

CALIFORNIA HORSE RACING BOARD

1010 Hurley Way, Suite 300

Sacramento, CA 95825

www.chrb.ca.gov

(916) 263-6000

information@chrb.ca.gov

REGULAR MEETING

Of the **California Horse Racing Board (CHRB/Board)** will be held on **Thursday, April 18, 2024**, 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 March 21, 2024.**
2. **Discussion and Action regarding the Proposed Amendments to CHRB Rule 1840 (Veterinary Practices and Treatments Restricted) and Rule 1890 (Possession of Contraband) to prohibit endoscopy and medications administered by hypodermic needles or nasogastric tubes except by authorized individuals. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)**
3. Discussion and Action by the Board on the **Request from the California Authority of Racing Fairs (CARF) to Designate the Following 2024 Allocated Race Dates as a Combined Fair Horse Racing Meeting**, pursuant to Business and Professions Code section 19549.1: Alameda County Fair at Pleasanton, June 12, 2024 to July 9, 2024; California Exposition and State Fair, July 10, 2024 to July 30, 2024; Humboldt County Fair at Ferndale, August 21, 2024 to September 17, 2024; and The Big Fresno Fair, September 18, 2024 to October 15, 2024.
4. Discussion regarding **Board support formula for fiscal year 2024-2025.**
5. Discussion and Action by the Board to Approve the **Request by 1st Racing to amend the current corporate structure** designated on the Santa Anita and Golden Fields racing license.
6. Discussion and Action by the Board on the **Request from the Los Angeles Turf Club to Approve a new wager** to be implemented during their existing race meet.

7. Discussion and action by the Board regarding an **amendment to the application for the Advance Deposit Wagering (ADW) provider XPRESSBET**, LLC pursuant to Board Rule 2072(I)
8. Reports
 - A. **Executive Director's Report.**
 - B. **Equine Medical Director's Report.**
9. **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.
10. **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).
11. **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 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

CALIFORNIA HORSE RACING BOARD

1010 HURLEY WAY, SUITE 300

SACRAMENTO, CA 95825

(916) 263-6000

information@chr.ca.gov**PENDING ADMINISTRATIVE ADJUDICATIONS**
APRIL 2024

The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters as authorized by Government Code section 11126(c) and (e). This shall include any matters mentioned below and/or permitted by law.

CASE**A. Proposed Decision in the Matter of the Complaint against Trainer Jessie Pacheco**

Case Number: SAC 23SW0022

B. Proposed Decision of Appeal of Board of Stewards Decision Trainer Gail Ruffu

Case Number: SAC 23-0061

CALIFORNIA HORSE RACING BOARD

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information@chr.ca.gov**PENDING LITIGATION**
APRIL 2024**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**
Court of Appeal, 4th Appellate District
- C. Baltas v. California Horse Racing Board (Et. al)**
Superior Court of California, County of Los Angeles
- D. Jamgotchian v. California Horse Racing Board**
U.S. District Court, Central District of California
- E. Jamgotchian v. Lewis et al.**
Superior Court of California, County of Alameda

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Sacramento, CA 95825

www.chrb.ca.gov

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



REGULAR BOARD MEETING MINUTES

Date and Time: March 21, 2024, at 9:30 a.m.

Location: California Exposition and State Fair Grandstand
1600 Exposition Boulevard
Sacramento, CA 95815

Board Members Present: Gregory Ferraro, Chairman
Oscar Gonzales, Vice-Chairman
Damascus Castellanos, Member
Dennis Alfieri, Member
Brenda Washington Davis, Member
Wendy Mitchell, Member
Thomas Hudnut, Commissioner

Staff Members Present: Scott Chaney, Executive Director
Jeff Blea, Equine Medical Director

1. APPROVAL OF THE MINUTES OF JANUARY 18, 2024.

Motion: Approve.

Motioned/Seconded: Alfieri/Hudnut.

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

Pages 3-4 in the Board transcript.

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

Motion: Approve.

Motioned/Seconded: Gonzales/Castellanos.

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

Pages 4-5 in the Board transcript.

3. DISCUSSION AND ACTION BY THE BOARD ON THE RENEWAL APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY FROM THE FIREHOUSE BAR AND RESTAURANT IN BAKERSFIELD, CALIFORNIA, FOR A PERIOD OF UP TO FIVE YEARS.

Proceedings of the Regular Meeting of March 21, 2024

Motion: Approve.

Motioned/Seconded: Hudnut/None.

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

Pages 6-7 in the Board transcript.

4. DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF DEL MAR THOROUGHBRED CLUB**, COMBINED 2023 RACE MEETINGS

Motion: Approve.

Motioned/Seconded: Davis/Castellanos.

Roll call re-vote: Aye: Hudnut, Castellanos, Alfieri, Gonzales, Mitchell, Davis, Ferraro. **Nay:** None. **Motion carried.**

Pages 7-8 in the Board transcript.

5. DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF PACIFIC RACING ASSOCIATION II AND PACIFIC RACING ASSOCIATION**, COMBINED 2023 RACE MEETINGS

Motion: Approve.

Motioned/Seconded: Davis/Hudnut.

Roll call re-vote: Aye: Hudnut, Castellanos, Alfieri, Gonzales, Mitchell, Davis, Ferraro. **Nay:** None. **Motion carried.**

Pages 8-9 in the Board transcript.

6. DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE LOS ANGELES TURF CLUB, INCORPORATED DBA AS SANTA ANITA PARK** 2023 RACE MEETING

Motion: Approve.

Motioned/Seconded: Hudnut/Alfieri.

Roll call re-vote: Aye: Davis, Mitchell, Gonzales, Hudnut, Castellanos, Alfieri, Ferraro. **Nay:** None. **Motion carried.**

Pages 10-11 in the Board transcript.

7. DISCUSSION AND ACTION BY THE BOARD REGARDING THE **ALLOCATION OF NORTHERN CALIFORNIA RACING DATES FOR RACING YEAR 2024.**

Motion: Approve.

