are critical to understand as soon as possible. This year, in early August, there was even a short period when all four principal stable areas in Northern California were open (Pleasanton, Sacramento, Santa Rosa, and Golden Gate). Everyone understands this is uneconomic and not in the best interests of racing or the backstretch community – but the complexities of scheduling cited above are not easy to resolve.

All of these welfare (and expense) issues are critical for the industry, not just CTT.

In our view, we believe the weeks of racing and use of Cal Expo for training in the hottest months of the summer should be significantly reduced, in favor of Santa Rosa. Santa Rosa's climate during the summer is more temperate, and its original investment in its turf course, not to mention its recent expensive enhancement of that course, should be rewarded, by granting of an additional week, with or without fair activities, for a total of 3 weeks racing. This would enable less reliance on Cal Expo during its most oppressive climate: Santa Rosa is and always has been a superior location for the welfare both of horses and backstretch employees, and for both racing and training.

The fact that Santa Rosa is not a member of CARF should have no bearing on the allotment of racing dates, nor should the standing of the California State Fair as an entity. Santa Rosa's reliance on its racing is critical to its future, and no fair has greater community support for its racing.

Finally, in point of fact, Santa Rosa's daily average generation of purses via its handle *exceeds all other fairs* virtually every year. Without the summer stabling situation and schedule that afflicted the northern racing community this year, Santa Rosa's business would doubtless have been more robust than it was.

Financial Considerations

The debates of recent years and in recent meetings of CHRB have highlighted just how significantly purse generation and fiscal responsibility have changed in the ever-developing era of simulcasting and ADW.

Originally, all purses were generated from a fair or association's own live racing. No longer. Today, what is the most prized asset of being awarded racing dates in the summer? Is it live racing, or not?

In recent years, the importance of “host track” designation has become increasingly important in date requests. We continually hear discussion about “having dates” when Saratoga and Del Mar are operating, principally to maximize income from ADW as hosts, as opposed to producing live racing. We have even seen a fair evince great concern about Del Mar moving a major stakes fixture from one weekend to another, due to its impact on that fair’s simulcast handle.

We believe the CHRB should consider determining, objectively, the economic consequences of how racing dates are awarded, not just to purse generation, but also to the overall financial viability of fairs and racing associations. Exactly what is the amount of income being generated for hosts when racing isn’t being conducted, and where does that revenue flow, aside from purses? How does it vary, by time of year, by week, and so forth? Where is the accountability for all such revenues? What exactly are the commissions and purses generated from imported/host races alone during the 7-week summer period? We need to remember that such revenues are not generated only via ADW, but also at brick and mortar satellites.

We all seem to bemoan short fields, and proclaim there’s “too much racing” for the number of horses available. [Please see attached data as to North American and California foal crops.] Does that indicate a consensus, that we should strive for the optimum balance between breaks without racing and live racing opportunities? How can we achieve that optimum balance without knowing the financial facts?

Once we have those facts, is it conceivable that the CHRB, as regulator, could assign specific dates when live racing cards must be presented, and at the same time provide for dark weeks (no live racing) where the available ADW income would go either to a specific host, or be shared among hosts, on some rational basis?

We don’t suggest that this would necessarily make your decisions any easier, but we do suggest that decisions should be made on the basis of all available, objective data, including verified financial data, to the extent possible.

Conclusion

It is axiomatic that it’s simpler to state a problem than devise a solution.

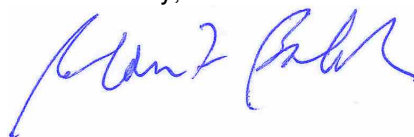
To us, it seems that all the information we should have is still not necessarily available at present, beginning with the essential decisions and commitments relating what we believe is the necessary condition for the ongoing prosperity of all racing in Northern California: the well-being of both the equine and human communities based at Golden Gate Fields, as well as its financial health.

Further, we believe – principally for reasons of climate and facilities, including its turf course – that Santa Rosa should again be allocated 3 weeks of racing, and that it may become (with Pleasanton) one of the two facilities open when Golden Gate is closed.

The issue of balancing live racing weeks and non-racing host weeks should be examined closely, throughout California, based on close review of all relevant financial data, including purse and other revenue generation.

Finally, we do not see a pressing need, at present, to award and commit to 2023 Northern California dates until these matters are resolved carefully.

Sincerely,



Alan F. Balch
CTT Executive Director

AB:ac

Exhibit A Timeline of Critical Dates/Data

1960	North American Foal Crop: 13,000
1963	Tanforan (San Bruno) Closed: Dates Split Between Golden Gate/Bay Meadows
1965	North American Foal Crop: 19,000
1967-68	California Racing Calendar Expanded, Day/Night and North/South Overlaps
1968	San Joaquin (Stockton) and Humboldt (Ferndale) dates overlap
1975	North American Foal Crop: 28,000
1980-81	California Calendar Filled All Weeks, North & South
1986	North American Foal Crop: 51,300 [All-time Peak] Simulcasting, Fair Satellite, Inter-track Wagering Began in Northern California
1995	North American Foal Crop: 35,000 Northern California Dates Overlaps Commonplace – Stockton and Golden Gate Humboldt and San Mateo Fairs, + partial Sacramento (Labor Day) Fresno and Bay Meadows
2000	North American Foal Crop: 37,750 California Foal Crop: 3,600
2000-04	Sacramento: 12 Racing Days Annually, week of 20 August through Labor Day San Mateo County/Bay Meadows: Overlapped Annually, Humboldt/Ferndale
2005-07	No Thoroughbred Racing at Sacramento/Cal Expo
2008-09	Sacramento Returns to Race “Traditional” Late August – Labor Day
2009	Last year of Solano County Fair Racing (Vallejo)

2010 North American Foal Crop: 28,400 (See 1975 above.)
California Foal Crop: 2,000
Sacramento Moves to Occupy Solano County/Vallejo Prior Dates

2015 Sacramento Adds Third Week

2015-17 Santa Rosa Races Third Week Without Fair

2018 Santa Rosa Loses Third Week

2019 North American Foal Crop: 20,400 (See 1965 above.)
California Foal Crop: 1,664

Sources: California Horse Racing Board, Annual Reports
The Jockey Club, Fact Book

Commentary on Exhibit A

Equine racing population everywhere in America at operating tracks and approved training facilities is at its peak during the months of June through August, owing to the influx of two-year-olds beginning to train and race, while three-year-olds and older horses continue to fill races.

Going back many decades, this peak of population was why the very first overlaps in California racing could occur between north and south: fairs and fair racing were scheduled in the north at the same time as Del Mar in the south. Later, when the national Thoroughbred foal crop was at its peak, in the mid-1980s, that overlap was supplemented by additional summer racing overlaps, even between fairs: the San Mateo County Fair at Bay Meadows with the California State Fair at Sacramento, over Labor Day weekend dates. Other race meetings, including Humboldt County's dates (Ferndale), have been overlapped with others multiple times. Fresno was overlapped with Bay Meadows. Stockton was overlapped with Golden Gate Fields.

However, as foal crops and racing opportunities began to contract, slowly at first, then rapidly with the advent of simulcasting, Advance Deposit Wagering [ADW], and the Internet, any number of ramifications have presented the CHRB with dilemmas which still exist today, particularly in Northern California. In any regulatory setting, it's plausible to suggest that government regulation – however difficult it always is – is less difficult during periods of growth than it is during contraction.

Bay Meadows closed in 2008, and its property was developed, following the same path as Tanforan (in San Bruno) had, decades earlier.

Later, Stockton (San Joaquin County) and Vallejo (Solano County) joined the San Mateo County Fair in relinquishing their racing. This resulted in a further concentration of racing dates at Pleasanton (Alameda County) and Cal Expo (Sacramento County).

Complicating the evolution of those racing dates was the evolving situation in Sacramento: dates of the fair at Cal Expo were themselves subject to change. In addition, for three years (2005-2007), Cal Expo was not a member of California Authority of Racing Fairs [CARF], and did not race any dates. Perhaps the most important development was Cal Expo moving to the previous Vallejo dates in 2010, two years after rejoining CARF, having first resumed racing in its "traditional" dates. In 2013, Santa Rosa resigned its membership in CARF.

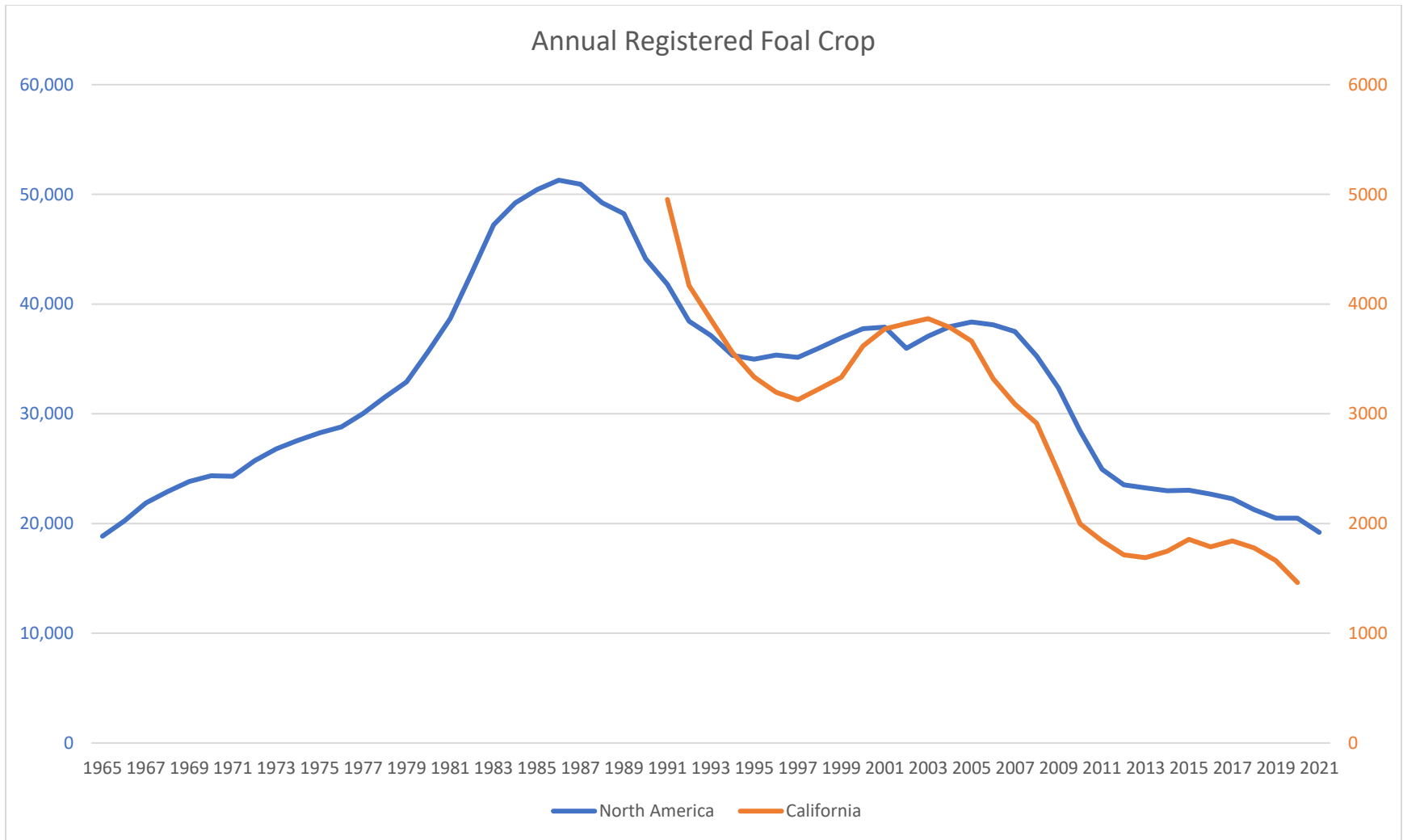
Looming over all these moving parts is the serious difficulty fairs have in booking essential fair entertainment, such as carnivals, and the continually expanding school calendars into ever earlier summer dates, another critical complication for scheduling of fair activities (as opposed to racing).

