

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 2026 TO INCLUDE DISTRIBUTIONS TO
SOUTHERN CALIFORNIA OFF-TRACK WAGERING, INC.

Regular Board Meeting
November 19, 2025

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 2025 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 2026. SCOTWINC provides that any funding in excess of simulcast costs would be split between track and purse commissions.

ANALYSIS:

Since December 2018, the Board has approved ADW Expense Fund Agreements covering the calendar year. The last approval occurred at the December 19, 2024 Board Meeting to cover calendar year 2025 and provided for a distribution to SCOTWINC from market access fees in the following amounts:

- 2.40% of Southern California ADW wagering for meets hosted by Del Mar Thoroughbred Club and Los Alamitos Racing Association
- 2.00% for the Autumn meets hosted by Los Angeles Turf Club
- 1.70% for the Winter/Spring meet hosted by the Los Angeles Turf Club.

Parties to the agreement, which include TOC, CTBA and all Southern California thoroughbred host tracks, now seek approval for a 2026 agreement with the same distribution amounts as 2025.

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.

2026 Expense Fund Agreement

This Agreement is entered into as of this 4th day of November, 2025 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, 2026 through December 31, 2026.
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

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 By: William A. Nader
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 William A. Nader

Los Alamitos Racing Association

By: _____

Del Mar Thoroughbred Club

DocuSigned by:
 By: Josh Rubinstein
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 Josh Rubinstein

Los Angeles Turf Club

DocuSigned by:
 By: Nate Newby
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 Nate Newby

California Thoroughbred Breeders Association

DocuSigned by:
 By: Doug Burge
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 Doug Burge

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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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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: _____

Los Alamitos Racing Association

By:  _____

Del Mar Thoroughbred Club

By: _____

Los Angeles Turf Club

By: _____

California Thoroughbred Breeders Association

By: _____