Motioned/Seconded: Gonzalez/Mitchell.

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

Pages 11–154 in the Board transcript.

Proceedings of the Regular Meeting of March 21, 2024

8. REPORTS.

A. EXECUTIVE DIRECTOR'S REPORT

Pages 154–155 in the Board transcript.

B. EQUINE MEDICAL DIRECTOR'S REPORT.

Pages 155–157 in the Board transcript.

9. PUBLIC COMMENT.

Pages 158 in the Board transcript.

MEETING ADJOURNED AT 1:28 P.M.

Proceedings of the Regular Meeting of March 21, 2024

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

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1840, VETERINARY PRACTICES AND TREATMENTS RESTRICTED, AND RULE 1890, POSSESSION OF CONTRABAND, TO PROHIBIT ENDOSCOPIES AND MEDICATIONS ADMINISTERED VIA HYPODERMIC NEEDLES OR NASOGASTRIC TUBES EXCEPT BY AUTHORIZED INDIVIDUALS (NOTE: THIS CONCLUDES THE 45-DAY PUBLIC COMMENT PERIOD. THE BOARD MAY ADOPT THE PROPOSAL AS PRESENTED.)

Regular Board Meeting
April 18, 2024

ISSUE:

At the September 21, 2023, California Horse Racing Board (Board) meeting the Board approved the proposed amendment to Board Rules 1840, Veterinary Practices and Treatments Restricted, and 1890, Possession of Contraband.

During the 45-day public comment period for this rule change, the Board received one comment on behalf of the California Veterinary Medical Association (CVMA) to Rule 1840 (attached). The CVMA was primarily concerned with potential infringement on California Business and Professions Code Section (BPC) 4840.2 and California Code of Regulations Title 16 section 2036. BPC 4840.2 outlines the restrictions on registered veterinary technicians (RVT) and veterinary assistants regarding specific health care services. They shall not perform surgery, diagnosis and prognosis of animal diseases, and prescribing of drugs, medicine, and appliances. The comment provided suggested changes to the proposed text for Rule 1840 and clarifies what a RVT is permitted to perform.

ANALYSIS:

Staff recommends this comment be accepted. The suggested changes to the proposed text were developed in collaboration between the Board and the CVMA to address CVMA's concerns and clarify what a registered veterinary technician is permitted to perform.

BACKGROUND:

[Business and Professions Code \(BPC\) section 19440](#) states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering.

[BPC section 19562](#) further states that the Board may prescribe rules, regulations, and conditions, consistent with the provisions of Horse Racing Law, under which all horse races with wagering on their results shall be conducted in California.

RECOMMENDATION:

This item is presented for Board discussion and action. Included for your consideration is alternate language to address the concerns of the CVMA. Should the Board approve the amended language, the regulation will be re-noticed for an additional 15-day public comment period.

**AMENDMENTS FOR CONSIDERATION MARKED IN DOUBLE-UNDERLINE AND
DOUBLE-STRIKETHROUGH**

CALIFORNIA CODE OF REGULATIONS
TITLE 4. BUSINESS REGULATIONS
DIVISION 4. CALIFORNIA HORSE RACING BOARD
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF RULE 1840,
VETERINARY PRACTICES AND TREATMENTS RESTRICTED

1840. Veterinary Practices and Treatments Restricted.

~~(a) No person other than Californiaa Board-licensed veterinarians who have obtained a license from the Board shall administer to any horse within the inclosure any veterinary treatment or any medicine, medication, or other substance recognized as a medication, except for recognized feed supplements or oral tonics or substances approved by the official veterinarian, or except under the direction or prescription of a veterinarian licensed by the Board.~~

~~(b) No person other than a Board-licensed veterinarian or registered veterinary technician (RVT) under the direct supervision of a Board-licensed veterinarian, may perform an endoscopy within an inclosure for the purpose of evaluating upper respiratory function or structure, determining pathology, or making a diagnosis. Nothing in this rule shall be construed to permit an RVT to make a diagnosis.~~

~~(1) For purposes of this regulation, endoscopy shall be defined as a medical procedure for the purpose of evaluating upper airway function or structure, determining pathology, or making a diagnosis based upon the procedure.~~

~~(c) No person other than a Board-licensed veterinarian or RVT under the supervision of a Board-licensed veterinarian, shall administer to any horse within the inclosure any veterinary treatment or any medicine, medication, or other substance recognized as a medication with a hypodermic needle or nasogastric tube.~~

~~(d) No person other than a Board-licensed veterinarian shall administer to any horse within the inclosure any substance through a nasogastric tube.~~

Authority: Sections 19440 and 19562,
Business and Professions Code.

Reference: Sections 19440, 19562, and 19583,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 16. GENERAL CONDUCT
PROPOSED AMENDMENT OF
RULE 1890. POSSESSION OF CONTRABAND

1890. Possession of Contraband

(a) No person other than a veterinarian licensed by the Board, a registered veterinary technician (RVT), or a licensed veterinarian's assistant shall have in his or her possession at a facility under the jurisdiction of the Board any drug which is a narcotic, stimulant, or depressant, or any other substance or medication that has been prepared or packaged for injection by a hypodermic syringe or hypodermic needle, or any hypodermic syringe or hypodermic needle or similar instrument which may be used for injection.

(b) No person other than a veterinarian licensed by the Board, RVT, or a licensed veterinarian's assistant shall have in his or her possession at a facility under the jurisdiction of the Board any veterinary treatment or any medicine, medication, or other substance recognized as a medication, which has not been prescribed in accordance with Rule 1840 of this division and labeled in accordance with Rule 1864 of this division.

(c) No person shall have in his or her possession on the premises during any recognized meeting any electrical stimulating or shocking device commonly known as a battery, or any mechanical stimulating device, or any other appliance, which might affect the speed or actions of a horse.

(d) The stewards may permit the possession of drugs or appliances by a licensee for personal medical needs under such conditions as the stewards may impose.

Authority: Sections 19420, 19440 and 19580,
Business and Professions Code.