CHRB, therefore, seems to be tasked not only with an inability to expand the annual calendar beyond 52 weeks, but also with ***refereeing disputes among fairs over non-racing activities***. In at least one instance, Humboldt County, CHRB is apparently asked to schedule racing there in order to maintain the very economic viability of an important local community event, above and beyond the interests of California race *per se*.

Overall, there are so many competing interests here, that CHRB is expected to have the wisdom of Solomon to make decisions . . . nevertheless, its fundamental statutory charge remains constant: expanding horse racing opportunities in the public interest.

**Northern California Racing Fairs - Race Dates History
2000-2022**

Year	Locations								Total Race		Notes
	Stockton	Pleasanton	Vallejo	Santa Rosa	San Mateo	Ferndale	Sacramento	Fresno	Days		
2000	6/14-6/25 (10)	6/28-7/9 (11)	7/12-7/24 (12)	7/26-8/7 (12)	8/9-8/21 (12)	8/10-8/20 (10)	8/23-9/4 (12)		10/4-10/15 (11)	90	
2001	6/13-6/24 (10)	6/27-7/8 (11)	7/11-7/23 (12)	7/25-8/6 (12)	8/8-8/20 (12)	8/9-8/19 (10)	8/22-9/3 (12)		10/3-10/14 (11)	90	
2002	6/12-6/23 (10)	6/26-7/7 (11)	7/10-7/21 (11)	7/24-8/5 (12)	8/7-8/19 (12)	8/8-8/18 (10)	8/21-9/2 (12)		10/2-10/13 (10)	88	
2003	6/11-6/22 (10)	6/25-7/6 (11)	7/9-7/20 (10)	7/23-8/4 (12)	8/6-8/18 (12)	8/7-8/17 (10)	8/20-9/1 (12)		10/1-10/13 (11)	88	
2004	6/16-6/27 (10)	6/30-7/11 (11)	7/14-7/26 (11)	7/28-8/9 (12)	8/11-8/23 (12)	8/12-8/22 (10)	8/25-9/6 (12)		10/6-10/18 (11)	89	
2005	6/15-6/26 (10)	6/29-7/10 (11)	7/13-7/25 (11)	7/27-8/8 (12)	8/10-8/25 (12)	8/11-8/21 (10)	No TB Racing		10/5-10/16 (11)	77	Cal Expo left CARF
2006	6/14-6/25 (10)	6/28-7/9 (11)	7/12-7/24 (11)	7/26-8/7 (12)	8/9-8/24 (12)	8/10-8/20 (10)	No TB Racing		10/4-10/15 (11)	77	Cal Expo left CARF
2007	6/14-6/24 (9)	6/27-7/8 (11)	7/11-7/15 (5)	7/18-8/6 (18)	8/8-8/19 (11)	8/9-8/19 (10)	No TB Racing		10/3-10/14 (11)	75	Cal Expo left CARF
2008		Pleasanton 6/25-7/6 (11)	Vallejo 7/9-7/21 (11)	Santa Rosa 7/23-8/4 (12)	San Mateo 8/6-8/17 (10)	Ferndale 8/7-8/17 (10)	Sacramento 8/20-9/1 (11)	Stockton 9/3-9/14 (9)	Fresno 10/1-10/13 (11)	85	Cal Expo back in/Stockton to Sept.
2009	Stockton 6/17-6/28 (9)	Pleasanton 7/1-7/19 (15)	Vallejo 7/2-7/26(5)	Santa Rosa 7/29-8/9 (10)	CARF 1 @ GGF 8/12-8/23 (10)	Ferndale 8/14-8/23 (8)	Sacramento 8/26-9/7 (11)	CARF 2 @ GGF 9/10-10/4 (16)	Fresno 10/7-10/18 (11)	95	69-CARF;26@GGF;Stk back to June;BM done
2010	Stockton 6/16-6/20 (5)	Pleasanton 6/23-7/11 (15)	Sacramento 7/14-7/25(10)	Santa Rosa 7/28-8/15 (15)		Ferndale 8/13-8/22 (8)			Fresno 10/6-10/17 (10)	63	Cal Expo moves to Vallejo Dates
2011	6/16-6/19 (4)	6/23-7/10 (13)	7/14-7/24 (9)	7/27-8/14 (15)		8/12-8/21 (8)			10/6-10/16 (9)	58	
2012		Pleasanton 6/21-7/8 (13)	Sacramento 7/12-7/22 (8)	Santa Rosa 7/25-8/12 (15)		Ferndale 8/15-8/26 (8)		Stockton 9/20-9/30 (8)	Fresno 10/4-10/14 (9)	61	Stk to September again
2013		6/19-7/9 (12)	7/10-7/23 (8)	7/24-8/13 (13)		8/14-8/25 (8)		9/18-10/1 (6)	10/2-10/15 (9)	56	43-CARF;13-SR
2014		6/19-7/5 (12)	7/10-7/20 (7)	7/21-8/10 (13)		8/13-8/24 (6)		9/19-9/28 (6)	10/1-10/13 (9)	53	40-CARF;13-SR
2015		6/17-7/5 (12)	7/10-7/26 (11)	7/30-8/16 (11)	3rd wk w/o fair	8/21-8/30 (6)		9/11-9/20 (6)	10/8-10/18 (9)	55	44-CARF;11-SR later in calendar;Cal Expo 3 wk
2016		6/15-7/5 (12)	7/6-7/29 (10)	7/27-8/16 (11)	3rd wk w/o fair	8/19-8/30 (6)		9/21-10/4 (6)	10/5-10/18 (9)	54	43-CARF;11-SR
2017		Pleasanton 6/21-7/11 (11)	Sacramento 7/12-8/1 (11)	Santa Rosa 8/2-8/22 (11)	3rd wk w/o fair	Ferndale 8/23-9/5 (7)		Pleasanton 9/20-10/3 (7)	Fresno 10/4-10/17 (9)	56	45-CARF;11-SR
2018		6/13-7/10 (15)	7/11-7/31 (11)	8/1-8/14 (8)	loss of 3rd wk	8/15-8/28 (7)		Dates to GGF 10/3-10/16 (9)		50	42-CARF;8-SR
2019		6/12-7/9 (15)	7/10-7/30 (11)	7/31-8/13 (8)	loss of 3rd wk	8/14-8/27 (6)	overlap w/ GGF	Dates to GGF 10/3-10/16 (9)		49	41-CARF;8-SR
2020											Pandemic Revised Calendar
Revised		6/17-7/14 (12)	7/15-7/28 (6)	7/29-8/11 (6)				Dates to GGF		24	18-CARF (all run at Pleasanton);6-SR @ GGF
2021		6/16-7/13 (13)	7/14-7/20 (3)	8/4-8/17 (6)		8/18-8/31 (6)	2nd wk w/ GGF	Dates to GGF 10/6-10/19 (6)		34	28-CARF (all run at Pleasanton w/ 2 wks of Sac given to GGF for stabling \$\$); 6-SR@GGF
2022		6/15-7/12 (13)	7/13-8/2 (9)	8/3-8/16 (7)		8/17-8/30 (6)	2nd wk w/ GGF	Dates to GGF 10/5-10/18 (7)		42	35-CARF;7-SR



Source: The Jockey Club

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FAX COVER SHEET

TRANSMITTED TO:

RACE DATES COMMITTEE

Oscar Gonzales, Chairman
 Wendy Mitchell, Member
 Damascus Castellanos, Member
 Scott Chaney, Executive Director
 Cynthia Alameda, Assistant Executive Director

FAX: 916-263-6042

From: JAMES R. MORGAN, Attorney at Law

Date: September 9, 2022

DOCUMENTS	NUMBER OF PAGES*
Letter dated 9/9/22 to RACE DATES COMMITTEE	21 (including cover)
Attachments to Letter dated 9/9/22	

COMMENTS:

Please share Humboldt County Fair position with Race Dates Committee.

Thank you,



James R. Morgan

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JAMES R. MORGAN, *Special Counsel*

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September 9, 2022

RACING DATES COMMITTEE

Oscar Gonzales, Chairman

Wendy Mitchell, Member

Damascus Castellanos, Member

Scott Chaney, Executive Director

Cynthia Alameda, Assistant Executive Director

Re: **Humboldt County Fair Plea to End Overlap Race Dates in 2023,
for our 127th year of Hosting Live Racing**

Dear Members of the Racing Dates Committee:

On behalf of the people of Humboldt County, the live racing fans of Northern California and for the betterment of the sport, we respectfully request that 2023 be the year that the CIIRB recognizes two inescapable realities:

1. Declining horse populations cannot support two venues running at the same time in the same region, and;
2. Given rising costs and need to offer competitive purse structures, no live race meet in California can self-sustain without host status commissions and the corresponding contributions toward purses.

Overlap Targets HCF by Luring Horses Competing on Fair Circuit.

During the overlapped weekend, GGF ran 158 horses that had previously made a start. Of those, 137 had run their last race on the Fair Circuit. Those horses comprised 87% of the GGF entries during the overlapped week and raced at other fairs but bypassed HCF due to the overlap.

As a result, HCF had 14 races with 4 horses, twice as many as 2021. Four horse fields eliminate handle for exotic and show wagers. Racing without overlap would increase the number of horses migrating to HCF and reduce small field sizes.

Oscar Gonzales, Chairman
Wendy Mitchell, Member
Darnascus Castellanos, Member
Scott Chaney, Executive Director
Cynthia Alameda, Assistant Executive Director

Page 2

September 9, 2022

Humboldt remains an important gateway for new owners, trainers, and horses from Oregon and those new to the sport. Eclipse award winning owners (Allen Aldrich) and breeders (Steve Coburn) started out at the HCF and remain staunch supporters. Nationally prominent track announcers Frank Mirahmadi and Chris Griffin honed their craft from the Ferndale announcer's booth.

Live Racing Fosters New Fans, Owners, and Interest in the Sport.

Our IICF published attendance numbers for overlapped Saturday, August 28, 2022, were 5,016 (see attached chart). There were over 7,000 paid admissions and an additional 2,500 in VIP Pass Admissions. The fans overflowed and the energy was palpable.

That same GGF day, August 28, 2022, their published attendance was 807 (see attached chart).

On the overlapped Sunday, August 29, 2022, our HCF attendance was listed as "unavailable". However, the stands were again overflowing, the 9-race card was exciting to all in attendance. Handle was up nearly 70% from the day before (see attached chart).

For the three days of overlap GGF had published attendance of 351 (8/26/22), 807 (8/27/22) and 510 (8/28/22) for a total of 1,668 for three days. HCF eclipsed that cumulative attendance number each and every day, separately, during the overlap period.