Reference: Sections 19460, 19580 and 19581,
Business and Professions Code.



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Sacramento, CA 95815-4505
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staff@cvma.net
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March 6, 2024

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

**RE: Comments on 4 CCR Section 1840
Proposed Amendments to Veterinary Practices and Treatments Restricted**

Dear Mr. Chaney:

The California Veterinary Medical Association (CVMA), representing over 7,800 veterinarians, registered veterinary technicians, and veterinary students, has comments on recent proposed changes to California Code of Regulations, Title 4, section 1840: Veterinary Practices and Treatments Restricted.

The CVMA wishes to thank both you and the California Horse Racing Board (CHRB) Medical Director, Dr. Jeff Blea, for being receptive to questions regarding your proposed changes to CHRB Rule 1840. The CVMA is primarily concerned with potential infringement on California Business and Professions Code Section 4840.2 as well as California Code of Regulations Title 16 section 2036.

After discussions that clarified the intent of the proposed amendments, that CVMA is offering the attached language (on page 2) with tracked changes for your consideration.

Please contact me if you have questions or concerns about the proposed changes. Thank you for your attention to this matter.

A handwritten signature in black ink, appearing to read 'Grant Miller', is written in a cursive style.

Grant Miller, DVM
Director of Regulatory Affairs

CALIFORNIA CODE OF REGULATIONS
TITLE 4. BUSINESS REGULATIONS
DIVISION 4. CALIFORNIA HORSE RACING BOARD
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF RULE 1840,
VETERINARY PRACTICES AND TREATMENTS RESTRICTED

1840. Veterinary Practices and Treatments Restricted.

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~~(b) No person other than a Board-licensed veterinarian, or registered veterinary technician (RVT) under the direct supervision of a Board-licensed veterinarian, may perform an endoscopy within an inclosure for the purpose of evaluating upper respiratory function or structure, determining pathology, or making a diagnosis. Nothing in this rule shall be construed to permit an RVT to make a diagnosis.~~

~~(1) For purposes of this regulation, endoscopy shall be defined as a medical procedure for the purpose of evaluating upper airway function or structure, determining pathology, or making a diagnosis based upon the procedure.~~

~~(c) No person other than a Board-licensed veterinarian, or RVT under the supervision of a Board-licensed veterinarian, shall administer to any horse within the inclosure any veterinary treatment or any medicine, medication, or other substance recognized as a medication with a hypodermic needle or nasogastric tube.~~

~~(d) No person other than a Board-licensed veterinarian shall administer to any horse within the inclosure any substance through a nasogastric~~

~~tube.~~ Authority: Sections 19440 and 19562,
Business and Professions Code.

Reference: Sections 19440, 19562, and 19583,
Business and Professions Code.

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST FROM THE CALIFORNIA AUTHORITY OF RACING FAIRS (CARF) TO DESIGNATE THE FOLLOWING 2024 RACE DATES AS A COMBINED FAIR HORSE RACING MEETING, PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19549.1: ALAMEDA COUNTY FAIR, JUNE 12, 2024, THROUGH JULY 9, 2024; CALIFORNIA EXPOSITION AND STATE FAIR, JULY 10, 2024, THROUGH JULY 30, 2024; HUMBOLDT COUNTY FAIR, AUGUST 21, 2024, THROUGH SEPTEMBER 17, 2024; AND THE BIG FRESNO FAIR, SEPTEMBER 18, 2024, THROUGH OCTOBER 15, 2024

Board Meeting

April 18, 2024

The California Authority of Racing Fairs (CARF) has submitted a letter (see attached) to the California Horse Racing Board (Board) requesting that the Board designate the 2024 race dates of Alameda County Fair, California Exposition and State Fair, Humboldt County Fair, and The Big Fresno Fair as a combined fair horse racing meeting.

CARF also requests that the license application for each segment of the combined fair horse racing meeting be filed in the usual manner (i.e., each fair files its race meet license application individually).

NOTE: The race dates requested for Humboldt County Fair and The Big Fresno Fair each fall partially outside of the dates allocated by the Board (see below).

BACKGROUND

[Business and Professions Code \(BPC\) section 19549.1](#) states that the Board may allocate horse racing days for mixed breed and combined fair horse racing meetings pursuant to [Food and Agricultural Code section 4058](#). Subsection (a) of section 4058 stipulates that county fairs in the northern zone may form an entity for conducting combined fair horse racing meetings on days other than the days on which general fair activities are conducted.

In 2023, CARF requested that the Board designate the 2023 racing dates allocated to its member fairs as a combined fair horse racing meeting. CARF also requested that the license applications for each segment of the combined fair horse racing meeting be filed individually, as normally done for racing meetings. At its March 2023 meeting, the Board approved these requests.

ANALYSIS

The Board approved the 2024 race dates calendar for Northern California at its September 21, 2023 meeting. The CARF member fairs were approved to conduct mixed breed horse racing meetings as follows:

- Alameda County Fair at Pleasanton—6/12/24–7/9/24

- California Exposition and State Fair—7/10/24–7/30/24
- Humboldt County Fair at Ferndale—8/21/24–9/10/24
- The Big Fresno Fair—10/2/24–10/15/24

CARF's requested race dates for Humboldt County Fair and The Big Fresno Fair fall partially outside of the allocated dates approved by the Board. CARF requests a final race meet date of September 17, 2024, for Humboldt County Fair and a starting race meet date of September 18, 2024, for The Big Fresno Fair. These dates fall outside of the Board-approved allocated dates above.

The recognition of the fair race dates as a combined fair horse racing meeting will provide the mechanism needed for wagering pools to carry over from one fair to the next. In support of its request, CARF has submitted an agreement (see attached) signed by all of the above-mentioned fairs to participate in a combined fair horse racing meeting.

RECOMMENDATION:

This item is presented for Board discussion and action.



a California joint powers agency

1776 Tribute Road, Suite 205
Sacramento, CA 95815
www.calfairs.com

March 1, 2024

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

Dear Scott,

Pursuant to Ag Code Section 4058 and Business Professions Code Section 19549.1, the California Authority of Racing Fairs (CARF) requests that the Board designate the following 2024 racing dates as a combined Fair horse racing meeting.

- **Alameda County Fair, Pleasanton: June 12 – July 9, 2024**
- **California State Fair, Sacramento: July 10–30, 2024**
- **Humboldt County Fair, Ferndale: August 21 – September 17, 2024**
- **Big Fresno Fair, Fresno: September 18 – October 15, 2024**

We are requesting that the license applications for each segment of the combined Fair horse racing meeting be filed in the usual manner.

A combined Fair horse racing meeting will allow Northern California racing Fairs the mechanism needed to conduct the dates allocated by the Board.

Respectfully submitted,

A handwritten signature in black ink that reads "Larry A. Swartzlander".

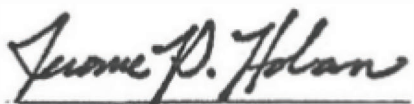
Larry A. Swartzlander

Executive Director

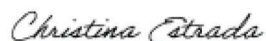
California Authority of Racing Fairs, CA JPA

-AGREEMENT-
COMBINED FAIR HORSE RACING MEETING

The undersigned Fairs agree to and confirm their participation in a combined Fair horse racing meeting pursuant to the California Food and Agricultural Code Section 4058 and Business and Professions Code Section 19549.1 ff. This agreement is effective April 4, 2017 and will remain in effect until a participating Fair gives notice in writing to the California Authority of Racing Fairs (CARF) that withdraws them from participation. These Fairs designate CARF to act on their behalf to conduct the combined Fair horse racing meeting.



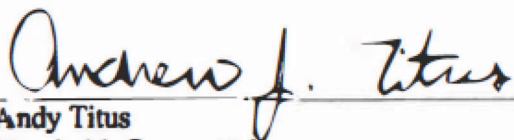
Jerome Hoban
Alameda County Fair



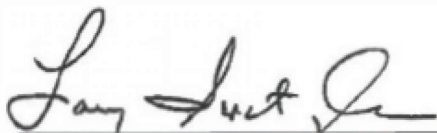
Christina Estrada
The Big Fresno Fair



Tom Martinez
California State Fair



Andy Titus
Humboldt County Fair



Larry Swartzlander
California Authority of Racing Fairs

2024 CARF Wagering Menu – Pleasanton, Sacramento, Ferndale, Fresno

	W/P/S	Exacta	Trifecta	Superfecta	DD	Pick 3	Pick 4	Pick 5	Pick 6	Pentafecta
1	X	X	X	X	X	X	X		*	
2	X	X	X	X	X	X		*	*	
3	X	X	X	X	X	X		*	*	
4	X	X	X	X	X	*		*	*	
5	X	X	X	X	*	*	*	*	*	
6	X	X	X	X	*	*	*	*	*	*
7	X	X	X	X	*	*	*	*	*	*
8	X	X	X	X	*	*	*	*		*
9	X	X	X	X	*	*	*			*
10	X	X	X	X	*	*				*
11	X	X	X	X	*					*
12	X	X	X	X						*

*When Applicable

Wager	Rule	Takeout	Minimum Wager Amount & Other Information
Win, Place, Show	CHRB 1954, ARCI #VE	16.77%	\$2 Win, Place and Show wagers are available on every race. Place wagers require 4 separate wagering interests and Show wagers require 5.
Exacta	CHRB 1959	24.02%	\$1 Exacta on all eligible races.
Trifecta	CHRB 1979	25.02%	\$1 Trifecta on all eligible races. Requires 4 wagering interests.
Superfecta	CHRB 1979.1	25.02%	\$1 Superfecta (10-cent minimum) on all eligible races. Requires 6 wagering interests.
Daily Double	CHRB 1957	24.02%	\$2 Rolling Daily Double
Pick 3	CHRB 1977	25.02%	\$1 Rolling Pick 3 on all eligible races.
Pick 4	CHRB 1976.9	25.02%	\$1 (50-cent minimum) early and late Pick 4. No consolation; 100% payout; alternate runner provision.
Pick 5	CHRB 1976.9	25.02%	\$1 Pick 5 (50-cent minimum) on last 5 races. 100% payout for 5 winners; if none, 25% payout to ticket with most winners. No consolation, 75% carryover to next day's Pick 5 if no ticket has 5 winners; alternate runner provision.
Gold Rush Pick 6 ⁽¹⁾	ARCI #004-105(G){2}{g}{16}(b)(ii)	25.02%	20-Cent Jackpot Pick 6. Last 6 races of all cards. 100% payout for a single unique ticket selecting all 6 winners OR 40% payout on multiple tickets selecting all 6 winners or tickets with the most winners. 60% carryover if no single unique ticket.
Gold Strike Super High 5 ⁽¹⁾	ARCI 004-105(X)-Pentafecta (5) Option (4), para b	25.02%	20-cent Jackpot Super High 5 on last race of the day. 100% payout for a single unique ticket selecting first 5 finishers OR 40% payout on multiple tickets selecting first 5 finishers. 60% carryover if no single unique ticket, 100% carryover if no tickets with first 5 finishers. Only a single ticket with a unique serial number and .20 cent base wager, or Foreign Equivalent, can trigger the jackpot payout.

¹ In 2024, there will be mandatory payouts of the Pick 5 and Jackpot pools on Monday, October 14, 2024, at Fresno.

STAFF ANALYSIS

DISCUSSION REGARDING BOARD SUPPORT FORMULA FOR FISCAL YEAR 2024-2025.

Regular Board Meeting
April 18, 2024

ISSUE:

In order to fund the CHRB's budget for FY 2024-25, the Board must either develop a formula or approve an industry developed formula prior to July 1, 2024.

ANALYSIS:

In a special legislative session in 2009, the California State Legislature passed SBX2-16 (Ashburn) which transitioned the funding of the California Horse Racing Board's budget from the general fund through association and fair based license fees to special funding by the associations directly. Initially, the formula was based on pre-SB 16 license fee rates on brick-and-mortar wagers. More recently, with the increase in ADW wagering accelerated by the pandemic, stakeholders have included ADW handle as a factor and used market access fees to fund the Board.