It is compelling to look at the attached pictures from the live racing at the HCF during the overlap period in contrast to live pictures of the lack of crowd at GGF during the overlap (see attached photos).

Financial Necessity Mandates All Meets Race Without Overlap.

All other meets in the State race without any overlap in their region. Costs of conducting live racing, labor, insurance, maintenance, and insurance continue to rise.

CARF expenses to IICF are the same as they are to Alameda, Fresno and Sacramento fairs. There is no relief from those expenses during our week with overlap.

AB 763 monies are insufficient to put a dent in those costs.

Every other California race meet relies on host status to cover those expenses.

Oscar Gonzales, Chairman
Wendy Mitchell, Member
Dumascus Castellanos, Member
Scott Chaney, Executive Director
Cynthia Alameda, Assistant Executive Director

Page 3

September 9, 2022

This 127-year-old tradition needs to be perpetuated and deserves your consideration for having both weeks without overlap. The community is sustained by the fair related revenue and racing fans, new and old alike, and the region should not be left without a live racing venue.

In Mitigation, GGF Now has the Most Lucrative Betting Weekend of the Summer.

Beginning in 2022, Del Mar moved its Pacific Classic weekend to Labor Day, a weekend when GGF races without overlap. Previously the Pacific Classic was during the HCF meet. This should make up for any revenue lost by GGF for no longer sharing a week with HCF.

The Community Has Been Tenacious about Sustaining Live Racing and their Facility.

Live racing is vital to the Humboldt County economy. Sponsors, racing fans and individuals raised well over \$80,000 through the Ferndale Jockey Club and other fund-raising efforts to make up for their losses in conducting a live meet with overlap. Those monies were invested in assisting trainers with horse transportation, licensing, insurance, and racing incentives to supplement the fair horses electing to run at GGF during the overlap.

This locally sponsored fund contributed \$7,000 for a quarter horse stakes race, \$2,000 for each maiden race and \$2,000 for a non-winner in 2022 race. Attending horsemen, and their staff were treated to a fish fry, BBQ and received VIP status allowing them to feast on a lavish spread provided each race day in a designated VIP area.

The track, once again, was in impeccable condition, with no break down or incidents. Investments have been made to improve the stables, paddock, Winner's Circle, safety railings, and other improvements to ensure the quality of the facility going forward.

This should be the year that the CHRB takes the appropriate step of allowing HCF two weeks without overlap and with host status. The HCF cannot sustain with rising prices and an overlapped week where their expenses greatly exceed their revenue. The five remaining live racing fairs are important to the future of racing in the Northern California region. When HCF races without overlap, it contributes over \$200,000 per week to the CARF consolidated purse fund. Those funds are crucial to sustaining each of the remaining CARF fairs.

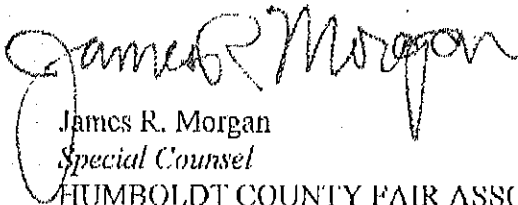
No live racing community has done more, per capita, than the supporters of the HCF, and yet, no live racing venue is more at risk solely due to the antiquated policy of allowing GGF to run a week in overlap with the HCF. Perpetuation of a racing schedule that allows any regional

Oscar Gonzales, Chairman
Wendy Mitchell, Member
Damascus Castellanos, Member
Scott Chancy, Executive Director
Cynthia Alameda, Assistant Executive Director
Page 4
September 9, 2022

overlap makes no economic sense and unnecessarily hastens the closure of the 127 year live racing tradition in Ferndale.

Your careful consideration of our request is critically important to the future of live racing in Humboldt County and in the four other remaining racing fairs as well. It would be our fervent desire that sometime, someday, each of you could experience the incomparable magic of a live race day at Ferndale. It remains the last boutique venue in California for live racing as it was always meant to be.