Pursuant to Business and Professions Code section 19616.51 (see below), each year the Board approves the formula by which it is funded by stakeholders. Historically, stakeholders have agreed upon the formula, but with the impending closure of Golden Gate Fields and difficult economics in horse racing, such a consensus may not be possible for the upcoming fiscal year. In fact, the Board may be faced with alternate, competing suggestions for formulas, creating the need to choose one, in order to fund its operations. California Horse Racing Law provides no guidance with respect to factors to be considered in determining a formula beyond the statutes below. Bus. & Prof. Code section 19616.51 provides the authority for the Board to determine the formula, while sections 19612.8 and 19518 only require that each association or fair, at a minimum, cover the costs directly associated with Board contractors—Stewards and Official Veterinarians—appointed for racing meet and for laboratory testing costs. Since 2009, it does not appear that those minimums were adhered to, as the associations agreed to the portion of board support for which they would be responsible. Factors that could be considered include but are not limited to, the number of racing days, direct costs of regulation, and handle.

AUTHORITY:

Bus. & Prof. Code § 19616.51. License fee reductions; Horse Racing Fund; distributions

a) Notwithstanding any other law, and in lieu of any license fee payable to the state prescribed for or referred to in Section 19491, 19491.5, 19596.3, 19601, 19601.2, 19602, 19603, 19604, 19605.25, 19605.35, 19605.45, 19605.6, 19605.7, 19605.71, 19606.5, 19606.6, 19610.8, 19611, 19612, 19614, 19616, 19616.1, 19616.2, or 19641, any association or fair that conducts a racing meeting shall only pay its proportional amount, as determined by the formula devised pursuant to paragraph (1), as a license fee to the state, to be deposited into the Horse Racing Fund, which is hereby established, to fund the board and the equine drug testing program as follows: (1) All racing associations and fairs including all breeds of racing shall participate in the funding of the board in accordance with a formula devised by the board in consultation with the industry.

(2) The baseline funding for the board and equine drug testing program in the first fiscal year after the enactment of this section shall be the amount approved in the 2008-09 Budget Act.

(3) Adjustments to the funding in subsequent budget years may only be made by an act of the Legislature.

(b) The license fee reductions resulting from subdivision (a), after payments to fund the board and the equine drug testing program, shall be distributed as follows:

(1) For thoroughbred racing only, 3 percent of the amount of the reduction shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2. The remaining amount shall be distributed to the association that conducts the racing meeting and to horsemen participating in that racing meeting as follows:

(A) Fifty percent to the association as commissions.

(B) Fifty percent to the horsemen as purses.

(2) For quarter horse racing, 3 percent of the amount of the reduction shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7, and shall thereafter be distributed in accordance with subdivisions (c), (d), (e), and (f) of Section 19617.7, the remaining amount shall be distributed to the association that conducts the racing meeting and to horsemen participating in that racing meeting as follows:

(A) Fifty percent to the association as commissions.

(B) Fifty percent to the horsemen as purses.

(3) For harness racing, 6 percent of the amount of the reduction shall be distributed as specified in Section 19617.6, the remaining amount shall be distributed to the association that conducts the racing meeting and to horsemen participating in that racing meeting as follows:

(A) Fifty percent to the association as commissions.

(B) Fifty percent to the horsemen as purses.

(4) For all other breeds, the remaining amount shall be distributed to the association that conducts the racing meeting and to horsemen participating in that racing meeting as follows:

(A) Fifty percent to the association as commissions.

(B) Fifty percent to the horsemen as purses.

Bus. & Prof. Code § 19612.8. Associations conducting racing meetings; payment of costs

Notwithstanding any other provision of law, any association conducting a racing meeting shall pay not less than the actual amount necessary to cover the costs for compensation, including any fringe benefits, to stewards and official veterinarians and to cover the costs for that racing meeting, as provided by the board under Section 19518.

Bus. & Prof. Code § 19518. Contracting with persons licensed as stewards or veterinarians to perform duties at horse racing meets; terms; committee recommendations; benefits; rights and immunities

(a)(1) The board shall contract with persons licensed as stewards pursuant to this article to perform the duties of stewards at horse racing meets. The board shall also contract with licensed veterinarians pursuant to this article to perform the duties of official veterinarians at horse racing meets. Contracts shall be upon any terms that the board, the stewards, and the official veterinarians may mutually agree upon and may contain different rates of compensation based upon the experience of the steward or official veterinarian.

(2) The board shall establish a committee of at least two board members to meet at least quarterly with representatives of the stewards, so that recommendations of the stewards can be discussed as necessary. These meetings may be scheduled for the same day as regular board meetings or at the convenience of the board. Representatives of associations may attend and participate in these meetings, or portions thereof, when items directly affecting the associations are discussed.

(3) The board shall provide remuneration, including any fringe benefits, to stewards, to the official veterinarian, and for the costs of laboratory testing relating to horse racing.

(b) Stewards, official veterinarians, and other racing officials appointed or approved by the board, and while performing duties required by this chapter or by the board, shall be entitled to the same rights and immunities granted public employees by Article 3 (commencing with Section 820) of Chapter 1 of Part 2 of Division 3.6 of Title 1 of the Government Code.

(c) The Legislature finds and declares that the services performed by stewards and official veterinarians at horse racing meetings are unique and cannot be performed adequately, competently, or satisfactorily by civil service personnel, and that the services cannot be adequately rendered by an existing public agency and do not duplicate the function of an existing public agency. Stewards and official veterinarians shall be personal service contractors of the board and shall not be civil service employees.

RECOMMENDATION

This item is presented for Board discussion.

2022/2023 Fiscal Year Board Support

Host	Fiscal Year 22/23 Board Support	% of total
Alameda County Fair	193,420	1.11%
Del Mar	4,511,115	25.82%
Golden Gate	2,074,590	11.87%
Humboldt County Fair	64,600	0.37%
LACF	353,113	2.02%
Los Alamitos Quarter	546,225	3.13%
Los Alamitos Thoroughbred	645,509	3.69%
Santa Anita	8,609,100	49.27%
Sonoma County Fair	103,716	0.59%
State Fair	142,032	0.81%
The Big Fresno Fair	97,818	0.56%
Watch and Wager	130,760	0.75%
Total	17,472,000	100.00%
Grouped:		
N-Cal Fairs	601,587	3.44%
GG	2,074,590	11.87%
N-Cal day meets	2,676,177	15.32%
DM	4,511,115	25.82%
SA	8,609,100	49.27%
LARA/LACF	998,623	5.72%
S-Cal day meets	14,118,838	80.81%
LAQ	546,225	3.13%
WAW	130,760	0.75%
Total Night Meets	676,985	3.87%
Total	17,472,000	100.00%
Just Day Meets		
N-Cal day meets	2,676,177	15.93%
S-Cal day meets	14,118,838	84.07%
Total day meets	16,795,015	100.00%

2022/2023 Fiscal Year Board Support plus 2023 Calendar Year HISA

Host	Fiscal Year	% of total	Calendar Year	% of total	Combined BS and HISA	
	22/23 Board Support		2023 HISA			
Alameda County Fair	193,420	1.11%	25,989	1.65%	219,409	1.15%
Del Mar	4,511,115	25.82%	390,641	24.74%	4,901,756	25.73%
Golden Gate	2,074,590	11.87%	304,955	19.31%	2,379,545	12.49%
Humboldt County Fair	64,600	0.37%	4,340	0.27%	68,940	0.36%
LACF	353,113	2.02%	41,440	2.62%	394,553	2.07%
Los Alamitos Quarter	546,225	3.13%	16,996	1.08%	563,221	2.96%
Los Alamitos Thoroughbred	645,509	3.69%	55,253	3.50%	700,762	3.68%
Santa Anita	8,609,100	49.27%	697,660	44.18%	9,306,761	48.85%
Sonoma County Fair	103,716	0.59%	14,052	0.89%	117,768	0.62%
State Fair	142,032	0.81%	16,870	1.07%	158,903	0.83%
The Big Fresno Fair	97,818	0.56%	11,101	0.70%	108,919	0.57%
Watch and Wager	130,760	0.75%	-	0.00%	130,760	0.69%
Total	17,472,000	100.00%	1,579,297	100.00%	19,051,297	100.00%
Grouped:						
N-Cal Fairs	601,587	3.44%	72,352	4.58%	673,939	3.54%
GG	2,074,590	11.87%	304,955	19.31%	2,379,545	12.49%
N-Cal day meets	2,676,177	15.32%	377,307	23.89%	3,053,484	16.03%
DM	4,511,115	25.82%	390,641	24.74%	4,901,756	25.73%
SA	8,609,100	49.27%	697,660	44.18%	9,306,761	48.85%
LARA/LACF	998,623	5.72%	96,693	6.12%	1,095,316	5.75%
S-Cal day meets	14,118,838	80.81%	1,184,994	75.03%	15,303,832	80.33%
LAQ	546,225	3.13%	16,996	1.08%	563,221	2.96%
WAW	130,760	0.75%	-	0.00%	130,760	0.69%
Total Night Meets	676,985	3.87%	16,996	1.08%	693,981	3.64%
Total	17,472,000	100.00%	1,579,297	100.00%	19,051,297	100.00%
Just Day Meets						
N-Cal day meets	2,676,177	15.93%	377,307	24.15%	3,053,484	16.63%
S-Cal day meets	14,118,838	84.07%	1,184,994	75.85%	15,303,832	83.37%
Total day meets	16,795,015	100.00%	1,562,301	100.00%	18,357,316	100.00%

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD TO APPROVE THE REQUEST BY 1/ST RACING TO AMEND THE CURRENT CORPORATE STRUCTURE DESIGNATED ON THE SANTA ANITA AND GOLDEN GATE FIELDS RACING LICENSES.

Regular Board Meeting
April 18, 2024

ISSUE:

On or about December 22, 2023, 1/ST Racing provided notice to the California Horse Racing Board (Board) regarding a reorganization at the corporate level of 1/ST Racing. It is represented that these changes will not affect the management, operation, financial health, or customer service of its California racing entities, which includes Santa Anita Park and Golden Gate Fields.

ANALYSIS:

CHRB Rule 1432 (see below) generally gives the Board broad authority to require information, including shareholder information. CHRB staff is bringing the matter to the Board as an update, but there is no action for the Board to take at this time.

BACKGROUND:

Authority:

Bus. & Prof. Code § 19420: Jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board.

Bus. & Prof. Code § 19440 (in part): (a) The board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the board shall include, but not be limited to, all of the following:

(5) Licensing of each racing association and all persons, other than the public at large, who participate in a horse racing meeting with parimutuel wagering.

CHRB Rule 1432 (Board May Demand Information): The Board may require any racing association, prospective racing association or other person intending to make application for license to conduct a horseracing meeting to furnish the Board with a detailed proposal and disclosure as to its proposed racing program, purse program, officials, principals or shareholders, plant, premises, facility, finances, lease arrangements, agreements, contracts and such other information as the Board may require to determine the eligibility and qualifications of the association or person to conduct a race meeting.

CHRB Rule 1439 (List of Shareholders): Each association shall, if a corporation, maintain a current list of stockholders and the number of shares held by each and such list shall be

available for inspection by the Board. The association shall immediately inform the Board of any change of corporate officers or directors, or any change in stockholders when such change of the holdings of any individual stockholder exceeds 5% of the outstanding shares of the corporation. The real owner of the stock shall be listed if known. The Board may require the disclosure of the real name of any individual or person who holds over 5% of the outstanding shares of any racing association and may refuse to issue a license to, or suspend the license of, any association which fails to disclose the real name of such shareholders if such information is known to or ascertainable by the association.