Respectfully submitted,



James R. Morgan
Special Counsel

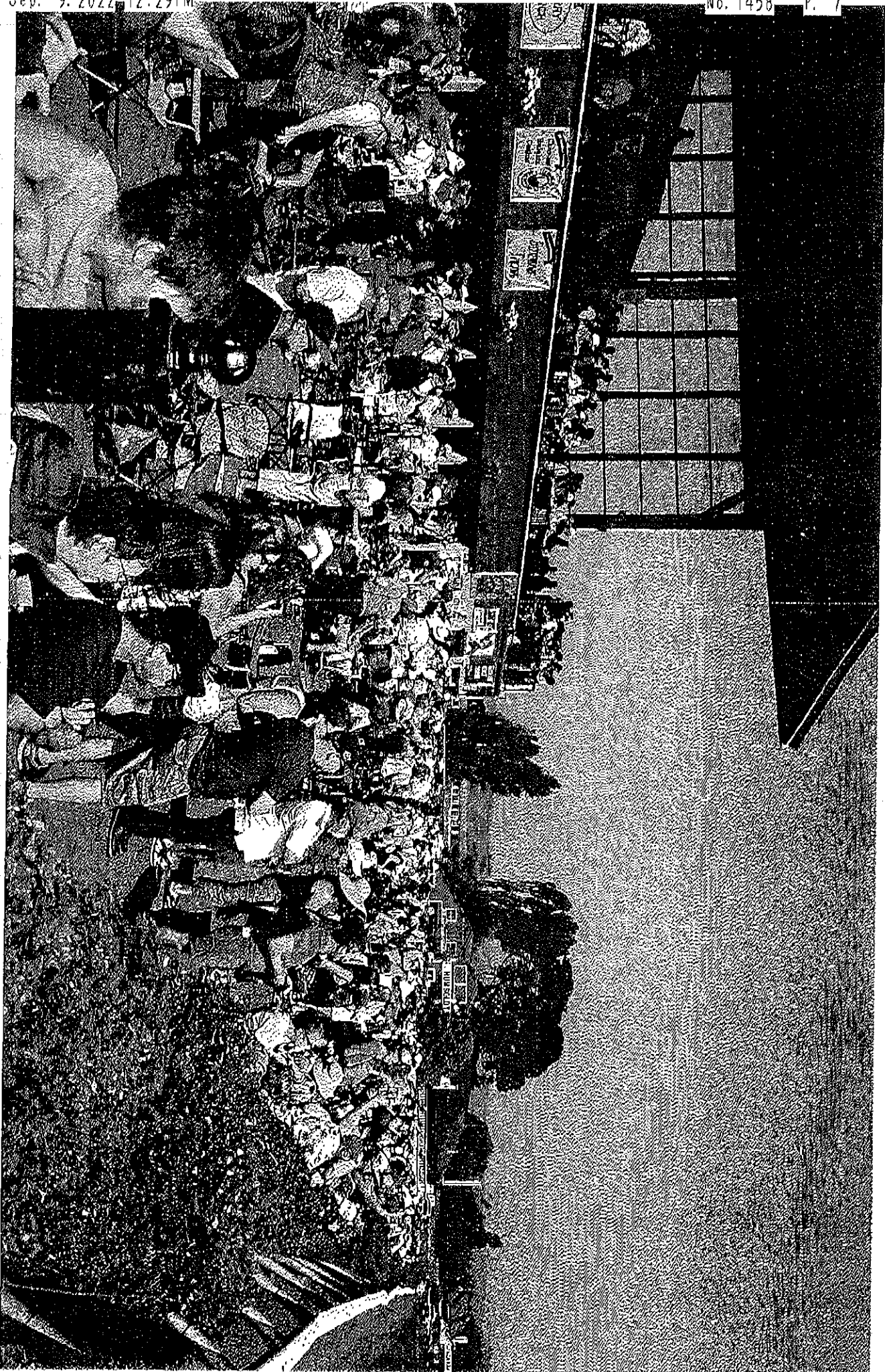
HUMBOLDT COUNTY FAIR ASSOCIATION

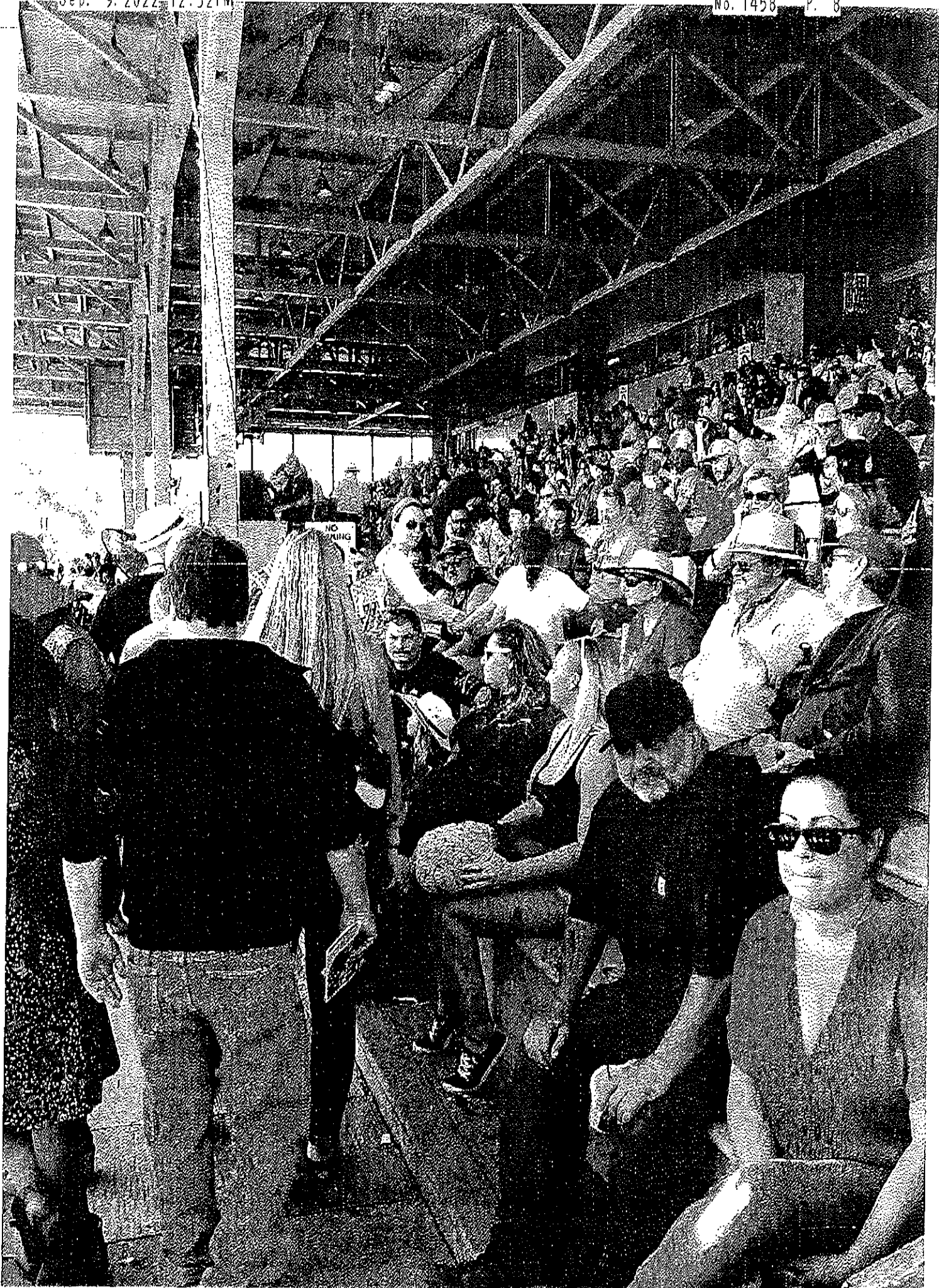
Telephone: (925) 947-0200

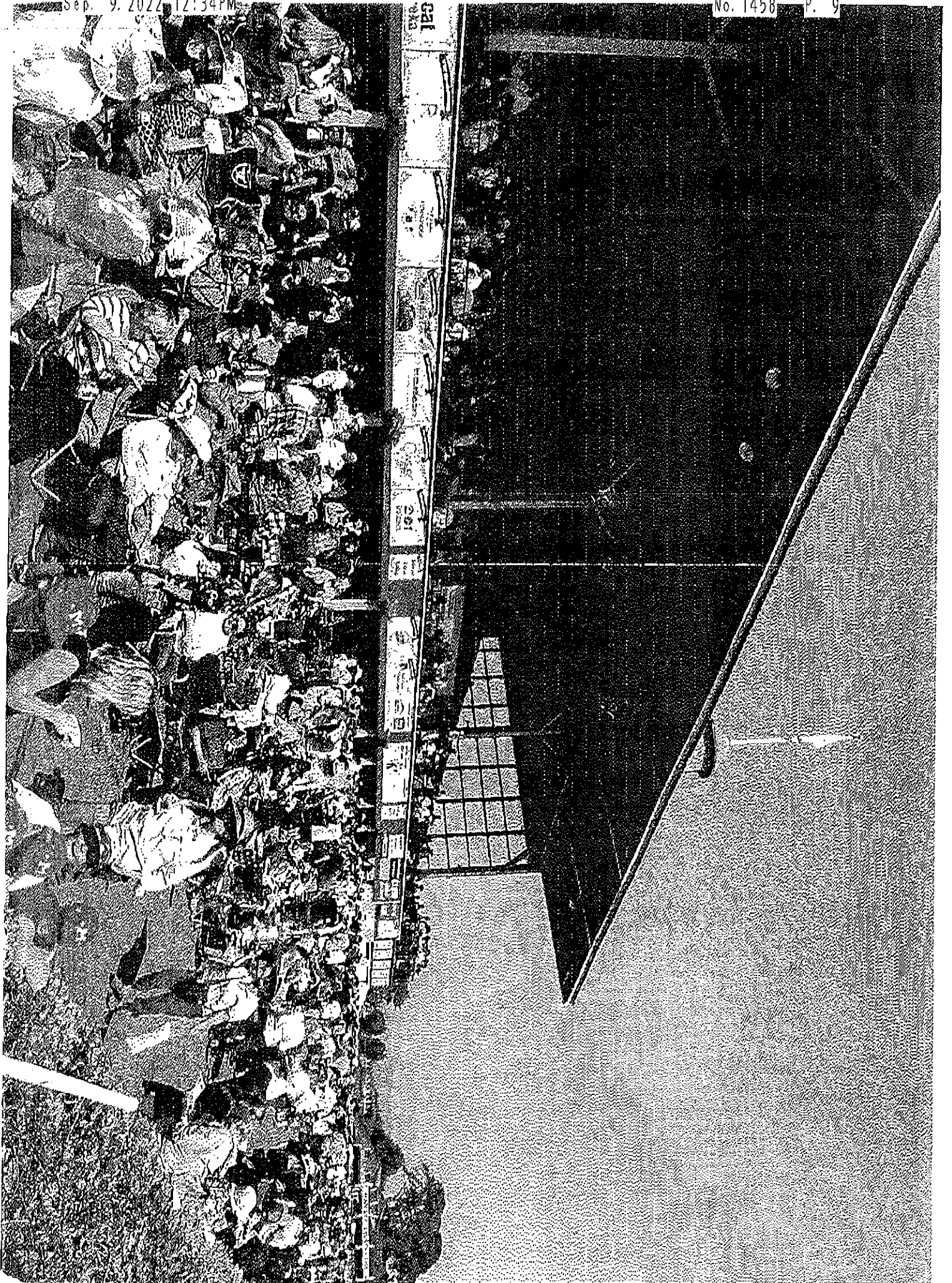
Facsimile: (925) 934-6092

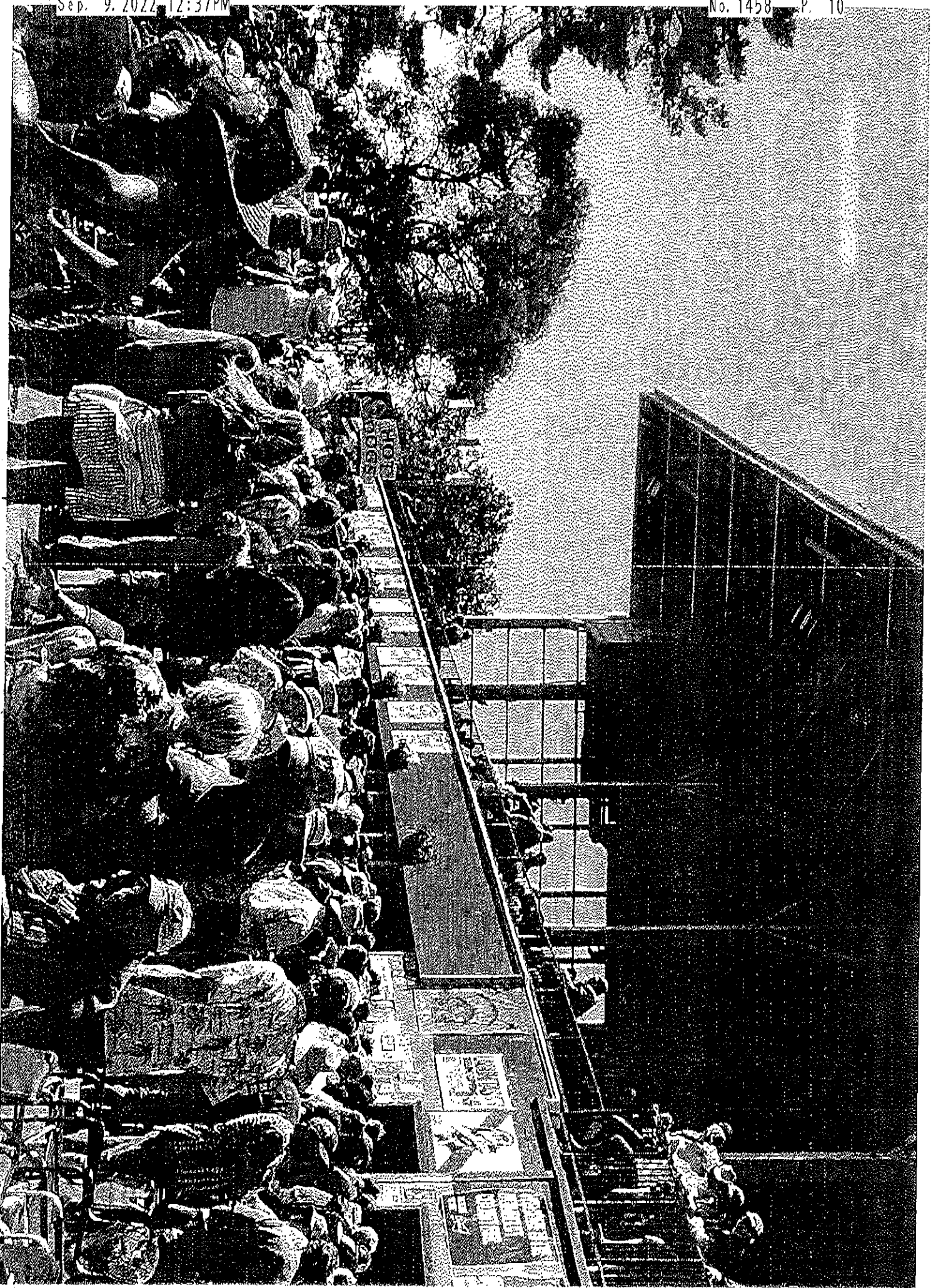
james@morgan4law.com

HCF PHOTOS











SEVENTH RACE
Ferndale

5 FURLONGS. (57) ALLOWANCE. Purse \$15,000 (plus \$2,940 CBOIF - California Bred Owner Fund)
FOR THREE YEAR OLDS AND UPWARD WHICH HAVE NOT WON \$15,000 IN 2022. Three Year Olds,
122 lbs.; Older, 126 lbs.

AUGUST 27, 2022

Value of Race: \$19,740 Winner \$11,700; second \$3,900; third \$2,340; fourth \$900; fifth \$450; sixth \$150. Mutuel Pool \$38,272.00 Exacta Pool \$14,288.00 Trifecta Pool \$11,504.00 Superfecta Pool \$5,324.00

Last Raced	Horse	M/E	Qt.	A.	Wt.	PP	St.	$\frac{a}{f}$	$\frac{b}{c}$	Str	Fin	Jockey	Odds \$1
13Aug22 0SR7	Strike It Lucky	L	bf	5	126	3	4	51	3 $\frac{1}{2}$	21	1hd	Goodgame R	1.60
21Aug22 6Fer3	Debt Monger	L	bf	5	126	6	6	6	42	3hd	23 $\frac{3}{4}$	Gonzalez O O	6.40
17Jly22 3Sac1	Dumb Luck	L		6	119	1	1	22	21 $\frac{1}{2}$	41 $\frac{1}{2}$	31 $\frac{1}{2}$	Rodriguez J E7	2.70
11Aug22 5Til1	Starboard List	L	b	6	126	2	2	1hd	12	1hd	4 $\frac{1}{2}$	Smith T E	6.50
5Aug22 1SR4	Stanford Bay	L	b	3	122	4	3	31	52	52 $\frac{1}{2}$	5 $\frac{3}{4}$	Garcia E	5.00
5Aug22 1SR3	Rhodium Runner	L	b	3	122	5	5	4hd	6	6	6	King M	6.80

OFF AT 5:29 Start Good. Won driving. Track fast.

TIME :233, :481, 1:013 (:23.60, :48.31, 1:01.61)

\$2 Mutuel Prices:

3 - STRIKE IT LUCKY	5.20	3.60	2.40
7 - DEBT MONGER		5.60	3.00
1 - DUMB LUCK			3.20

\$1 EXACTA 3-7 PAID \$11.30 \$1 TRIFECTA 3-7-1 PAID \$42.60
10 CENT SUPERFECTA 3-7-1-2 PAID \$9.92

Dk. h or br. q, (Mar), by Lucky Pulpit - Heat Striker, by Unusual Heat. Trainer Guerrero Emilio. Bred by Mr & Mrs Larry D Williams (Cal).