RECOMMENDATION:

This item is presented for Board discussion. No action is necessary.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST FROM THE LOS ANGELES TURF CLUB TO APPROVE A NEW WAGER TO BE IMPLEMENTED DURING THEIR EXISTING RACE MEET.

Regular Board Meeting
April 18, 2024

ISSUE

On November 16, 2023, the California Horse Racing Board granted a license to conduct a thoroughbred race meet to the Los Angeles Turf Club (LATC). The license period encompasses December 20, 2023, through June 18, 2024. LATC is requesting an amendment to their existing license to permit a new wager called the “Three by Three”.

ANALYSIS

LATC requests to amend its wagering menu to add the Pick (n) Position (x) as defined by ARCI-004-105(T). The wager will be a Pick (3) Position (3), which will be known as the “Three by Three.” The wager will utilize payout Method 6 (ARCI-004-105(T)(4)(f)). In this wager, the customer needs to select the top three finishers, in exact order, in three designated races. Each race day, LATC will designate three consecutive races which will be used for the Three by Three. LATC will use scratch rule Method 1 (ARCI-004-105(T)(7)(c)(A)). It will be a \$1 wager and have a takeout rate of 22.00%.

Pursuant to ARCI-004-105(T)(2), “the association must obtain written approval from the Commission concerning the scheduling of Pick (n) Position (x) contests, the designation of one of the methods prescribed in Parts 3 and 6, the percentages of the net pool apportioned between the major share of the Position (x) pool and the minor share(s) of the Position (x) pool, and the amount of any cap to be set on the carryover. Any changes to the approved Pick (n) Position (x) format require prior approval from the Commission.”

Here LATC requests the following changes to the Pick (n) Position (x):

1. The winner of any share of the pool also qualifies for all additional tiers that require fewer winning selections.
2. If there are no winning tickets for a minor share, that minor share will carryover to the corresponding minor share for the next Three by Three. On a mandatory payout day, any minor share that is not won will be added to the major share, and if there are no winning tickets for the major share that day, then it, along with any major share carryover, will be added to the minor share that has the greatest number of correct selections. On a mandatory payout day, if there are no winning tickets for the major share, only the amount of money wagered that day, and any applicable carryover, will be paid out—the \$10,000 guarantee of the major pool will not roll down to the minor pool that has the most correct winning selections.

RECOMMENDATION

This item is presented for Board discussion and action.



April 8, 2024

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

Re: Amendment to Santa Anita License Application – Addition of Pick (3) Position (3)

Dear Mr. Chaney,

Los Angeles Turf Club, Incorporated (“LATC”) requests to amend its wagering menu to add the Pick (n) Position (x) as defined by ARCI-004-105(T). The wager will be a Pick (3) Position (3), which will be known as the “Three by Three.” The wager will utilize payout Method 6 (ARCI-004-105(T)(4)(f)). In this wager, the customer needs to select the top three finishers, in exact order, in three designated races. Each race day, LATC will designate three consecutive races which will be used for the Three by Three. LATC will use scratch rule Method 1 (ARCI-004-105(T)(7)(c)(A)). It will be a \$1 wager and have a takeout rate of 22.00%. Like all wagers offered in California, Quick Pick will be available. The major share will be guaranteed at \$10,000—the minor shares will not have a guarantee.

The following are the minor shares that will be offered, as well as the share distributions for the major share, principal minor share, and additional minor shares.

- Major Share – 92.66552%
- Minor Share #1 – 8 horses selected in exact position – 5.55993%
- Minor Share #2 – 7 horses selected in exact position – 1.41315%
- Minor Share #3 – 6 horses selected in exact position – 0.28958%
- Minor Share #4 – 5 horses selected in exact position – 0.05560%
- Minor Share #5 – range of 3-4 horses selected in exact position – 0.01622%
- Principal Minor Share – 0%

Pursuant to ARCI-004-105(T)(2), LATC requests that the California Horse Racing Board (“CHRB”) approve the following modifications to ARCI-004-105(T).

1. The winner of any share of the pool also qualifies for all additional tiers that require fewer winning selections. The following two examples illustrate the rule. Example 1: A customer correctly selects all nine (9) horses in exact position. The customer will be deemed to be holding a winning ticket for the Major Share as well as a winning ticket for each of the Minor Shares #1-5. Example 2: A customer selects six (6) horses in exact position. The customer will be deemed to be holding a winning ticket for each of the Minor Shares #3-5.

2. If there are no winning tickets for a minor share, that minor share will carryover to the corresponding minor share for the next Three by Three. We believe that ARCI-004-105(T) already allows for each minor share to carryover to the minor shares for the next Three by Three. However, if the CHRB disagrees, we request that each minor share be allowed to carryover to the corresponding minor share for the next Three by Three. On a mandatory payout day, any minor share that is not won will be added to the major share, and if there are no winning tickets for the major share that day, then it, along with any major share carryover, will be added to the minor share that has the greatest number of correct selections. On a mandatory payout day, if there are no winning tickets for the major share, only the amount of money wagered that day, and any applicable carryover, will be paid out—the \$10,000 guarantee of the major pool will not roll down to the minor pool that has the most correct winning selections.

Please let me know if you have any questions.

Sincerely,



Eric Sindler



April 4, 2024

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

Dear Mr. Chaney:

Pursuant to California Business and Professions Code Section 19601.1, Los Angeles Turf Club, Incorporated ("LATC"), after consultation with the Thoroughbred Owners of California ("TOC"), is hereby requesting takeout, as set forth below, to be offered during LATC's 2024 Winter/Spring Meet from December 20, 2023, through June 18, 2024. This request is in addition to the requested changes previously approved by the Board.

- Pick 3, Position 3, "Three by Three," subject to a 22% takeout.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nate Newby", written in a cursive style.