STRIKE IT LUCKY was outsprinted, tracked the pace, rallied three wide on the second turn, got to terms, was engaged by the runner up and dug in determinedly to get the nod. DEBT MONGER had no speed, circled rivals four wide while allying on the second turn, got to terms with the winner, battled but missed. DUMB LUCK hustled along early, got outsprinted down the backstretch, pressed to the second turn, was outkicked to the stretch and finished evenly. STARBOARD LIST was sent for speed, got fanned out to the four path to the backstretch, edged away to the second turn then saved ground but tired in the final furlong. STANFORD BAY tracked the pace for three furlongs, shifted off the rail on the second turn but lacked a closing response. RHODIUM RUNNER was four wide to the backstretch, trailed to the stretch and did not rally.

Owners- 1, Boardshorts Stables LLC; 2, Aquino Angela M; 3, Scott Leon; 4, Harsiman Logan; 5, Orta J Roque and Orta Luciano; 6, Greiner Renee

Trainers- 1, Guerrero Emilio; 2, Aquino Angela M; 3, Howey Quinn; 4, Macfeyl Bruno; 5, Ramos Jesus; 6, Greiner Gary

Scratched- Lemon Zinger (14Aug22 0SR 0)

\$1 Pick Three (3-1-3) Paid \$77.30; Pick Three Pool \$3,200.

\$2 Daily Double (1-3) Paid \$49.20; Daily Double Pool \$2,596.

50 CENT Pick Four (2/4-3-1-3/4) Paid \$67.65; Pick Four Pool \$8,573.

50 CENT Pick Five (1-2/4-3-1-3/4) 5 Correct Paid \$221.55; Pick Five Pool \$5,910.

20 CENT Pick 6 Jackpot (3-1-2/4-3-1-3/4) 6 Correct Paid \$312.16; Pick 6 Jackpot Pool \$14,572 Carryover Pool \$220,155.

20 CENT Super High Five Jackpot (3-7-1-2-5) Paid \$35.62;

Super High Five Jackpot Pool \$1,200 Carryover Pool \$6,625.

Attendance: 5,016 Mutuel Pool: \$389,397.00



\$200 DEPOSIT MATCH
& FREE FORMULATOR



**NINTH RACE
Ferndale**

AUGUST 20, 2022

1 1/2 MILES. (2:43) C. J. HINDLEY HUMBOLDT COUNTY MARATHON H. Purse \$20,000 (plus \$3,150 Other Sources) FOR THREE YEAR-OLDS AND UPWARD. By subscription of \$50 to accompany the nomination, \$200 additional to enter. \$500 to Supplement by noon, Wednesday, August 24, 2021, With \$20,000 Guaranteed, of which 60% to the winner, 20% to second, 12% to third, 6% to fourth and 2% to fifth. Weights Wednesday, August 24, 2022. Starters to be named through the entry box in the usual manner. High Weights Preferred.

Value of Races: \$23,150 Winner \$14,200; second \$4,000; third \$2,700; fourth \$1,200; fifth \$150; sixth \$450; seventh \$450. Mutuel Pool \$50,100.00 Exacta Pool \$25,315.00 Trifecta Pool \$25,573.00 Superfecta Pool \$17,330.00

Last Raced	Horse	M/Eqt.	A.	WL	PP	1/4	1/2	1	1 1/2	Str	Fin	Jockey	Odds \$1
14Aug22 9SR2	Mount Pelliar	b	4	123	4	52	52	56	4 1/2	3rd	11	King M	0.50
5Aug22 7Dmr6	Honos Man	bf	6	126	2	6 1/2	6 1/2	4hd	31	1 1/2	2nk	Rodriguez J E	1.90
24Jly22 3Sac4	Agent Zero	b	6	121	7	32 1/2	3 1/2	22	50	55	3 1/4	Flores Pablo	18.60
7Aug22 1SR2	Wine and Whisky	b	5	123	1	4 1/2	4hd	32	2 1/2	4 1/2	4 1/4	Monroy F	5.70
10Aug22 2Dmr4	ColonelsdrkTemper	f	8	126	3	11	1 1/2	1 1/2	1 1/2	2hd	5 1/4	Figueroa O	1.10
14Aug22 4SR4	Canyon Crest		5	121	6	7	7	63	60	620	640	Smith T E	15.90
19Aug22 6Fer5	Lono		5	120	5	2hd	21	7	7	7	7	Go odgame R	25.90

OFF AT 6:22 Start Good. Won driving. Track fast.

TIME :513, 1:182, 1:454, 2:134, 2:40, 2:54 (:51.72, 1:18.59, 1:45.80, 2:13.81, 2:40.17, 2:54.04)

\$2 Mutuel Prices:

4 - MOUNT PELLIAR	19.00	6.20	3.40
2 - HONOS MAN		3.40	2.60
7 - AGENT ZERO			8.80

\$1 EXACTA 4-2 PAID \$24.90 \$1 TRIFECTA 4-2-7 PAID \$473.50 10 CENT SUPERFECTA 4-2-7-1 PAID \$121.95

Dic h or br g, (Mar), by Declaration of War - Hurricane Source-Ire, by Hurricane Run-Ire. Trainer Greiner Gary. Bred by Edward P Swyer & Allan Stable Inc (Ky).

MOUNT PELLIAR was unhurried to the stretch the second turn but was caught in some traffic and had to check, again settled to the final turn then rallied four wide to the stretch, continued to respond and edged clear late. HONOS MAN had no speed, saved ground on the final bend, pushed to the front into the stretch then could not stall the winner. AGENT ZERO tracked the pace for a mile, bid two wide to the stretch but was outkicked to mid stretch then slayed on determinedly. WINE AND WHISKY was allowed to settle for a mile, bid two wide on the final turn but could not make an impact in the drive. COLONEL SDARKTEMPER set the pace for a mile and a quarter, resisted to the stretch then tired. CANYON CREST had no speed, saved ground on all the turns but lacked a closing response. LONO pressed the pace for a mile then gave way, stopped, was eased but walked off.

Owners- 1, Greiner Renee; 2, Scott Leon; 3, Branch William A; 4, Fernandez Robert Tamayo Isidro and Tipton John; 5, Herbertson Scott; 6, Marlin Jill A; 7, Williams Gabriel A


Trainers- 1, Greiner Gary; 2, Howey Quinn; 3, Meler Monty R; 4, Tamayo Isidro, 5, Wong Jonathan; 6, McDonald Melanie W; 7, Williams Gabriel A

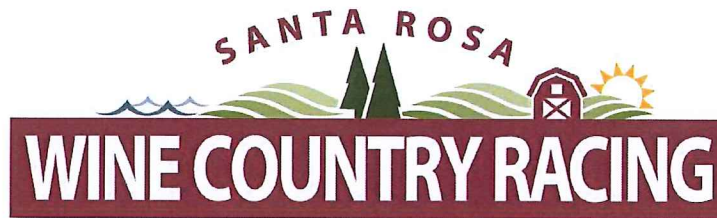
- \$2 Daily Double (4-4) Paid \$22.00; Daily Double Pool \$5,387.
- \$1 Pick Three (1-4-4) Paid \$516.70; Pick Three Pool \$6,203.
- 50 CENT Pick Four (5-1-4-4) Paid \$2,615.55; Pick Four Pool \$13,953.
- 50 CENT Pick Five (2/6-5-1-4-4) 5 Correct Paid \$11,493.35; Pick Five Pool \$15,329.
- 20 CENT Pick 6 Jackpot (1-2/6-5-1-4-4) 6 Correct Paid \$7,398.22; Pick 6 Jackpot Pool \$49,350 Carryover Pool \$242,350.
- 20 CENT Super High Five Jackpot (4-2-7-1-3) Paid \$69.28; Super High Five Jackpot Pool \$5,486 Carryover Pool \$9,092.

Attendance: Unavailable Mutuel Pool: \$565,550.00

DRIVE

**\$200 DEPOSIT MATCH
& FREE FORMULATOR**





October 4, 2022

Hon. Oscar Gonzales
Chair, Racing Dates Committee
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Chairman Gonzales,

Unfortunately, I was unable to attend the September Racing Dates Committee meeting and as such I would like to insure that what we are proposing for the Sonoma County Fairgrounds 2023 race dates is clear.

In 2016 and 2017, Sonoma County Fair ran two weeks of live horse racing simultaneous with our annual Fair and one week without a Fair. This third week was called a "bonus week". This additional week was very successful, even though it did not occur in conjunction with a traditional Fair.

We are proposing that our meet begin on July 26th and end on August 15th. The first week's racing would run concurrent with our annual Fair Horse show and some grounds entertainment, with the final two weeks of racing running with the full fair. The non-Fair racing week would have daily food and beverage specials and provide the opportunity for race fans to purchase box seats that are typically only available to season box holders during the Fair.

We feel that the following points, as outlined in our September 07, 2022 letter, support our request for a third week of racing.

- Our on-track attendance and handle have consistently been higher than those in Sacramento.
- On average, Sonoma County Fair generates higher purses than any other fair. We feel that a three week meet will further strengthen purse generation and allow us to continue to pay some of the highest purses in the fair circuit.
- The Sonoma County Fair made a significant investment in Fair racing by installing a turf course; the only one in the Northern California fair racing circuit. To ensure the utmost safety of our horses and jockeys, we have added a new state-of-the-art Duralock turf rail. A three

Hon. Oscar Gonzales
Chair, Racing Dates Committee
California Horse Racing Board
October 4, 2022
Page 2

week meet will help Santa Rosa continue to fund facility improvements and maintain its level of excellence.

- The horsemen have expressed to management that they would like to run for three weeks again in Santa Rosa. More specifically, they have commented on the excellent condition and safety of both our dirt and turf surfaces, the quality of facility accommodations, and the temperate climate that is more like that of Golden Gate Fields.

Commissioner Gonzales, we appreciate your thoughtful consideration of our request and hope that you might be a champion for the Sonoma County Fairground's request for an additional week of Live Horseracing.

Sincerely,



Rebecca Bartling
CEO, Sonoma County Fairgrounds
Wine County Racing

CC: Scott Chaney, Executive Director CHRB



1/ST

October 13, 2022

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

RE: 2023 Northern Racing Calendar

Dear Mr. Chaney,

As we discussed, following the September 15, 2022 California Horse Racing Board meeting, Golden Gate Fields ("GGF"), the Thoroughbred Owners of California ("TOC") and the California Thoroughbred Trainers ("CTT") have prepared an analysis of the probable impact of two weeks of un-overlapped racing at the Humboldt County Fair. We believe it is important that the Board have access to the facts prior to entertaining a proposal to eliminate a Week of racing at GGF.

To begin, we note that field size at Ferndale in Week 2 (overlapped) averaged 5.1 horses while Week 1 (un-overlapped) averaged only 4.9. Importantly, during both Week 1 and 2 a significant percentage of participating horses made their last start prior to the Ferndale meet in Oregon, not California. During Week 1 37 of 89 total starters (42%) made their last start in Oregon versus 42 from Northern California (47%). Moreover, only ten trainers based in the Bay Area shipped horses to run at Ferndale for the entire meet. During Week 2, of the 74 horses that ran back in a week 35 were based in Oregon (47.3%) and 31 were from Northern California (42%).

As far as economic impact, the Ferndale/GGF standalone and overlapped weeks in 2022 generated a total of \$990,345 in purses. Of that amount, GGF contributed \$438, 242 in one week while two weeks of Ferndale racing generated only \$552,102. As set forth on the attached spreadsheet, our projections indicate that two weeks of Ferndale un-overlapped would cost the purse account over \$255,000 and cost GGF at least \$390,000 in commission while continuing to bear the cost of remaining open for training for the benefit of racing in the Northern zone.

For your review, we have provided one further analysis that projects the results of two Weeks of overlap. While not likely a preferred outcome for some there is clear benefit to the purse account in that scenario.

It is clear from the numbers that inflicting significant costs on the purse account and a major financial hit to GGF for the benefit, in large part, of Oregon based horsemen is unwarranted. We would appreciate the opportunity to review these statistics with you and the Chair of the Race Dates Committee and to respond to any questions you may have.

Very truly yours,

Gary Fenton
Chair
Thoroughbred Owners of California

Alan F. Balch
Executive Director
California Thoroughbred Trainers

Craig R. Fravel
Executive Vice-Chairman
1/ST Racing and Gaming

cc: Greg Ferraro
Oscar Gonzales

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD REGARDING CALIFORNIA THOROUGHBRED BREEDERS ASSOCIATION, REQUEST FOR AUTHORIZATION OF ITS UPCOMING HORSE SALE AT FAIRPLEX IN POMONA, CALIFORNIA, PURSUANT TO CHRB RULE 1807, AUTHORIZED HORSE SALES

Regular Board Meeting
December 15, 2022

ISSUE

Pursuant to Board Rule 1807, Authorized Horse Sales, California Thoroughbred Breeders Association request Board approval of its upcoming horse sale scheduled for January 31, 2023, at Fairplex in Pomona, California.

BACKGROUND

Board Rule 1807, Authorized Horse Sales, provides that the Board may authorize a horse sale or horse auction sale for the sale of racehorses or breeding stock that is used in the production of racehorses, to be held on the premises of a racing association, and the authorization and approval of such horse sale or horse auction sale shall be upon such conditions as may be imposed by the Board.

RECOMMENDATION

This item is presented for Board discussion and action.



CALIFORNIA THOROUGHBRED BREEDERS ASSOCIATION

A Non-Profit Organization of Breeders of Thoroughbred Horses

November 1, 2022

Scott Chaney, Executive Director
CHRB

RE: Board Approval for CTBA Winter Mixed Sale


Mr. Chaney,

The CTBA will host its annual Winter Mixed Sale on January 31st, at Fairplex in Pomona. It is expected that there will be approximately 150 horses on the grounds for the sale beginning January 27th through February 2nd. This sale includes mostly broodmares, racing age horses and some yearlings.

The CTBA has, and will continue to, implement all necessary safety protocols for this sale.

We appreciate your continued support of horse sales in the state.

Sincerely,



Doug Burge
President

Agenda Item 6

STAFF ANALYSIS DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST TO CONTINUE THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCED DEPOSIT WAGERING FOR WAGERING CONDUCTED BY THOROUGHBRED ASSOCIATIONS IN THE CENTRAL AND SOUTHERN ZONES FOR 2023 TO INCLUDE DISTRIBUTIONS TO SOUTHERN CALIFORNIA OFF-TRACK WAGERING, INC.

Regular Board Meeting
December 15, 2022

ISSUE:

Southern California Off Track Wagering, Inc. (SCOTWINC) is requesting approval of an agreement under [Business and Professions Code \(BPC\) section 19604\(f\)\(5\)\(E\)](#) for calendar year 2023 which will continue the modification of market access fee distributions from 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 2023. SCOTWINC provides that any funding in excess of simulcast costs would be split between track and purse commissions.

ANALYSIS:

Since December 2018, has Board approved ADW Expense Fund Agreements covering the calendar year. The last approval occurred in December 2021 which covered the calendar year 2022 which provided for a distribution to SCOTWINC from market access fees in the amount of 2.4% of Southern California ADW wagering for meets hosted by Del Mar Thoroughbred Club and Los Alamitos Racing Association, 2.0% for the Autumn meets hosted by Los Angeles Turf Club and 1.70% for the Winter/Spring meet hosted by the Los Angeles Turf Club. The parties to the agreement, which include TOC, CTBA and all Southern California thoroughbred host tracks, now seek approval for a 2023 agreement.

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.

2023 Expense Fund Agreement

This Agreement is entered into as of this 28 day of November, 2022 by and between the undersigned racing associations ("the Signatory Racing Associations") the Thoroughbred Owners of California ("TOC") and the California Thoroughbred Breeders Association ("CTBA").

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from Advanced Deposit Wagering, ("ADW") placed on all live and imported races hosted by the Signatory Racing Associations shall be altered by the creation of an additional deduction for a distribution therefrom based upon a percentage of handle in the Central and Southern Zones that would otherwise be payable as thoroughbred purses and commissions, and such deduction from ADW in the Central and Southern Zones shall be payable to SCOTWINC. The percentage applicable to Thoroughbred meets conducted by the Del Mar Thoroughbred Club and Los Alamitos Racing Association shall be 2.40%, the percentage applicable to the Autumn meet conducted by the Los Angeles Turf Club shall be 2.00%, and the percentage applicable to the Winter/Spring meet conducted by the Los Angeles Turf Club shall be 1.70%.
2. The parties shall immediately file this Agreement with the CHRB for the purposes of securing its approval of the deduction contemplated from market access fees placed on races hosted by the Signatory Racing Associations.
3. Subject to the requisite approval of the CHRB, the deduction from ADW set forth in #1 above shall be effective January 1, 2023 through December 31, 2023.
4. For purposes of matching the applicable revenue and expenses of SCOTWINC, the Summer and Fall Thoroughbred meets of Los Alamitos shall be considered a single meet, as shall be the case with respect to the Summer and Fall meets of Del Mar and the Fall and Winter meets of Santa Anita.
5. Notwithstanding the distributions from the ADW Deduction set forth hereinabove, the distribution to the Incentive fund administered by the CTBA shall be calculated at the rate of 0.463% of ADW handle in California on races hosted by the Signatory Racing Associations. In addition to the distributions set forth above, there shall be a distribution from the ADW Deduction in order to pay administrative expenses that would otherwise have been distributed to TOC, CTT, and the Backstretch Workers Pension Plan.
6. The Signatory Racing Associations and TOC agree to jointly continue to work toward improving the productivity and efficiency of the off-track satellites and SCOTWINC.

Thoroughbred Owners of California

By: William A. Rades

Los Alamitos Racing Association

By: _____

Del Mar Thoroughbred Club

By: _____

Los Angeles Turf Club

By: _____

California Thoroughbred Breeders Association

By: _____

2023 Expense Fund Agreement

This Agreement is entered into as of this 29th day of November, 2022 by and between the undersigned racing associations ("the Signatory Racing Associations") the Thoroughbred Owners of California ("TOC") and the California Thoroughbred Breeders Association ("CTBA").

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from Advanced Deposit Wagering, ("ADW") placed on all live and imported races hosted by the Signatory Racing Associations shall be altered by the creation of an additional deduction for a distribution therefrom based upon a percentage of handle in the Central and Southern Zones that would otherwise be payable as thoroughbred purses and commissions, and such deduction from ADW in the Central and Southern Zones shall be payable to SCOTWINC. The percentage applicable to Thoroughbred meets conducted by the Del Mar Thoroughbred Club and Los Alamitos Racing Association shall be 2.40%, the percentage applicable to the Autumn meet conducted by the Los Angeles Turf Club shall be 2.00%, and the percentage applicable to the Winter/Spring meet conducted by the Los Angeles Turf Club shall be 1.70%.
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5. Notwithstanding the distributions from the ADW Deduction set forth hereinabove, the distribution to the Incentive fund administered by the CTBA shall be calculated at the rate of 0.463% of ADW handle in California on races hosted by the Signatory Racing Associations. In addition to the distributions set forth above, there shall be a distribution from the ADW Deduction in order to pay administrative expenses that would otherwise have been distributed to TOC, CTT, and the Backstretch Workers Pension Plan.
6. The Signatory Racing Associations and TOC agree to jointly continue to work toward improving the productivity and efficiency of the off-track satellites and SCOTWINC.

Thoroughbred Owners of California

Los Alamitos Racing Association

By: _____

By: _____

Del Mar Thoroughbred Club

Los Angeles Turf Club

By: Josh Rubinstein

By: _____

California Thoroughbred Breeders Association

By: _____

2023 Expense Fund Agreement

This Agreement is entered into as of this 29th day of November, 2022 by and between the undersigned racing associations ("the Signatory Racing Associations") the Thoroughbred Owners of California ("TOC") and the California Thoroughbred Breeders Association ("CTBA").

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from Advanced Deposit Wagering, ("ADW") placed on all live and imported races hosted by the Signatory Racing Associations shall be altered by the creation of an additional deduction for a distribution therefrom based upon a percentage of handle in the Central and Southern Zones that would otherwise be payable as thoroughbred purses and commissions, and such deduction from ADW in the Central and Southern Zones shall be payable to SCOTWINC. The percentage applicable to Thoroughbred meets conducted by the Del Mar Thoroughbred Club and Los Alamitos Racing Association shall be 2.40%, the percentage applicable to the Autumn meet conducted by the Los Angeles Turf Club shall be 2.00%, and the percentage applicable to the Winter/Spring meet conducted by the Los Angeles Turf Club shall be 1.70%.
2. The parties shall immediately file this Agreement with the CHRB for the purposes of securing its approval of the deduction contemplated from market access fees placed on races hosted by the Signatory Racing Associations.
3. Subject to the requisite approval of the CHRB, the deduction from ADW set forth in #1 above shall be effective January 1, 2023 through December 31, 2023.
4. For purposes of matching the applicable revenue and expenses of SCOTWINC, the Summer and Fall Thoroughbred meets of Los Alamitos shall be considered a single meet, as shall be the case with respect to the Summer and Fall meets of Del Mar and the Fall and Winter meets of Santa Anita.
5. Notwithstanding the distributions from the ADW Deduction set forth hereinabove, the distribution to the Incentive fund administered by the CTBA shall be calculated at the rate of 0.463% of ADW handle in California on races hosted by the Signatory Racing Associations. In addition to the distributions set forth above, there shall be a distribution from the ADW Deduction in order to pay administrative expenses that would otherwise have been distributed to TOC, CTT, and the Backstretch Workers Pension Plan.
6. The Signatory Racing Associations and TOC agree to jointly continue to work toward improving the productivity and efficiency of the off-track satellites and SCOTWINC.

Thoroughbred Owners of California

Los Alamitos Racing Association

By: _____

By: _____

Del Mar Thoroughbred Club

Los Angeles Turf Club

By: _____

By: _____

California Thoroughbred Breeders Association

By:  _____

2023 Expense Fund Agreement

This Agreement is entered into as of this 30th day of November, 2022 by and between the undersigned racing associations ("the Signatory Racing Associations") the Thoroughbred Owners of California ("TOC") and the California Thoroughbred Breeders Association ("CTBA").