Nate Newby
Senior Vice President & General Manager



April 11, 2024

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

Re: Amendment to Santa Anita License Application – Addition of Pick (3) Position (3)

Dear Mr. Chaney,

Los Angeles Turf Club, Incorporated (“LATC”) requests to amend its wagering menu to add the Pick (n) Position (x) as defined by ARCI-004-105(T). The wager will be a Pick (3) Position (3), which will be known as the “Three by Three.” The wager will utilize payout Method 6 (ARCI-004-105(T)(4)(f)). In this wager, the customer needs to select the top three finishers, in exact order, in three designated races. Each race day, LATC will designate three consecutive races which will be used for the Three by Three. LATC will use scratch rule Method 1 (ARCI-004-105(T)(7)(c)(A)). It will be a \$1 wager and have a takeout rate of 22.00%. Like all wagers offered in California, Quick Pick will be available. The major share will be guaranteed at \$10,000—the minor shares will not have a guarantee.

The following are the minor shares that will be offered, as well as the share distributions for the major share, principal minor share, and additional minor shares.

- Major Share – 92.665%
- Minor Share #1 – 8 horses selected in exact position – 5.560%
- Minor Share #2 – 7 horses selected in exact position – 1.413%
- Minor Share #3 – 6 horses selected in exact position – 0.290%
- Minor Share #4 – 5 horses selected in exact position – 0.056%
- Minor Share #5 – range of 3-4 horses selected in exact position – 0.016%
- Principal Minor Share – 0%

Pursuant to ARCI-004-105(T)(2), LATC requests that the California Horse Racing Board (“CHRB”) approve the following modifications to ARCI-004-105(T).

1. The winner of any share of the pool also qualifies for all additional tiers that require fewer winning selections. The following two examples illustrate the rule. Example 1: A customer correctly selects all nine (9) horses in exact position. The customer will be deemed to be holding a winning ticket for the Major Share as well as a winning ticket for each of the Minor Shares #1-5. Example 2: A customer selects six (6) horses in exact position. The customer will be deemed to be holding a winning ticket for each of the Minor Shares #3-5.

2. If there are no winning tickets for a minor share, that minor share will carryover to the corresponding minor share for the next Three by Three. We believe that ARCI-004-105(T) already allows for each minor share to carryover to the minor shares for the next Three by Three. However, if the CHRB disagrees, we request that each minor share be allowed to carryover to the corresponding minor share for the next Three by Three. On a mandatory payout day, any minor share that is not won will be added to the major share, and if there are no winning tickets for the major share that day, then it, along with any major share carryover, will be added to the minor share that has the greatest number of correct selections. On a mandatory payout day, if there are no winning tickets for the major share, only the amount of money wagered that day, and any applicable carryover, will be paid out—the \$10,000 guarantee of the major pool will not roll down to the minor pool that has the most correct winning selections.

Please let me know if you have any questions.

Sincerely,



Eric Sindler



April 5, 2024

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

RE: Santa Anita 2023-24 Winter-Spring Race Meet - Wager Approvals

Dear Scott,

Los Angeles Turf Club (LATC) has contacted the Thoroughbred Owners of California (TOC) regarding the conducting of the following wagers on each racing day of its winter-spring race meet beginning December 20, 2023, through June 18, 2024.

- **Pick 3, Position 3**, wagers subject to a 22% takeout

The TOC agrees to wagers listed above.

Please contact me with any questions.

Sincerely,

William A. Nader
President and CEO

cc. Eric Sindler
Sherrie Thayer

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING AN AMENDMENT TO THE
APPLICATION FOR THE ADVANCE DEPOSIT WAGERING (ADW) PROVIDER
XPRESSBET, LLC PURSUANT TO BOARD RULE 2072(I)

Board Meeting
April 18, 2024

ISSUE:

Xpressbet, LLC (Xpressbet), an out-of-state multijurisdictional wagering hub with a Board approval to conduct advance deposit wagering (ADW), has submitted a request to grant Hillside (Fantasy) LLC, dba Bet365, access to its ADW platform, whereby customers using Bet365 website (www.bet365racing.com) and mobile applications may access, via a portal, Xpressbet's ADW services in California. Subsection (I) of Board Rule 2072 requires that any amendments to the operating procedures contained in an application for approval to conduct ADW, subsequent to Board approval of the application, be permitted by order of the Board or by Board approval of a request submitted in writing by the applicant.

BACKGROUND:

At its December 15, 2022 meeting, the Board granted Xpressbet an approval as an out-of-state ADW provider, with a term of January 1, 2023, through December 31, 2024. Currently, under its approval, Xpressbet may accept wagers from California residents on out-of-state Quarter Horse races. Xpressbet may also accept wagers from California residents on races conducted by a California association or fair if the Board approves a race meet application submitted by the association or fair that includes an ADW agreement with Xpressbet, along with approval from the appropriate horsemen's organization.

The Board has approved various requests in the past by ADW providers to amend their plans of operations to include the use of a wagering portal. More recently, at its October 2023 meeting, the Board approved a request by Churchill Downs Technology Initiatives Company (CDTIC) dba Twinspires and dba BetAmerica to grant DK Crown Holding, Inc., Crown Gaming Inc., and DK Horse, LLC (collectively, "DraftKings") access to its ADW platform, whereby customers using DraftKings' website (www.dkhorse.com) and mobile applications to access CDTIC's ADW services in California via a portal.

ANALYSIS:

The approval of Xpressbet's request would allow customers of Bet365's platform to access Xpressbet's ADW services in California via a portal. Xpressbet would provide the same technology and application programming interfaces and in the same manner as offered by Xpressbet on www.xpressbet.com, and Xpressbet's responsibilities would include, but not be limited to, account setup, maintenance, customer service, and wager

processing. The Bet365 platform would act as another brand through which Xpressbet would carry out its ADW services.

RECOMMENDATION:

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD

APRIL 18, 2024

REGULAR BOARD MEETING

There is no board package material for Item 8

CALIFORNIA HORSE RACING BOARD

APRIL 18, 2024

REGULAR BOARD MEETING

There is no board package material for Item 9

CALIFORNIA HORSE RACING BOARD

APRIL 18, 2024

REGULAR BOARD MEETING

There is no board package material for Item 10