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from Advanced Deposit Wagering, ("ADW") placed on all live and imported races hosted by the Signatory Racing Associations shall be altered by the creation of an additional deduction for a distribution therefrom based upon a percentage of handle in the Central and Southern Zones that would otherwise be payable as thoroughbred purses and commissions, and such deduction from ADW in the Central and Southern Zones shall be payable to SCOTWINC. The percentage applicable to Thoroughbred meets conducted by the Del Mar Thoroughbred Club and Los Alamitos Racing Association shall be 2.40%, the percentage applicable to the Autumn meet conducted by the Los Angeles Turf Club shall be 2.00%, and the percentage applicable to the Winter/Spring meet conducted by the Los Angeles Turf Club shall be 1.70%.
2. The parties shall immediately file this Agreement with the CHRB for the purposes of securing its approval of the deduction contemplated from market access fees placed on races hosted by the Signatory Racing Associations.
3. Subject to the requisite approval of the CHRB, the deduction from ADW set forth in #1 above shall be effective January 1, 2023 through December 31, 2023.
4. For purposes of matching the applicable revenue and expenses of SCOTWINC, the Summer and Fall Thoroughbred meets of Los Alamitos shall be considered a single meet, as shall be the case with respect to the Summer and Fall meets of Del Mar and the Fall and Winter meets of Santa Anita.
5. Notwithstanding the distributions from the ADW Deduction set forth hereinabove, the distribution to the Incentive fund administered by the CTBA shall be calculated at the rate of 0.463% of ADW handle in California on races hosted by the Signatory Racing Associations. In addition to the distributions set forth above, there shall be a distribution from the ADW Deduction in order to pay administrative expenses that would otherwise have been distributed to TOC, CTT, and the Backstretch Workers Pension Plan.
6. The Signatory Racing Associations and TOC agree to jointly continue to work toward improving the productivity and efficiency of the off-track satellites and SCOTWINC.

Thoroughbred Owners of California

By: _____

Del Mar Thoroughbred Club

By: _____

California Thoroughbred Breeders Association

By: _____

Los Alamitos Racing Association

By: Jack Leeb

Los Angeles Turf Club

By: _____

2023 Expense Fund Agreement

This Agreement is entered into as of this 29th day of November, 2022 by and between the undersigned racing associations ("the Signatory Racing Associations") the Thoroughbred Owners of California ("TOC") and the California Thoroughbred Breeders Association ("CTBA").

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from Advanced Deposit Wagering, ("ADW") placed on all live and imported races hosted by the Signatory Racing Associations shall be altered by the creation of an additional deduction for a distribution therefrom based upon a percentage of handle in the Central and Southern Zones that would otherwise be payable as thoroughbred purses and commissions, and such deduction from ADW in the Central and Southern Zones shall be payable to SCOTWINC. The percentage applicable to Thoroughbred meets conducted by the Del Mar Thoroughbred Club and Los Alamitos Racing Association shall be 2.40%, the percentage applicable to the Autumn meet conducted by the Los Angeles Turf Club shall be 2.00%, and the percentage applicable to the Winter/Spring meet conducted by the Los Angeles Turf Club shall be 1.70%.
2. The parties shall immediately file this Agreement with the CHRB for the purposes of securing its approval of the deduction contemplated from market access fees placed on races hosted by the Signatory Racing Associations.
3. Subject to the requisite approval of the CHRB, the deduction from ADW set forth in #1 above shall be effective January 1, 2023 through December 31, 2023.
4. For purposes of matching the applicable revenue and expenses of SCOTWINC, the Summer and Fall Thoroughbred meets of Los Alamitos shall be considered a single meet, as shall be the case with respect to the Summer and Fall meets of Del Mar and the Fall and Winter meets of Santa Anita.
5. Notwithstanding the distributions from the ADW Deduction set forth hereinabove, the distribution to the Incentive fund administered by the CTBA shall be calculated at the rate of 0.463% of ADW handle in California on races hosted by the Signatory Racing Associations. In addition to the distributions set forth above, there shall be a distribution from the ADW Deduction in order to pay administrative expenses that would otherwise have been distributed to TOC, CTT, and the Backstretch Workers Pension Plan.
6. The Signatory Racing Associations and TOC agree to jointly continue to work toward improving the productivity and efficiency of the off-track satellites and SCOTWINC.

Thoroughbred Owners of California

Los Alamitos Racing Association

By: _____

By: _____

Del Mar Thoroughbred Club

Los Angeles Turf Club

By: _____

By: Rebecca Newman

CFO

California Thoroughbred Breeders Association

By: _____

Agenda Item 7

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST TO MODIFY
THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCED DEPOSIT
WAGERING FOR WAGERING CONDUCTED BY THE SIGNATORY RACING
ASSOCIATIONS FOR 2023 TO INCLUDE A DISTRIBUTION TO BE UTILIZED TO FUND
A CALIFORNIA CO-OP MARKETING PROGRAM.

Regular Board Meeting
December 15, 2022

ISSUE:

The Thoroughbred Owners of California (TOC) and the signatory racing associations are seeking an approval of an agreement under Business and Professions Code (BPC) section 19604(f)(5)(E) for the period January 1, 2023 through December 31, 2023, which will continue the previously modified market access fee distributions for advance deposit wagering (ADW) wagers placed in the applicable zone on races hosted by the signatory host track. The Co-op Marketing Agreement allows the TOC and the track to continue programs that were previously supported by the California Marketing Committee (CMC). CMC is no longer operating as BPC section 19605.73 allowing its existence has expired.

ANALYSIS:

The TOC and the signatory racing associations wish to continue certain CMC programs following the January 1, 2019 sunset of BPC section 19605.73, which authorized the CMC and its programs.

The cost of these programs will be shared between the TOC and the signatory parties on the Co-op Marketing Agreement. The share of costs attributed to each of the tracks is based upon a percentage of handle in the applicable California zones that would otherwise be payable as thoroughbred purses and track commissions

BACKGROUND:

BPC 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 the Co-op Marketing Agreement representatives.

Agenda Item 8

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST TO MODIFY THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCED DEPOSIT WAGERING WHICH OTHERWISE WOULD HAVE FUNDED PURSES AND COMMISSIONS TO COVER THE ASSESSMENTS AS ALLOCATED TO EACH SIGNATORY RACING ASSOCIATION PURSUANT TO THE HORSE RACING INTEGRITY AND SAFETY ACT OF 2020 (“HISA”) FOR CALENDAR YEAR 2023

Regular Board Meeting
December 15, 2022

ISSUE:

The Thoroughbred Owners of California (TOC) and the signatory racing associations are seeking approval of an agreement under Business and Professions Code (BPC) section [19604](#)(f)(5)(E) for the period of January 1, 2023 through December 31, 2023, for a distribution that would otherwise be payable as purses and commissions, to cover the 2023 calendar year assessment for California’s proportionate share of the Horseracing Integrity and Safety Authority (HISA) operating budget.

ANALYSIS:

HISA created the “Authority”, a federal entity under the Federal Trade Commission (FTC), to oversee horse racing activities nationwide through two regulatory programs: the Anti-Doping Medication Control Program and the Racetrack Safety Program. The Authority is funded per the methodology assessment regulations that determine each state’s proportionate share of the Authority’s operating budget based on the number of projected starts and projected purse starts. California’s proportionate share of the total 2023 Authority budget amount of \$72,509,662 is \$7,344,139. Of the proportionate share California is anticipating receiving \$6,275,000 in credits against the assessment for test sample collection services, laboratory testing services, and projected out of competition testing. Additional credits for investigative services are a potential further reduction to the overall assessment.

Each signatory racing association share has been estimated below based on their share of the 2022 assessment:

	2022 HISA Assessment	Estimated	
		2023 HISA Assessment	2023 Adjusted Assessment
Alameda County Fair, Pleasanton	\$22,614	\$120,856	\$17,594
California State Fair, Sacramento	\$3,733	\$78,452	\$11,421
Del Mar Thoroughbred Club	\$348,178	\$1,816,583	\$264,453
The Big Fresno Fair, Fresno	\$10,913	\$51,622	\$7,515
Humboldt County Fair, Ferndale	\$3,809	\$20,184	\$2,938
Los Alamitos QH Racing Association	\$22,172	\$79,035	\$11,506
Los Alamitos TB Racing Association + LACF	\$92,692	\$449,645	\$65,458
Los Angeles Turf Club, Santa Anita	\$636,732	\$3,244,300	\$472,296
Pacific Racing Association, GGF	\$297,867	\$1,418,117	\$206,445
Sonoma County Fair, Santa Rosa	\$12,545	\$65,345	\$9,513
	\$1,451,255	\$7,344,139	\$1,069,139

BACKGROUND:

BPC 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 approve the request as proposed.

Agenda Item 9

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST TO MODIFY THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCED DEPOSIT WAGERING FOR WAGERING CONDUCTED BY THOROUGHBRED ASSOCIATIONS AND RACING FAIRS IN THE CENTRAL AND SOUTHERN ZONES TO INCLUDE A DISTRIBUTION TO THE SOUTHERN CALIFORNIA STABLING AND VANNING FUND OF 1.02%, AND TO ADJUST THE AMOUNT DISTRIBUTED TO THAT FUND FROM BRICK AND MORTAR WAGERING TO 1.02% FOR 2023

Regular Board Meeting

December 15, 2022

ISSUE:

In 2020, the brick and mortar distribution percentages for the Southern California Stabling and Vanning Fund was 2%. As a result of the pandemic, brick and mortar simulcast handle declined and the resulting funding was insufficient to cover the expenses incurred by Stabling and Vanning. At the December 2020 regular California Horse Racing Board (Board) meeting, the Board approved for the distributions to the Stabling and Vanning Fund that utilize the same percentages of handle from both brick and mortar and California simulcast for Advance Deposit Wagering (ADW) handle by 0.9%. In 2021, the Board approved a similar request at the December 2021 Board meeting which altered the percentages for both brick and mortar and ADW handle to 1.02%

BACKGROUND:

At the January 24, 2019 Regular Board meeting, the Board retroactively approved an agreement between the TOC, Del Mar Thoroughbred Club, Fairplex, Los Alamitos, Santa Anita, and the California Thoroughbred Breeders Association, to modify the ADW market access fees distribution by 0.50 percent on races hosted by Central and Southern Zones, thoroughbred associations and fairs for the period of January 1, 2019 through December 31, 2019. The parties stated that the funds generated would be used to offset stabling and vanning expenses incurred by the Fund, which is administered by the Southern California Off-Track Stabling and Vanning Committee.

This request reflects how Stabling and Vanning will be funded for the next calendar year. California statute requires that 2% of monies coming from off-track wagering be allocated to Stabling and Vanning to cover the needed funds, however the original legislative proposal envisioned that the 2% would be sufficient to fund stabling and vanning and it has fallen short over years past. With the decline in wagering over the last decade, the statute proposed 2% has not been sufficient in meeting the required funds for several years. As a result, a voluntary process of supplementing the Stabling and Vanning Fund every year with a percentage of ADW handle has been requested. Pursuant to Business and Professions Code section 19604(f)(5)(E), a track can use ADW money for an agreed upon purpose if it is approved by the CHRB.

ANALYSIS:

Business and Professions Code (BPC) [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 distribution would be affected.

RECOMMENDATION:

Staff recommends the Board hear from the TOC and racing associations.

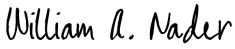
2023 Southern California Stabling and Vanning Funding Agreement

This Agreement is entered into as of this 1st day of December 2022 by and between the undersigned racing associations (“the Signatory Racing Associations”) the Thoroughbred Owners of California (“TOC”) and the California Thoroughbred Breeders Association (“CTBA”).

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from Advanced Deposit Wagering, (“ADW”) placed on all live and imported races hosted by the Signatory Racing Associations shall be altered by the creation of an additional deduction for a distribution therefrom based upon 1.02% of handle in the Central and Southern Zones that would otherwise be payable as thoroughbred purses and commissions, and such deduction from ADW in the Central and Southern Zones shall be payable to the Fund administered by Southern California Stabling and Vanning Committee.
2. The parties shall immediately file this Agreement with the CHRB for the purposes of securing its approval of the deduction contemplated from market access fees placed on races hosted by the Signatory Racing Associations.
3. Subject to the requisite approval of the CHRB, the deduction from ADW set forth in #1 above shall be effective January 1, 2023 through December 31, 2023.
4. Notwithstanding the distributions from the ADW Deduction set forth hereinabove, the distribution to the Incentive fund administered by the CTBA shall be calculated at the rate of 0.463% of ADW handle in California on races hosted by the Signatory Racing Associations.
5. The Signatory Racing Associations and TOC agree to jointly continue to work toward improving the productivity and efficiency of auxiliary stabling in the Central and Southern zones.

Thoroughbred Owners of California

DocuSigned by:

 By: _____
20CE9094162E418...
 William A. Nader

Los Alamitos Racing Association

DocuSigned by:


 By: _____
2DC322E329C8476...
 Jack Liebau

Del Mar Thoroughbred Club


DocuSigned by:

 By: _____
03A7469DCBF14DC...
 Josh Rubinstein


Los Angeles Turf Club

DocuSigned by:

 By: _____
154C9657C7A9454...
 Nate Newby

Los Angeles County Fair

DocuSigned by:

 By: _____
2DC322E329C8476...
 Jack Liebau

California Thoroughbred Breeders Association

DocuSigned by:

 By: _____
B37E69712ACD45B...
 Doug Burge

Agenda Item 10

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING OF XPRESSBET, LLC, AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FROM JANUARY 1, 2023, THROUGH DECEMBER 31, 2024

Regular Board Meeting
December 15, 2022

An approved out-of-state advance deposit wagering (ADW) provider may accept wagers from California residents on races conducted by an association or fair if an agreement is executed that allows said wagers, and the appropriate horsemen's organization approves the agreement. Such agreements and horsemen's approvals are submitted by the association or fair as part of its race meet application.

Breeds of racing on which wagers will be accepted from California residents on races conducted **out-of-state**: Thoroughbred, Quarter Horse, Standardbred (Harness).

Required Information	Status	Comments	CHRB Rule/Law
Surety Bond	<input checked="" type="checkbox"/> Accepted <input checked="" type="checkbox"/> Follow Up Required <input type="checkbox"/> Outstanding	Term of \$500,000 surety bond starts 01/01/2022 and ends 01/01/2023.	Rule 2072(b)
Financial Statements	<input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Follow Up Required <input type="checkbox"/> Outstanding	Review of financials completed on 10/14/2022.	Rule 2072(e)
Profit & Loss Statements for California Operations	<input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Follow Up Required <input type="checkbox"/> Outstanding	Review of profit and loss statements completed on 10/14/2022.	Rule 2072(e)
Business Plan	<input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Follow Up Required <input type="checkbox"/> Outstanding	Received on 05/26/2022.	Rule 2072(e)
Plan of Operation	<input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Follow Up Required <input type="checkbox"/> Outstanding	Received on 05/26/2022.	Rule 2073
Security Access Policy	<input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Follow Up Required <input type="checkbox"/> Outstanding	Received on 05/26/2022.	Rule 2072(c)

Hub Agreements	<input checked="" type="checkbox"/> Accepted <input checked="" type="checkbox"/> Follow Up Required <input type="checkbox"/> Outstanding	<p>Thoroughbred hub agreement valid through 12/31/2022.</p> <p>Quarter horse hub agreement valid through 12/31/24.</p> <p>Standardbred hub agreement valid through 12/31/22. A new hub agreement for 2023 with LATC and harness racing is needed.</p>	BPC sec 19604(b)(2)(B)
Provide Copy of Hub Agreements to Horsemen's Organizations	<input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Follow Up Required <input type="checkbox"/> Outstanding	<p>Required only if hub agreement excludes horsemen's organization. N/A</p>	BPC sec 19604(b)(2)(D)
Provide Written Notice of Host & Hub Fees to Racing Associations & Fairs	<input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Follow Up Required <input type="checkbox"/> Outstanding	<p>Required only if hub agreement excludes association/fair. N/A</p>	BPC sec 19604(b)(2)(E)
Other – Management Personnel Licenses	<input checked="" type="checkbox"/> Accepted <input checked="" type="checkbox"/> Follow Up Required <input type="checkbox"/> Outstanding	<p>License requiring renewal prior to beginning of approval term:</p> <ul style="list-style-type: none"> • Paul Williams, exp 11/30/22 	Rule 1481(b)(6)
Other - Officers and Directors Licenses	<input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Follow Up Required <input type="checkbox"/> Outstanding	<p>All officer and director licenses valid for term of renewal</p>	Rule 1481(b)(2)
Other - Totalizator Contract	<input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Follow Up Required <input type="checkbox"/> Outstanding	<p>Contract with AmTote International is open ended/has no expiration, but Xpressbet anticipates signing a long-term agreement with AmTote in the future.</p>	

RECOMMENDATION: Staff recommends approval of the application as submitted. The application satisfactorily meets all requirements for approval.

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD (CHRB)
APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING
CHRB-133 (Rev. 02/19)

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

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

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

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

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

Xpressbet, LLC, 200 Racetrack Rd, Bldg #26, Washington, PA 15301

Office: 724-229-6223 Fax: 724-229-6239

B. Name, title, license number and racing jurisdiction where licensed for all management personnel. Identify which management staff is responsible for California operations:

NOTICE: Rule 1481 provides that all management personnel responsible for California operations must hold a CHRB license.

Name and title	Racing Jurisdiction Where Licensed	License Number	Responsible for California Operations
Paul Williams, CEO	CA	401716	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Richard Peden, CPO	CA	325550	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Michael Jordan, COO	CA	401719	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Gregory Harnish, Secretary	CA	327765	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No

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

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

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

CHRB CERTIFICATION

Application received: 5/26/22
Reviewed: NLG

Hearing date: 11/17/22
Approval date:

2. DATES OF OPERATION

A. Dates Advance Deposit Wagering will be conducted:

365 days per year

B. Hours Advance Deposit Wagering will be conducted:

24 Hours per day

3. BUSINESS STRUCTURE

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

Complete the applicable subsection

B. CORPORATION

1. Registered name of the corporation: N/A

2. State where incorporated: _____

3. Registry or file number for the corporation: _____

4. Name and CHRB license number of all officers and directors. Include titles, and the number of shares of the corporation held by each:

5. Names (true names) of all persons, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each. Include each person's CHRB license number (Notice: per Rule 1481, all persons that hold 5% or more of outstanding shares must hold a CHRB license):

- 6. Number of outstanding shares in the corporation: _____
- 7. Are the shares listed for public trading? Yes No
 If yes, on what exchange and how is the stock listed:

- 8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:

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

- 10. Attach the prior two years' annual financial statements for the corporation, including balance sheets and profit and loss statements, and a copy of all reports issued during the preceding 24 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.
- 11. Applicants not previously licensed by the CHRB to conduct ADW, proceed to subsection 12. Applicants previously licensed by the CHRB to conduct ADW: Attach the prior two years' annual profit and loss statements for the California ADW operations only. Include the methodology used to determine the cost allocation for the profit and loss statements.
- 12. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

C. LLC

- 1. Registered name of the LLC: Xpressbet, LLC
- 2. State where articles of organization are filed: Delaware
- 3. Registry or file number for the LLC: 3373240
- 4. Name and CHRB license number of all officers and directors. Include titles, and the number of shares of the LLC held by each:
 NO SHARES are held by officers or directors. See 1(B).

5. Names (true names) of all members, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each. Include each person's CHRB license number (Notice: per Rule 1481, all persons that hold 5% or more of outstanding share must hold a CHRB license.):

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

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

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

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

8. Attach the prior two years' annual financial statements for the LLC, including balance sheets and profit and loss statements, and a copy of all reports issued during the preceding 24 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.

See attached 2020 and 2021 Audited Financial Statements

9. Applicants not previously licensed by the CHRB to conduct ADW, proceed to subsection 10. Applicants previously licensed by the CHRB to conduct ADW: Attach the prior two years' annual profit and loss statements for the California ADW operations only. Include the methodology used to determine the cost allocation for the profit and loss statements. **See attached confidential CA P&L**

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

See attached 2022 - 2025 Business Plan Forecast

D. OTHER

1. Name(s) of partners/sole proprietor: N/A
2. If a partnership, attach partnership agreement.
3. Attach the prior two years' annual financial statements for the partnership/sole proprietor. Include balance sheets and profit and loss statements, and a copy of all reports issued during the preceding 24 months to shareholders and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.
4. Applicants not previously licensed by the CHRB to conduct ADW, proceed to subsection 5. Applicants previously licensed by the CHRB to conduct ADW: Attach the prior two years' annual profit and loss statements for the California ADW operations

only. Include the methodology used to determine the cost allocation for the profit and loss statements.

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

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

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

- A. List the procedures to establish an Account:

See attached Plan of Operations PAGES 5-6

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

See attached sign-up form

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

Electronic Verification Systems, LLC, 2500 Technology Drive, Louisville, KY 40299 and TransUnion, LLC, 555 W. Adams Street, Chicago, IL 60661

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

- A. Submit a copy of your plan for operation. **See attached Plan of Operations.**

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

See Plan of Operations Page 6 Part B Deposit Process.

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

See attached Xpressbet's fees and transaction-related charges.

6. SECURITY ACCESS

- A. Attach your security access policy and safeguards pursuant to Business and Professions Code section 19604(c)(2). Policy must include the following:

Please refer to Xpressbet's Internet and Telephone Account Security document for Items 1 – 4.

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

See Page 1 of Xpressbet's Internet and Telephone Account Security document.

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

See Page 1 of Xpressbet's Internet and Telephone Account Security document.

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

See Page 3 of Xpressbet's Internet and Telephone Account Security document.

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

See Page 3 of Xpressbet's Internet and Telephone Account Security document.

7. PARI-MUTUEL

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

Bowen & McBeth, 10722 Arrow Route, Suite 110, Rancho Cucamonga, California 91730

Telephone: 909-944-6465; Facsimile: 909-980-4788

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

See Attached Types of Tote Equipment and Services.

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

See Attached Track List

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

8. CONTRACTS AND AGREEMENTS

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

See attached Vendor List

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

N/A

9. ADVERTISING

Name and address of the advertising agency you will use:

Assembly, One World Trade Center, 6th Floor, New York, NY 10007, 212.500.6900; and

Agency 360, C/O Hawthorne Race Course, 3501 S. Laramie Street, Stickney/Cicero, IL 60804, 818.744.5790

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

10. CERTIFICATION

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

Gene Chabrier

Print Name


Signature

Vice President of Regulatory Affairs & Business Development

Print Title

5/24/22
Date

CALIFORNIA HORSE RACING BOARD

December 15, 2022

REGULAR BOARD MEETING

There is no board package material for Item 11

CALIFORNIA HORSE RACING BOARD

December 15, 2022

REGULAR BOARD MEETING

There is no board package material for Item 12

CALIFORNIA HORSE RACING BOARD

December 15, 2022

REGULAR BOARD MEETING

There is no board package material for Item 13